Committee Agenda

Finance and Performance Management Cabinet Committee
Monday, 16th June, 2008

Place:	Civic Offices, High Street, Epping
Room:	Committee Room 1
Time:	6.30 pm
Democratic Services Officer:	Gary Woodhall, The Office of the Chief Executive Tel: 01992 564470 Email: gwoodhall@eppingforestdc.gov.uk

Members:

Councillors C Whitbread (Chairman), M Cohen, Mrs D Collins, Mrs A Grigg, Mrs M Sartin and D Stallan

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PLEASE NOTE THE START TIME OF THIS MEETING

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1. **WEBCASTING INTRODUCTION**

    The Chairman will read the following announcement:

    "I would like to remind everyone present that this meeting will be recorded for subsequent repeated viewing on the Internet and copies of the recording could be made available for those that request it.

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

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

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

2. **APOLOGIES FOR ABSENCE**

3. **MINUTES**

    To confirm the minutes of the last meeting of the Committee held on 17 March 2008

(previously circulated).

4.   DECLARATIONS OF INTEREST

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

5.   ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

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

6.   REVIEW OF ICT SERVICE (Pages 5 - 40)

(Director of Finance & ICT) To consider the attached report (FPM-001-2008/09).

7.   RISK MANAGEMENT - UPDATED CORPORATE RISK REGISTER (Pages 41 - 62)

(Director of Finance & ICT) To consider the attached report (FPM-002-2008/09).

8.   PROVISIONAL REVENUE OUTTURN (Pages 63 - 76)

(Director of Finance & ICT) To consider the attached report (FPM-003-2008/09).

9.   PROVISIONAL CAPITAL OUTTURN AND USE OF TRANSITIONAL RELIEF IN 2008/09 (Pages 77 - 86)

(Director of Finance & ICT) To consider the attached report (FPM-004-2008/09).

10.   KEY PERFORMANCE INDICATORS 2007/08 & 2008/09 (Pages 87 - 104)

(Deputy Chief Executive) To consider the attached report (FPM-005-2008/09).

11.   EXCLUSION OF PUBLIC AND PRESS

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

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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

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

(1)   All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.

(2)   At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.

(3)   Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

(a)   disclose any facts or matters on which the report or an important part of the report is based; and

(b)   have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

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

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Report to the Finance & Performance Management Cabinet Committee

Report Reference: FPM-001-2008/09.
Date of Meeting: 16 June 2008.

Epping Forest District Council

Portfolio: Corporate Support & ICT Services.

Subject: Review of ICT Service.

Responsible Officer: Bob Palmer (01992 564279).
David Newton (01992 564580).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

(1) To note the key findings of the review and the recommendations contained therein;

(2) To agree that the most appropriate means of future ICT service delivery is through targeted investment in the current service; and

(3) To agree the proposed action plan to implement the key findings of the review.

Executive Summary:

The ICT Service has been through a challenging period with the medical retirement of the former Head of ICT and the subsequent resignation of the Assistant Head of ICT. The loss of these senior staff combined with the corporate restructure made it essential to conduct a review of the ICT Service.

Capita were engaged to review and benchmark the existing ICT Service and make recommendations on the strategic direction and future provision of ICT Services at the Council. This review has helped highlight both strengths and weaknesses and has concluded that the current in-house provision should continue. This conclusion is based on Capita's opinion that out-sourcing would be unlikely to provide either cost or risk savings.

Reasons for Proposed Decision:

The proposed decisions are in line with the external consultants recommendations and should ensure that the ICT Service is provided in the most economical, efficient and effective manner.

Other Options for Action:

The ICT Service could be wholly or partly out-sourced, although this would go against the consultant's advice.

Members could decide that the service does not require a re-structuring or any investment. However, this would not achieve the objective of making the service fully fit for purpose.

Report:

1.   The full report produced by Capita is attached at Appendix 1 and will be presented to the Committee by Mr Kevin Smitten, Proposition Development Manager, Capita IT Services.

2.   An action plan is attached at Appendix 2 to address the report's main recommendations.

3.   Members are asked to note the key findings of the review and approve the action plan.

Resource Implications:

Comments on resources are made individually against the areas detailed in the action plan. In summary, a re-structuring may require some additional resource whilst new servers can be funded from the existing capital programme and should lead to revenue savings.

Legal and Governance Implications:

None.

Safer, Cleaner and Greener Implications:

If it is possible to implement server virtualisation (the ability to allow multiple virtual machines, regardless of operating system, to run in isolation, side by side on the same physical machine) electricity consumption could be reduced.

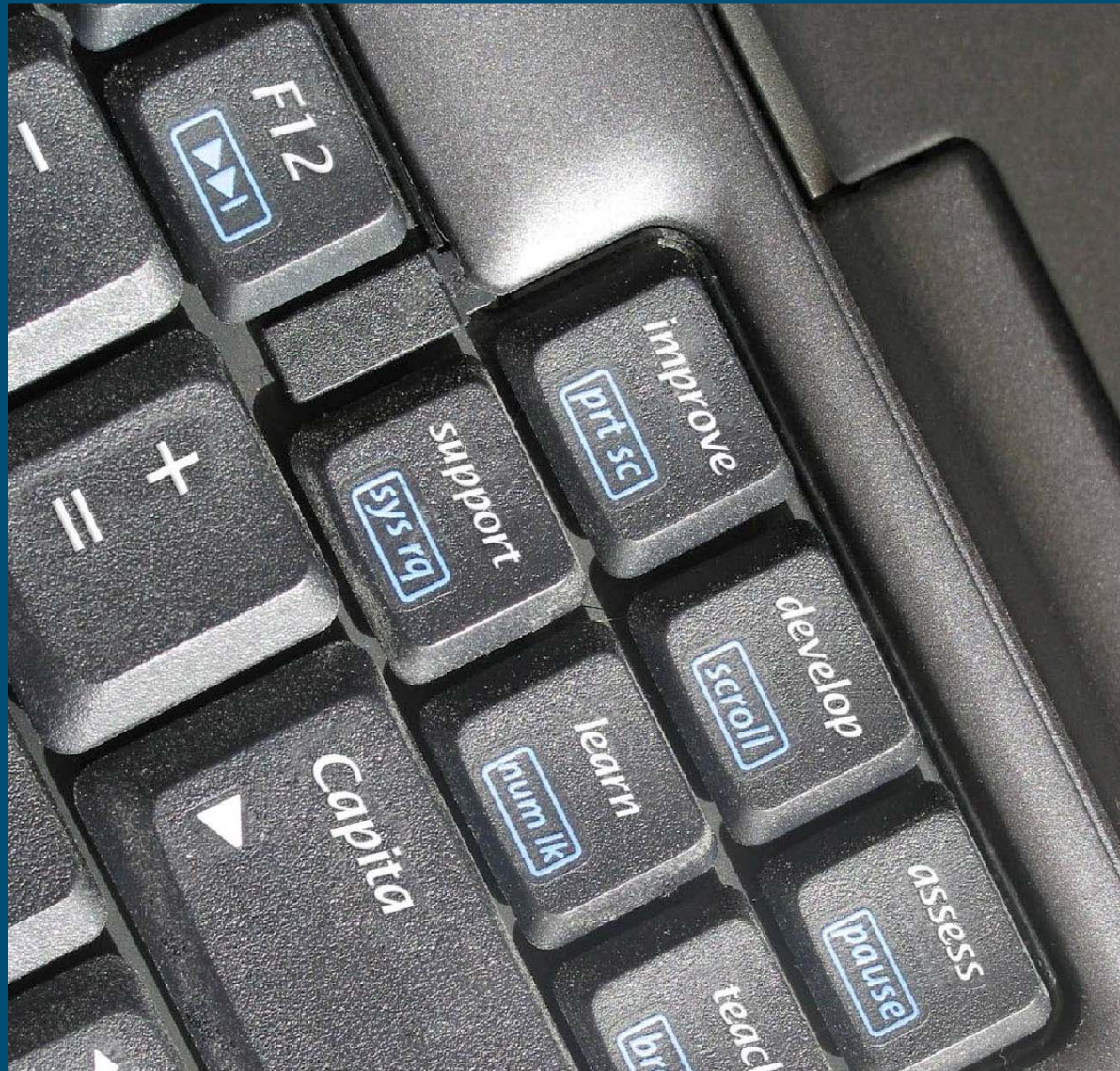**Consultation Undertaken:**

None.

Background Papers:

None.

Impact Assessments:

No equalities impacts.

The consultants have highlighted that outsourcing would increase risk, particularly if any form of customer contact programme were initiated.

CAPITA

Epping Forest
District Council

Epping Forest District Council
ICT Review – Draft Report
13th April 2008

Document Overview

Contact Details

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Notice

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TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

1.1 Background

At the time of the review there were a number of issues and recent organisational changes which led to EFDC commissioning the review:

- Consolidation of ICT budgets
- User perception of the service was mixed
- Organisational restructure anticipating a new customer contact service
- A new Corporate Director

The review of the Council's current ICT operations within Epping Forest District Council concentrated on base lining the current operation comparing it to best practice and identifying the opportunities for ICT-related improvements and efficiency gains both at a strategic and service level.

1.2 Key Challenges

The review revealed that the current service is appropriate to maintain and improve the current IT environment. There are no major cost or risk management advantages from looking at alternative service provision such as outsourcing. There is a need to make some targeted investment in the service in order to address a range of issues identified during the review:

- Inconsistent alignment of ICT investments to strategic outcomes
- Although significant steps have been taken to improve engagement with users there is a lack of formal processes and structures for Directorates to access IT services.
- Resource planning suffers due to the absence of an overarching medium and long term development plan linked to corporate outcomes.
- EFDC has made investments in key corporate systems which have not been rolled out across the organisation.
- Any major projects will stretch the capacity and capability of the service and although a longer term view of resource planning will alleviate this somewhat there will be a need to bring in external resources.
- Shortfalls identified against ICT service best practice (ITIL).

1.3 Key Recommendations

Although guided by benchmarking against best practice the recommendations made take account of the size of and resources available to EFDC and are designed to be pragmatic. The key recommendations are:

- Targeted investment in the current service
- Creation of an IT Governance framework to ensure that investments are aligned to corporate outcomes, benefits are realised and engagement with the Directorates
- Move towards managing the ICT service and projects as a portfolio balancing outcomes and resources
- Exploit existing IT investments
- Strategic plan to move towards ITIL best practice with implementation of tactical quick wins.

2 GOVERNANCE AND STRATEGY REVIEW

2.1 Objectives:

- Baseline EFDC's current ICT Governance mechanism
- Review EFDC ICT programme and project management
- Review the current EFDC ICT strategy and policies
- Review the structure, roles and responsibilities of the ICT Department
- Understand user perceptions and views of the ICT function
- Review EFDC capital and revenue ICT expenditure
- Benchmark EFDC ICT Governance, strategy and expenditure against comparable district Local Authorities and Best Practice
- Produce an Options Appraisal identifying opportunities for improvement in ICT Strategy and Governance, for further development by EFDC.

2.2 Background

At the time of the review there were a number of issues and recent organisational changes which led to EFDC commissioning the review:

- Consolidation of ICT budgets
- User perception of the service was mixed
- Organisational restructure anticipating a new customer contact service
- A new Corporate Director

EFDC is not under any immediate pressure to achieve wholesale efficiency savings, although efficiency savings are seen as a means to invest in priority services. The Council's current strategic focus is on service improvement and ICT is seen as a key enabler of this. The recruitment and retention of ICT skills has been challenging given the salary levels that Epping can offer and the competition from central London.

2.3 Findings

2.3.1 Areas of strength

EFDC has made considerable progress in many areas to improve its ICT service particularly following the recent reorganization. There are a number of areas where the review identified strengths around the governance and strategic alignment of ICT:

- Staff within the ICT service are well regarded by the wider user community
- The consolidation of budgets has increased the strength of control over costs
- The ICT requirements coming out of the annual business planning process are being consolidated
- There is a desire both within the Directorates and ICT to move to more formalized planning processes
- Projects in the main are delivered within budget and on time
- Strategic ICT systems have been procured which could enable business change
- Cost benchmarks indicate that the Council is average in comparison with similar sized authorities.
- The enthusiasm of ICT staff and the Directorates to make the best use of ICT is a strong basis for change.

2.3.2 Best Practice Assessment

An assessment was made against the best practice for governance and strategy using the National eService Delivery Standards as a framework. EFDC currently exhibits characteristics bordering chaotic and responsive (see Figure 1). This when combined with the reactive assessment from the ITIL service review indicates an ICT service that has been fire-fighting. Responsive is seen as the minimum standard to ensure that the Council is using ICT effectively. This is typical of a district council such as EFDC and realistically the objective should be to move to proactive with some pockets of excellence.

Chaotic	• Good results may be achieved sometimes, but success is generally inconsistent and typically dependent on individual efforts or heroics. ICT's relationship with the Organisation can be patchy
Responsive	• This should be the minimum standard to ensure that the Council is using iCT effectively. There is a typically effective relationship between ICT and the Organisation
Proactive	• At this level ICT is adding value through proactive behaviour and close alignment with Organisational needs
Excellent	• This is global best practice, comparable with the most effective public and private sector Organisations. ICT is being geared up to deliver maximum value to the Organisation

Figure 1 - Comparison with NESDS best practice

2.3.3 Strategic Challenges

The review identified a range of challenges that EFDC face in getting the best out of its investments into ICT. EFDC can consolidate its position at Responsive in the short term and move to Proactive as long as it addresses these. In summary they are:

- Inconsistent alignment of IT services and projects to corporate desired outcomes and business planning. Investments in IT are not managed as a portfolio.

- Inconsistent customer engagement with a lack of formal processes, (although this has improved dramatically in the last few months) has resulted in mixed perceptions of the value of the IT Service by the wider council.

- There is a mixed picture in terms of the capacity and capability of Directorates to make best use of IT.

- There is a lack of understanding within the Council of the impact of IT resource constraints on delivery of services to directorates including within IT.

- The absence of a comprehensive development plan hinders medium term resource planning.

- Existing IT investments such as EDRMS have not been fully exploited and in other areas, eg.GIS a corporate standard has not been adopted where it could sensibly be expected.

- Although the IT capacity and capability is appropriate to maintain and improve the current IT environment it will not be sufficient to support major IT enabled change projects, such as the deferred customer contact transformation programme.

2.4 Options for Service Delivery

As part of the review the various options for delivering the service were examined (Table 1 summarises these), the conclusion was that although there were reasons why the service could not remain the same there was no advantage in looking to outsource the service. The two key factors for outsourcing, cost reduction and managing risk are not strong enough to support a business case to outsource ICT.

The conclusion at this point is that focused investment will move the ICT service closer to best practice and assist in lessening the impact of diseconomies of scale on its capacity and capability. This will need to be supported by the use of external suppliers for specific areas where skills, experience and knowledge are needed.

Table 1 - Options for ICT Service Delivery (see 2.6.6 for analysis)

Stay same – No	Outsource – No
- Customer interaction needs to be improved - There are some poor perceptions of the service - There is not the capacity to handle major future projects	- Cost advantage – Marginal - Risk management - Not currently High Risk - Risk increases if Customer Contact Programme is initiated
Mixed economy – Where appropriate	**Invest in current service – Yes**
- Developments – Customer Contact - Specific reviews and initiatives such as: - Exploiting existing investments - Green IT	- Alignment with Strategic Planning - ITIL best practice to maximise resources

2.5 Recommendations

The recommendations contained in Table 2 below have been made in the context of where EFDC is at this point in time taking into account resource constraints and re designed to be pragmatic reflecting the appetite for change articulated by the corporate management team during the interviews.

Table 2 Summary of Recommendations - Strategic Review

Strategic Alignment	
2.5.1	Create an IT Investment Board with senior management involvement responsible for strategic direction of IT and alignment of projects to corporate outcomes
2.5.2	The interface between Business Continuity Planning and IT disaster recovery planning should also be within the terms of reference of this group
2.5.3	Introduce a benefits realisation process (Business case to benefits delivery)
2.5.4	Develop and manage IT investments as a Portfolio balancing outcomes/costs and resource constraints
2.5.5	Develop business improvement managers (super users) in Directorates with understanding of IT and how it can support business improvement
2.5.6	Use the business planning cycle to identify projects to support business outcomes
2.5.7	Exploit existing investments, develop roll out programmes for key corporate applications such as EDRMS
Resource Planning	
2.5.8	Create and maintain a rolling 5 year IT Development Plan including known and anticipated projects along with asset management plans for infrastructure and applications
2.5.9	Develop a supporting Cost Model with funding sources and funding needs.
2.5.10	Develop a resourcing plan to support the development plan using a mixed economy of in-house and selected external resources.

2.6 ICT Governance and Strategy Baseline Review

2.6.1 Approach

The review took place with a series of meetings with all of the Corporate Management Team and the approach was to take a high level overview of the ICT service and more importantly how it contributed to the delivery of the outcomes that EFDC wanted to deliver.

Capita would like to thank everyone that participated in the review for all their input plus the enthusiasm and courteousness shown.

2.6.2 Strategic Alignment

Best practice aims to ensure that organisations can:

- Link investment budgets directly to tangible outcomes, providing measurable, consistent and objective criteria to assess which investments are creating, or are likely to create, the most value for the organisation and the community
- Make best use of common technology for multiple services, resources for reuse, and knowledge from the transformation of one service applied to another
- Manage, deliver and sustain effective change through a simplified process based on a single aim: "Where and how can we best spend the money?"
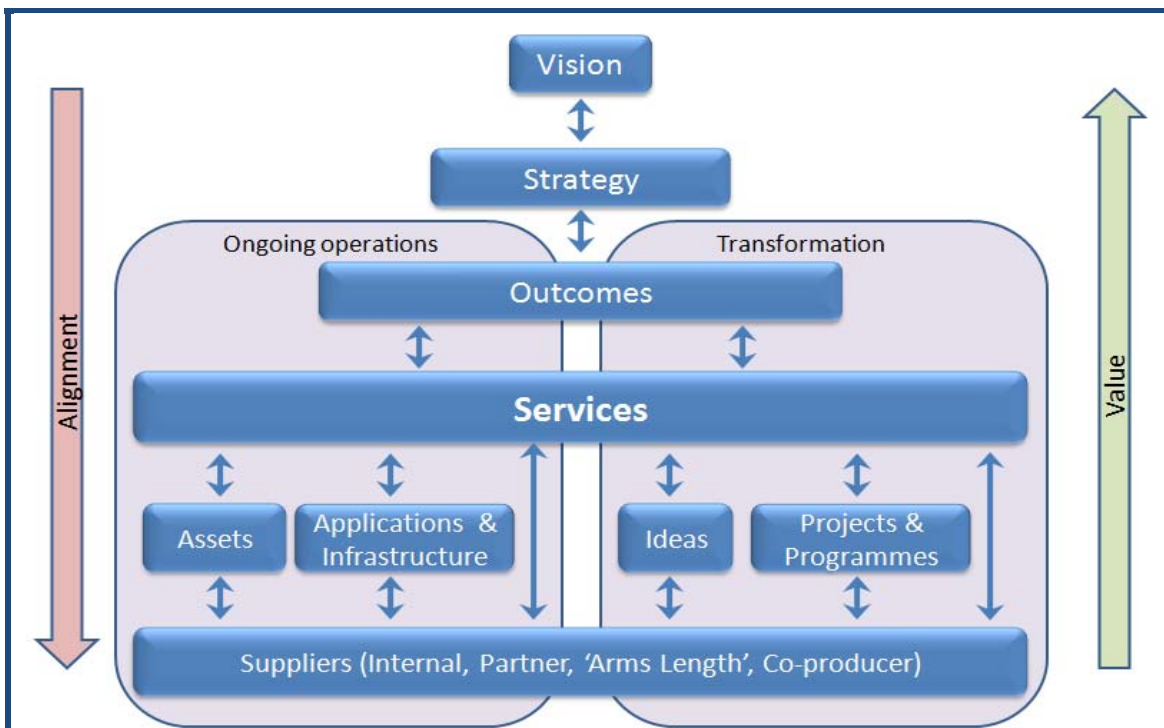
Figure 2 - Strategic Alignment of Services

Overview

Currently EFDC use the annual business planning cycle to identify the future ICT requirements. Significant steps have recently been taken by ITC to consolidate these into a development plan for 2008/9. However, EFDC is some way operating best practice where all of elements of a service both "business as usual" and "change" are aligned to desired outcomes and where their relative value can be assessed.

Key Issues

- Projects are not consistently aligned to corporate outcomes
- The outcomes that EFDC is aiming to deliver are not defined in such a way that the value that projects contribute to them can be easily assessed
- There is no formal mechanism to enable projects to be able to be prioritised
- Resource constraints are not considered at this stage

2.6.3 Customer Engagement

Using best practice, both in the public and private sectors, can provide the Council with a proven approach to IT Governance ensuring that all parts of the organization are involved. Figure 3 is a model which EFDC could move towards incorporating the processes and controls should support to reflect the need to control ICT investment decisions, performance monitoring, project development and delivery.

A member and senior officer group responsible for review, approval and monitoring of IT investment decisions or key recommendations from the IT Management Group

IT Steering Committee

An officer group from across all directorates, the ICT service and programme managent. Reviews all business cases, recommends targeted ICT investment, controls and enforces ICT policies and manages benefits delivery

IT Management Group

Stakeholders in ICT policy. Nominated individuals with authority. Responsibility for feeding up Directorate needs and delivering IT Management Decisions

ICT Service

Figure 3 - Model IT Governance

Figure 4 shows specifically how these new processes could support the existing business planning process.

