

Committee Agenda



**Epping Forest
District Council**

Finance and Performance Management Cabinet Committee Monday, 20th June, 2011

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 G Mohindra (Chairman), Mrs M McEwen, J Philip, Mrs P Smith and Mrs L Wagland

PLEASE NOTE THE START TIME OF THIS MEETING

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. DECLARATIONS OF INTEREST

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

4. MINUTES

To confirm the minutes of the last meeting of the Committee held on 21 March 2011 (previously circulated).

5. KEY PERFORMANCE INDICATORS 2010/11 - OUTTURN (Pages 5 - 18)

(Acting Chief Executive) To consider the attached report (FPM-001-2011/12).

6. RISK MANAGEMENT - CORPORATE RISK REGISTER (Pages 19 - 46)

(Director of Finance & ICT) To consider the attached report (FPM-002-2011/12).

7. SUNDRY INCOME & DEBT POLICY AND SUNDRY DEBTORS PERFORMANCE INDICATORS (Pages 47 - 68)

(Director of Finance & ICT) To consider the attached report (FPM-003-2011/12).

8. CONSULTATION - FUTURE OF LOCAL PUBLIC AUDIT (Pages 69 - 76)

(Director of Finance & ICT) To consider the attached report (FPM-004-2011/12).

9. PROVISIONAL CAPITAL OUTTURN 2010/11 (Pages 77 - 86)

(Director of Finance & ICT) To consider the attached report (FPM-005-2011/12).

10. PROVISIONAL REVENUE OUTTURN 2010/11 (Pages 87 - 100)

(Director of Finance & ICT) To consider the attached report (FPM-006-2011/12).

11. ANY OTHER URGENT 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.

12. EXCLUSION OF PUBLIC AND PRESSExclusion

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 Finance and Performance Management Cabinet Committee

Report Reference: FPM-001-2011/12

Date of Meeting: 20 June 2011

Portfolio: Finance and Economic Development

Subject: Key Performance Indicators 2010/11 - Outturn

Responsible Officer: Stephen Tautz (01992 564180)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) That the Cabinet Committee note the Council's outturn performance for 2010/11, in relation to the Key Performance Indicators adopted for the year;**
- (2) That, subject to the concurrence of the Finance and Performance Management Scrutiny Panel:**
 - (a) KPI 05 (Avoidable Contact) be deleted as a Key Performance Indicator for 2011/12;**
 - (b) the proposed arrangements for the revision of Key Performance Indicators KPI 01 (Equality Framework for Local Government), KPI 58 (CO² Reduction from Local Authority Operations) and KPI 59 (Fuel Poverty) for 2011/12, be agreed; and**
 - (c) a corporate target be set for the achievement of year-on-year improvement against the adopted Key Performance Indicators for 2011/12.**

Executive Summary:

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

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

Reasons for Proposed Decision:

The annual identification of KPIs provides an opportunity for the Council to focus specific attention on how areas for improvement will be addressed, opportunities exploited and better outcomes delivered for local people.

A number of the KPIs are used as performance measures for the Council's annual Key Objectives. It is important that relevant performance management processes are in place to review and monitor performance against the Key Objectives, to ensure their continued

achievability and relevance, and to identify proposals for appropriate corrective action in areas of under performance.

Other Options for Action:

No other options are appropriate in this respect. Failure to monitor and review performance against the KPIs and to take corrective action where necessary, could have negative implications for judgements made about the Council, and might mean that opportunities for improvement were lost. The Council has previously agreed arrangements for monitoring progress against the achievement of targets set for the KPIs.

Report:

Background

1. A range of forty-eight Key Performance Indicators (KPIs) were adopted for 2010/11. The KPIs are important to the Council's services, and reflect its Key Objectives for each year. The KPIs comprise a mixture of statutory (until 31 March 2011) National Indicators (NI) and Local Performance Indicators (LPI), a number of which are former statutory indicators. The aim of the KPIs is to focus improvement on services and Key Objectives and achieve comparable performance with that of the top performing local authorities (where appropriate), and to then maintain or improve further on that level of performance. In adopting the KPIs for 2010/11, a target was set for at least 70% to achieve target performance by the end of the year.

2. Improvement plans are produced for the KPIs each year, which also contain details of service costs, and contribute to the Council's annual business planning process. 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 (where appropriate) and at year-end.

3. Members will recall that the Secretary of State for Communities and Local Government announced changes to existing performance arrangements in October 2010, including the cessation of the National Indicator Set. Whilst the majority of the NIs continued until 31 March 2011, several were ceased by government departments in the aftermath of the Secretary of State's announcement, and the requirement for the Council to collect and report data against the following indicators for 2010/11 was subsequently removed during the year:

- NI 179 Value for money;
- NI 182 Business satisfaction with local authority regulation services;
- NI 185 CO² reduction from local authority operations;
- NI 186 CO² reduction in the local authority area;
- NI 187 Tackling fuel poverty;
- NI 188 Planning to adapt to climate change;
- NI 189 Flood and coastal erosion risk management; and
- NI 194 Air quality (local authority estate and operations).

4. These eight KPIs have therefore been removed from the reporting requirement for 2010/11, bringing the reportable indicator total down to forty KPI for the year. Outturn performance in respect of one KPI (LPI 23 – Capital Projects) has not yet been submitted.

5. The outturn position with regard to the achievement of target performance for the KPIs for 2010/11 is as follows:

- (a) 25 (62.5%) achieved the performance target for 2010/11;

- (b) 14 (35.0%) did not achieve the performance target for 2010/11; and
- (c) 1 (2.5%) cannot be reported as outturn performance has not yet been submitted for 2010/11.

6. The Council did not therefore achieve its overall aim of achieving target performance for at least 70% of the KPIs for 2010/11. However, of the 14 KPIs that did not achieve the performance target for 2010/11, the outturn for 7 (50.0%) indicators was within 5% of the target for the year, of which 2 (28.5%) achieved an improvement in performance compared with 2009/10. Of the remaining 12 KPIs that did not achieve the performance target for 2010/11, none achieved an improvement in performance compared with 2009/10.

7. A headline outturn (1 April 2010 to 31 March 2011) report in respect of the KPIs for 2010/11 is attached as Appendix 1 to this agenda in the form of a performance 'dashboard'. Detailed outturn performance reports for each KPI will be considered by the Finance and Performance Management Scrutiny Panel at its meeting on 21 June 2011.

Key Performance Indicators 2011/12

8. The Cabinet Committee and the Finance and Performance Management Scrutiny Panel have previously agreed proposals for a revised set of KPIs for 2011/12, details of which are set out at Appendix 2. In order to reflect the cessation of the former National Indicator set from 1 April 2011, a re-numbering exercise has been undertaken in respect of the references for these indicators. However, since their adoption, a number of issues have since arisen with regard to some of the KPIs for 2011/12.