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- Development need identified to support delivery of Service Outcomes
- Approval by Director
- Add to ICT Development plan as a potential project

Directorate Business Plan

- Business Super User - Business Outcomes
- IT Architecture Fit
- Finance - Funding available

Project Defiintion

- Assessment against Corporate Outcomes
- Balanced against resources - Portfolio Management
- Rejection goes back to Directorate to reassess business need
- Acceptance update development plan and cost model

ICT Management Group

Figure 4 Project alignment to Business Planning

Overview

The initiatives implemented over the last few months have improved the engagement with ICT's customers. However, EFDC is a long way from best practice at present. A move to a more customer focused service delivery is key to aligning ICT with the business. Both this element of the review and the service element suggest that EFDC ITC and the Directorates would welcome such a move but without knowing the exact details of any previous customer-focused initiatives/culture, it is difficult to estimate the total effort required.

Key Issues

- There is a separation between the business and ICT
- Although improving there are some poor user perceptions of the ICT service but not the ICT staff which indicates an absence of process
- In the past promises have been made as to service or project delivery that either could not be delivered or were not delivered with consequent poor user perception of the service.
- The consolidation of budgets has not been accompanied by processes to enable the business to clearly understand how to access resources
- There is limited member involvement in detailed aspects of ICT decision making
- Inconsistent ownership by the business on ICT investment decisions
- Shortage of skilled, knowledgeable Super Users within the Directorates

2.6.4 Development Plan

The ICT development plan is the key resource planning tool for ICT it should include all related activities around ICT projects and the business projects that supported and enabled by ICT.
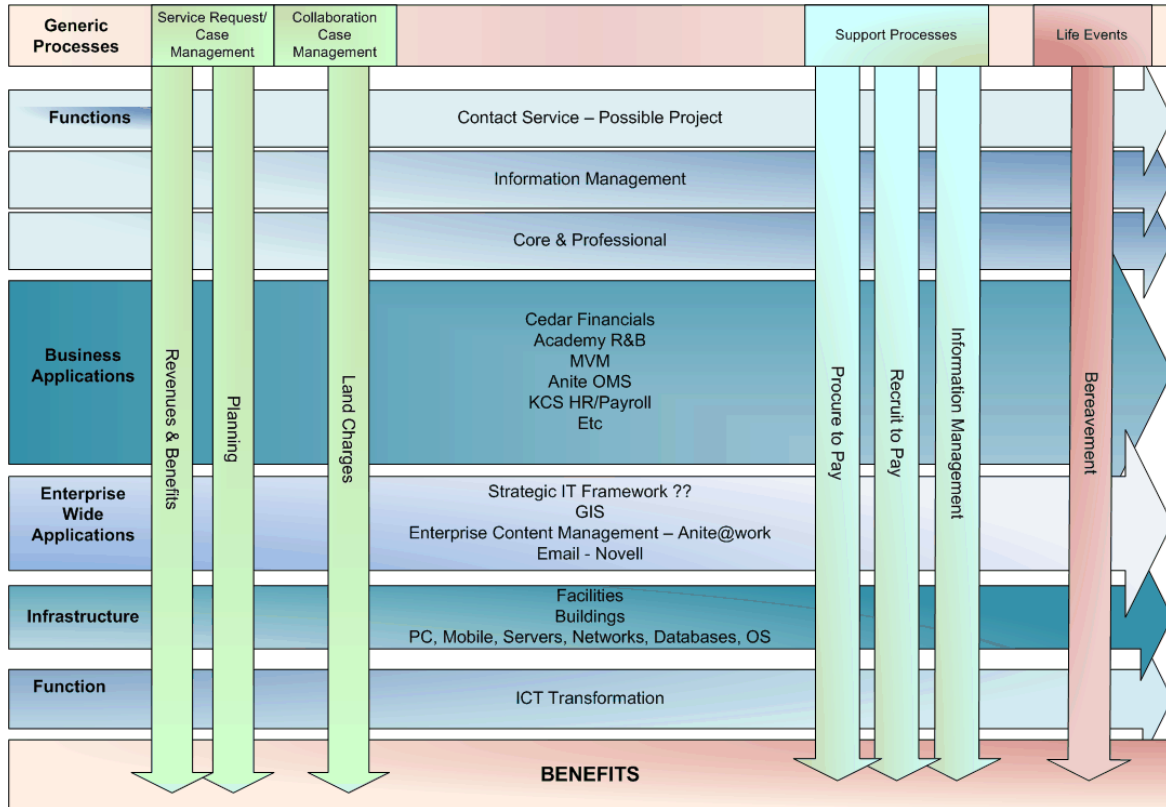
Figure 5 - ICT Development Plan

Figure 5 illustrates how such a plan could look for EFDC. The important points to note are that the ICT assets and projects are enablers to business change projects and programmes. Whilst project management skills and experience are increasing at EFDC there is little expertise around programme management and benefits realisation, let alone portfolio management..

Cost Model

A comprehensive cost model is a key support to the overall governance of ICT investments. Table 3 is an example. It should be comprehensive covering all aspects of ICT over a complete technology cycle 5, 7 or 10 years:

- Asset management plans for the existing IT Architecture
- Known projects inc. the future asset management implications on the architecture
- Prospective projects
- Existing staffing requirements
- Future staffing requirements

It should be a dynamic model with best estimates being used initially for prospective initiatives. The cost model should be updated as costs are refined as projects move through initial definition, design, deployment and to live operation.

Table 3 - Example ICT Cost Model

	2008/9		2009/10		5 yr Total	
	Capital	Revenue	Capital	Revenue	Capital	Revenue
Business Applications						
Cedar Financials						
Upgrade			X			
Support & Maintenance		X		X		X
Enterprise Wide Applications						
Anite@Work						
Upgrade					X	
Roll Out	X		X		X	
Support & Maintenance		X		X		X
Infrastructure						
PC's	X	X	X	X	X	X
Servers	X	X	X	X	X	X
Network	X	X	X	X	X	X
Telephony	X	X	X	X	X	X
IT Services						
Management		X		X		X
Application Support		X		X		X
		X		X		X
Total	**X**	**X**	**X**	**X**	**X**	**X**
Funding Available	**X**	**X**	**X**	**X**	**X**	**X**
Funding Gap	**Y**	**-Y**	**Y**	**Y**	**Y**	**-Y**

Overview

The development plan is in its infancy and is not being used as resource planning tool and it does not include all ICT related activity. Without this being able to communicate to the Directorates the resource constraints on service and project delivery is difficult and has lead to promises being made, not being delivered with consequent poor user perception of the service.

Key Issues

- Development Plan only covers one year
- There are limited asset management plans for the IT infrastructure
- Resource planning is reactive
- There is not a comprehensive cost model
- The impact of general and specific resource constraints is not consistently assessed
- Assets and projects are not managed as a portfolio balancing contribution to outcomes with resource constraints and risk

2.6.5 Cost Benchmarks

The overall costs of the service were examined and benchmarked where possible to other ICT services across local government, the costs of the switchboard function were excluded to aid comparison. The breakdown of costs is detailed in Appendix A.
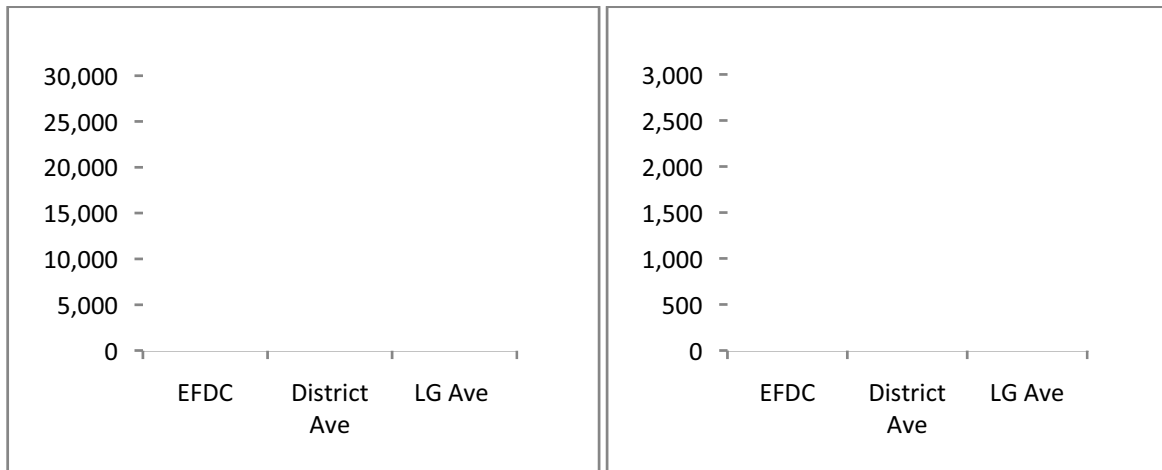
Figure 6 - Costs per 1000 population   **Figure 7 - Costs per User**

Although only a guide the EFDC's ICT costs are comparable with other district councils and enjoys some of the benefits of economies of scale enjoyed by unitary councils when comparing costs by user. It would be useful to go into more depth particularly looking at the costs of the various elements of the service particularly the total cost of ownership of applications. Consideration should be given to joining a benchmarking service such as SOCITM.

Key Issues

- Costing information is limited and cannot be allocated to specific activities
- The management costs are relatively high but on closer review the managers in place are performing dual roles with a large proportion of their time being allocated to service and project delivery.
- The management overhead of the switchboard function is carried by ICT
- ICT infrastructure and application assets are not costed over their whole life
- Future forecasts of costs are not maintained

2.6.6 Options Appraisal

The options considered together with their advantages and disadvantages are summarised in the table below, staying the same was not seen as a option:

Table 4 - Options for Service Delivery

Advantages	Disadvantages
Externalise the ICT Service to a specialist provider	
Access to the resources of a larger organisation	Difficult to respond to business and organisational changes without increasing costs
Potential to achieve some economies of scale although limited	Difficult to specify service requirements in a regularly changing environment requires a strong client function
Reduced overhead in terms of supplier management	Size is very low for most outsourcers so market would be limited
Enhanced development opportunities for some existing staff	
Access to enhanced Disaster Recovery services	
Invest in the current ICT Service	
Service tailored to the needs of the Council	Has limited impact on capacity
Builds on the improved user perception of ICT	Will still require external skills to by procured
Continuity of service	
Maintains a good knowledge of the Council, its priorities and users	
Fully devolve the service to Directorates	
Closer direction of ICT resources by Directorates	Harder to maintain corporate standards
	Difficult to control costs
	Increased management overhead and duplication of roles
	The requirement to maintain corporate systems remains
Fully centralise the service	
Consolidates management arrangements for ICT development and support	Perceived loss of direct access to IT experts in the Directorates
Supports the corporate development of ICT	
Reinforces the objective to develop contingency for key personnel by developing back up contingency	

2.6.7 Exploit existing investments

Overview

EFDC has made a number of key corporate investments over the last few years and has plans to review some of its other key elements of its IT architecture. Like most Councils EFDC has not maximised the benefits from its investment in ICT. The e-government investment has resulted in the introduction of technology but has failed so far to deliver the required business change and ultimately the business benefits (in efficiencies or significant service improvements) on which the investment was justified.

Key Issues

There are key reasons for this:

- the lack of clear ownership and therefore responsibility for the delivery of benefits
- the Council has not re-engineered the business to take advantage of the new IT investment but incorporated it into how it conducted business previously
- the deferment of a coherent strategy to change the way that the Council manages its customer contact

The review identified some potential areas for improvement that would bear further scrutiny, affording the opportunity to:

- Rationalise by making greater use of existing applications already in use in the Council, such as:
    - Anite@Work – Electronic Document Management
    - Cedar Financials
- Standardise on a common GIS and LLPG platform
- Rationalise some smaller IT applications, particularly desktop databases, removing them altogether through re-engineering and utilising other IT applications
- Potential to rationalise further through the use of targeted IT investments, justified in business case terms by the reduction in small scale systems, support, infrastructure and licensing costs.
- Effect targeted integration of some specialist smaller systems to support the prime IT architecture.
- The current number of servers is large given the size of the organisation; virtualisation and server consolidation will not only reduce costs but will enhance business continuity and resilience.

These are potential enabling opportunities, however, without a business change programme to take advantage of them then EFDC will not deliver the benefits that are possible or that will support the outcomes that EFDC is striving to deliver. Re-engineering EFDC to take advantage of these enablers can appear daunting but a pragmatic approach concentrating on the existing IT investments should be adopted particularly Anite@work and Cedar, key elements of which are:

- Challenge current processes (Why do we do this?)
- Catalyst for challenge and agreed improvement
- An incremental approach to minimise change impact

To deliver these there is a need for strong programme management to deliver specific benefits and portfolio management to ensure that investments deliver the maximum benefit.

2.6.8 Customer Contact Strategy

EFDC has intended to initiate a new Customer Contact Strategy for the last few years but this has been deferred. During the review it was clear that there is a need and a desire within EFDC to improve its customer contact. In formulating the strategy the council may like to consider the current context of customer contact within local government.

Key Issues

The current challenges that customer services face:

- Customer at the heart of services in an outcome focussed world
- Customer Insight and segmentation – Need for granular demographic information. Time and cost of building single view of customer
- Brand - Perception is always linked to promises
- Increasing assessments concentrate on evidence of need – CAA so need better information
- Desire to understand customers both their interactions – demand management (NI14) and the assessment of need
- Widening access whilst managing demand
- Poor integration - Not just technology but managing the hand off to delivery
- Efficiency not being delivered
    - Cashed Savings
    - Service Improvement
- Limited funds – Funding already exhausted need efficiencies to spend to save
- Lack of capability - Information Management is a new discipline

Approaches to meeting these challenges

There are mature models for which can be delivered through new contact layer and IT architecture to support it with organisations concentrating on:

- Re-engineering processes
- New and improved information technology
- Infrastructure changes
- Training

However, these are tools and enablers in order to effect real change the more successful organisations concentrate on increasing satisfaction as their key outcome and satisfying customers is about:

- Making and managing promises
- Building relationships
- Building trust

Their businesses are networks of people making and managing promises to satisfy customers. It would be relatively easy to develop a strategy taking the best from other organisations experiences once EFDC has decides on what it wants to achieve for its customers.

3 SERVICE MANAGEMENT REVIEW

3.1 Objectives:

- Review EDHC service management procedures, processes and policies
- Review EFDC current helpdesk operations
- Compare EFDC service management against ITIL and ISO 20000 for Best Practice comparison
- Produce an Options Appraisal identifying opportunities for improvement in ICT Service Management, for further development by EFDC.

3.2 Background

The review took place with a series of meetings with David Newton, Chris Askew and Angelo Stephen. The approach was to take a general view of the delivery of IT services evaluated against ITIL and ISO20000 which are industry standards for good practice within IT service delivery.

EDFC ITC have are number of initiatives in place focussing on establishing and maintaining closer working relationships between ITC and business users. Examples of this are the User Group Forum to be initiated shortly and the implementation maintenance of ICT service action plans. This is a purposeful move to help to ensure that business requirements and technological initiatives are both understood and shared across the organisation. However, in terms of day-to-day IT service delivery, Capita's view is that there is a consistent lack of formal customer engagement and whilst there are some examples of good practice undertaken by ICT there is little evidence of good practice processes rolled out in a joined-up way across the ICT Division.

3.3 Findings

3.3.1 ITIL

When an organisation does not have ITIL-based processes aligned to its service delivery objectives, then it can only be expected that comparison to an ITIL model will result in many more non-compliance areas than compliance areas. In terms of EFDC's alignment with ITIL good practice guidelines the following table sets out the % alignment measured against the key ITIL processes: The following tables present a summary of the ITIL assessment ratings for each ITIL process. The ratings for each process was determined by a Yes/No response to a number of set questions (around 50 per process) using standard criteria in gauging the responses.

An ITIL definition of each process along with Capita's evaluation and key issues noted are set out in Appendix A and was ascertained by relating EFDC ICT's current processes against ITIL good practice guidelines.

The overall view shown in Figure 8 illustrates that EFDC ITC is some way from embracing a fully-compliant ITIL model, but it does show that in some areas, there is a sound basis from which these processes can emerge of which particular examples are Financial Management, Service Level Management, Capacity Management and Release Management. Particular weaknesses include Service Level Management, Incident, Problem Management and Availability and Configuration Management. Capita accepts that EFDC has already acknowledged that the Service Continuity Plan (DR) is in need of review but a major concern is that business risk to service unavailability has not been fully established and these needs to be reviewed along with the SC plan.
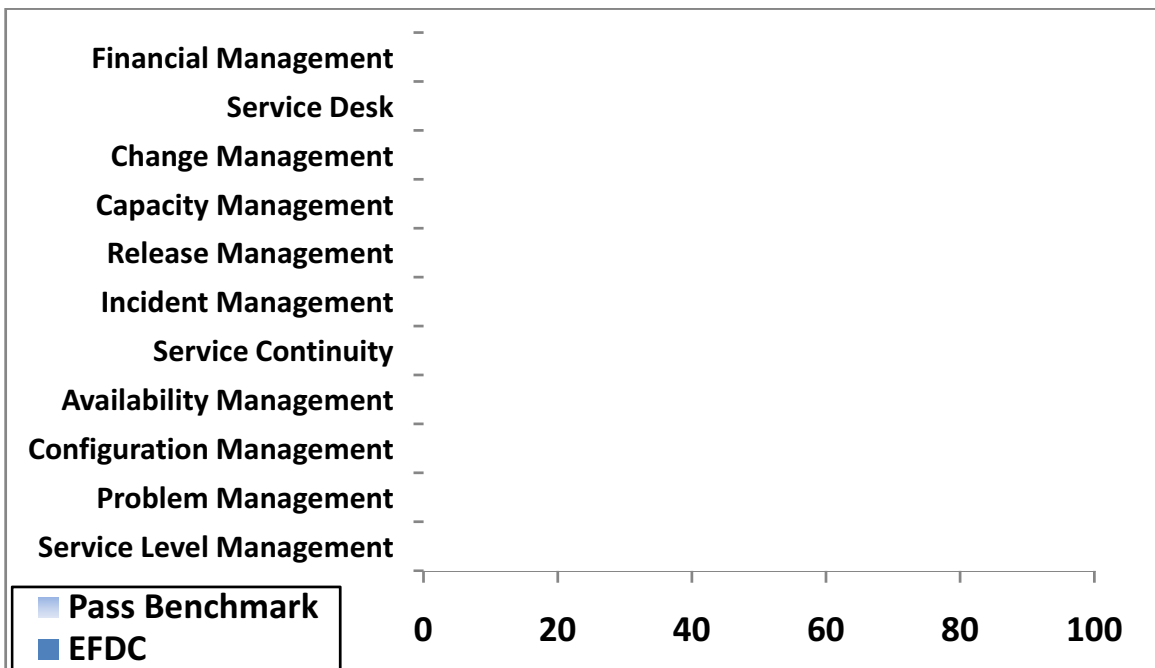
Figure 8 - ITIL EFDC Comparison with Benchmark

Although only from a small sample of district councils Figure 9 shows that EFDC compares favourably with the average except in the key areas highlighted in the benchmark review.
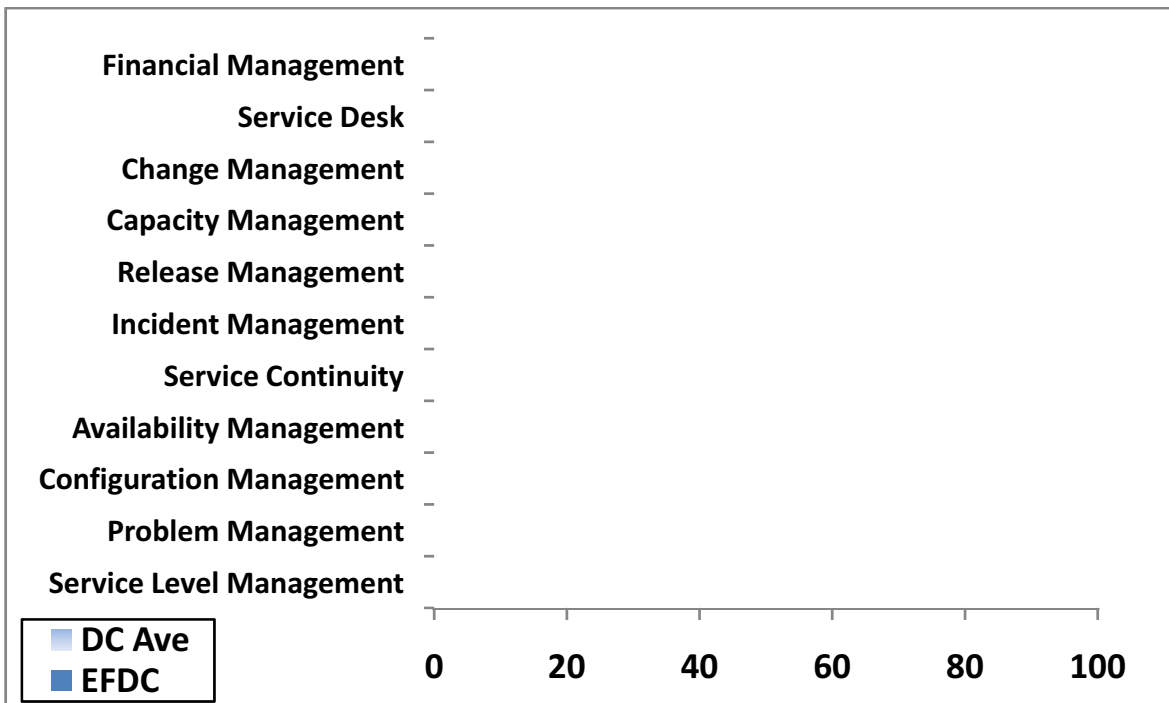
Figure 9 - ITIL Comparison with other Districts

3.3.2 Customer focused service

A key element is the culture within an organisation and if EFDC ICT wish to move to a more customer focussed and service orientated delivery approach then a culture shift is required. Under the management of David Newton and there is a definite emphasis on ICT service improvement, but in our experience, the change to a more formal approach to service delivery needs to be nurtured and buy-in obtained before it can easily accepted within an organisation. Both this element of the review and the strategic element suggest that EFDC ITC and the Directorates would welcome such a move but without knowing the exact details of any previous customer-focused initiatives/culture, it is difficult to estimate the total effort required.