KPI 01 (formerly LPI 01) - Equality Framework for Local Government

9. The Equality Framework for Local Government (EFLG) seeks to deliver continuous improvement in relation to fair employment outcomes and equal access to services. The EFLG assesses local authority performance at three levels, (Level 1 – 'Developing'; Level 2 – 'Achieving'; and Level 3 – 'Excellent'), where Level 3 represents best performance.

10. Performance against the EFLG is a self-assessment measure. However, self-assessment at the 'Achieving' and 'Excellent' levels is required to be validated by a formal peer challenge process managed by Local Government Improvement and Development. The Council undertook an external evaluation of its performance against the EFLG in March 2010, which indicated that it might be in a position to seek accreditation to Level 2 towards the end of 2010/11, and a target of the achievement of Level 2 was set for KPI 01 for 2010/11.

11. The current cost of the peer challenge for Level 2 of the EFLG (£4,300) is considered an unacceptable expense in the current financial climate. Although options are being investigated for alternative peer accreditation or 'critical friend' assessment approaches in order to determine improvement against the EFLG, these are unlikely to come to fruition in the short-term. The Cabinet Committee and the Finance and Performance Management Scrutiny Panel have previously agreed the retention of this indicator as a KPI for 2011/12 but, as the Council currently cannot therefore formally confirm its performance against the Equality Framework, it is considered appropriate to revise KPI 01 for 2011/12 to reflect that performance will be reported on the basis of an unvalidated self-assessment only.

12. It is important for the Council to ensure a continued focus on the achievement of its statutory equality duties in the absence of any formal accreditation against the EFLG. The recommendations of the external assessment undertaken in March 2010 are being progressed by the Corporate Equality Working Group, but have not yet been fully completed. In the circumstances, it is proposed that the target of the achievement of Level 2 of the EFLG for KPI 01 be retained for 2011/12, and that the results of the outturn self-assessment be

reported to the Finance and Performance Management Scrutiny Panel each year. The results of the self-assessment exercise for 2010/11 will be reported to the Scrutiny Panel at its meeting on 21 June 2011.

KPI 05 (formerly NI 14) - Avoidable Contact

13. Members have previously agreed that the Council's efforts to reduce avoidable contact should continue, notwithstanding that the statutory requirement to undertake such work was removed as a National Indicator during 2009/10. To this end, the former Corporate Executive Forum established an officer level Working Party to progress work in this area. At the meeting of the Finance and Performance Management Scrutiny Panel in September 2010, an action plan resulting from the outcomes of data collection for 2009/10 was considered, and a programme of avoidable contact exercises was introduced from the third quarter of 2010/11. The results of these data collection exercises will also be reported to the Scrutiny Panel at its meeting on 21 June 2011.

14. The results of the avoidable contact exercises for 2010/11 indicate that there are areas of customer service that could benefit from additional work, particularly around e-mail spam, signposting and the use of outlying offices. Management Board considers that this work would best be taken forward by a new Customer Services Working Party (to replace the existing Avoidable Contact Working Party) given the Council's other current priorities, so as to enable a broader view of customer service needs to be undertaken. As a result, the Board also considers that further work in respect of avoidable contact should be ceased, as this would not necessarily represent an effective use of the limited resources likely to be available in the future. The Cabinet Committee and the Finance and Performance Management Scrutiny Panel have previously agreed the retention of KPI 05 (Avoidable Contact) as a KPI for 2011/12 but, in the circumstances, this obviously need not now be retained as a performance indicator for the current year. The schedule of KPIs for 2011/12 set out at Appendix 2 does not therefore include this indicator.

KPI 58 (formerly NI 185) – CO² Reduction from Local Authority Operations

15. The requirement for the Council to collect and report data against this indicator was removed as a result of the cessation of the National Indicator set in October 2010. The Department of Energy and Climate Change has announced that NI 185 has been replaced with a new voluntary reporting mechanism, through which Councils will publish information on their annual emissions via their websites by the end of July each year. The Cabinet Committee and the Finance and Performance Management Scrutiny Panel have previously agreed the retention of this indicator as a KPI for 2011/12, and Management Board has therefore requested the (officer level) Green Working Party to develop a new approach and definition for the indicator to reflect the spirit and purpose of the original National Indicator. The Director of Planning and Economic Development will report to the next meeting of the Scrutiny Panel in this respect.

KPI 59 (formerly NI 187) - Tackling Fuel Poverty

16. This indicator was also ceased by the Department for Energy and Climate Change in October 2010. Although the Council progressed plans to collect fuel poverty data despite the cessation of the indicator, this did not prove possible due to the collapse of the organisation that was to carry out the work on the Council's behalf. As with KPI 58 above, the Cabinet Committee and the Finance and Performance Management Scrutiny Panel have previously agreed the retention of a 'fuel poverty' KPI for 2011/12, and the Green Working Party has similarly been requested to develop a new approach and definition for this indicator to reflect the spirit and purpose of the original National Indicator. The Director of Planning and Economic Development will also report to the next meeting of the Scrutiny Panel in this respect.

Conclusion

17. The Cabinet Committee is requested to note the Council's performance in relation to its KPIs for 2009/10, and to agree proposed arrangements for the revision or deletion of Key Performance Indicators KPI 01, KPI 05, KPI 58 and KPI 59 for 2011/12, as set out in this report.

18. Although the Council's overall aim of achieving target performance for at least 70% of the KPIs for 2010/11 has not been achieved, the Cabinet Committee is also requested to consider and agree a corporate KPI performance improvement target for 2011/12.

19. These matters will also be considered by the Finance and Performance Management Scrutiny Panel at its meeting on 21 June 2011, and the views of the Committee will be reported to the Scrutiny Panel. Relevant service directors will be in attendance at the meeting of the Scrutiny Panel, to respond to members' questions in respect of performance against specific indicators and targets.

Resource Implications:

The responsible Service Director will identify the resource requirements for any proposals for corrective action in respect of areas of KPI under-performance during 2010/11.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from the recommendations in this report, which ensure that the Council monitors progress against its corporate KPI improvement target for 2010/11, and that proposals for corrective action are considered in respect of areas of current under-performance.

Safer, Cleaner and Greener Implications:

The responsible Service Director will identify any implications arising from proposals for corrective action in respect of areas of KPI under-performance during 2010/11, in respect of the Council's commitment to the Nottingham Declaration for climate change, the corporate Safer, Cleaner and Greener initiative, or any Crime and Disorder issues within the district.

Consultation Undertaken:

The performance information set out in this report has been submitted by each responsible Service Director, and has been reviewed by Management Board. Submitted performance information has been tested by the Performance Improvement Unit in accordance with the Council's Data Quality Strategy.

Background Papers:

Fourth quarter and annual KPI calculations and submissions held by the Performance Improvement Unit.

Impact Assessments:

Risk Management

The responsible service director will identify any risk management issues arising from proposals for corrective action in respect of areas of KPI under-performance during 2010/11.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?

No. However, the responsible Service Director will identify any equality issues arising from proposals for corrective action in respect of areas of KPI under-performance during 2010/11.

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

N/A.

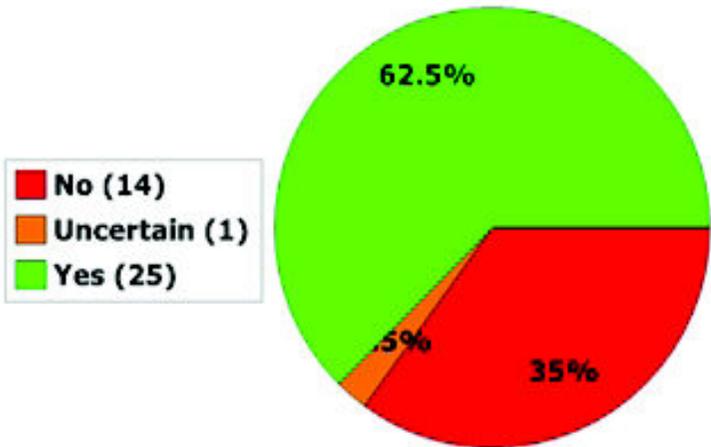
What equality implications were identified through the Equality Impact Assessment process?

N/A.

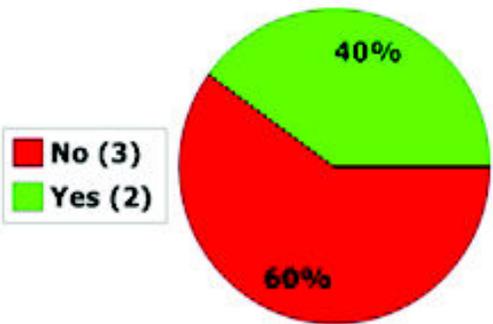
How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A.

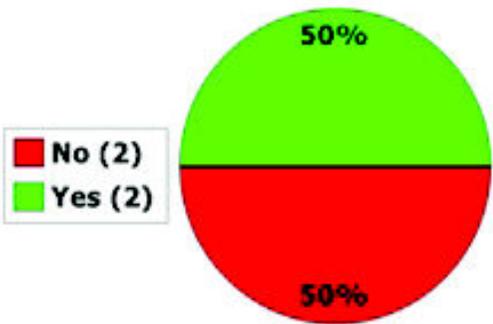
Summary of KPIs Achieving Target



Office of the DCE

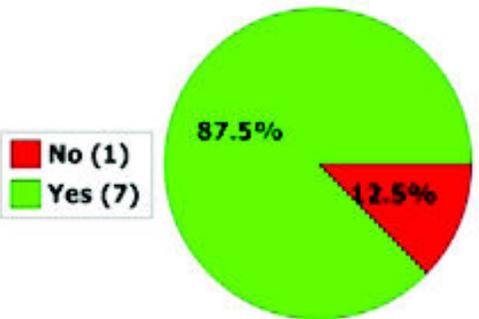


Corporate Support Services

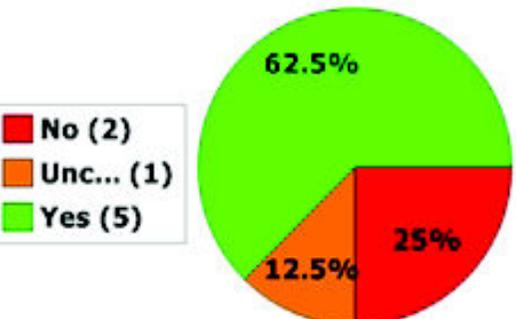


Page 11

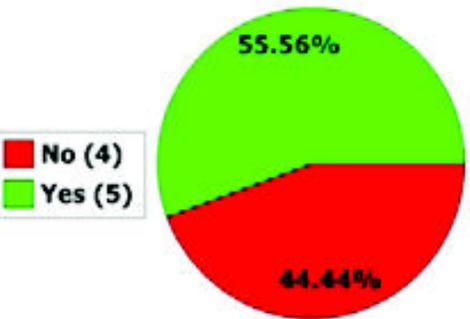
Environment & Street Scene



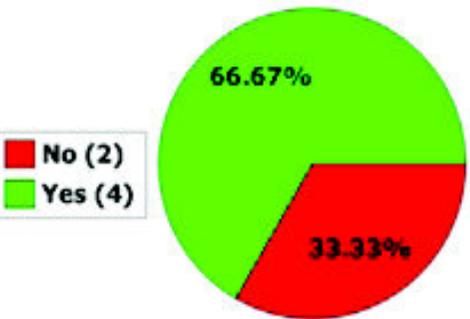
Finance & ICT



Housing



Planning & Economic Development



Quarterly Indicators													
		Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		Tgt	Actual		Tgt	Actual		Tgt	Actual		Tgt	Actual	
Office of the DCE Quarterly KPIs													
LPI 24a	The number of visits to the Council's website	217,500	248,772	✓	435,000	448,376	✓	652,500	630,892	✗	870,000	817,966	✗
LPI 50	The number of elderly people participating in physical activity programmes provided by the Council	3,500	4,141	✓	3,500	3,851	✓	3,500	3,521	✓	3,500	4,080	✓
LPI NI 014	The Achievement of Milestones Towards Reducing Avoidable Contact							9.3%	9.3%	✓	23.7%	23.8%	✓
Corporate Support Services Quarterly KPIs													
LPI 28	The number of working days lost due to sickness absence	2.00	1.88	✓	4.00	3.69	✓	6.00	5.84	✓	8.00	7.85	✓
Environment & Street Scene Quarterly KPIs													
LPI 51	Environment and Neighbourhoods Team - Service Standards	95.00%	94.70%	✗	95.00%	96.20%	✓	95.00%	97.80%	✓	95.00%	96.60%	✓
LPI 52a	Implementation of formal containerised recycling facilities in flats & communal buildings (% surveyed)	95.00%	100.00%	✓	95.00%	100.00%	✓	95.00%	100.00%	✓	95.00%	100.00%	✓
LPI 52b	Implementation of formal containerised recycling facilities in flats & communal buildings (% implemented)	100.00%	100.00%	✓	100.00%	100.00%	✓	100.00%	100.00%	✓	100.00%	100.00%	✓
NI191	Residual household waste per household	125	99	✓	250	195	✓	375	290	✓	500	392	✓
NI192	Percentage of household waste sent for re-use, recycling and composting	58.00%	61.53%	✓	58.00%	61.25%	✓	58.00%	60.51%	✓	58.00%	59.14%	✓
NI195a	Improved street and environmental cleanliness (Litter)	10%	9%	✓	10%	10%	✓	10%	9%	✓			
NI195b	Improved street and environmental cleanliness (Detritus)	13%	8%	✓	13%	7%	✓	13%	11%	✓			
NI196	Improved street and environmental cleanliness (Fly-Tipping)	2	3	✗	2	3	✗	2	3	✗	2	3	✗