3.3.3 Areas of strength

With regard to Capita's findings the following positive areas within ICT were noted:

- Strong financial process

- Service Desk functionality

- Good process detail in the areas of Capacity Management, Release Management, and to a certain extent Change Management

- The staff appear committed to an overall Service Management Improvement Plan

- A willingness to engage more with the Business Users and move towards a more formal approach to day to day IT service delivery

3.3.4 Areas that need attention

The following key issues were noted:

- A lack of formal day-to-day engagement with Business Users

- No Service Level Agreements in a place

- A slow and cumbersome Service Desk tool

- A somewhat confused Change Management process

- A lack of key good practice processes but in particular

    o Incident Management

    o Problem Management

    o Service Level Management

- Very limited ICT management service reporting/information

- Very limited customer service reporting/information

- A Service Desk that acts as a switchboard for general calls

- Service Continuity plans may not meet business requirements.

3.4 Recommendations

Table 5 Recommendations – Service Improvements

3.4.1	Gain senior management commitment to establish ITIL-based processes throughout ICT.
3.4.2	Set up a programme to ready ITC and implement ITIL-based processes
3.4.3	Initiate an awareness campaign aimed at ICT staff and business users
3.4.4	Introduce formal ITIL training for all staff and key business users
3.4.5	A phased implementation is recommended with Incident Management, Problem management, Change Management, Service Level management, a realignment of the Service Desk function plus a review of the Service Continuity (DR) Plan is included in the initial phase.
3.4.6	The structure of ICT is reviewed in line with the ITIL implementation programme as different disciplines will involve modified responsibilities.
3.4.7	Communicate approach to Directorates.

3.5 Quick Wins

Although Capita's recommendations are set out above, some quick wins could also be achieved, whether an ITIL programme is formally initiated or not and Capita recommend the following recommendations to enable a more immediate service-centred ICT delivery:

Table 6 Recommendations - Quick Wins

3.5.1	ITIL training is introduced to at least team leader level
3.5.2	Basic Service Level Agreements are established with key Directorates/business users
3.5.3	The change process is reviewed and streamlined
3.5.4	A change manager function is introduced to act as an ICT focal point for all requested changes
3.5.5	An ITC wide Incident Management process is introduced
3.5.6	Service reporting requirements are established
3.5.7	The Help Desk tool is upgraded (We understand that this is already planned for April 2008)
3.5.8	The IT Desk is re-developed and re-launched (along with the ICT Incident management process) to promote it as the key interface for IT customer related IT service incidents (i.e. not a Departmental switchboard)

3.6 ICT Service Management Baseline Review

3.6.1 Approach

The review took place with a series of meetings with David Newton Chris Askew and Angelo Stephen and the approach was to take a high level overview of the delivery of IT services evaluated against ITIL and/or ISO20000 which are industry standards for good practice within the IT industry.

Capita would like to thank the above named individuals for all their input plus the enthusiasm and courteousness shown.

3.6.2 ITIL processes and guidelines

Although ITIL is currently undergoing a review and Version 3 of the standard is now. For the purposes of the review of EFDC, ITIL V2 was uses as the benchmark and the good practice processes are grouped as follows within ITIL V2 and were used as the basis for the review:

Service Support

- Service Desk (function)

- Incident management

- Problem Management

- Change Management

- Configuration Management

- Release management

Service Delivery

- Service Level Management

- Availability Management

- Capacity management

- Service Continuity Management

- Financial Management

Note: the Financial Management of EFDC ITC Division was not discussed during the interviews but was scored on the ITIL compliance questionnaire.

3.6.3 Service Desk

Provides a single point of contact between ICT and its customers to enable the reporting and recording of Customer service incidents and queries and to manage the allocation of incidents to other IT Service lines for investigation and resolution

Capita Review

The Service Desk (SD) provides the interface into ITC for all business user ICT service incidents and enquiries, The Help Desk Assistant generally takes the telephone calls although users can email "calls" and some calls emanate from emails and from certain standard forms. Calls are logged by the Service Desk on the QSM system (QSM was not

evaluated for this review). A call waiting system was introduced in 2008 due to counter the "line busy" tone.

Calls taken

The SD takes on average an estimated 120 service calls per week. At least 50% are closed at the time of the call by the SD and these types of calls are the fast fix types for example, resetting of user passwords. In addition, an estimated 60 "cold" calls are received per week and these come from various sources such as EFDC users wishing to speak with an individual in ICT or telesales calls from suppliers. The Service Desk does have its own procedures for logging and the handling of calls, but there is no overall ICT encompassing Incident Management process to fulfil an end-to-end call handling process.

Key Performance Indicators

There are two Key Performance Indicators (KPIs) currently established:

To respond a call within one business day of it being logged - "respond" in this sense is understood to be any activity dealing with active call investigation for example, contacting the caller or logging investigative activity. Note: calls can have a status of open, responded or fixed

Call target resolution time of 5 days - each call has this standard priority attached to it.

Call Allocation

After the call is verified and logged, the SD undertakes 1st line analysis of the call it cannot be resolved by the SD, the SD will allocate the call to ICT service lines i.e. Business Analysts, Technical Support or Network Support. Calls may also be handed off to other Directorates at this point, for example, Housing marketplace calls. If the SD has resolved a call itself then the call is closed at this point.

Urgent calls

If a particularly urgent call is detected, the CS Supervisor tends to get actively involved in the call resolution activity and typically provides progress updates to users via email.

Call monitoring

The CS Supervisor monitors calls on a daily basis (approx 16:00) and chases ICT supervisors or individuals if a call response has not been actioned.

Issues noted

- High staff turnaround of Help Desk Assistant (3 in 18 months)
- The SD acting as a switchboard type operation for non service delivery calls
- The poor performance of the SD s/w tool in terms of functionality and performance
- The self-service aspect of the upgraded SD system may impact SD staff activity (assuming self-service will be used)
- Relative call priority levels are not used within the call handling process
- Lack of MI reporting from the SD system data
- No link to an end-to-end incident management process.
- Limited MI reporting

3.6.4 Incident Management

The main objective of the Incident Management process is to restore normal service operation as quickly as possible.

Overview

EFDC have a partial incident management (IM) process. It is partial in the sense that the incidents are reported to and logged by the Service Desk and some initial first line investigation and resolution is undertaken by the SD and any incident not resolved by the SD is allocated to the ITS Service Lines. The overriding issue is that the Incident Management process needs to be end-to-end with responsibilities and ownership established for the complete incident life-cycle.

Key issues

- No end-end-end IM process for ICT

- A lack of incident ownership

- No formal incident reporting

- No relative prioritisation of incoming incidents

- No formal Major Incident handling sub-process

3.6.5 Problem Management

The goal of Problem Management is to prevent the recurrence of incidents by establishing the root cause of incidents, and initiating the necessary preventative actions.

Overview

There is no formal Problem Management process within EFDC ITC, although some root cause investigation is carried under the existing call handling process which constitutes Problem Management activity.

Key Issues

- Root cause of all incidents is not always be formally established

- Preventative measures are put in place at the discretion of Service lines

- Trend analysis of incidents is not routinely undertaken.

- No ITC owned "known errors" log

- No ITC managed problem log of all open problems

3.6.6 Change Management

The key objective of Change Management is to ensure that standard methods and procures are used for the efficient and prompt handling of infrastructure changes and to minimise the impact of change-related incidents on service quality.

Overview

EDFC have a change process in place and is in line to an extent with good practice guidelines. The process does however appear to be somewhat cumbersome and bureaucratic and the fact that there are five change forms evidences this. To a certain extent, the bureaucracy comment is to be expected due to the nature of change management, but the overriding issue is that there is no formal ITC Change Management function that owns and manages the end-to-end change process i.e. from the receipt of a change request to its assessment, approval, implementation and closure. The concept of a Change Advisory Board (CAB) which is a regular forum to assess and approve changes from within the business and ITC perspectives was not a known concept.

Key Issues

- Unclear ownership of the current change process.

- No ITC Change Manager function

- No trending or reporting of change implementations

- No formal change forum to review and approve changes

- A large number of change request forms are in use.

3.6.7 Configuration Management

Configuration Management provides a logical model of the infrastructure/service by identifying, controlling, maintaining and verifying versions of Configuration items (CIs). In the physical sense the Configuration Management Database (CMDB) contains all information about each CI and including relationships with other CIs. The CMDB would also be used by the incident, problem and change processes.

Overview

EFDC ICT does not have an ITIL-aligned configuration management process or a Configuration Management Database (CMDB). An Asset register comprising of server and PC provides a layer of management information enabling those assets listed to have a known status. Tools such as Express Metrics are used to monitor the hardware and software estate and provide regular reports.

Configuration Management in its complete guise is perhaps the most difficult and time consuming process to set up, however, when it is in place and the CMDB has been designed and implemented, this brings with greater integration between other Service Management processes such as Incident, Problem and Change Management for example.

Key Issues

- No formal Configuration Management process

3.6.8 Release Management

The goal of Release Management is the successful rollout of software and related hardware by ensuring that planning, design, build and testing of software to create a set of release components for a live environment.

Overview

EFDC ITC have a number of good practices in place for Release Management such as the use of the Shavlik tool to deploy OS patches and definite links with the existing change system to manage the roll-out of OS changes. Application changes are managed by the Business Analysts. In addition security hardening is a standard for initial releases of hardware. A number of S/w release are governed by the package suppliers.

Key issues

- Release Management processes need to be more formalised
- Review the "test bed" server base in that it is sufficient for business needs

3.6.9 Service Level Management

Ensures that service providers know what is expected of them and that customers have a clearer view of ITS capability. This is achieved by the existence of formally agreed Service Level Agreements (SLAs) and Operational Level Agreements (OLAs).

Overview

There is no formal Service Level Management within EFDC ICT and there is little formality about describing, agreeing and documenting services. The result is that the business users maybe unclear of what ITC services they are receiving and to what performance levels (SLA) and that ITC maybe unclear about the service quality measures and targets that services need to delivered against (OLA). Capita suggest that this is a priority area for EFDC ITC to invest in to a) enable service quality improvements and b) improve its day-to-day customer relationships.

Key issues

- No documented and agreed SLAs
- No documented and agreed OLAs
- Unclear Service delivery targets for ICT
- Directorates unclear what ICT services they receive and to what quality
- No regular formal mechanism for ICT to review the service with its customers.
- Lack of formal service reporting

3.6.10 Availability Management (AM)

This process is concerned with the design, implementation measurement and management of IT services to ensure the stated business requirements for availability are consistently met.

Overview

Availability Management has been deployed by EFDC to a certain extent as the inherent infrastructure features availability and resilience within its design. What is unclear is the level of understanding by ICT that the availability provided by the infrastructure does support Directorates in the delivery of their services. Service availability is a key business requirement which the underlying IT infrastructure should support (and the DR infrastructure). Formal engagement between ICT and Directorates with regard to value-for-money and business-fit solutions should be pursued. Service availability targets would need to be included in a SLA.

Key Issues

- Service availability offered may not meet business needs

- Availability requirements not fully established

- Availability requirements not documented

- DR availability requirements not fully realised

3.6.11 Capacity management

This process is responsible for ensuring that adequate capacity is available to meet the needs of the business. Note this process is related to business requirements and is not solely about the performance of a system's components.

Overview

There a number of Capacity monitoring processes in place covering the monitoring of server file-systems, CPU and memory using a variety of software tools and reports are produced and bi-weekly meetings take place to review any issues raised. Table space is monitored by DBA and manual MI reports are constructed.

Key Issues

- Capacity planning with business needs/growth as a key input is not undertaken.

- Business aligned capacity plans are not produced

- Capacity reports not generally shared with users.

3.6.12 ITS Service Continuity Management

The key focus of Continuity Management is to support the overall Business Continuity management process but ensuring that the required IT services and facilities (e.g. servers, applications and networks) can be recovered within agreed business timescales.

Overview

It was acknowledged that the DR plan is out of date and in need or review. Daily backups to tape are held offsite via a 3rd party contract so that data is secured at a system level and the second computer suite is more robust in terms of fire prevention, but there is no off-site DR facility. The Business Continuity Plan (BCP) has been discussed with ITC but the involvement of ITC in this overall corporate plan is unclear. One area that needs confirmation is the level of risk assessment undertaken to determine the risks to EFDC's business (including IT systems) and to realise the impact on the Council and its citizens if key IT services become unavailable. If for example, the site had a major fire and the site was out of action for a period of time as a result, does the service continuity plan adequately document roles, responsibilities, activities to achieve full or partial service restoration and the impact on the Council to function without key IT systems. Capita recommends this a priority activity.

Key issues

- Service continuity ownership
- Unknown business risk if key IT systems are unavailable
- ICT customer's understanding of current service continuity arrangements
- Lack of off-site back-up IT facility
- Lack of testing of recovery plans

3.6.13 ITS Financial Management

This process is concerned with the accounting and budgeting and charging principles for all IT services including the processes for allocating expenditure for these services and cost recovery.

Overview

This process was not reviewed by Capita, and the ITIL assessment questionnaire was undertaken by David Newton. Not surprisingly EFCD ITC has mature financial processes in place.

Key Issues

None at this time.

4 APPENDICES

Appendix A – ICT Budget

ICT Budget

36,600   164,980

153,930   142,160

344,100   1,117,840

114,800

- Staff Costs
- Equipment - New
- Equipment - Maintenance
- ICT
- Subscriptions
- Recharges
- Financing Charges
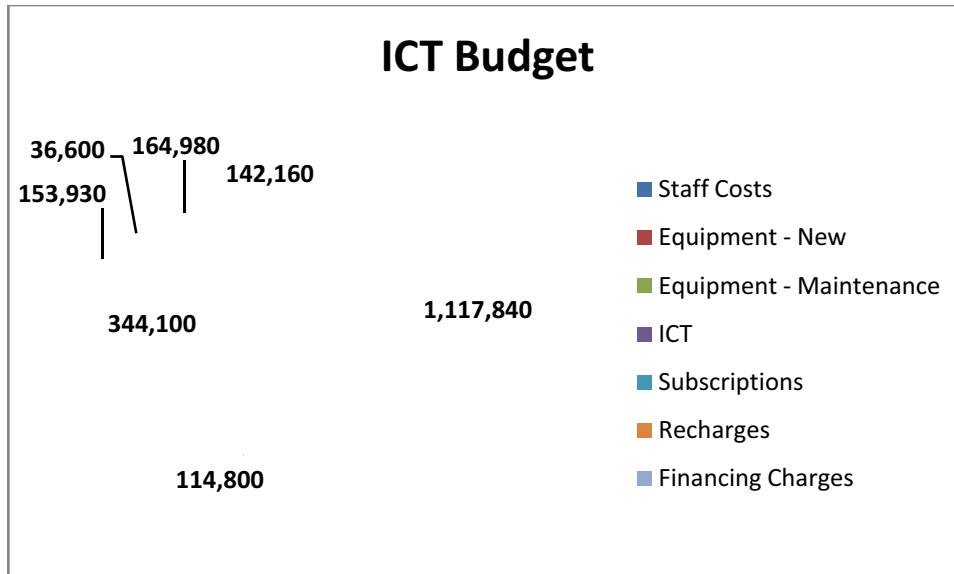
Figure 10 - ICT Revenue Budget

Breakdown by Function

15%   20%

13%   11%

30%   11%

- Business System Team
- Customer Support Team
- Desktop Support Team
- ICT Management
- Network Support Team
- Technical Support Team
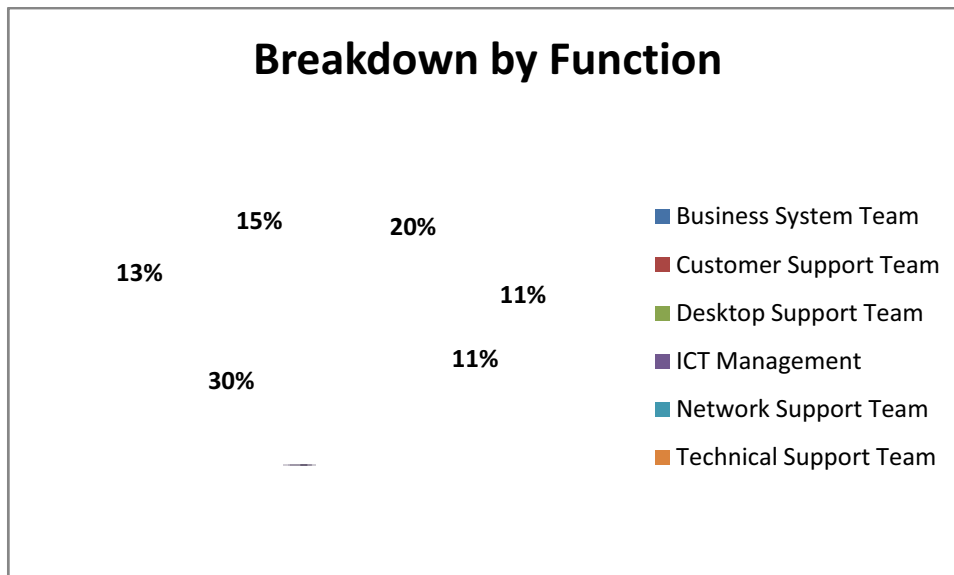
Figure 11 - % Costs by Function

Appendix B - ITIL Assessment ratings

Service Desk	Rating	Pass
Pre-requisites	75	75
Management intent	77	77
Process capability	80	84
Internal integration	71	71
Products	50	81
Quality control	50	87
Management information	37	87
External integration	0	83
Customer interface	40	100

Service Level Management	Rating	Pass
Pre-requisites	50	75
Management intent	0	75
Process capability	3	82
Internal integration	0	75
Products	0	80
Quality control	0	83
Management information	33	75
External integration	0	85
Customer interface	20	100

Incident Management	Rating	Pass
Pre-requisites	75	75
Management intent	66	83
Process capability	42	89
Internal integration	0	75
Products	50	83
Quality control	12	87
Management information	0	83
External integration	0	84
Customer interface	20	100

Financial Management	Rating	Pass
Pre-requisites	100	75
Management intent	60	80
Process capability	100	82
Internal integration	75	75
Products	66	66
Quality control	100	83
Management information	94	76
External integration	16	86
Customer interface	20	100

Problem Management	Rating	Pass
Pre-requisites	16	66
Management intent	42	71
Process capability	5	82
Internal integration	10	80
Products	20	80
Quality control	0	83
Management information	0	83
External integration	0	66
Customer interface	20	100

Capacity Management	Rating	Pass
Pre-requisites	100	75
Management intent	75	62
Process capability	26	84
Internal integration	16	66
Products	20	80
Quality control	83	83
Management information	46	80
External integration	9	81
Customer interface	20	100

Change Management	Rating	Pass
Pre-requisites	75	75
Management itent	75	75
Process capability	76	82
Internal integration	77	77
Products	50	83
Quality control	66	83
Management information	6	80
External integration	0	87
Customer interface	20	100

Availability Management	Rating	Pass
Pre-requisites	66	66
Management intent	25	75
Process capability	35	55
Internal integration	14	71
Products	0	80
Quality control	0	83
Management information	15	84
External integration	18	87
Customer interface	20	100

Configuration Management	Rating	Pass
Pre-requisites	50	83
Management itent	16	66
Process capability	0	80
Internal integration	0	62
Products	16	66
Quality control	0	83
Management information	22	77
External integration	0	82
Customer interface	20	100

Service Continuity	Rating	Pass
Pre-requisites	25	75
Management intent	30	80
Process capability	33	76
Internal integration	57	71
Products	0	75
Quality control	33	83
Management information	36	81
External integration	7	88
Customer interface	20	100

Release Management	Rating	Pass
Pre-requisites	83	66
Management intent	25	75
Process capability	25	87
Internal integration	33	77
Products	33	88
Quality control	66	83
Management information	12	81
External integration	23	82
Customer interface	20	100

Finding	Response	Resources	Timescale
Assessed against recognised frameworks, the current ICT response is rated as 'fire-fighting', which is typical of most District Councils. The aim for the future should be to move to a more proactive approach.	**The adoption of an industry approved framework process will improve this issue, resulting in a more proactive approach. Already, all line managers have attended an ITIL (quality assurance system for the ICT industry) course in preparation for this change, which is scheduled to be adopted within this financial year.**	Within existing resources.	March '09
Lack of consistent customer engagement and the failure to fully exploit the benefits of existing investments such as ERDMS (Electronic Records and Document Management System), eFinancials (Finance system) and the LLPG (local land and property Gazetteer).	**Meetings between ICT staff and key users in each Directorate are being established. A new ICT helpdesk system and procedures have also been implemented. The addition of a self-service module scheduled for implementation later this financial year, will also improve accessibility to information.** **ERDMS is being reviewed by the Housing Directorate and a plan will be constructed to achieve Council wide implementation.**	Within existing resources. Will require some external consultancy.	March '09 Ongoing
The current number of servers (approx 100) is considered excessive.	**The ICT team had already started a project on the possibility of reducing the number of servers by using virtualisation technology (using servers that can run more than a single system). An assessment has been scheduled for 27th May and it is hoped that if this option is feasible, the number of servers could be reduced by approximately 75%. This technology has the potential to reduce costs (both in support and energy usage) and also simplify disaster recovery.**	It should be possible to fund the purchase of new servers from existing capital budgets. If it is possible to implement virtualisation, revenue savings will arise.	June '09

Finding	Response	Resources	Timescale
The options for service delivery were investigated and although it is apparent that the service cannot stay the same, the 2 key factors for considering outsourcing (cost reduction and risk management) are nowhere near strong enough for outsourcing to be considered viable. Service Management was identified as a priority area. This part of the review compared the current position of ICT within EFDC, against a fully compliant ITIL and ISO 20000 framework. Capita identified some examples of good practice, but in the main the model identified weaknesses in incident, problem, availability and configuration management.	**A restructure is required within ICT to facilitate the best possible adoption of the ITIL framework within currently available budget and resources.** **Capita took a pragmatic approach, taking account of the size and resources available to EFDC, some of the recommendations made, particularly in relation to Service Management, cannot be implemented fully without additional resources. However, ITIL is a 'framework' and the adoption of even small parts of it would improve some of the issues identified.** **EFDC still has some way to go to match ITIL benchmarks. However, comparisons with other District Councils highlighted relative strengths as well as areas for improvement.**	Every effort will be made to provide the necessary resources from within existing budgets. This will be done as part of the restructuring exercise but the requirement for additional resource cannot be ruled out at this stage.	December '08
The absence of a long term development plan and cost model was highlighted. It was also identified that ICT managers are performing dual roles with large amounts of time still being allocated to service and project delivery. This is a symptom of the obsolete structure within ICT and prevents managers from concentrating on long-term issues. Despite these problems ICT costs within EFDC are lower than the District average in both costs per 1000 population and costs per user.	**The proposed restructure, see above, will put a more appropriate management structure in place. Once this has been achieved the creation of medium and long-term plans will be prioritised.**	Within existing resources.	March '09

Page 38

Finding	Response	Resources	Timescale
Other key points identified were; A lack of formal day-to-day engagement. Obsolete service desk tool. A confused change management process. No end-to-end incident management process. Very limited management reporting information. A lack of Service Level Agreements (SLA's). Service Continuity Plan (Disaster Recovery) in need of review.	**Many of the issues had already been recognised and were being addressed. The obsolete service tool has been replaced with a new version capable of producing management reports and the development of a simplified electronic change control process is currently under way. The need for SLA's is currently being discussed with the services. The other issues highlighted will be addressed following the adoption of the ITIL framework.** **The issue concerning the service continuity will be addressed as a priority following the results of the virtualisation assessment, as these results will heavily influence the methodology adopted.**	Within existing resources.	March '09 Sept '09
Capita's discussions with the corporate management team identified that significant steps have already been taken to consolidate business and development plans although EFDC is still some way away from best practice. The creation of an ICT Management Group was recommended to further assist with customer engagement.	**The suggestion in the report of a separate ICT steering committee and an ICT management group is felt to be overly bureaucratic for an authority the size of EFDC. It should be possible to create a single group capable of discharging these functions.**	Within existing resources.	December '08

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Report to the Finance and Performance Management Cabinet Committee

Report Reference: FPM-002-2008/09.
Date of meeting: 16 June 2008.