Quarterly Indicators (cont.)		Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		Tgt	Actual		Tgt	Actual		Tgt	Actual		Tgt	Actual	
Finance & ICT Quarterly KPIs													
LPI 13	Percentage of invoices paid within 30 days of receipt	98%	98%	✓	98%	98%	✓	98%	98%	✓	98%	97%	✗
LPI 14	Percentage of Council Tax collected	24.45%	27.39%	✓	48.90%	52.43%	✓	73.35%	77.94%	✓	97.80%	97.85%	✓
LPI 15	Percentage of National Non-Domestic Rates collected	24.50%	30.19%	✓	49.00%	56.30%	✓	73.50%	81.64%	✓	98.00%	97.47%	✗
LPI 16	Average time for processing new benefit claims	25.00	29.45	✗	25.00	24.95	✓	25.00	23.45	✓	25.00	22.96	✓
LPI 17	Average time for processing notification of changes of circumstance for benefit claims	8.00	10.67	✗	8.00	9.39	✗	8.00	8.92	✗	8.00	4.67	✓
LPI 53	The number of completed fraud investigations carried out by the Benefits Investigation Team	125	48	✗	150	117	✗	225	204	✗	300	301	✓
NI181	The time taken to process Housing Benefit/Council Tax Benefit new claims and change events	13.00	14.86	✗	13.00	12.64	✓	13.00	11.88	✓	13.00	6.56	✓

Quarterly Indicators (cont.)		Quarter 1			Quarter 2			Quarter 3			Quarter 4		
Housing Quarterly KPIs		Tgt	Actual		Tgt	Actual		Tgt	Actual		Tgt	Actual	
LPI 04	Rent collected as a proportion of rents owed on Housing Revenue Account dwellings	97.00	98.71	✓	97.00	98.14	✓	97.00	97.60	✓	97.00	98.14	✓
LPI 05	The average number of days taken to re-let Council dwellings	30	34	✗	30	32	✗	30	32	✗	30	31	✗
LPI 07	Emergency repairs undertaken within target time	99%	99%	✓	99%	98%	✗	99%	98%	✗	99%	98%	✗
LPI 08	Urgent repairs undertaken within target time	95%	85%	✗	95%	57%	✗	95%	69%	✗	95%	69%	✗
LPI 09	Routine repairs undertaken within target time	95%	92%	✗	95%	89%	✗	95%	87%	✗	95%	92%	✗
LPI 10	Satisfaction with repairs	98.00%	99.60%	✓	98.00%	99.00%	✓	98.00%	99.00%	✓	98.00%	99.00%	✓
NI155	The number of affordable homes delivered (gross)	17	27	✓	35	37	✓	52	52	✓	70	151	✓
NI156	The number of households living in temporary accommodation	60	52	✓	60	56	✓	60	50	✓	60	47	✓
Planning & Economic Development Quarterly KPIs													
LPI 45	No. of appeals allowed against refusal of planning applications, as a % of the total no. of appeals made	28.00%	36.40%	✗	28.00%	28.10%	✗	28.00%	34.60%	✗	28.00%	35.80%	✗
NI154	Net additional homes provided	45	59	✓	90	142	✓	135	223	✓	180	356	✓
NI157a	Processing of planning applications - 'Major' application types	81.00%	85.71%	✓	81.00%	92.86%	✓	81.00%	85.00%	✓	81.00%	84.62%	✓
NI157b	Processing of planning applications - 'Minor' application types	80.00%	76.04%	✗	80.00%	83.33%	✓	80.00%	82.46%	✓	80.00%	80.55%	✓



Annual Indicators **2010/11 Outturn Performance**

Office of the DCE Annual KPIs **Annual Target** **Actual**

LPI 01	LPI 01 - The level of the Equality Framework for Local Government to which the Council conforms	2	1	
LPI 24b	LPI 24b - The quality of the Council's website	3	1	

Corporate Support Services Annual KPIs

LPI 39	LPI 39 - Rent arrears as a percentage of rental income (excluding housing property)	3.00%	3.10%	
LPI 40	LPI 40 - Occupation rate of commercial and industrial property	99.00%	97.63%	
LPI 41	LPI 41 - Rental value as a percentage yield of the commercial and industrial portfolio asset value	9.00%	10.64%	

Finance & ICT Annual KPIs

LPI 23	LPI 23 - Capital Projects 'Cost'	90.00%		
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Housing Annual KPIs

NI158	NI158 - Percentage of non-decent council homes	0.00%	0.00%	
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Planning & Economic Development Annual KPIs

LPI 44	LPI 44 - The achievement of milestones within the Local Development Scheme	1	0	
NI159	NI159 - Supply of ready to develop housing sites	100.00%	144.00%	

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KEY PERFORMANCE INDICATORS 2011/12

Directorate	2011/12 KPI Ref	Previous KPI Ref	Description	Reporting Frequency
Deputy Chief Executive	KPI 01	LPI 01	The level of the Equality Framework for Local Government to which the council conforms	Annual
	KPI 02	LPI 24 (a)	The level of visits to the Council's website	Quarterly
	KPI 03	LPI 24 (b)	The quality of the Council's website	Annual
	KPI 04	New KPI	The level of user satisfaction with the Council's website	Annual
Corporate Support Services	KPI 10	LPI 28	Working days lost due to sickness absence	Quarterly
	KPI 11	LPI 39	Rent Arrears (Commercial and Industrial Property)	Annual
	KPI 12	LPI 40	Occupation Rate (Commercial and Industrial Property)	Annual
Environment & Street Scene	KPI 20	NI 191	Residual household waste per household	Quarterly
	KPI 21	NI 192	Household waste sent for reuse, recycling and composting	Quarterly
	KPI 22	NI 195 (a)	Improved street and environmental cleanliness (litter)	Quarterly
	KPI 23	NI 195 (b)	Improved street and environmental cleanliness (detritus)	Quarterly
	KPI 24	NI 196	Improved street and environmental cleanliness (fly-tipping)	Quarterly
	KPI 25	LPI 51	Environment and Neighbourhoods Team service standards	Quarterly
Finance & ICT	KPI 30	LPI 13	Invoices paid within 30 days of receipt	Quarterly
	KPI 31	LPI 14	Level of Council Tax collection	Quarterly
	KPI 32	LPI 15	Level of National Non-Domestic Rates Collection	Quarterly
	KPI 33	LPI 16	Processing of new benefit claims	Quarterly
	KPI 34	LPI 17	Processing of notification of changes of circumstance for benefit claims	Quarterly
	KPI 35	LPI 53	The number of competed fraud investigations	Quarterly
Housing	KPI 40	LPI 04	Rent collected as a proportion of rents owed on Housing Revenue Account dwellings	Quarterly
	KPI 41	LPI 05	Average number of days to re-let council dwellings	Quarterly
	KPI 42	LPI 07	Emergency repairs undertaken within target time	Quarterly
	KPI 43	LPI 08	Urgent repairs undertaken within target time	Quarterly
	KPI 44	LPI 09	Routine repairs undertaken within target time	Quarterly
	KPI 45	LPI 10	Satisfaction with repairs	Quarterly
	KPI 46	NI 155	Affordable homes delivered (gross)	Quarterly
	KPI 47	NI 156	Households living in temporary accommodation	Quarterly
	KPI 48	NI 158	Level of non-decent council homes	Annual
Planning & Economic Development	KPI 50	NI 154	Additional homes provided (net)	Quarterly
	KPI 51	NI 157 (a)	Processing of 'Major' planning applications within target time	Quarterly
	KPI 52	NI 157 (b)	Processing of 'Minor' planning applications within target time	Quarterly
	KPI 53	NI 157 (c)	Processing of 'Other' planning applications within target time	Quarterly
	KPI 54	New KPI	Planning Appeals Allowed (DoPED recommendation)	Quarterly
	KPI 55	New KPI	Planning Appeals Allowed (Member reversal of DoPED recommendation)	Quarterly
	KPI 56	NI 159	Supply of ready to develop housing sites	Quarterly
	KPI 57	LPI 44	Local Development Scheme - Achievement of Milestones	Annual
	KPI 58	NI 185	CO2 reduction from local authority operations	Annual
KPI 59	NI 187	Fuel Poverty	Annual	