Epping Forest District Council

Portfolio: Finance and Performance Management.

Subject: Risk Management – Updated Corporate Risk Register.

Responsible Officer: Brian Moldon   (01992 564606).

Democratic Services Officer: Gary Woodhall   (01992 564470).

Recommendations/Decisions Required:

> **1.   To agree the proposed amendments to the Corporate Risk Register;**
>
> **2.   To consider whether there are any new risks that are not on the current Corporate Risk Register: and**
>
> **3.   To consider whether the tolerance line on the risk matrix should be amended.**

Executive Summary:

The last meeting of this Committee on 17 March 2008 received an update to the Corporate Risk Register. Management Board considered this version of the register on 21 May and a number of amendments and updates were made. The Corporate Governance Group then approved these changes on 28 May.

A schedule detailing the most significant changes is attached at Appendix 1.

Reasons for Proposed Decisions:

It is essential that the Corporate Risk Register is regularly reviewed and kept upto date. The decisions are a necessary part of this well-established process.

Other Options for Action:

Members may not agree with the suggested changes to risk scores and could ask for the risks to be rated differently.

Report:

1.   At the Management Board meeting on 21 May 2008, the risks and their scores were reviewed to take account of any changes since 17 March. It was felt that to reflect recent experience the scores for the risks on recruitment and sickness could be reduced. It was also felt that, following the elections, the risk relating to decision-making and the political balance of the authority could be removed from the register. For completeness, the review involved the consideration and updating of a number of the action plans.

2.   The summary of changes, attached at Appendix 1, includes the addition of an action plan for the new risk on data loss. At the previous meeting of this Committee Members

determined that this risk should be scored as D2 (Low Likelihood, Critical Impact) placing it above the risk tolerance line.

3.   Members are now asked to consider the attached updated Corporate Risk Register (Appendix 2) and whether the risks listed are scored appropriately, whether there are any additional risks that should be included and whether the tolerance line needs to be amended.

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

No legal implications. The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

Management Board conducted the review and the Corporate Governance Group then approved their proposals.

Background Papers:

None.

Impact Assessments:

No equalities impacts.

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

Summary of proposed changes to the Corporate Risk Register

Risk	Current Score	Proposed Score	Comments
1 & 13 – Recruitment in key areas	B2 High Likelihood /Critical Impact	C3 Significant Likelihood /Marginal Impact	Reduction in scoring appropriate following corporate restructure and given current position on recruitment. Risks are now below the tolerance line.
6 – Political balance of authority affecting decision making	E2 Very low Likelihood /Critical Impact	N/A	Given a majority now exists and there are no elections next year this risk is no longer relevant and should be removed from the register.
15 – Sickness absence	D3 Low Likelihood/ Marginal Impact	E3 Very low Likelihood/ Marginal Impact	Reduction reflects the success in lowering average absence levels by two days in 2007/08.
18 – Loss or theft of data	D2 Low Likelihood/ Critical Impact	No change	Members determined that this risk should be scored at D2 at the last meeting of this Committee. This placed the risk above the tolerance line and so an action plan to manage the risk has been added to the Register.

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Epping Forest District Council
Corporate Risk Register

Date: **16 June 2008**

Contents

1. Introduction

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

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

2. The Process

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

The Risk Management Cycle

RISK IDENTIFICATION

RISK ANALYSIS

PRIORITISATION

RISK MANAGEMENT

MONITORING
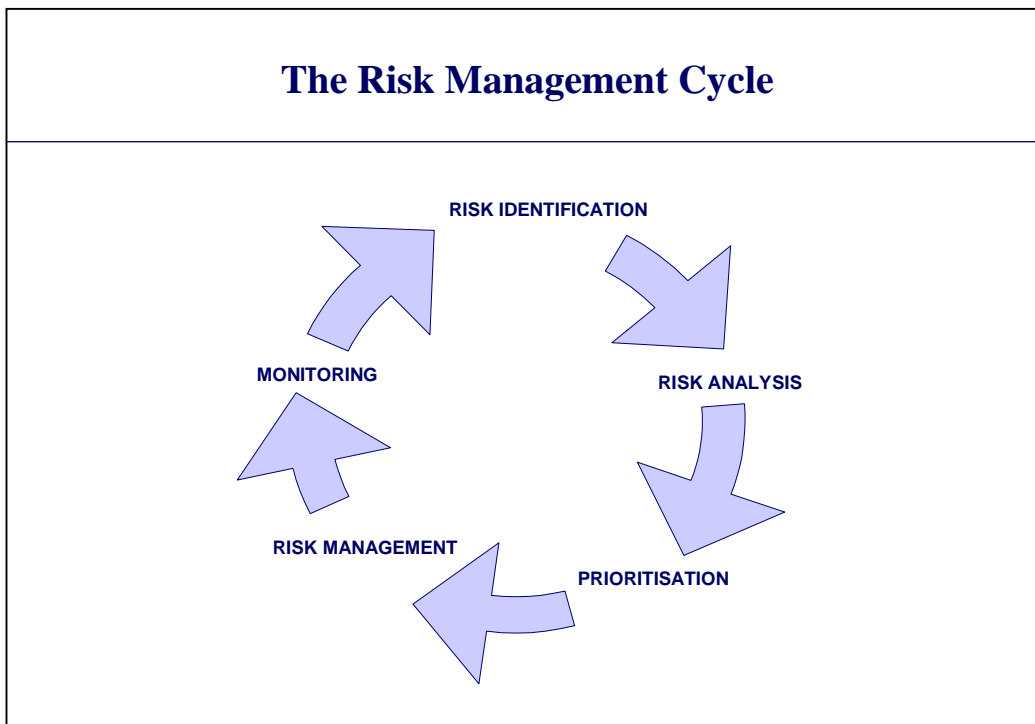
2.1   Risk identification

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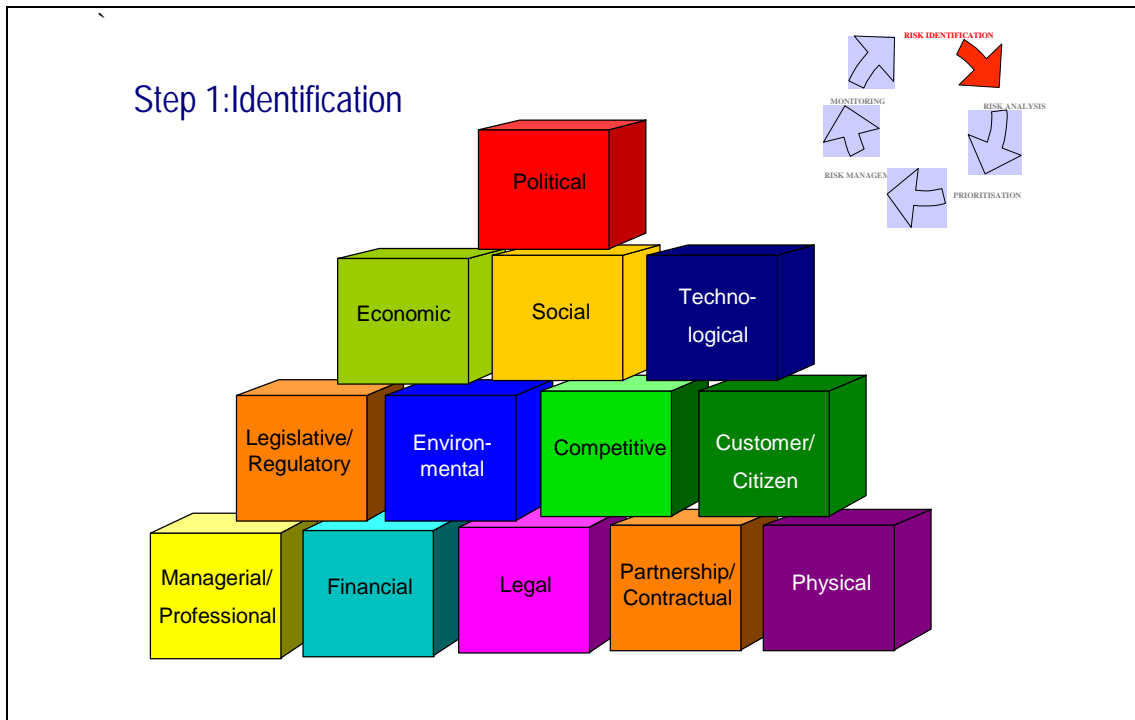
2.2   Risk analysis and prioritisation

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

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

Page 48

2.3 Risk management and monitoring

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

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

3. Results

3.1 Risk profile
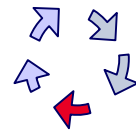
The risk profile and priority are given below.

	4	3	2	1
A		11		
B			4	3
C		1, 13	8	
D	12, 22	2, 16, 24	17, 18, 20	
E		5, 7b, 14, 15, 21, 23	7a, 9, 10, 19	
F				

Likelihood (vertical axis) — Impact (horizontal axis)

Likelihood:
A   Very High
B   High
C   Significant
D   Low
E   Very Low
F   Almost Impossible

Impact:
1   Catastrophic
2   Critical
3   Marginal
4   Negligible
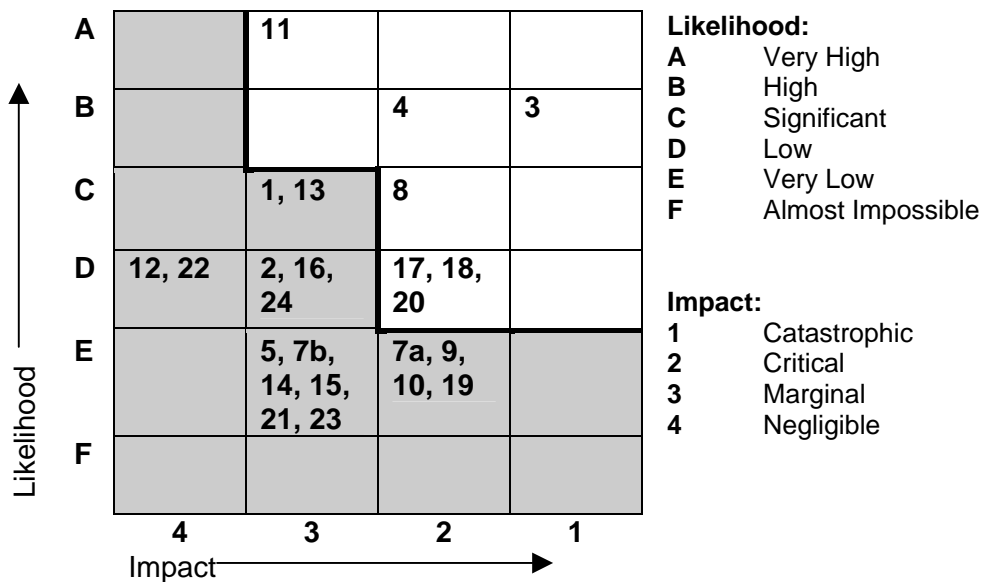
Appendix 1 shows all the risks that were rated on the profile.

Page 49

3.2   Above the line Risk clusters

The 7 above the line risks have been grouped into 6 clusters that will help to streamline the action planning process. These are shown below:

Cluster name	Risk Scenarios	Executive Priority/ Council Plan Objective
East of England Plan	3, 4	ExP iv, Green & Unique 1
Business Continuity Planning	8	Improving Performance 4 & 5
Local housing needs	11	ExP iii, Homes & Neighbourhoods 1
Capital receipts spent on non revenue generating assets	17	ExP i, Economic Prosperity 1
Loss or theft of data	18	Improving Performance 4
Key Contracts	20	ExP v, Green & Unique 2, Fit for Life 1

The action plans can be seen at Appendix 2

Relevant Executive Priorities (ExP) 2007/08 *(to be updated once 2008/09 priorities agreed)*

(i) To maintain a sound financial position;
(iii) To investigate new proposals for affordable housing in the district;
(iv) To work with other LA's in respect of the Green Belt and the final published version of the East of England Plan;
(v) To monitor the new waste contract.

Council Plan Objectives

The Council Plan objectives referred to above are contained in the Action Plan of the Council Plan 2006-2010, which can be found on pages 74 to 87 of that document.

Appendix 1 – Risk Register

Risks marked " * " are above tolerance and require managing

No	Rating		Short name	Vulnerability	Trigger	Consequence
3	B1	*	East of England Plan – housing built without infrastructure	The East of England plan will mean a significantly increased level of housing in the district. The increased number of houses will require an accompanying level of infrastructure improvements (transport, schools, hospitals)	Houses built without accompanying improvements in infrastructure	• Demands on services increase • Infrastructure is put under pressure • Transport system under pressure • Area becomes less attractive to employers • Area becomes less attractive place to live
	B2	*	East of England Plan – unable to agree joined up plan	The East of England plan means a major amount of growth is planned for the district, both in terms of housing and infrastructure. This is part of a national Government agenda This is seen by some as an opportunity to develop a significant area of the district	Council unable to agree a joined up plan with all other involved parties	• Solution (URC) forced on Council • Council not properly recompensed for Council land • Increased amount of development / houses • Unable to maximise opportunity to develop areas of district • Possible boundary changes
8	C2	*	Business Continuity Management	The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act	Unable to respond effectively to a business continuity incident (e.g. IT virus / flu pandemic)	• Services disrupted / Loss of service • Possible loss of income • Staff absence • Hardship for some of the community • Council criticised for not responding effectively

No	Rating		Short name	Vulnerability	Trigger	Consequence
11	A3	*	Unable to provide sufficient housing for local people	The Council has targets in terms of key housing needs and affordable housing, however, there is a shortage of available land in the district for housing and economic development, with high house prices.	Unable to provide sufficient housing for local people	• Unable to achieve targets for affordable housing • Council seen as failing • District becomes more suburban • Young people leave area/Increased elderly population • Character of district changes
17	D2	*	Significant amount of capital receipts spent on non revenue generating assets	The authority is currently debt free, however much of the budget is reliant on capital receipts gained from sale of assets and interest income from investment. There is a 5-year capital programme planned, with a noted decline in the sale of council assets, particularly housing stock.	Authority spends a significant amount of capital receipts on non revenue generating assets e.g. housing grant	• Loss of interest • Loss of cover for contingencies • Financial strategy becomes untenable in the long term • Service reductions required • Large Council Tax increases required
18	D2	*	Loss or theft of data	The Authority handles a large amount of data. Either through hacking or carelessness security of the data could be compromised.	Data held by the Council ends up in inappropriate hands.	• Breach of corporate governance • Increased costs and legal implications • Reputation damaged
20	D2	*	Key contract collapses or service levels deteriorate	Some key council services are being provided by contractors. There have been changes in terms of service delivery and there are concerns around the ability of contractors to meet service changes and deliver the required level of performance.	Contractor collapses / is unable to provide service or Service level deteriorates	• Service fails / adversely affected • Alternative arrangements need to be made • Increased costs and legal implications • Health risks • Dissatisfied customers • Censure by audit/inspection
1	C3		Recruitment in key areas	The authority is currently carrying vacancies and finding it difficult to recruit in several professional areas, esp. building control, environmental health and to junior management roles.	Key posts remain unfilled/take unacceptable lengths of time to fill	• Pressures on existing staff • Difficulties in succession planning • Reliance on agency staff / consultants • Adverse impact on service delivery

No	Rating	Short name	Vulnerability	Trigger	Consequence
13	C3	Key objectives not delivered due to capacity issues	The Council is facing a challenging agenda with a number of initiatives and projects. There is a concern the corporate core, in particular, is light in terms of staffing, resource and capacity. And while the Council has the financial resources to deliver on key priorities, it may not have sufficient HR capacity There are concerns around overload and a recognised need to set achievable agendas and not make unachievable promises.	Council fails to deliver key objectives on time	• Slippage on key projects / initiatives • Deadlines and targets not met • Lack of focus • Workloads increase • Staff demotivated
a	E2	Compliance with regulations	The Cabinet system leads to greater involvement of members in the day to day running of the Authority. It is important that members involved in operational issues understand the processes. Councillors attempt to deliver change, however there is a perception that this may not always be done in full accordance with proper processes and procedures, with possible corporate governance and legal implications.	A decision is made / action taken which breaches regulations	• Breach of corporate governance • Professional opinions challenged • Probity of decision and decision making process questioned • Adverse effect on performance • Council criticised
9	E2	Depot Accommodation	That the Council is unable to provide adequate accommodation for all contracted depot users.	Depot sites disposed of prior to replacement facilities being available.	• Adverse impact on service delivery • Increased costs and legal implications • Council criticised

No	Rating	Short name	Vulnerability	Trigger	Consequence
10	E2	Revised Organisational Structure	The structure of the Council has been revised and will need to bed down over a period of time. There are concerns, that reductions in the number of posts may reduce capacity at senior levels. It is important to ensure the Authority is not too internally focussed, with too much concentration on operational issues, to the detriment of strategic direction.	Lack of direction on key initiatives / strategies	• Unclear priorities and objectives • Difficult to tackle major issues like changing culture • Lack of corporate working • Council does not move forward • External criticism of Council
19	E2	Planning service does not improve	Planning was a poorly performing area with some bottom quartile performance. However, significant improvements in performance have been seen.	Planning service does not maintain improvement	• Lack of member confidence • CPA score affected • Reputation damaged
2	D3	Inconsistent approach to procurement	Procurement is inconsistent across the authority, with the strategy still needing to be embedded and some resistance to initiatives.	Inconsistent approach to procurement continues	• Authority further behind in terms of e-procurement • Efficiency savings not made or contracts fail • Benefits of procurement approaches not achieved • Procured service poor/not value for money • Criticism by inspection
16	D3	Performance management	A performance management framework and systems are in place but are not yet fully embedded within the authority, with no real culture of performance. Performance information is seen as a means rather than an end.	Performance management not applied consistently across the Council	• Performance management treated as a compliance exercise • Improvement does not occur • Service delivery adversely affected • Criticism from inspection / audit • Image of Council damaged

No	Rating	Short name	Vulnerability	Trigger	Consequence
24	D3	Cash balances	Retention of large reserves and balances fails to provide best value and restricts the development of key services.	Key service deteriorates due to lack of resources.	• Service delivery adversely affected • Criticism from inspection / audit • Slippage on key projects • Dissatisfied customers
5	E3	Local Government Reorganisation which is detrimental to the Council and Community	Even though there are no current proposals to change boundaries in Essex, there remains a concern that this might change. EFDC is currently debt-free and any re-organisation may involve neighbouring authorities who are not as financially secure.	Reorganisation which is detrimental to the Council and Community	• Outflow of resources from district • Change of focus to wider focus • Existing priorities stopped • Projects stopped / delayed • Change in direction
3b	E3	Public comments at member level may commit the Council to policies or actions	The Cabinet system leads to greater involvement of members in the day to day running of the Authority. There is a concern, however, at what could be perceived as a 'scattergun approach', particularly around individual initiatives, i.e. that decisions are sometimes made on the basis of public popularity, without proper evaluation and that comments made could be seen as commitments not opinions.	Promises made to public without firm weight of Council behind them	• Council policy 'made on the hoof' • Council sends out mixed messages • Policies not delivered • Public opinion turns against the Council • Possible legal implications of decision

No	Rating	Short name	Vulnerability	Trigger	Consequence
14	E3	Key initiatives resisted / delayed by culture of authority	There is a view that the authority needs to significantly change means of service delivery to meet the ever-changing demands of the wider community, and the requirements of the t-gov agenda. Implementing this will require a significant culture change across the authority, and strong consistent leadership from senior levels of the Authority.	Key initiatives e.g. shared services resisted / delayed by current culture within the authority	• Initiatives / plans not achieved • Failure to make savings, reduce duplications and make continuous improvements • Adverse effect on performance • Censure by audit/inspection • Image of council damaged
15	E3	Sickness absence	Levels of sickness absence are now consistently reported and managed across the authority. There has been considerable success in 2007/08 in reducing overall levels of sickness.	Sickness absence not effectively managed	• Staff absence impacts on ability to deliver • Increased costs of using agency staff • Efficiency savings affected • Impact on staff morale • Possible litigation / claims
21	E3	Use of Council assets	The corporate approach to accommodation and IT infrastructure is not always understood and enforced.	Council fails to make best use of it's assets	• Council cannot effectively respond to initiatives • Unable to justify accommodation needs • Insufficient assets to meet needs in some areas • Over provision in other areas
23	E3	Fraud	A weakness in internal controls or the application of internal controls or criminal collusion such that fraud is either not prevented or not detected.	Significant fraud occurs	• Loss of resources • Damage to Council's reputation • Effect on staff morale • Harm Use of Resources/CPA scores

Page 56

No	Rating	Short name	Vulnerability	Trigger	Consequence
12	D4	Gershon – rule changes	There is a requirement, through the Gershon review to make efficiency savings of 3% for each of the next 3 years. Currently, the savings will be made, however, this is primarily through current rules allowing interest on sales of assets to be included.	Rules changed to preclude this	• Savings need to be made from other areas • Services suffer from lack of resources • Public dissatisfaction with Council services • Council reputation damaged • Censure by audit and inspection
22	D4	Key partnership fails	The Council is involved in a plethora of multi agency partnerships e.g. LSP, but these don't always have clear governance arrangements with related documentation thin on the ground.	Key partnership fails	• Relationships with other bodies deteriorate • Clawback of grants • Unforeseen accountabilities and liabilities for the Council • Censure by audit/inspection • Adverse impact on performance

Appendix 2 – Action Plans

RISK NO.	CURRENT RISK SCORE	TARGET RISK SCORE	CLUSTER NAME
3, 4	B 1/B 2	C 3	East of England Plan
8	C 2	C 3	Business Continuity Planning
11	A 3	A 4	Local housing needs
17	D 2	E 2	Capital receipts spent on non revenue generating assets
18	D 2	E 2	Loss or theft of data
20	D 2	E 2	Key Contracts

Risk No.	Existing controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
3, 4	Informal joint working to pursue funding for infrastructure; and appropriate planning with stakeholders.	Will only become apparent when applications are received and development commences.	Decisions and actions to commence formal inter-authority working; plus progress with policy on Community Infrastructure Levy.	Planning & Economic Development Portfolio Holder Director of Planning & Economic Development	The Council retains control of the delivery arrangements and the provision of improved infrastructure.	Quarterly	31/09/08
8	Most services already have business continuity plans in place and a separate flu pandemic plan is currently being developed.	A Corporate Plan is now in place and arrangements for mass vaccination have been developed with the PCT.	Further develop flu pandemic plan and keep other business continuity plans up to date.	Community Wellbeing Portfolio Holder Deputy Chief Executive	Having plans in place which are proved fit for purpose either by events or external scrutiny.	Quarterly	None
11	Requirement for 40% affordable housing on all large sites. Developments on green belt can result in more affordable housing. Council considers annual provision of grant to housing associations.	Meeting all housing need will not be addressed by existing control, but will help. Grant from the Council also assits.	Early identification of new sites required by the East of England Plan, which will provide associated affordable housing.	Housing Portfolio Holder Director of Housing	Whether housing need is significantly reduced.	Quarterly	31/09/08

Risk No.	Existing controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
17	Five year capital programme prepared which includes resources. Surplus assets continue to be identified and disposed of.	Effective to date as even with £50M capital programme over 5 years more than £17M of usable receipts anticipated at end of period.	Continue to highlight revenue consequences of all new capital schemes and continue to dispose of surplus assets.	Finance & Performance Management Portfolio Holder / Chief Executive	Maintenance of adequate capital and revenue balances.	Quarterly	31/09/08
18	Security Officer is continually monitoring EFDC situation and potential risks. Most systems have in built controls to prevent unauthorised access. Regular liaison with Assistant Director of ICT and Technical Services Manager.	Effective to date.	Replacement of obsolete hardware, adoption of Government Connect to ensure secure data transfers. Encryption of laptop hard-drives. Activation of DEVICEWALL system to prevent unauthorized export of data using USB ports, CD RW and Floppy drives.	Corporate Support Services & ICT Portfolio Holder / Director of Finance & ICT	No data loss or system downtime due to unauthorized access of EFDC systems or data.	Quarterly	None

Risk No.	Existing controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
20	Systems for contract monitoring in place. Contingency plans exist to deal with contract failure.	Contract monitoring established. Business continuity planning has proved effective in waste management.	Both contracts for leisure and waste management require close monitoring.	Leisure & Young People Portfolio Holder Environment Portfolio Holder Director of Environment and Street Scene	A basket of key PI's are in place for the leisure contract. Improving public satisfaction and achieving recycling targets.	Quarterly Quarterly	None None

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Report to the Finance and Performance Management Cabinet Committee

Report Reference: *FPM-003-2008/09.*

Date of meeting: *16 June 2008.*

Epping Forest District Council

Portfolio: **Finance and Performance Management.**

Subject: **Provisional Revenue Outturn 2007/08.**

Responsible Officer: Peter Maddock   (01992 564602).

Democratic Services Officer: Gary Woodhall   (01992 564470).

Recommendations:

> **(1)** **That the overall 2007/08 revenue outturn for the General Fund and Housing Revenue Accounts (HRA) be noted; and**

> **(2)** **That, as detailed in Appendix 2, the carry forward of £469,000 District Development Fund expenditure be approved**

Executive Summary:

This report provides an overall summary of the revenue outturn for the financial year 2007/08.

Reasons for Proposed Decision:

To note the provisional revenue outturn.

Other Options for Action:

No other options available.

Report:

General Fund

1. The table below summarises the revenue outturn for the General Fund and the consequential movement in balances for 2007/08.

General Fund	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
Net Expenditure after Adjustments	16,980	16,543	15,958	(1,022)	(585)
Government Grants and Local Taxation	16,659	16,659	16,659	-	-
(Contribution to)/from Balances	321	(116)	(701)	(1,022)	(585)
Opening Balances – 1/4/07	(6,761)	(6,761)	(6,761)	-	-

General Fund	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
(Contribution to)/from Balances	321	(116)	(701)	(1,022)	(585)
Closing Balances – 31/3/08	(6,440)	(6,877)	(7,462)	(1,022)	(585)

2. Net expenditure for 2007/08 totalled £15.958 million, which was £1,022,000 (6.5%) below the original estimate and £585,000 (4.0%) below the revised. When compared to a gross expenditure budget of approximately £64 million, the variances can be restated as 1.6% and under 1% respectively.

3. An analysis of the changes between Continuing Services Budget (CSB) and District Development Fund (DDF) expenditure illustrates where the main variances in revenue expenditure have occurred.

General Fund	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
Opening CSB	16,842	16,706	16,180	(662)	(526)
In Year Growth	374	504	460	86	(44)
In Year Savings	(236)	(667)	(682)	(446)	(15)
Total Continuing Services Budget	**16,980**	**16,543**	**15,958**	**(1,022)**	**(585)**
DDF – Expenditure	1,264	2,802	2,558	1,294	(244)
DDF – One Off Savings	(705)	(1,839)	(2,293)	(1,588)	(454)
Total DDF	**559**	**963**	**265**	**(294)**	**(698)**
Appropriations	**(559)**	**(963)**	**(265)**	**294**	**698**
Net Expenditure	**16,980**	**16,543**	**15,958**	**(1,022)**	**(585)**

Continuing Services Budget

4. CSB expenditure was £1,022,000 below the original estimate and £585,000 lower than the revised. The variances have arisen on both the opening CSB, £526,000 lower than the revised estimate and the in year figures, £59,000 lower than the revised estimate.

5. Of the savings on the opening CSB over half relates to staff savings due to vacancies. Actual salary spending for the authority in total, including agency costs, was some £18.544 million compared against an original estimate of £18.926 million. Although the saving of £382,000 is rather lower than in recent years it is still substantial and much of this saving has fallen on the General Fund as opposed to the Housing Revenue Account and the Housing Repairs Fund as was the case in 2006/07. Of the remaining savings of £280,000, £82,000 relates to Housing Benefits with a further four areas seeing savings of £20,000 plus, these are Abandoned Vehicles, Electoral Registration, Grounds Maintenance and Environmental Co-ordination.

6. The in year CSB growth figure of £138,000 became an in year saving of £222,000. Much of this was recognised in the revised estimates, as a saving from the first phase of the top management restructure produced £78,000 and £102,000 of the increased investment income was assessed as being of an ongoing nature. There was also a CSB reduction in the cost of placing people in bed and breakfast accommodation of £85,000 and a number of other items of additional income. Full details of items within the CSB growth figures can be found at Appendix 1.

District Development Fund

7.   Net DDF expenditure was £294,000 below the original estimate and £698,000 below the revised. There are requests for carry forwards totalling £469,000 and therefore the variation actually equates to a £229,000 net under spend on the DDF items undertaken. These one-off projects are akin to capital, in that there is regular slippage and carry forward of budgetary provision. Therefore the only reasonable variance analysis that can be done is against the revised position.

8.   The DDF increased between the Original and Revised position by some £404,000, this was due to a mixture of items brought forward from 2006/07 and new items identified during 2007/08, the major item in the latter category being in relation to Waste Mangement. There were also items of income to the General Fund totalling £1,407,000 which have been appropriated to the DDF (see other items on appendix B). The largest variation was seen on the Local Authority Business Growth Incentive Scheme (LABGI) grant, though the final allocation has still to be confirmed. This amounted to an increse of £205,000 on the original figure, though £41,000 related to an adjustment to 2006/07 which did not become apparent until well into 2007/08.

9.   Two portfolios saw variations in excess of £100,000 on their DDF when compared to the revised estimate. Finance, Performance Management and Corporate Support Services saw an underspend of £244,000. The three main elements of this relate to unspent Local Housing Allowance set up grant, being able to contain increased costs as a result of maternity cover in Housing Benefits within the existing salaries budget and slippage on the implementation of the new Revenues and Benefits system. Environmental Protection saw an overspend of £186,000, which was made up of a £216,000 overspend on Waste Management, a report on which was made to Cabinet on 9 June. This was offset slightly by additional licensing income. Having said that because the overall position was a net underspend this overspend has in effect been financed by the various underspends on the DDF. Full details of the DDF are shown on appendix B.

10.   The appropriation of additional income items and the underspend mean the balance on the DDF has reduced slightly to £2.916 million. Assuming that all the carried forward items are agreed and spent, the DDF is still in a better position than was predicted in the revised estimates. The 2008/09 estimate process allocated all of the DDF to projects including a large amount to the Local Development Framework (LDF). It is unclear at this stage whether the amounts allocated to the LDF so far are sufficient so the additional DDF monies may be required for this, however a full review of the DDF will take place as usual during the budget making process for 2009/10 in the autumn of 2008.

Appropriations

11.   The only variation on appropriations arises from the underspend on the DDF.

Housing Revenue Account

12.   The table below summarises the revenue outturn for the Housing Revenue Account.

Housing Revenue Account	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
Revenue Expenditure	13,647	13,758	13,321	(326)	(437)
HRA Subsidy Payable	8,868	8,842	8,842	(26)	-
Depreciation	7,667	8,527	8,528	861	1
Total Expenditure	**30,182**	**31,127**	**30,691**	**509**	**(436)**

Page 65

Housing Revenue Account	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
Gross Dwelling Rents	23,467	23,390	23,396	71	(6)
Other Rents and Charges	4,295	4,315	4,498	(203)	(183)
Total Income	**27,762**	**27,705**	**27,894**	**(132)**	**(189)**
Net Cost of Service	**2,420**	**3,422**	**2,797**	**377**	**(625)**
Interest and Other Transfers	1,740	2,164	2,165	(425)	(1)
Transfer from Major Repairs Reserve	3,077	3,939	3,954	(877)	(15)
Net Operating Income	**(2,397)**	**(2,681)**	**(3,322)**	**(925)**	**(641)**
Appropriations					
Capital Expenditure Charged to Revenue	1,985	2,142	2,628	643	486
Other	45	(29)	125	80	154
Deficit/(Surplus) for Year	**(367)**	**(568)**	**(569)**	**(202)**	**(1)**
Opening Balance – ¼/07	(5,632)	(5,632)	(5,632)	-	-
Deficit/(Surplus) for year	(367)	(568)	(569)	(202)	(1)
Closing Balance – 31/3/08	**(5,999)**	**(6,200)**	**(6,201)**	**(202)**	**(1)**

13.   A Surplus within the HRA of £367,000 and £568,000 was expected within its original and revised revenue budgets respectively, the actual surplus was £569,000 which is in line with the revised position. This occurred due to a substantial increase to Capital Expenditure Charged to Revenue (RCCO) that offset savings on Management and Maintenance costs of £436,000 and additional income from other rents and charges.

14.   When the Revised Estimates were compiled it was noted that the balance on the HRA should not exceed £6.209 million at 1 April 2008, if the Council wished to capitalise additional pension contributions in 2008/09 as a result of the latest triennial valuation. The increased RCCO figure is countered by an equivalent decrease in usage of the Major Repairs Reserve to avoid the HRA balance increasing beyond £6.209 million.

15.   The savings on Management and Maintenance arose in a number of areas including Grounds maintenance, Housing Land Cleansing, Piper Alarms and Minor Sewerage Works. There was also some salary savings on the HRA however there was a slight salary overspend on the Repairs Fund.

Resource implications:

As set out in report, it is clear that the Cabinet priority to maintain a sound financial position has been achieved.

Legal and Governance Implications:

Reporting on the financial outturn for the previous financial year is recognised as a key element of the Council's Governance Framework.

Safer, Cleaner, Greener Implications:

The Council's revenue budgets contain spending related to the Safer, Cleaner, Greener initiative.

Consultation undertaken:

None.

Background Papers:

Final Accounts working papers held in Accountancy.

Impact Assessments:

No equalities or risk management impacts.

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST Appendix A

Portfolio	Service		Original 2007/08 £000's	Revised 2007/08 £000's	Actual 2007/08 £000's	Variance from Revised £000's
Leaders Portfolio	Corporate Policy Making	Top Man Structure Salary Savings		(78)	(78)	0
	Subscriptions	Disbanding of the Essex Local Govt Association		(6)	0	6
	Civic and Member	Member Electronic Services (Trans from IEG)	(12)	(12)	(14)	(2)
	Civic Ceremonial	Car Hire/ Civic Awards	2	2	1	(1)
	Civic Ceremonial	Additional Support for Chairman	5	5	5	0
	Elections	Running Costs of New Software	3	3	3	0
	Total Leaders		**(2)**	**(86)**	**(83)**	**3**
Community	Concessionary Fares	Transport for London reduction in passes issued		(12)	(12)	0
	Safer Communities	Graffiti Removal		15	3	(12)
	Safer Communities	Graffiti Removal HRA Contribution		(15)	(27)	(12)
	Total Community Wellbeing		**-**	**(12)**	**(36)**	**(24)**
Finance, Performance Management and Corporate Support Services	Local Taxation	NDR Reduction in Court Cost Fees	(2)	13	3	(10)
	Local Taxation	Council Tax (Increase)/Decrease in Court Costs Fees	(21)			0
	Finance Miscellaneous	Building Maintenance - Inflation	4	4	4	0
	Housing Benefits/Local Taxation	Replacement Revenues & Benefits System	16	16	0	(16)
	Housing Benefits	Non HRA Rent Rebates		(85)	(85)	0
	Office Accommodation	Additional costs of reletting office cleaning contract	7	7	8	1
	Industrial Estates	Langston Road Industrial Estate- Temporary Car Parking		2	3	1
	Industrial Estates	Oakwood Hill Industrial Estate - rents		7	7	0
	Industrial Estates	Oakwood Hill Workshop Units - rents		(17)	(9)	8
	Industrial Estates	Brooker Road Industrial Estate - rents		(6)	(10)	(4)
	David Lloyd Centre	Commission & rent reviews		(8)	(13)	(5)
	All Services	Computer Equipment New Procurement Arrangements	(38)	(38)	(38)	0
	All Services	New Mobile Phone Contract	(35)	(30)	(30)	0
	All Services	New Photocopier Contract	(4)	(4)	(4)	0
	Energy Sites	Energy Costs	44	26	26	0
	Total Finance,Performance Management and Corporate Support Services		**(29)**	**(113)**	**(138)**	**(25)**
Housing	Private Sector Housing	Env. Health. Practitioner for HMO's	19	16	19	3
	Private Sector Housing	Environmental Health Practitioner	41	11	11	0
	Private Sector Housing	Finders Fee Scheme	5	5	0	(5)
	Reinstatement Grants	End of Subsidy	113	113	113	0
	Total Housing		**178**	**145**	**143**	**(2)**
Leisure	Leisure Management	Leisure Centre Income Share	(50)	(14)	(11)	3
	Waltham Abbey Leisure Centre	Revision of Joint Use Agreement	(10)	(10)	0	10
	Leisure Services	Increased Energy Costs	10	6	11	5
	Total Leisure		**(50)**	**(18)**	**0**	**18**

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Portfolio	Service		Original 2007/08 £000's	Revised 2007/08 £000's	Actual 2007/08 £000's	Variance from Revised £000's
Environmental Protection	Pollution Control	Bobbingworth Tip Maintenance	11	11	2	(9)
	Licensing & Registration	Increased income		(26)	(26)	0
	Hackney Carriage Licensing	Increased income		(25)	(25)	0
	Total Environmental Protection		**11**	**(40)**	**(49)**	**(9)**
Planning & Economic Development	Tourism	End of Sec 106 contribution to W Abbey TIC	5	5	5	0
	Building Control	Additional Consultancy Fees		25	27	2
	Building Control	Building Control Ring Fence		(25)	(27)	(2)
	Building Control	Additional Income	(9)	(70)	(43)	27
	Building Control	Building Control Ring Fence	9	70	43	(27)
	Building Control	Training Expenses		(10)	0	10
	Building Control	Building Control Ring Fence		10	0	(10)
	Development Control	Contaminated Land Consultants Fees		20	14	(6)
	Development Control	Income from Pre-application Discussions		(20)	(11)	9
	Total Planning & Economic Development		**5**	**5**	**8**	**3**
Civil Engineering & Maintenance	Off Street Car Parking	Free Saturday Parking	75	88	88	0
	Off Street Car Parking	Increased Income	(45)	(45)	(45)	0
	Off Street Car Parking	Additional staffing costs		7	3	(4)
	On Street Car Parking	Additional staffing costs		6	2	(4)
	On Street Car Parking	Additional staffing costs		(6)	(2)	4
	Off Street Car Parking	Additional costs of new contract		9	(24)	(33)
	On Street Car Parking	Additional costs of new contract		10	(23)	(33)
	On Street Car Parking	Additional costs of new contract		(10)	23	33
	Off Street Car Parking	Reduced Penalty Notice Income		13	32	19
	Grounds Maintenance/Car Parking	Increased Energy Costs	5	4	4	0
	Total Civil Engineering & Maintenance		**35**	**76**	**58**	**(18)**
Other Items	Increased Investment Interest			(102)	(102)	0
	Car Leasing	Amendments to Scheme	(10)	(18)	(23)	(5)
	Total CSB		**138**	**(163)**	**(222)**	**(59)**

Overspends/Income not achieved   **75**

Underspends/ Income Overachievement   **(134)**

Net Underspend   **(59)**

District Development Fund

Committee / Service	Description	2007/08				C/Fwd	over	under	2008/09		2009/10 Estimate	2010/11 Estimate
		Original £000's	Revised £000's	Actual £000's	Difference £000's	£000's	£000's	£000's	Estimate £000's	Revised £000's	£000's	£000's
Leaders												
Corporate Policy Making	Development of Community Strategy	10	10	10								
Corporate Policy Making	Retirement of Joint Chief Executive (Community)		163	163								
Corporate Policy Making	Retirement of Joint Chief Executive (Community)HRA Element		(33)	(33)								
Elections	By-Elections Alderton Ward		4	4								
Civic and Member	Audit & Governance Committee Training	2	1	1					4	4		
Civic and Member	Webcasting Project											
Public Relations	Improvements to Main Reception Area	31							31	31		
Total Leaders		**43**	**145**	**145**	**0**	**0**	**0**	**0**	**35**	**35**	**0**	**0**
Community Wellbeing												
Concessionary Fares	County Wide Scheme		21	0	(21)							
Concessionary Fares	National Bus Concession - set up costs		53	19	(34)							
Concessionary Fares	National Bus Concession - Grant		(53)	(50)	3	52				52		
Concessionary Fares	New National Scheme - Grant								(235)	(235)	(241)	(247)
Concessionary Fares	New National Scheme - Costs								235	235	241	247
Concessionary Fares	Bus Permits Saving			(25)	(25)			25				
Concessionary Fares	Transport for London reduction in passes issued			(17)	(17)			17				
Safer Communities	ASB Investigator training								2	2		
Safer Communities	Protective clothing								5	5		
Safer Communities	Police community safety accreditation								2	2		
Safer Communities	Unspent Home Office Grant			(16)	(16)	16				16		
Total Community Wellbeing		**0**	**21**	**(89)**	**(110)**	**68**	**0**	**42**	**9**	**77**	**0**	**0**
Finance and Performance Management and Corporate Support Services												
Accountancy	VAT Consultancy		3	3								
Finance Miscellaneous	Asset Register	20	20	0	(20)	20				20		
Finance Miscellaneous	Finance System Outstanding Commitments	20	20	15	(5)	5				19		
Housing Benefits	Cover for Maternity leave	40	40	0	(40)	40			14	40		
Housing Benefits	Housing Benefit Admin Grant (New Formula)	(167)	(167)	(167)								
Housing Benefits	Welfare Reform Start up costs		6	(2)	(8)	8				8		
Housing Benefits	Electronic Document management		8	8					7	7		
Housing Benefits	Local Housing Allowance Implementation grant		(108)	(121)	(13)	65				65		
Housing Benefits	Local Housing Allowance Implementation Costs		108	56	(52)							
Housing Benefits	HBSD/IAD Scan Funding Grant		(14)		14	(14)				(14)		
Housing Benefits	HBSD/IAD Scan Funding Costs		14		(14)	14				14		
Housing Benefits/Local Taxation	Replacement Revenues & Benefits system	80	106	24	(82)	82			40	122		
Industrial Estates	Langston Road Industrial Estate- Development Proposals	9	39	39								
Insurance/Risk Management	Implementation of Risk Management Strategy	9	3	0	(3)	3				3		
Legal Services	Data capture re Land Terrier								11	11		
Legal Services	Computerisation of Land Terrier records	17		1	1				17	17		
Legal Services	Registration of Unregistered Titles	41		1	1	(1)			42	41		
Legal Services	Office Equipment					(1)			3	2		
Land Charges	Reduced Income		57	73	16		16					
Land Charges	Reduction in search costs payable to ECC	66	(20)	(26)	(6)			6				
Office Accommodation	Essential Work to Civic Offices		71	72	1	(1)			77	76	31	20
Office Accommodation	Civic Offices Atrium works											
Office Accommodation	Potential Accommodation Changes		13	13					100	100		
Office Accommodation	Civic Offices Environmental Imps Comfort Cooling		10	2	(8)	8			100	108		
Office Accommodation	Newt Pond Boundry Wall Repair		5	5								
Unappropriated Land	Consultant's Fees - Dev Potential of Council Car Parks		26	13	(13)	13				13		
Unappropriated Land	Consultant's Fees & site surveys Langston Rd Depot		20	7	(13)	13				13		
Non HRA Building Maintenance	Planned Building Maintenance Programme								130	130		
Total Finance,Performance Management and Corporate Support Services		**115**	**260**	**16**	**(244)**	**254**	**16**	**6**	**541**	**795**	**31**	**20**