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FPM-002-2011/12.

Date of meeting: 20 June 2011.

Portfolio: Finance and Economic Development

Subject: Risk Management – Corporate Risk Register

Responsible Officer: Edward Higgins (01992 564606).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations:

- (1) To note the updating of the Corporate Risk Register;**
- (2) To consider the proposed new risk for inclusion in the Corporate Risk Register;**
- (3) To consider whether there are any new risks that are not on the current Corporate Risk Register; and**
- (4) To consider whether the tolerance line on the risk matrix should be amended.**

Executive Summary:

The Corporate Risk Register has been considered by both the Risk Management Group on 16 May and the Corporate Governance Group on the 1 June. The reviews identified one new item for inclusion on the Corporate Risk Register and one risk where the scoring should be reduced.

Reasons for Proposed Decisions:

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

Other Options for Action:

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

Report:

1. Members are presented with the latest version of the Corporate Risk Register (Appendix 1). The register has been updated to include the items agreed at the meeting of this Committee on 21 March. The above line risk clusters have also been updated to illustrate links with the Medium Term Aims 2011-2015 and the Council Key Objectives 2011-2012.

2. New risk - Following receipt of the findings of a survey and risk analysis of the North Weald Airfield Bund, both the Risk Management Group and the Corporate Governance Group have considered the potential risk. The survey was carried out to establish the stability of the bund and the risk to the M11 motorway. The findings of the report suggest that there is no immediate concern of failure and the overall risk of failure is low to moderate. There are two sections which are of low risk of failure where the slump would reach the kerb of the M11, it is

not felt that a slump would pass beyond the hard shoulder. A report detailing the results and options available to the Council is being prepared for Cabinet.

3. Both Groups have recommended that the risk be considered for inclusion within the Corporate Risk Register with the suggested score of D3 (Low Likelihood/Marginal Impact) which is below the tolerance line. Details of the risk can be seen in Appendix 2.

4. Risk 9, Depot accommodation has previously been scored as B2 (High Likelihood/Critical Impact). In view of the work undertaken by the officer Asset Management Co-ordination Group and the North Weald Airfield and Asset Management Cabinet Committee it was felt appropriate to now reduce that score to D2 (Low Likelihood/Critical Impact).

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

6. Members are also asked to consider the inclusion of the suggested new risk, North Weald Airfield Bund and whether the risk has been scored appropriately.

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

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

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

The Risk Management Group and the Corporate Governance Group have been consulted.

Background Papers:

None.

Impact Assessments:

Risk Management

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

Equality and Diversity

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

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

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

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

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Epping Forest District Council Corporate Risk Register

Date: 20 June 2011

Contents

	Page
1. Introduction.....	3
2. The Process	3
2.1 Risk identification	4
2.2 Risk analysis and prioritisation	4
2.3 Risk management and monitoring	5
3. Results	5
3.1 Risk profile	5
3.2 Above the line Risk clusters.....	6
Appendix 1 – Risk Register	7
Appendix 2 – Action Plans	16