District Development Fund

Committee / Service	Description	2007/08							2008/09		2009/10	2010/11
		Original £000's	Revised £000's	Actual £000's	Difference £000's	C/Fwd £000's	over £000's	under £000's	Estimate £000's	Revised £000's	Estimate £000's	Estimate £000's
Housing												
Homelessness	Homelessness Prevention Officers	9	18	10	(8)	8				8		
Housing Benefits	Non HRA Rent Rebates			(28)	(28)			28				
Private Sector Housing	Housing strategy and empty homes surveys	4		6					8	8		
Private Sector Housing	Consultancy Private Sector Assistance Policy	10	5		(1)	(1)			15	14		
Private Sector Housing	Handyperson Scheme	3	2	1	1	1			1	2		
Total Housing		26	25	(11)	(36)	8	0	28	24	32	0	0
Leisure												
Leisure Management	Alternative Management	151	168	165	(3)			3				
Loughton Leisure Centre	Mediation	7	15	0	(15)	15				15		
Community Development	Provision of Portakabin		4	0	(4)	4				4		
Open Spaces	Nursery Maintenance		7	7								
North Weald Airfield	High Voltage Distribution Network 5 yr Programme	(50)	(73)	(71)	2	(2)			5	3		
North Weald Airfield	Scouts Jamboree Additional Income		11	9	(2)	2						
North Weald Airfield	Maintenance		10	10						2		
Museum	Community Venues Outreach Pilot Project											
Community Development	Additional Projects	20	20	24	4							
Community Development	Additional Projects	(20)	(20)	(24)	(4)							
Community Development	Youth Council		5	4	(1)	1				1		
Sports Development	Additional Projects	30	39	38	(1)							
Sports Development	Additional Projects	(30)	(39)	(38)	1							
Total Leisure		108	147	124	(23)	20	0	3	5	25	0	0
Environmental Protection												
Waste Management	Recycling Measures	56	56	56								
Waste Management	Maintaining waste service whilst procurement undertaken		717	933	216		216					
Waste Management	Subscription to procurement hub		15	15					7	7		
Waste Management	Government Grant	(56)	(56)	(56)								
Waste Management	Contract termination and new contract set up		66	66								
Waste Management	Safer, Cleaner and Greener								5	5		
Licencing & Registration	Additional Income			(8)	(8)			8				
Hackney Carriage Licencing	Additional Income			(22)	(22)			22				
Neighbourhoods / Rapid Response	Safer, Cleaner and Greener								18	18		
Pollution Control	Air Quality Management Area								4	4		
Pollution Control	Bobbingworth Tip										4	1
Total Environmental Protection		0	798	984	186	0	216	30	34	34	4	1

District Development Fund

Committee / Service	Description	2007/08 Original £000's	2007/08 Revised £000's	2007/08 Actual £000's	Difference £000's	C/Fwd £000's	over £000's	under £000's	2008/09 Estimate £000's	2008/09 Revised £000's	2009/10 Estimate £000's	2010/11 Estimate £000's
Planning & Economic Development												
Countrycare	Veteran Tree Project		40	44	4							
Countrycare	Veteran Tree Project		(40)	(47)	(7)							
Development Control	Compensation Waste Transfer Station		46	46		3				3		
Development Control	Reduced Income		40	51	11		11					
Economic Development	Developing Business Networks		4	0	(4)				5	5		
Economic Development	Enhanced Business Contacts									4		
Economic Development	Town Centre Manager					4			35	35		
Enforcement	Paynes Lane Traveller Incursion	122	85	83	(2)			2				
Forward Planning	High Hedges Legislation - Staffing	18	17	14	(3)			3	4	4		
Forward Planning	Technical Planning Officer -Tree Preservation								14	14	4	
Forward Planning	Local Development Framework	160	40	26	(14)	5		9	288	293	217	615
Planning Services	Planning Delivery Grant 1	15	17	19	2		2		27	27		
Planning Services	Planning Delivery Grant 2	24	20	15	(5)			5	14	14		
Planning Services	Planning Delivery Grant 3	10	22	27	5		5		38	38		
Planning Services	Planning Delivery Grant 4		49	42	(7)			7	(40)	(40)		
Planning Services	Planning Delivery Grant 4								160	160		
Planning Services	Planning Delivery Grant 5	15	48	24	(24)			24	(160)	(160)	2	
Planning Services	Planning Delivery Grant 5	(15)	(48)	(48)								
Planning Services	Scanning DDF		35	73	38		38		30	30		
Tourism	Rural Projects and Tourism Officer											
Tourism	Tourism Summit		2	0	(2)	2				2		
Town Centre Enhancements	Waltham Abbey Town Centre improvements		25	5	(20)	20				20		
Town Centre Enhancements	Town Centre Support								12	12	12	12
Total Planning & Economic Development		**349**	**402**	**374**	**(28)**	**34**	**56**	**50**	**427**	**461**	**235**	**627**
Civil Engineering & Maintenance												
Land Drainage	Remedial Works Principal Ordinary Watercourses	199	199	114	(85)	85			90	175		
Land Drainage	Senior Engineer (2 Years)	50	100	68	(32)	32				32		
Land Drainage	Reimbursement from Environment Agency	(50)	(100)	(68)	32	(32)				(32)		
Off Street Car Parking	Increased Income			(19)	(19)			19				
Highways	Residual Costs	36	34	34								
Total Civil Engineering & Maintenance		**235**	**233**	**129**	**(104)**	**85**		**19**	**90**	**175**	**0**	
Total Portfolio District Development Fund		**876**	**2,031**	**1,672**	**(359)**	**469**	**288**	**178**	**1,165**	**1,634**	**270**	**648**
Other Items												
	Reimbursement of Highways Residual Costs	(117)	(117)	(117)								
	Increased Investment Interest		(312)	(384)	(72)			72				
	Second Homes Discount Allowance		(73)	(73)					(87)	(87)		
	Backdated Housing Grant		(325)	(325)								
	Provision Released			(62)	(62)			62				
	Local Authority Business Growth Incentives Scheme	(200)	(241)	(446)	(205)			205				
Total District Development Fund		**559**	**963**	**265**	**(698)**	**469**	**288**	**517**	**1,078**	**1,547**	**270**	**648**

District Development Fund

Service	2007/08 Original £000	2007/08 Revised £000	2007/08 Actual £000	Over spend £000	Under spend £000	Net £000	Carry Forward £000	2008/09 Original £000	2008/09 Revised £000
Leaders	43	145	145	0	0	0	0	35	35
Community Wellbeing	0	21	(89)	0	(42)	(42)	68	9	77
Finance & Performance Management	115	260	16	16	(6)	10	254	541	795
Housing	26	25	(11)	0	(28)	(28)	8	24	32
Leisure	108	147	124	0	(3)	(3)	20	5	25
Environmental Protection	0	798	984	216	(30)	186	0	34	34
Planning & Economic Development	349	402	374	56	(50)	6	34	427	461
Civil Engineering & Maintenance	235	233	129	0	(19)	(19)	85	90	175
Total DDF Expenditure	**876**	**2,031**	**1,672**	**288**	**(178)**	**110**	**469**	**1,165**	**1,634**

Funding Analysis

	2007/08 Original £000	2007/08 Revised £000	2007/08 Actual £000					2008/09 Original £000	2008/09 Revised £000
Transfer from DDF	876	2,031	1,672					2,916	2,916
Transfer to General Fund								(1,751)	(1,282)
Total DDF Funding	**876**	**2,031**	**1,672**					**1,165**	**1,634**

DDF Earmarked Reserve

	2007/08 Original £000	2007/08 Revised £000	2007/08 Actual £000					2008/09 Original £000	2008/09 Revised £000
Balance B/F	**3,181**	**3,181**	**3,181**					**2,218**	**2,916**
Reimbursement of Highways Residual Costs	117	117	117						
Increased Investment Interest		312	384						
Second Homes Discount Allowance		73	73					87	87
Backdated Housing Grant		325	325						
Provision Released			62						
Local Authority Business Growth Incentives Scheme	200	241	446						
Provision for carry forward			469						
Transfer Out	(876)	(2,031)	(2,141)					(1,165)	(1,634)
Balance C/F	**2,622**	**2,218**	**2,916**					**1,140**	**1,369**

District Development Fund 2007/2008

Appendix D

Portfolio	Description	C/Fwd £000's	Overspend £000's	Underspend £000's
Leaders				
Total Leaders		0	0	0
Community Wellbeing				
Concessionary Fares	National Bus Concession - set up costs	52		
Concessionary Fares	Bus Permits Saving			25
Concessionary Fares	Transport for London reduction in passes issued			17
Safer Communities	Unspent Home Office Grant	16		
Total Community Wellbeing		68	0	42
Finance and Performance Management and Corporate Support Services				
Finance Miscellaneous	Asset Register	20		
Finance Miscellaneous	Finance System Outstanding Commitments	5		
Housing Benefits	Cover for Maternity leave	40		
Housing Benefits	Welfare Reform Start up costs	8		
Housing Benefits	Local Housing Allowance Implementation Costs	65		
Housing Benefits	HBSD/IAD Scan Funding Grant	(14)		
Housing Benefits	HBSD/IAD Scan Funding Costs	14		
Housing Benefits/Local Taxation	Replacement Revenues & Benefits system	82		
Insurance/Risk Management	Implementation of Risk Management Strategy	3		
Legal Services	Registration of Unregistered Titles	(1)		
Legal Services	Office Equipment	(1)		
Land Charges	Reduced Income		16	
Land Charges	Reduction in search costs payable to ECC			6
Office Accommodation	Essential Work to Civic Offices	(1)		
Office Accommodation	Civic Offices Environmental Imps Comfort Cooling	8		
Unappropriated Land	Consultant`s Fees - Dev Potential of Council Car Parks	13		
Unappropriated Land	Consultant`s Fees & site surveys Langston Rd Depot	13		
Total Finance,Performance Management and Corporate Support Services		254	16	6
Housing				
Homelessness	Homelessness Prevention Officers	8		
Housing Benefits	Non HRA Rent Rebates			28
Private Sector Housing	Consultancy Private Sector Assistance Policy	(1)		
Private Sector Housing	Handyperson Scheme	1		
Total Housing		8	0	28
Leisure				
Leisure Management	Alternative Management			3
Loughton Leisure Centre	Mediation	15		
Community Development	Provision of Portakabin	4		
North Weald Airfield	High Voltage Distribution Network 5 yr Programme	(2)		
North Weald Airfield	Maintenance	2		
Community Development	Youth Council	1		
Total Leisure		20	0	3
Environmental Protection				
Waste Management	Maintaining waste service whilst procurement undertaken		216	
Licencing & Registration	Additional Income			8
Hackney Carriage Licencing	Additional Income			22
Total Environmental Protection		0	216	30

District Development Fund 2007/2008

Portfolio	Description	C/Fwd	Overspend	Underspend
		£000's	£000's	£000's
Planning & Economic Development				
Countrycare	Veteran Tree Project	3		
Development Control	Reduced Income		11	
Economic Development	Enhanced Business Contacts	4		
Enforcement	Paynes Lane Traveller Incursion			2
Forward Planning	High Hedges Legislation - Staffing			3
Forward Planning	Local Development Framework	5		9
Planning Services	Planning Delivery Grant 1		2	
Planning Services	Planning Delivery Grant 2			5
Planning Services	Planning Delivery Grant 3		5	
Planning Services	Planning Delivery Grant 4			7
Planning Services	Planning Delivery Grant 5			24
Planning Services	Scanning DDF		38	
Tourism	Tourism Summit	2		
Town Centre Enhancements	Waltham Abbey Town Centre improvements	20		
Total Planning & Economic Development		**34**	**56**	**50**
Civil Engineering & Maintenance				
Land Drainage	Remedial Works Principal Ordinary Watercourses	85		
Land Drainage	Senior Engineer (2 Years)	32		
Land Drainage	Reimbursement from Environment Agency	(32)		
Off Street Car Parking	Increased Income			19
Total Civil Engineering & Maintenance		**85**	**0**	**19**
Other Items				**339**
Total District Development Fund		**469**	**288**	**517**

Report to the Finance and Performance Management Cabinet Committee

Report reference: FPM-004-2008/09.
Date of meeting: 16 June 2008.

Epping Forest District Council

Portfolio: **Finance & Performance Management.**

Subject: **Capital Outturn 2007/08 and Use of Transitional Relief in 2008/09.**

Responsible Officer: **Teresa Brown** **(01992 564604).**

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

Recommendations:

(1) **That the provisional capital outturn for 2007/08 be noted;**

(2) **That retrospective approval for the over and underspends in 2007/08 on certain capital schemes as identified in the report is recommended to Cabinet;**

(3) **That approval for the carry forward of unspent capital estimates into 2008/09 relating to schemes on which slippage has occurred is recommended to Cabinet;**

(4) **That retrospective approval for the bringing forward of estimates from 2008/09 into 2007/08 in respect of schemes which have progressed more rapidly than expected is recommended to Cabinet;**

(5) **That approval for the virement of a £20,000 saving to the General IT budget, to be carried forward to 2008/09, is recommended to Cabinet;**

(6) **That approval for the virement equivalent to the remaining net savings of £350,000 to the General Capital Contingency is recommended to Cabinet which, together with the sum unallocated in 2007/08, is recommended for carried forward to 2008/09;**

(7) **That the previous approvals to use the unapplied balance of transitional capital receipts for financing contributions to affordable housing schemes be noted.**

Executive Summary:

This report sets out the Council's capital programme for 2007/08, in terms of expenditure and financing, and compares the actual outturn figures with the revised estimates. The revised estimates represent those agreed at Cabinet on 4 February 2008, which were based on the Capital Strategy adopted by Council on 18 December 2007.

Appendix 1 summarises the Council's overall capital expenditure in 2007/08, analysed by portfolio, while appendices 2 and 3 identify the expenditure on individual schemes. Variations from revised estimates are shown in the third column of each appendix and these are identified as savings, overspends, carry forwards or brought forwards on a scheme-by-scheme basis in appendices 2 and 3. The carry forwards and brought forwards represent changes in the timing and phasing of schemes and the movement of estimates between financial years rather than amendments to total scheme estimates.

An analysis of the funds used to finance the Council's capital expenditure in 2007/08 is also given in appendix 1, detailing the use of government grants, private funding, capital receipts and revenue contributions to capital outlay. The generation and use of capital receipts and Major Repairs Fund resources in 2007/08 are detailed in appendix 4.

The report also identifies the proposed use of the transitional capital receipts that remain unused as at 31 March 2008.

Reasons for Proposed Decision:

The action recommended is intended to make the best use of the Council's capital resources that are available to finance the Capital Programme in 2007/08.

Other Options for Action:

The HRA capital expenditure in 2007/08 could have been financed partly from the use of usable capital receipts. This option was rejected because the RCCO level suggested in this report is affordable within the HRA, according to current predictions, and any use of usable capital receipts for HRA purposes would have the effect of reducing scarce capital resources available for the General Fund.

Report:

Capital Expenditure

1.   The overall position in 2007/08 was that a total of £10,597,000 was spent on capital schemes, compared to a revised estimate of £12,324,000. This represents an underspend of £1,727,000 or 14% on the Council's revised capital budget. The underspend was greater on General Fund schemes than Housing Revenue Account (HRA) schemes. Expenditure on General Fund projects totaled £4,949,000, which was £1,236,000 or 20% less than anticipated, whilst expenditure on the HRA totaled £5,648,000, which was £491,000 or 8% less than anticipated.

2.   There were some underspends experienced in 2007/08 which have been identified as savings. This was primarily on private sector housing grants where there were underspends of £186,000 and £154,000 on Disabled Facilities Grants and other private sector grants respectively. The Director of Housing has advised that both sums can be taken as savings and this report recommends that the saving is transferred into the General Capital Contingency.

3.   There were two schemes within the non-housing programme on which savings were also identified. These include £20,000 relating to the creation of a second computer suite at the Civic Offices which is now complete; and £15,000 set aside to finance the costs associated with the sale of land at Merlin Road but Cabinet has agreed to put this on hold for the time being. It is proposed that the £20,000 saving from the computer suite be returned to the General IT budget from which a top up was vired last year and the £15,000 Merlin Road allocation be returned to the Capital Contingency.

4.   These savings were counterbalanced to a small extent by an overspend of £5,000 on the car park upgrade at Queen's Road, Buckhurst Hill. It is suggested that this sum be taken from the Capital Contingency. Together with the savings identified above, this generates a net saving of £350,000. Members are requested to consider using this to increase the General Capital Contingency to a total of £531,000. It is suggested that this amount be carried forward into 2008/09 to be used as a first call for new capital bids. There was also a small overspend of £6,000 on an HRA scheme at Hemnall Street. The scheme involved major conversions works which were completed just over three years ago but an outstanding claim was finally resolved in April which was slightly higher than anticipated.

5.   The majority of the underspends on the General Fund and HRA schemes relate to

slippage of expenditure and it is proposed that this is re-phased into 2008/09. Appendices 2 and 3 give details of the individual projects where slippage has occurred. The main areas of slippage on the General Fund included: the contribution to Estuary Housing Association for affordable housing; the purchase of 8/8a Sun Street in Waltham Abbey under a compulsory purchase order; the Youth Sports Facilities programme, Civic Office works and ICT projects. Within the HRA the main areas of slippage were roofing, kitchen replacements and environmental improvements to shops. It is requested that the capital allocations for all the schemes identified in the appendices receive retrospective approval to be carried forward to 2008/09.

6. It is also requested that the underspend on Phase 2 of the town centre enhancement works at Loughton High Road be carried forward despite the scheme having been completed, pending finalisation of scheme costs when a report will be presented to Cabinet. This brings the total sum requested for carry forward to £2,209,000; £1,572,000 in respect of the General Fund and £637,000 in respect of the HRA.

7. There were also several General Fund and HRA schemes, which progressed more rapidly than anticipated. These included the works being undertaken at Bobbingworth Tip; the Loughton Broadway town centre enhancement works; the parking and traffic schemes; and the contribution to London & Quadrant Housing Association for affordable housing. The overspend on the flood alleviation schemes resulted from the fact that a higher than expected proportion of the works undertaken were of a capital nature. A report on the progress of these works will be presented to Cabinet as appropriate. Within the HRA the projects ahead of target were the major improvement works at Springfields and, to a much smaller extent, the adaptations undertaken for people with disabilities in Council accommodation. A total sum of £846,000 to be brought forward from 2008/09 to 2007/08 is requested for retrospective approval from Members: £706,000 in respect of the General Fund and £140,000 in respect of the HRA.

8. Members are requested to approve the total carry forwards and brought forwards referred to above on the schemes identified in appendices 2 and 3; the total net carry forward requested is £1,363,000, £866,000 on the General Fund and £497,000 on the HRA.

Contributions to the Pension Fund

9. Capital contributions to the Pension Fund Reserve were initiated in 2003/04 to provide for future pension contributions and a transfer of £2,500,000 was made at that point from usable capital receipts. Since then capitalized costs totaling £2,378,000 have been charged to the reserve in line with the capitalisation directions received each year since 2005/06; the sum charged in respect of 2007/08 being £999,000. Cabinet approved a further transfer of £2,500,000 on 4 February 2008. This leaves a capital balance of £2,621,000 remaining on the Pension Fund Reserve to finance future increased contributions. These sums are not shown on the appendices.

Funding

10. When financing the capital programme, government grants and private funding that have been received to finance specific schemes, are applied initially. Appendix 1 identifies all the grants used in 2007/08 and it compares the actual sums used with the amounts estimated in the revised capital programme. Although the maximum government grants allowable have been applied where appropriate, the actual sums are less than estimated in all cases except Disabled Facilities Grants (DFGs) where the upper limit was increased. The reduced level of grants applied reflect the reduced spending in areas attracting grants; the most notable being the Decent Homes Grant received from the DCLG. All unapplied grants can be legitimately carried forward and applied in future years, although there is some uncertainty regarding the unapplied DFGs and this is currently being investigated. Private financing in the form of contributions from leaseholders were also reduced as adjustments were required to sums estimated in respect of 2006/07 and work undertaken on leaseholders properties proved to be less than anticipated in 2007/08. In contrast to this, slightly more

funding from other sources was used to enhance the contribution to London & Quadrant Housing Association for affordable housing by using the interest income which had accrued on the balance held in the accounts; this was approved by Cabinet in March 2008.