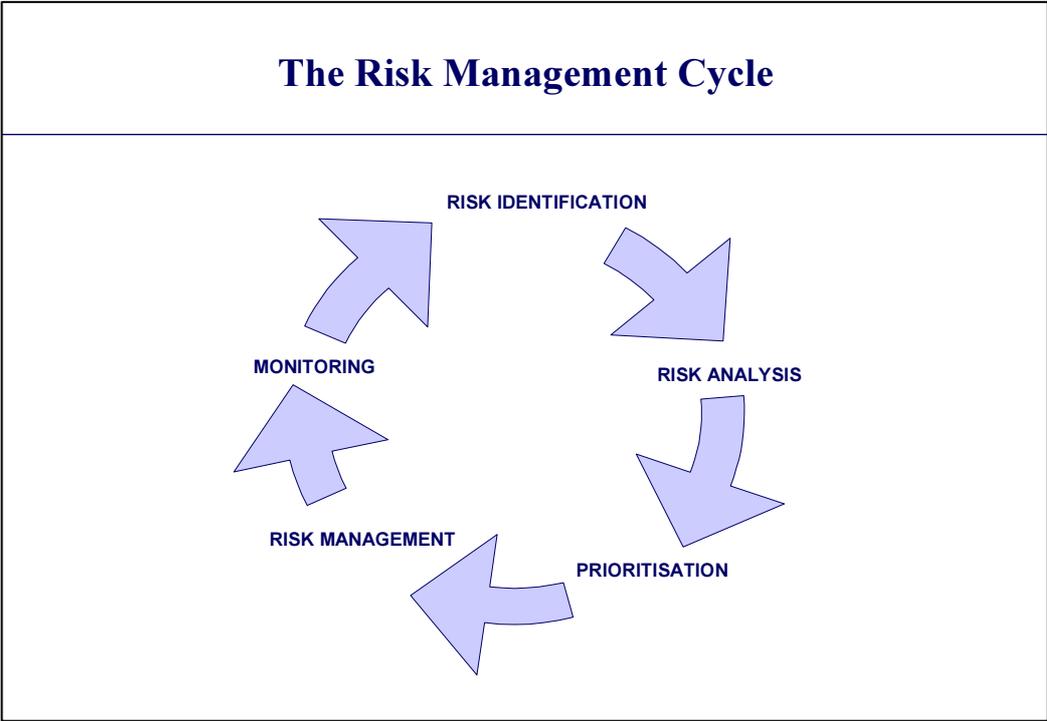
1. Introduction

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

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

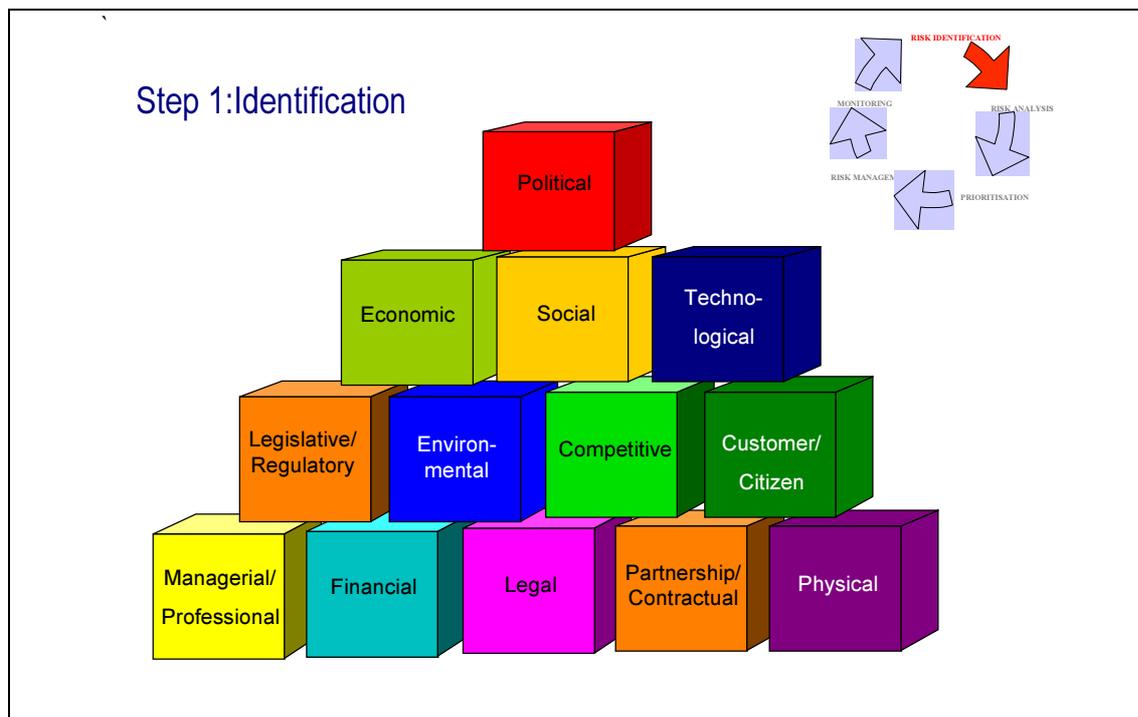
2. The Process

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



2.1 Risk identification

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



2.2 Risk analysis and prioritisation

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

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

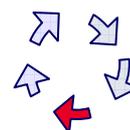
2.3 Risk management and monitoring

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

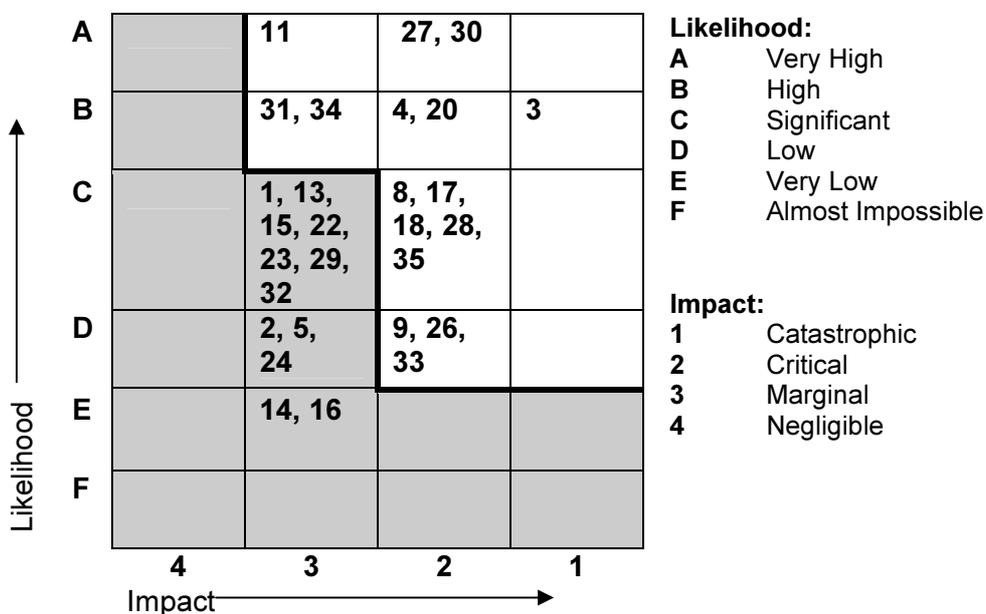
The monitoring of these action plans takes place at Corporate Governance Group, Management Board and the Risk Management Group. The action plans are also reported to Members quarterly.

3. Results

3.1 Risk profile



The risk profile and priority are given below.



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

3.2 Above the line Risk clusters

The 13 above the line risks have been grouped into 7 clusters that will help to streamline the action planning process. These are shown below:

Cluster name	Risk Scenarios	Medium Term Aims/Council Key Objectives
East of England Plan	3, 4	c, e 6, 8
Key Contracts	20	a, b, d 4
Business Continuity Planning	8, 9, 28, 31	a, d 1, 4, 7
Financial pressures	26, 27, 30, 35	a, b, c, d, e 1, 2, 4, 5, 7
Local housing needs	11, 33, 34	a, c, d, e 4, 6, 8
Capital receipts spent on non revenue generating assets	17	a, b, d 1, 4, 5
Loss or theft of data	18	

The action plans can be seen at Appendix 2

Medium Term Aims 2011 - 2015

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

Council Key Objectives 2011 - 12

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

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	<p>The East of England plan will mean a significantly increased level of housing in the district.</p> <p>The increased number of houses will require an accompanying level of infrastructure improvements (transport, schools, hospitals)</p>	Houses built without accompanying improvements in infrastructure	<ul style="list-style-type: none"> • 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
27	A2	*	Shortfall in key income streams	<p>Recession and credit crunch causing long term lower interest rates.</p> <p>Depressed housing market continues with low demand for Building Control and Land Charges services.</p> <p>Collapse of major income generating contract.</p>	<p>Reduced economic confidence.</p> <p>Prolonged recession</p>	<ul style="list-style-type: none"> • Council unable to meet budget requirements • Use of reserves • Staffing and service level reductions
30	A2	*	Reduction in Government Grant	First two years of Comprehensive Spending Review (CSR) settlement reduced funding by 27%. Figures for the second half of CSR not yet known, but likely to involve further reduction.	Second half of CSR reduces funding.	<ul style="list-style-type: none"> • Loss of revenue • Increase Council Tax • Reduction in number and level of services • Increase in charges