11.   The situation with regard to capital receipts in 2007/08 proved to be marginally better overall than had been anticipated, as shown in appendix 4. Income from council house sales was slightly lower than expected as the number of houses sold was 28, fractionally less than expected, although this was compensated to some extent by slightly higher sale prices per property. Repayments of discounts, reduced administration costs and a small land sale topped up the total income from HRA receipts. The General Fund capital receipts were in line with estimates with £6,050,000 received from the sale at the T11 site at Langston Road and £13,500 received in part exchange for a new tractor in the Grounds Maintenance Section. The Council's payment to the Government pool was slightly higher than expected. Although transitional relief is no longer granted, as explained in paragraph 13 below, £500,000 of the £1,000,000 balance brought forward from 2006/07 was applied to finance a large part of the contribution to London & Quadrant Housing Association for affordable housing. The actual use of other capital receipts on the General Fund capital programme was lower than predicted, primarily due to the underspend on this fund.

12.   The total use of revenue contributions was lower than anticipated as the draw on the Major Repairs Reserve was reduced because of the underspend on the HRA.

Use of Transitional Relief in 2007/08

13.   Members will recall that authorities which were debt-free on 31 March 2004, were granted transitional relief on a reducing percentage of capital receipts which are deemed "poolable" to a Central Government Pool since the scheme was introduced. This period of transitional relief has now come to an end. However, the Council still has a sum of £500,000 of transitional relief which has not been used to finance capital expenditure to date.

14.   It has been a general requirement that transitional relief generated in a given year was spent in that year. However, providing Member approval is in existence highlighting the areas where the expenditure is to occur, then a commitment to spend the money is generated such that late expenditure due to slippage is also permissible. In previous years, approval was given for the use of the remaining £500,000 transitional relief to finance General Fund contributions to affordable housing schemes in partnership with housing associations and Members are asked to note this commitment.

Resource Implications:

The 2007/08 General Fund Outturn totaled £4,949,000 representing an underspend of £1,236,000. This comprised of savings of £375,000, an overspend of £5,000, carry forwards of £1,572,000 and brought forwards of £706,000. It has been suggested that the net savings be vired to the General IT budget (£20,000) and the General Capital Contingency (£350,000) and carried forward to 2008/09.

The 2007/08 HRA Capital Outturn was £5,648,000 representing an overall underspend of £491,000. This included an overspend of £6,000, slippage of £637,000 and brought forward expenditure of £140,000.

Legal and Governance:

The Council's capital accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Statement of Recommended Practice (SORP).

Safer, Cleaner and Greener Implications:

The Council's Capital Strategy works to support a safer, greener and cleaner initiative; in

excess of £2,000,000 was spent in 2007/08 on environmental protection.

Consultation Undertaken:

The Finance and Performance Management Scrutiny Panel monitor progress on the capital programme regularly. Service Directors and spending control officers are also consulted throughout the year. In addition, consultation is undertaken with the Tenants and Leaseholders Federation and the Director of Housing on the HRA programme.

Background Papers:

The capital programme approved at Cabinet 4 February 2008 and working papers filed for External Audit purposes.

Impact Assessment:

There are no equality or risk management impacts.

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CAPITAL PROGRAMME
2007/08 ACTUAL (PROVISIONAL)

	2007/08 Revised £000	2007/08 Actual £000	(Under) / Overspend £000
EXPENDITURE			
Finance & Corporate Support	1,148	589	(559)
Leader's	15	0	(15)
Planning & Economic Development	293	285	(8)
Leisure & Young People	135	97	(38)
Environmental Protection	1,820	2,074	254
Civil Engineering	377	724	347
Total Non-Housing	**3,788**	**3,769**	**(19)**
Housing GF	2,397	1,180	(1,217)
HRA	6,088	5,601	(487)
Housing Works Unit	51	47	(4)
Total Housing	**8,536**	**6,828**	**(1,708)**
TOTAL	**12,324**	**10,597**	**(1,727)**
FUNDING			
DCLG Grant for DFG	125	188	63
DCLG Grant for Decent Homes	200	77	(123)
IEG Grant	304	253	(51)
DEFRA Grant	56	56	0
PDG Grant	75	34	(41)
Private Funding	425	329	(96)
Total Grants	**1,185**	**937**	**(248)**
Transitional Relief: Housing GF	1,000	500	(500)
Other Capital Receipts:HRA	0	11	11
Other Capital Receipts:Housing GF	837	620	(217)
Other Capital Receipts:Non Housing	3,243	2,933	(310)
Total Capital Receipts	**5,080**	**4,064**	**(1,016)**
HRA - RCCO	1,985	2,628	643
HRA - MRR	4,074	2,968	(1,106)
Total Revenue Contributions	**6,059**	**5,596**	**(463)**
TOTAL	**12,324**	**10,597**	**(1,727)**

CAPITAL PROGRAMME
2007/08 ACTUAL (PROVISIONAL)

	2007/08 Revised £000	2007/08 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Finance & Corporate Support						
Youth Sports Facilities	132	68	(64)		(64)	
Planning Service Accommodation Works	15	0	(15)		(15)	
Civic Office Works	62	6	(56)		(56)	
Messenger Vehicles	15	15	0			
General Capital Contingency	181	0	(181)		(181)	
IT Projects funded from IEG	304	266	(38)		(38)	
Revenues & Benefits IT System	97	48	(49)		(49)	
General IT	221	90	(131)		(131)	
Civic Offices Computer Suite No.2	85	65	(20)	(20)		
Planning & Land Charges IT System	36	31	(5)		(5)	
Total	**1,148**	**589**	**(559)**	**(20)**	**(539)**	**0**
Leader's						
Merlin Way Land Sale	15	0	(15)	(15)		
Total	**15**	**0**	**(15)**	**(15)**	**0**	**0**
Leisure & Young People						
Loughton Leisure Centre	14	2	(12)		(12)	
Ongar Leisure Centre : Extention	3	3	0			
N W Airfield Market Improvements	110	84	(26)		(26)	
Museum Redisplay Programme	8	8	0			
Total	**135**	**97**	**(38)**	**0**	**(38)**	**0**
Enviornmental Protection						
Bobbingworth Tip	1,000	1,274	274			274
Environ. Protection Equipment	20	0	(20)		(20)	
Refuse and Street Cleansing Vehicles	800	800	0			
Total	**1,820**	**2,074**	**254**	**0**	**(20)**	**274**
Planning & Economic Development						
Town Centre Enhancement						
Loughton High Road Works: Phase 2	53	11	(42)		(42)	
Loughton Broadway Works	165	240	75			75
PDG Capital Scheme	75	34	(41)		(41)	
Total	**293**	**285**	**(8)**	**0**	**(83)**	**75**
Civil Engineering						
Parking & Traffic Schemes	200	479	279			279
Housing Estate Car Parking	17	12	(5)		(5)	
Car Park Upgrade Buckhurst Hill	2	7	5	5		
Flood Alleviation Schemes	99	167	68			68
Epping Drinking Fountain	6	6	0			
Grounds Maint Plant & Equipt	53	53	0			
Total	**377**	**724**	**347**	**5**	**(5)**	**347**
TOTAL NON-HOUSING PROGRAMME	**3,788**	**3,769**	**(19)**	**(30)**	**(685)**	**696**

CAPITAL PROGRAMME
2007/08 ACTUAL (PROVISIONAL)

		2007/08 Revised £000	2007/08 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Housing General Fund							
Contribution to Affordable Housing							
Estuary HA Schemes		500	0	(500)		(500)	
The Quarter, Ongar (L&Q)		735	745	10			10
Total Affordable Housing Contributions		1,235	745	(490)	0	(500)	10
Disabled Facilities Grants		500	314	(186)	(186)		
Other Private Sector Grants		275	121	(154)	(154)		
Alfred Road Drainage Works		9	0	(9)		(9)	
CPO 8/8A Sun Street, W. Abbey		378	0	(378)		(378)	
TOTAL HOUSING GENERAL FUND		**2,397**	**1,180**	**(1,217)**	**(340)**	**(887)**	**10**
Housing Revenue Account							
Springfields, Waltham Abbey	*	617	741	124			124
Norway House Improvements	*	57	45	(12)		(12)	
Hemnall House Conversion		0	6	6	6		
Communal TV Upgrade		15	8	(7)		(7)	
Heating/Rewiring	*	1,063	1,047	(16)		(16)	
Windows/Roofs/Asbestos/Water Tanks	*	744	634	(110)		(110)	
Other Planned Maintenance		461	384	(77)		(77)	
Total Planned Maintenance		2,957	2,865	(92)	6	(222)	124
Structural Schemes	*	457	375	(82)		(82)	
Cyclical Maintenance	*	13	0	(13)		(13)	
Small Capital Repairs	*	375	358	(17)		(17)	
Cost Reflective Repairs	*	1,298	1,175	(123)		(123)	
Non-Cost Reflective Repairs		438	302	(136)		(136)	
Disabled Adaptations		462	478	16			16
Other Repairs and Maintenance	*	72	48	(24)		(24)	
Feasibilities		16	0	(16)		(16)	
TOTAL HRA		**6,088**	**5,601**	**(487)**	**6**	**(633)**	**140**
Housing DLO Vehicles		51	47	(4)		(4)	
TOTAL WORKS UNIT		**51**	**47**	**(4)**	**0**	**(4)**	**0**
TOTAL HOUSING PROGRAMME		**8,536**	**6,828**	**(1,708)**	**(334)**	**(1,524)**	**150**
* EFDC Affordable Housing & Regeneration Projects		4,696	4,423	(273)	0	(273)	124

**CAPITAL RECEIPTS
2007/08 ACTUAL (PROVISIONAL)**

	2007/08 Revised £000	2007/08 Actual £000	2007/08 Variation £000
Receipts Generation			
Housing Revenue Account	3,450	3,488	38
General Fund	6,063	6,063	0
Total Receipts	**9,513**	**9,551**	**38**
Receipts Analysis			
Usable Receipts	7,032	6,963	(69)
Payment to Govt Pool	2,481	2,588	107
Total Receipts	**9,513**	**9,551**	**38**
Usable Capital Receipt Balances			
Opening Balance	26,425	26,425	0
Usable Receipts Arising	7,032	6,963	(69)
Transitional Payment from Pool (which must be used on Housing assets)	(1,000)	(500)	500
Transfer to Pension Fund Capital Reserve	(2,500)	(2,500)	0
Use of Other Capital Receipts	(4,080)	(3,564)	516
Closing Balance	**25,877**	**26,824**	**947**

**MAJOR REPAIRS RESERVE
2007/08 ACTUAL (PROVISIONAL)**

	2007/08 Revised £000	2007/08 Actual £000	2007/08 Variation £000
Opening Balance	5,655	5,655	0
Major Repairs Allowance	4,603	4,603	0
Use of MRR	(4,074)	(2,968)	1,106
Closing Balance	**6,184**	**7,290**	**1,106**

Page 86

Report to the Finance and Performance Management Cabinet Committee

Report Reference: FPM-005-2008/09.
Date of Meeting: 16 June 2008.

Epping Forest District Council

Portfolio: **Finance and Performance Management.**

Subject: **Key Performance Indicators 2007/08 and 2008/09.**

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

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

Recommendations:

> **(1)** **That the Council's performance in relation to Best Value Performance Indicators (BVPIs) and Local Performance Indicators (LPIs) for 2007/08, be noted; and**
>
> **(2)** **That subject to the concurrence of the Finance and Performance Management Scrutiny Panel:**
>
> **(a)** **former BVPIs 170a, 170b, 170c (Visits to museums and galleries) and 91a (Households served by a kerbside collection of recyclables) be adopted as LPIs for 2008/09, and former BVPI 106 (New homes built on previously developed land) be deleted as an LPI for 2008/09;**
>
> **(b)** **the Cabinet Committee agree those performance indicators to be adopted as Key Performance Indicators (KPIs) for 2008/09; and**
>
> **(c)** **a target be set for at least 75% of the KPIs for 2008/09 to achieve the relevant performance target for the year.**

Report:

1. As the Cabinet Committee will be aware, a range of 43 Key Performance Indicators (KPIs) for 2007/08 was adopted by the Cabinet at its meeting on 16 July 2007. The KPIs are important to the Council's core business and its corporate priorities, and comprised both Best Value Performance Indicators and Local Performance Indicators (BVPIs/LPIs). The aim of the indicators was to focus improvement actions on key areas and to move performance against each into the top quartile of performing local authorities (where appropriate) and to then maintain or improve further on that level of performance. On the adoption of the KPIs for 2007/08, the Cabinet set a target that at least 75% should achieve top quartile (or other relevant) targets by the end of the year.

2. Targets for each KPI have traditionally been based on the most recently available national performance information published by the Audit Commission. In the case of the KPIs for 2007/08, targets were based on audited national performance information for 2005/06 that had been published by the Commission in February 2007. The setting of KPI targets on this basis results in current performance being measured against two year old quartiles and, whilst providing challenging targets for achievement, the Audit Commission's assessment of the Council's performance will always measure it against the performance of other local

authorities in the same year. On the adoption of the KPIs for 2007/08, the Cabinet set a target that at least 75% should achieve top quartile status by the end of the year.

3.   Annual improvement plans are produced for each of the KPIs to reflect year on year changes, which also contain details of service costs and feed into the Council's annual Value For Money analysis. Progress in achieving target performance in respect of the KPIs is reported to the Finance and Performance Management Scrutiny Panel and the relevant Portfolio Holder at the conclusion of each quarter. Details of performance against all BVPIs and LPIs (including the KPIs) are deposited in the Members' Room at the end of each quarter.

Key Performance Indicators 2007/08:

4.   A schedule detailing performance against all BVPIs and LPIs (including those indicators also designated as KPIs), for the period from 1 April 2007 to 31 March 2008, is attached as Appendix 1 to this report. This schedule illustrates performance for each indicator in red shading where targets were not achieved for the year, and in green shading where were targets met. Additionally, the schedule also highlights in amber shading, those indicators where, whilst targets were not met for the year, outturn performance fell within 5% of the respective target.

5.   The year-end position with regard to overall improvement and the achievement of top quartile (or other relevant) targets for the KPIs for 2007/08, is as follows:

(a)   23 (53.5%) achieved the performance target for 2007/08;

(b)   6 (13.9%) did not achieve the performance target for 2007/08, although outturn performance was within 5% of the target for the year;

(c)   14 (32.5%) did not achieve the performance target for 2007/08, and outturn performance was not within 5% of the target for the year;

(d)   23 (53.5%) improved in performance compared with 2006/07, or maintained the level of performance achieved for 2006/07; and

(e)   20 (46.5%) worsened in performance compared with 2006/07.

6.   The Cabinet Committee is requested to note the Council's performance in relation to its KPIs for 2007/08. Relevant service directors will be in attendance at the meeting to respond to members' questions in respect of performance against specific indicators and targets.

Key Performance Indicators 2008/09:

7.   As the Cabinet Committee will be aware, the new National Indicator (NI) set replaced all existing BVPIs from April 2008. The introduction of the new NI set provided an opportunity for a thorough review to be undertaken of the Council's existing suite of statutory BVPIs and locally determined LPIs and, on 10 March 2008, the Cabinet agreed the adoption of a range of existing BVPIs as LPIs from 2008/09 onwards, where these continued to reflect local priorities but had not been brought forward into the new NI set. A range of asset management related LPIs have also been adopted as a result of recommendations made by the Audit Commission through the annual Use of Resources assessment.

8.   At the time of the adoption of the new LPI set for 2008/09 by the Cabinet, it was agreed that former BVPIs 170a, 170b and 170c, which measure visits to museums and galleries funded or part-funded by the Council, not be adopted as LPIs for 2008/09. However, the Deputy Chief Executive has subsequently reviewed the deletion of these indicators,

which help to reflect the diversity of leisure and cultural activity by the Council and for which the information provided is considered to be useful, and it is recommended that these indicators therefore now be adopted as LPIs for 2008/09.

9.   In addition, the Corporate Executive Forum (CEF) has recently considered outturn performance against the KPIs for 2007/08, and recommends the adoption of former BV91a, which measures the percentage of households served by a kerbside collection of recyclables, as an LPI for 2008/09 in view of the concerns expressed by the Audit Commission in its recent environment inspection. CEF also recommends the deletion of former BVPI 106, which measures the level of new homes built on previously developed land, as an LPI for 2008/09. Although the adoption of this indicator as an LPI has been previously agreed by the Cabinet, it is felt that this performance measure provides little in the way of useful management information, and the Director of Planning and Economic Development has therefore been requested to replace the indicator with either a policy objective and/or a new indicator reflecting the need to provide residential development up to 2021 in accordance with the East of England Plan.

10.   In reviewing outturn performance against the KPIs for 2007/08, CEF considers that KPI focus for 2008/09 should be directed towards the Nis and LPIs contained within the new Essex Local Area Agreement (LAA) that the Council has indicated it will 'have regard to' and where the authority has a direct responsibility. It is recommended that these indicators should therefore automatically be adopted as KPIs for the current year and the three-year duration of the LAA. The relevant indicators are detailed in Appendix 2 to this report.

11.   In addition, the views of service directors have been sought in relation to the identification of additional Nis and LPIs as new KPIs for 2008/09, and it is therefore recommended that the Nis and LPIs also set out in Appendix 2 additionally be adopted as KPIs for the year. The Cabinet Committee is however also requested to identify any additional LPIs that it wishes to adopt as KPIs for 2008/09.

12.   As a result of the introduction of the NI set from April 2008, it will not be possible to set top quartile targets for these new indicators until after the first year of operation, when comparative information becomes available from the Audit Commission. Service directors have identified appropriate targets for the NIs for 2008/09 and, where still possible, top quartile targets for those LPIs that were formerly BVPIs. Although the Council's target of achieving top-quartile performance for at least 75% of the KPIs has not been achieved for 2007/08, CEF recommends that this target be maintained for 2008/09.

Statement in Support of Recommended Action:

13.   To ensure that the Council monitors progress against its aim of achieving target performance for its KPIs, and that proposals for corrective action are considered in respect of areas of current under-performance.

Other Options For Action:

14.   None. The Council has previously agreed arrangements for monitoring progress against the achievement of targets set for the KPIs and other performance indicators

Consultation Undertaken:

15.   The performance information compiled in this report has been submitted by each appropriate service director. Outturn performance for 2007/08 and proposals for the adoption of KPIs for 2008/09 has been considered by the Corporate Executive Forum and will also be considered by the Finance and Performance Management Scrutiny Panel at its meeting on 17 June 2008.

Resource Implications:

Budget/Personnel/Land: The respective service director will identify the resource requirements for any proposals for corrective action in respect of KPI areas of current under-performance.

Council Plan/BVPP Reference: Council Plan 2006-2010 Section 8 – 'How We Measure Our Achievements'.
Relevant Statutory Powers: None.

Background Papers: None.
Environmental/Human Rights Act/Crime and Disorder Act Implications: As set out in respective performance reports for individual KPIs.
Key Decision Reference (if required): None.

BEST VALUE/LOCAL PERFORMANCE INDICATORS - OUTTURNS 2007/08

TARGET 2007/08	Performance target for 2007/08
OUTTURN 2007/08	Performance outturn for 2007/08
TOP QUARTILE?	Illustration of performance for 2007/08 against the district top quartile for 2006/07 Yes/No (for BVPIs only), and the top quartile position
OUTTURN 2006/07	Comparison of performance improvement (or otherwise) between 2006/07 and 2007/08
IMPROVEMENT YES/NO	Illustration of performance improvement (or otherwise) between 2006/07 and 2007/08
RED	Outturn performance target not met for 2007/08
AMBER	Outturn performance for 2007/08 not met, but within 5.00% of target
GREEN	Outturn performance target met for 2007/08

Community Wellbeing Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
BV2a Retained as LPI	The level of the Equality Standard for Local Government (HIGH)	Level 1	Level 2	N/A	Level 1	Yes	GREEN
KPI BV2b Deleted	The quality the Race Equality Scheme (HIGH)	100.00%	89.00%	Yes 79.00%	89.00%	No change	GREEN
BV126 Deleted	Domestic burglaries per 1,000 households (LOW)	12.19	15.04	No 5.00	14.09	No	RED

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
BV127a Replaced as NI	Violent crimes per 1,000 population (LOW)	13.43	14.48	No 11.4	13.79	No	RED
BV127b Deleted	Robberies per 1,000 population (LOW)	0.66	1.06	No 0.2	1.28	Yes	RED
BV128 Deleted	Vehicle crimes per 1,000 population (LOW)	12.19	12.33	No 0.2	13.93	Yes	AMBER
KPI BV156 Deleted	Disabled access to the authority's buildings (HIGH)	83.33%	83.33%	N/A	83.33%	No change	GREEN
BV174 Deleted	Racial incidents per 1,000 population (LOW)	148.90	25.38	N/A	118.85	Yes	GREEN
KPI BV175 Deleted	Racial incidents resulting in further action (HIGH)	100.00%	100.00%	Yes 100.00%	100.00%	No change	GREEN
BV225 Deleted	Performance against action against violence checklist (HIGH)	No data	No data	No data 100.00%	No data	No data	No data
BV226a Deleted	Expenditure on legal and advice services provided by external organisations (N/A)	£140,200.00	£140,200.00	N/A	£136,580.00	Yes	GREEN
BV226b Deleted	Percentage of expenditure on legal and advice services provided by external organisations holding the CLS Quality Mark (HIGH)	100.00%	76.92%	N/A	78.00%	Yes	RED
BV226c Deleted	Expenditure on housing, benefits, welfare, and consumer matters advice and guidance services provided by the Council (N/A)	Not collected	Not collected	N/A	Not collected	N/A	Not collected
KPI LPI EH6 Retained as LPI	Licence applications processed within statutory periods (HIGH)	95.00%	98.44%	N/A	98.30%	Yes	GREEN

Housing Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
KPI BV63 Deleted	The average SAP rating of the Council's dwellings (HIGH)	67.00	69.00	No 72.00	66.00	Yes	GREEN
BV64 Deleted	Private vacant dwellings returned to occupation or demolished as a result of action by the Council (HIGH)	38.00	33.00	No 55.00	0.00	Yes	RED

Code	Description						RAG
KPI BV66a Retained as LPI	Rent collected as a proportion of rents owed on housing revenue account dwellings (HIGH)	98.84%	99.41%	Yes 98.50%	98.83%	Yes	GREEN
BV66b Deleted	Tenants with more than seven weeks gross rent arrears as a percentage of total tenants (LOW)	8.00%	8.36%	No 3.43%	8.39%	Yes	RED
BV66c Deleted	Percentage of tenants in arrears who have been served a Notice Seeking Possession (LOW)	21.00%	15.49%	No 13.61%	22.34%	Yes	GREEN
BV66d Deleted	Percentage of tenants evicted as a result of rent arrears (LOW)	0.15%	0.22%	No 0.17%	0.20%	No	RED
KPI BV183b Deleted	Average length of stay (weeks) in hostel accommodation of households that are unintentionally homeless and in priority need (LOW)	26.00	20.29	No 0.00	20.23	No	GREEN
KPI BV184a Replaced as NI	Proportion of Council dwellings which were non-decent at the start of the year (LOW)	5.00%	5.00%	Yes 10.00%	6.00%	Yes	GREEN
KPI BV184b Deleted	Percentage change in the proportion of non-decent Council dwellings between the start and end of the year (HIGH)	16.00%	31.90%	No 32.90%	10.90%	Yes	GREEN
BV202 Deleted	Rough sleepers (LOW)	1.00	0.00	Yes 0.00	1.00	Yes	GREEN
KPI BV212 Deleted	Average number of days to re-let Council dwellings (LOW)	41.00	54.00	No 25	51.00	No	RED
BV213 Deleted	Homeless situations resolved by Housing Advice Services (HIGH)	12.00	10.00	No 4.00	10.00	N/A	RED

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
LPI H1a Deleted	Former Tenant Arrears collected (HIGH)	£80,000.00	£85,240.00	N/A	£119,465.00	No	GREEN
LPI H1b Retained as LPI	Current rent arears as proportion of rent roll (LOW)	1.60%	1.52%	N/A	1.69%	Yes	GREEN
LPI H2a Retained as LPI	Emergency repairs undertaken within target time (HIGH)	99.00%	99.00%	N/A	99.00%	No change	GREEN
LPI H2b Retained as LPI	Urgent repairs undertaken within target time (HIGH)	95.00%	89.00%	N/A	89.00%	No change	RED
LPI H2c Retained as LPI	Routine repairs undertaken within target time (HIGH)	95.00%	84.00%	N/A	90.00%	No	RED
LPI H3 Retained as LPI	Satisfaction with repairs (HIGH)	98.00%	98.00%	N/A	98.00%	No change	GREEN
LPI H10a Retained as LPI	Average number of single homeless households placed in bed and breakfast accommodation (LOW)	6.00	3.70	N/A	17.30	Yes	GREEN
LPI H10b Deleted	Average number of homeless households placed in hostel accommodation (LOW)	32.00	15.50	N/A	22.80	Yes	GREEN
LPI H10c Replaced as NI	Average number of homeless households placed in other temporary accommodation (LOW)	100.00	62.70	N/A	154.30	Yes	GREEN
KPI H15a Deleted	The number of affordable homes completed and ready for occupation during the year (HIGH)	59.00	19.00	N/A	25.00	No	RED
KPI H15b Deleted	The amount of affordable housing required as part of Section 106 Agreements signed during the year (HIGH)	40.00%	71.00%	N/A	30.80%	Yes	GREEN
LPI EH2 Deleted	Response to service requests (Care and Repair) (HIGH)	92.00%	99.80%	N/A	98.60%	Yes	GREEN

Finance, Performance Management and Corporate Support Services Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
KPI BV8 Retained as LPI	Percentage of invoices paid within 30 days of receipt (HIGH)	96.95%	98.00%	Yes 98.00%	96.98%	Yes	GREEN

KPI	Description						Status
KPI BV9 Retained as LPI	Percentage of Council Tax collected (HIGH)	98.53%	98.07%	No 98.60%	98.20%	No	AMBER
KPI BV10 Retained as LPI	Percentage of non-domestic rates collected (HIGH)	99.30%	98.41%	No 99.36%	99.01	No	AMBER
KPI BV11a Retained as LPI	Percentage of top-paid 5% of staff who are women (HIGH)	31.25%	24.11%	No 33.31%	24.81%	No	RED
KPI BV11b Retained as LPI	Percentage of top 5% of staff from an ethnic minority (HIGH)	3.37%	2.81%	No 3.70%	2.89%	No	RED
KPI BV11c Retained as LPI	Percentage of top 5% of staff who have a disability (HIGH)	11.00%	5.62%	No 6.25%	11.57%	No	RED
KPI BV12 Retained as LPI	Number of working days lost due to sickness absence (LOW)	8.29	8.48	No 8.08	10.98	Yes	AMBER
KPI BV14 Retained as LPI	Percentage of employees retiring early (excluding ill-health) as a percentage of the Council's workforce (LOW)	0.00%	0.19%	No 0.00%	0.00%	No	AMBER
BV15 Retained as LPI	Percentage of employees retiring on grounds of ill-health as a percentage of the Council's work force (LOW)	0.00%	0.37%	No 0.00%	0.55%	Yes	RED
KPI BV16a Retained as LPI	Percentage of the Council's employees with a disability (HIGH)	9.50%	8.18%	Yes 5.25%	9.67%	No	RED
KPI BV17a Retained as LPI	Percentage of the Council's employees from ethnic minority communities (HIGH)	3.50%	3.20%	Yes 3.10%	3.78%	No	RED
BV76b Deleted	Benefit fraud investigators employed per 1,000 caseload (HIGH)	0.40	0.46	N/A	0.49	No	GREEN
BV76c Deleted	Benefit fraud investigations carried out per 1,000 caseload (HIGH)	68.00	46.53	N/A	67.39	No	RED
BV76d Deleted	Benefit fraud prosecutions per 1,000 caseload (HIGH)	6.00	4.41	N/A	6.67	No	RED
KPI BV78a Retained as LPI	Average time (days) for processing new benefit claims (LOW)	25.50	37.34	No 24.0	28.53	No	RED
KPI BV78b Retained as LPI	Average time (days) for processing notification of changes of circumstance for benefit claims (LOW)	8.50	14.39	No 7.1	12.40	No	RED

Ref	Description						Status
KPI BV79a Retained as LPI	Accuracy of processing benefit claims (HIGH)	99.00%	99.00%	No 99.20%	99.40%	No	GREEN
BV79b(i) Deleted	Percentage of recoverable benefit overpayments recovered (HIGH)	45.00%	50.27%	No 81.71%	42.14%	Yes	GREEN
BV79b(ii) Deleted	Benefit overpayments recovered, as percentage of overpayment debt (HIGH)	35.00%	29.20%	No 39.02%	32.54%	No	RED
BV79b(iii) Deleted	Benefit overpayments written-off, as percentage of overpayment debt (N/A)	9.99%	2.41%	N/A	6.40%	Yes	GREEN
LPI SS4a Retained as LPI	Percentage of audit projects completed (HIGH)	85.00%	89.00%	N/A	82.00%	Yes	GREEN
LPI SS4b Retained as LPI	Productive audit time (HIGH)	70.00%	68.00%	N/A	67.00%	Yes	AMBER
LPI SS4c Retained as LPI	Internal Audit customer satisfaction (HIGH)	83.00%	81.00%	N/A	83.00%	No	AMBER
LPI SS4f Retained as LPI	Average cost per productive audit day (LOW)	£300.00	£307.00	N/A	£314.00	Yes	AMBER
LPI F13 Deleted	Percentage of revenues calls answered within ten seconds (HIGH)	94.00%	90.12%	N/A	92.29%	No	RED
LPI LA1 Deleted	The percentage of letters seeking ownership details in relation to S106 Agreements sent within seven working days of full instructions being given to the Director of Corporate Support Services (HIGH)	100.00%	100.00%	N/A	100.00%	No change	GREEN
LPI LA2 Deleted	The percentage of first draft S106 Agreements sent out within seven working days of the receipt of the information required by LPI LA1 by the Director of Corporate Support Services (HIGH)	90.00%	100.00%	N/A	100.00%	No change	GREEN
PPI 1 Retained as LPI	Property condition (exluding housing property) - % gross internal floor space in condition categories Good, Satisfactory, Poor and Bad	Not set	DoCSS to report	N/A	N/A	DoCSS to report	DoCSS to report
PPI 1 Retained as LPI	Property condition (exluding housing property) - Backlog of maintenance by cost expressed as total value and as % in priority levels Urgent, Essential and Desirable	Not set	DoCSS to report	N/A	N/A	DoCSS to report	DoCSS to report

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
PPI 2 Retained as LPI	Internal rate of return from non-operational portfolio in property categories (a) Industrial; (b) Retail; (c) Agricultaural	Not set	8.90% 11.30% N/A	N/A	N/A	N/A	N/A
PPI 3 Retained as LPI	Total annual management costs per square metre for the property portfolio in property categories (a) Operational; (b) Non-Operational; (c) Operational and Non-Operational Combined	Not set	£3.79 £1.34 £5.13	N/A	N/A	N/A	N/A
PPI 4 Retained as LPI	Running costs and carbon dioxide emissions per square metre gross Internal area - Repair and maintenance costs, energy costs, water costs and CO$_2$ emissions for operational property	Not set	DoCSS to report	N/A	N/A	DoCSS to report	DoCSS to report
PPI 5 Retained as LPI	(a) Cost and (b) time predictability of capital projects	Not set	75.00% 50.00%	N/A	N/A	N/A	N/A
N/A Retained as LPI	Rent arrears as a percentage of rental income (exluding housing property)	Not set	3.53%	N/A	N/A	N/A	N/A
N/A Retained as LPI	The occupation rate of commercial and industrial property	Not set	97.30%	N/A	N/A	N/A	N/A
N/A Retained as LPI	Rental value as a percentage yield of the commercial and industrial portfolio asset value	Not set	9.60%	N/A	N/A	N/A	N/A

Environmental Protection Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
KPI BV82a(i) Replaced as NI	Percentage of household waste sent for recycling (HIGH)	26.00%	28.97%	Yes 24.19%	25.31%	Yes	GREEN
KPI BV82a(ii) Replaced as NI	Tonnage of household waste sent for recycling (HIGH)	13,000.00	14,930.11	Yes 10,069.95	12654.59	Yes	GREEN
KPI BV82b(i) Replaced as NI	Percentage of household waste sent for composting or anaerobic digestion (HIGH)	12.00%	13.68%	No 17.97%	11.78%	Yes	GREEN
KPI BV82b(ii) Replaced as NI	Tonnage of household waste sent for composting or anaerobic digestion (HIGH)	6,000.00	7,050.99	No 7,513.87	5891.50	Yes	GREEN
KPI BV84a Replaced as NI	Killograms of household waste collected per head (LOW)	410.00	422.09	No 380.8	409.88	No	RED

Ref	Indicator						Status
BV84b Replaced as NI	Percentage change in killograms of household waste collected per head (LOW)	0.00%	2.98%	No	-1.87%	No	RED
BV86 Deleted	Cost of waste collection per household (LOW)	£50.00	£83.62	No	£42.14	No	RED
KPI BV91a Retained as LPI	Percentage of households served by kerbside collection of recyclables (HIGH)	95.00%	89.99%	No	100.00%	No change	RED
BV91b Deleted	Percentage of households served by kerbside collection of at least two recyclables (HIGH)	95.00%	89.99%	No	100.00%	No change	RED
KPI BV166a Deleted	Performance against environmental health best practice check list (HIGH)	100%	100%	Yes	100.00%	Yes	GREEN
KPI BV199a Replaced as NI	Proportion of land and highway with unacceptable deposits of litter and detritus (LOW)	5.00%	27.00%	No	6.0%	No	RED
KPI BV199b Replaced as NI	Proportion of land and highway with unacceptable levels of graffiti (LOW)	5.00%	1.00%	No	0.00%	No	GREEN
KPI BV199c Replaced as NI	Proportion of land and highway with unacceptable levels of fly-posting (LOW)	5.00%	0.00%	Yes	0.00%	No change	GREEN
KPI BV199d Replaced as NI	Reduction in number of incidents and increase of enforcement actions taken to deal with fly-tipping (HIGH)	Grade 1	Grade 1	Yes	Grade 1	No change	GREEN
BV216a Deleted	Number of stes of potential concern with respect to contaminated land (N/A)	5,825.00	5,569.00	N/A	5,825.00	N/A	N/A
BV216b Deleted	Percentage of sites of potential concern for which information is available to enable remediation to be considered (HIGH)	1.70%	0.48%	No	10.00%	0.56%	No	RED
BV217 Deleted	Percentage of pollution control improvements completed (HIGH)	90.00%	100.00%	Yes	100.00%	100.00%	N/A	GREEN
BV218a Deleted	Abandoned vehicle reports investigated within 24 hours (HIGH)	70.00%	88.74%	No	98.22	48.60%	Yes	GREEN
BV218b Deleted	Percentage of abandoned vehicled removed within 24 hours of entitlement to remove (HIGH)	80.00%	71.66%	No	97.76%	78.17%	No	RED
LPI EH1 Deleted	Response to service requests (Environmental Protection) (HIGH)	92.00%	95.00%	N/A	94.50%	Yes	GREEN

LPI EH3 Deleted	Statutory Environmental Protection Act inspections (HIGH)	100.00%	100.00%	N/A	100.00%	No change	**GREEN**
LPI EH4 Deleted	Response to service requests (Consumer Protection) (HIGH)	90.00%	91.70%	N/A	93.90%	No	**GREEN**
LPI EH5 Deleted	Reporting of notifiable acidents within statutory periods (HIGH)	90.00%	100.00%	N/A	100.00%	No change	**GREEN**
LPI EH7 Replaced as NI	Food safety inspections carried out in accordance with Food Standards Agency targets (HIGH)	95.00%	98.10%	N/A	100.00%	No	**GREEN**
LPI WM1 Deleted	Missed refuse collections per 100,000 collections (LOW)	90.00	53.48	N/A	66.74	Yes	**GREEN**
LPI WM2 Deleted	Missed collections as a percentage of exemptions (LOW)	1.00%	0.51%	N/A	0.63%	Yes	**GREEN**
LPI WM3 Deleted	Missed glass collections per 100,000 collections (LOW)	90.00	41.00	N/A	40.65	No	**GREEN**
LPI WM4 Deleted	Missed dry recyclable collections per 100,000 collections (LOW)	90.00	87.30	N/A	150.02	Yes	**GREEN**
LPI WM5 Deleted	Missed garden collections per 100,000 collections (LOW)	90.00	79.66	N/A	97.27	Yes	**GREEN**

Planning and Economic Development Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
KPI BV106 Deleted	Percentage of new homes built on previously developed land (HIGH)	89.67%	79.81%	No 91.00	95.65%	No	RED
KPI BV109a Replaced as NI	Percentage of major applications determined within 13 weeks (HIGH)	74.75%	79.07%	No 80.71	67.20%	Yes	GREEN
KPI BV109b Replaced as NI	Percentage of minor applications determined within 8 weeks (HIGH)	80.39%	78.05%	No 83.66	72.96%	Yes	AMBER
KPI BV109c Replaced as NI	Percentage of 'other' applications determined within 8 weeks (HIGH)	91.61%	89.27%	No 92.57	89.50%	No	AMBER
BV200a Retained as LPI	Submission of Local Development Scheme by 28 March 2005 and maintenance of three-year rolling programme (N/A)	Yes	Yes	N/A	Yes	No change	GREEN
BV200b Retained as LPI	Achievement of milestones within Local Development Scheme (N/A)	Yes	Yes	N/A	No	Yes	GREEN
KPI BV204 Retained as LPI	Number of appeals allowed against refusal of planning applications, as percentage of the total number of appeals against refusals (LOW)	25.00%	28.70%	No 25.00	29.10%	Yes	RED
BV205 Deleted	Performance against planning quality of service checklist (HIGH)	94.40%	83.30%	No 100	83.00%	Yes	RED
BV219b Deleted	Percentage of Conservation Areas with up to date character appraisals (HIGH)	8.00%	DoPED to report	35.07%	16.00%	DoPED to report	DoPED to report

Leisure and Young Persons Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
KPI BV170a Retained as LPI	Number of visits to Council funded or part funded museums and galleries in the area per 1,000 population (HIGH)	861.00	564.99	No 928.00	524.48	No	RED
BV170b Retained as LPI	Number of visits to Council funded or part funded museums and galleries in the area, that were in person per 1,000 population (HIGH)	460.00	122.03	No 557	129.02	No	RED

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
KPI BV170c Retained as LPI	Number of pupils visiting museums and galleries in organised school groups (HIGH)	3,302.00	4,075.00	Yes 3805	4,531.00	Yes	GREEN
LPI L1 Deleted	Number of parishes in which the Council provides leisure opportunities (HIGH)	17.00	17.00	N/A	20.00	No	GREEN
LPI L2 Deleted	Number of parishes in which the Council has enabled leisure opportunities (HIGH)	15.00	8.00	N/A	16.00	No	RED
LPI L3 Deleted	Number of people benefiting from special activity prices (HIGH)	325.00	282.00	N/A	289.00	No	RED
LPI L4 Deleted	Number of new leisure facilities enabled (HIGH)	2.00	1.00	N/A	3.00	No	RED
LPI L5 Deleted	Number of new leisure opportunities directly introduced by the Council (HIGH)	25.00	117.00	N/A	88.00	Yes	GREEN
LPI L6 Deleted	Number of new leisure opportunities enabled by the Council (HIGH)	10.00	53.00	N/A	34.00	No	GREEN
LPI L7 Deleted	Number of organisations that the Council has worked with to promote health and social inclusion (HIGH)	100.00	230.00	N/A	246.00	No	GREEN
LPI L8 Deleted	Number of patients referred by GP to Council activity scheme (HIGH)	168.00	139.00	N/A	185.00	No	RED
LPI L9 Deleted	Number of under 16 year olds attending swimming lessons (HIGH)	13,500.00	13,733.00	N/A	12,500.00	Yes	GREEN
LPI L10 Deleted	Number of event days at North Weald Airfield (HIGH)	145.00	124.00	N/A	109.00	Yes	RED
LPI L11 Deleted	Number of new leisure activities for 13-19 year olds enabled or provided by the Council (HIGH)	17.00	15.00	N/A	28.00	No	RED

Civil Engineering and Maintenance Portfolio

There were no performance indicators for this Portfolio for 2007/08

Customer Services, Media, ICT and Communications Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08
LPI PR3 Retained as LPI	Number of visits to the Council's website (HIGH)	697,000.00	787,814.00	N/A	664,562.00	Yes	GREEN

Leader's Portfolio

PI (AND KPI) REF	SUMMARY DEFINITION AND POLARITY INDICATOR (GOOD PERFORMANCE IS AN OUTTURN HIGHER OR LOWER THAN TARGET)	TARGET 2007/08	OUTTURN 2007/08	TOP QUARTILE 2006/07	OUTTURN 2006/07	IMPROVEMENT YES/NO	TRAFFIC LIGHT 2007/08

There were no performance indicators for this Portfolio for 2007/08

PROPOSED KEY PERFORMANCE INDICATORS 2008/09

ESSEX LOCAL AREA AGREEMENT INDICATORS	
1.	LI 2.2 (local Indicator) – Affordable homes built and acquired
2.	NI 8 - Adult participation in sport
3.	NI 11 - Engagement in the arts
4.	NI 17 - Perceptions of anti-social behaviour
5.	NI 20 - Assault with injury crime rate
6.	NI 195 - Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly-posting);
7.	LI 7.2 (local Indicator) – People feeling safe outside after dark
8.	NI 186 - Per capita CO2 emissions in the local authority area
9.	NI 188 - Adapting to climate change
10.	NI 191 - Residual household waste per head
11.	NI 192 - Household waste recycled and composted
12.	NI 197 - Improved local biodiversity - active management of local sites
NATIONAL INDICATORS	
Housing Portfolio	
13.	NI 158 - Percentage of decent council homes
14.	NI 160 - Local authority tenants' satisfaction with landlord services
Planning and Economic Development Portfolio	
15. -17.	NI 157 - Processing of planning applications as measured against targets for 'major', 'minor' and 'other' application types
LOCAL PERFORMANCE INDICATORS	
Housing Portfolio	
18.	LPI 3 - Rent collected as a proportion of rents owed on housing revenue account dwellings
19.	LPI 9 - Average number of single homeless households placed in bed and breakfast accommodation
Environmental Protection Portfolio	
20.	LPI 45 - Percentage of households served by kerbside collection of recyclables
Community Wellbeing Portfolio	
21.	LPI 2 - Licence applications processed within statutory periods
Finance and ICT Portfolio	
22.	LPI 10 - Percentage of invoices paid within 30 days of receipt
23.	LPI 11 - Percentage of Council Tax collected
24.	LPI 12 - Percentage of non-domestic rates collected
25.	LPI 22 - Average time for processing new benefit claims
26.	LPI 23 - Average time for processing notification of changes of circumstance for benefit claims
27.	LPI 24 - Accuracy of processing benefit claims

Corporate Support Services Portfolio	
28.	LPI 16 - Number of working days lost due to sickness absence
Leisure and Young Persons Portfolio	
29.	LPI 44 - Number of pupils visiting museums and galleries in organised school groups
Planning and Economic Development Portfolio	
30.	LPI 40 - Achievement of milestones within Local Development Scheme