No	Rating		Short name	Vulnerability	Trigger	Consequence
4	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 co-ordinated plan with all other involved parties	<ul style="list-style-type: none"> • 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
20	B2	*	Key contract collapses or service levels deteriorate	Contractors are providing some key council services. There have been changes in terms of service delivery and there are concerns around the ability of contractors to meet service changes and deliver the required level of performance.	Contractor collapses / is unable to provide service or Service level deteriorates	<ul style="list-style-type: none"> • Service fails / adversely affected • Alternative arrangements need to be made • Increased costs and legal implications • Health risks • Dissatisfied customers • Censure by audit/inspection
31	A3	*	Unable to provide sufficient housing for local people	The Council has targets in terms of key housing needs and affordable housing, however, there is a shortage of available land in the district for housing and economic development, with high house prices.	Unable to provide sufficient housing for local people	<ul style="list-style-type: none"> • 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
31	B3	*	London 2012, Olympic disruption	The transport infrastructure in the district will be under severe pressure during the Olympics.	Congestion or incident obstructs road or tube travel.	<ul style="list-style-type: none"> • Staff unable to get to work or around district • Disruption to contractors – eg waste service • Reputation damaged

No	Rating		Short name	Vulnerability	Trigger	Consequence
34	B3	*	Changes to Benefit system	The government is undertaking a major reform of the welfare system this is likely to have serious impacts on the Council, benefit claimants and staff.	Welfare reform requiring substantial change to the calculation and administration of benefits	<ul style="list-style-type: none"> Residents no longer able to afford current tenancies. Possible transfer of staff to DWP. Possible redundancies of staff. Problems in recruiting lead to reduction in performance
8	C2	*	Business Continuity Management	The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act	Unable to respond effectively to a business continuity incident (e.g. IT virus / flu pandemic)	<ul style="list-style-type: none"> Services disrupted / Loss of service Possible loss of income Staff absence Hardship for some of the community Council criticised for not responding effectively
Page 31	C2	*	Significant amount of capital receipts spent on non revenue generating assets	The authority is currently debt free, with the budget benefitting from capital receipts gained from sale of assets and interest income from investment. The highest priority in the 5-year capital programme is now "Meeting Housing Need", which will not generate revenue.	Authority spends a significant amount of capital receipts on non revenue generating assets e.g. housing grant	<ul style="list-style-type: none"> 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	C2	*	Loss or theft of data	The Authority handles a large amount of data. Either through hacking or carelessness security of the data could be compromised.	Data held by the Council ends up in inappropriate hands.	<ul style="list-style-type: none"> Breach of corporate governance Increased costs and legal implications Reputation damaged

No	Rating		Short name	Vulnerability	Trigger	Consequence
28	C2	*	Workforce Development Planning	The age profile of the Council's workforce is increasing and a number of senior staff are likely to retire at a similar time. Any concentrated loss of experience could cause disruption to service management.	Loss of a number of senior staff with no immediate replacement.	<ul style="list-style-type: none"> • Services disrupted / Loss of service • Key performance indicators effected • Censure by audit/inspection
35	C2	*	Budget reductions	The medium term financial strategy requires CSB reductions of £2.5m. The largest single saving is the £1.3m required in 2012/13.	Required net savings not achieved.	<ul style="list-style-type: none"> • Greater use of reserves. • Higher level of saving in subsequent years.
9	D2	*	Depot Accommodation	That the Council is unable to provide appropriate and safe accommodation for all contracted depot users. That, due to the lack of an overall Depot Manager, an issue falls between the various service managers and is not adequately addressed.	Depot sites disposed of prior to replacement facilities being available. Accident or conflict between users.	<ul style="list-style-type: none"> • Adverse impact on service delivery • Increased costs and legal implications • Council criticised • HSE investigation/prosecution
26	D2	*	Investments	The Council lends money to a large number of financial institutions. In the current economic climate it appears that the long-term future of very few institutions can be guaranteed.	Financial institution fails whilst holding Council funds.	<ul style="list-style-type: none"> • Loss of investment • Loss of revenue • Reduction in services • Increase in charges • Reputation damaged

No	Rating		Short name	Vulnerability	Trigger	Consequence
33	D2	*	Reform of Housing Revenue Account	The Council is likely to have to take on approximately £200m of debt when the current system ends. Financial modelling shows this level of debt can be managed. However variables in the model may change and the government may increase the level of debt. Accounting arrangements may impact on General Fund.	More Council houses sold than anticipated so revenue reduced. Government increases debt settlement. CLG ignores representations	<ul style="list-style-type: none"> • HRA becomes unsustainable. • Repairs and maintenance spending reduced. • Large rent increases • Additional charges to general fund.
1	C3		Recruitment freeze	The authority currently has an external recruitment freeze, with limited exceptions	Key posts remain unfilled/take length of time to fill	<ul style="list-style-type: none"> • Pressures on existing staff • Difficulties in succession planning • Adverse impact on service delivery
33	C3		Key objectives not delivered due to capacity issues	<p>The Council is facing a challenging agenda with a number of initiatives and projects.</p> <p>There is a concern the corporate core, in particular, is light in terms of staffing, resource and capacity. And while the Council has the financial resources to deliver on key priorities, it may not have sufficient HR capacity</p> <p>There are concerns around overload and a recognised need to set achievable agendas.</p>	Council fails to deliver key objectives on time	<ul style="list-style-type: none"> • Slippage on key projects / initiatives • Deadlines and targets not met • Lack of focus • Workloads increase • Staff demotivated

No	Rating	Short name	Vulnerability	Trigger	Consequence
15	C3	Sickness absence	Levels of sickness absence are now consistently reported and managed across the authority. Absence in 2009/10 was lower than 2008/09.	Sickness absence not effectively managed	<ul style="list-style-type: none"> • Staff absence impacts on ability to deliver • Increased costs of using agency staff • Efficiency savings affected • Impact on staff morale • Possible litigation / claims
22	C3	Key partnership fails	<p>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.</p> <p>Localism bill may cause transfer of Council services to providers with governance issues as above.</p>	Key partnership fails or services provided via arrangements lacking adequate governance.	<ul style="list-style-type: none"> • Relationships with other bodies deteriorate • Clawback of grants • Unforeseen accountabilities and liabilities for the Council • Censure by audit/inspection • Adverse impact on performance
23	C3	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	<ul style="list-style-type: none"> • Loss of resources • Damage to Council's reputation • Effect on staff morale • Harm Use of Resources

No	Rating	Short name	Vulnerability	Trigger	Consequence
29	C3	Gypsy and Traveller Provision	<p>a) This is a very sensitive issue and one that involves a number of stakeholders. Whatever ultimate outcomes are captured in the Development Plan Document, it is unlikely that all stakeholders will be satisfied.</p> <p>b) The area attracts gypsies and travellers and an accusation may arise that the Council has not provided adequate/sufficient pitches.</p>	<p>Unhappy stakeholder issues possible legal challenge to Development Plan Document.</p> <p>More gypsies and travellers than can be accommodated on official sites attempt to stay in the district.</p>	<ul style="list-style-type: none"> • Possible direct government intervention, with loss of local democratic control and control over costs. • Resource intensive legal process • Key performance indicators effected • Reputation damaged • Unofficial sites are established • Complaints from public/landowners • Possible enforcement action • Enforcement action made more difficult
32	C3	Loss of On-Street Civil Parking Enforcement	Withdrawal of the service by Essex County Council (ECC) from the District Responsibility.	Notification by ECC that the service is no longer required to be run by the district.	<ul style="list-style-type: none"> • Loss of service therefore resource no longer needed (TUPE and residual cost issues) • Redundancy (if complete post can not be transferred) • Small amounts of spare capacity in several posts • Central overhead costs to be adjusted elsewhere e.g. corporate support services, HR
2	D3	Inconsistent approach to procurement	<p>a) full conformity with best practice and Contract Standing Orders is still to be achieved.</p> <p>b) failure to comply with EU procurement regulations</p>	<p>a) Procurement exercise breaches contract standing orders</p> <p>b) Challenge by unsuccessful bidders</p>	<ul style="list-style-type: none"> • Efficiency savings not made or contracts fail • Procured service poor/not value for money • Any EU failures will involve legal costs, fines and compensation • Negative impact on service delivery where procurement exercise has to be re-done.

No	Rating	Short name	Vulnerability	Trigger	Consequence
5	D3	Local Government Reorganisation which is detrimental to the Council and Community	<p>Even though there are no current proposals to change boundaries in Essex, there remains a concern that this might change.</p> <p>EFDC is currently debt-free and any re-organisation may involve neighbouring authorities that are not as financially secure.</p>	Reorganisation which is detrimental to the Council and Community	<ul style="list-style-type: none"> • Outflow of resources from district • Change of focus to wider focus • Existing priorities stopped • Projects stopped / delayed • Change in direction
24	D3	Cash balances	Retention of large reserves and balances fails to provide best value and restricts the development of key services.	Key service deteriorates due to lack of resources.	<ul style="list-style-type: none"> • Service delivery adversely affected • Criticism from inspection / audit • Slippage on key projects • Dissatisfied customers
24	E3	Key initiatives resisted / delayed by culture of authority	<p>There is a view that the authority needs to significantly change means of service delivery to meet the ever-changing demands of the wider community, and the requirements of the t-gov agenda.</p> <p>Implementing this will require a significant culture change across the authority, and strong consistent leadership from senior levels of the Authority.</p>	Key initiatives e.g. shared services resisted / delayed by current culture within the authority	<ul style="list-style-type: none"> • 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

No	Rating	Short name	Vulnerability	Trigger	Consequence
16	E3	Performance management	<p>A performance management framework and systems are in place but are not yet fully embedded within the authority, with no real culture of performance.</p> <p>Performance information is seen as a means rather than an end.</p>	Performance management not applied consistently across the Council	<ul style="list-style-type: none"> • Performance management treated as a compliance exercise • Improvement does not occur • Service delivery adversely affected • Criticism from inspection / audit • Image of Council damaged

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.	Leader Director of Planning & Economic Development	The Council retains control of the delivery arrangements and the provision of improved infrastructure.	Quarterly	None
27	Monitoring of both investment returns and income	Effective to date, as revised estimates reflect reduction	Continue to monitor and seek to diversify income streams through the use of capital in the medium term.	Cabinet All Directors	Avoid need to make severe budget cuts	Quarterly	None
30	The Medium Term Financial Strategy is updated each year to identify any need for savings.	To date savings targets have been achieved. However, the level of savings required is likely to increase dramatically.	As part of the 2011/12 budget process identify areas for review to achieve savings.	Leader of Council Chief Executive	Savings targets achieved with expenditure reductions over the medium term as part of a structured plan.	Quarterly	31/12/11
9	Asset Management Group is exploring alternative options for depot/service accommodation.	Will not be fully effective until pressure on Langston Road depot reduced.	Develop alternative depot accommodation and relocate current users.	Finance and Economic Development Portfolio Holder Director of Corporate Support Services	Reduction in number of users/services at Langston Road. Avoidance of accidents/conflicts.	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.	Negotiations with both contractors are underway to extend the leisure management contract and develop the green waste service respectively.	Leisure & Wellbeing People Portfolio Holder Environment Portfolio Holder Director of Environment and Street Scene	Reaching agreement on future leisure management. Developing the new method of providing the green waste service.	Quarterly Quarterly	None 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 assists.	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	None
31	Liaison with Police, ECC, ODA through emergency planning team.	Not possible to assess yet.	Further liaison to raise awareness and ensure co-ordinated planning.	Leader of Council Deputy Chief Executive	No significant disruption to Council services during the Olympics.	Quarterly	30/06/12

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
34	Management will continue to run the service as efficiently as possible.	Effective to date as evidenced by reduction in processing times.	Respond to any consultations and seek to mitigate effects on residents and staff wherever possible.	Finance and Economic Development Portfolio Holder. Director of Finance and ICT	A smooth transition to universal credit. Minimise number and cost of redundancies.	Quarterly	31/03/12
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.	Both corporate and service business continuity plans are being updated. Cabinet has approved measures to enhance the resilience of the power supply.	Support Services Portfolio Holder Deputy Chief Executive	Having plans in place which are proved fit for purpose either by events or external scrutiny.	Quarterly	None
17	Five year capital programme prepared which includes surplus resources. Surplus assets continue to be identified and disposed of.	Effective to date as even with £54M capital programme over 5 years nearly £10M of usable receipts anticipated at end of period.	Continue to highlight consequences of all new capital schemes. Disposal of surplus assets suspended until market conditions improve.	Finance & Economic Development Portfolio Holder Chief Executive	Maintenance of adequate capital and revenue balances.	Quarterly	31/12/11

Risk No.	Existing controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
18	<p>Security Officer is continually monitoring EFDC situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Recent breach arose from a staff error and controls in that system have been strengthened to prevent a repeat.</p>	Generally effective to date. Recent staff error showed the need to strengthen controls over agenda publication.	Controls in the agenda publication system have been strengthened and staff have been reminded of the additional care needed when dealing with confidential documents.	<p>Planning and Technology Portfolio Holder</p> <p>Director of Finance & ICT</p>	No data loss or system downtime due to unauthorised access of EFDC systems or data.	Quarterly	None
28	A Council wide initiative on Workforce Development Planning is now being pursued.	Staff capable of promotion on a temporary or permanent basis can generally be identified.	All Directorates need to analyse future skills gaps and plan to develop staff accordingly.	<p>Cabinet</p> <p>All Directors</p>	No disruption to service provision caused by retirements.	Quarterly	None
35	Some service reviews already underway Public consultation exercise currently being planned.	Savings required for 2011/12 budget were achieved.	Complete public consultation exercise and use responses to inform service reviews.	Leader of Council Acting Chief Executive.	Required net savings achieved.	Quarterly	29/02/12

Risk No.	Existing controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
26	Lending is controlled in accordance with the Treasury Management Strategy, which is structured on levels of credit ratings.	To date there has been one failure where the Council is at risk of some loss.	Ensure all credit rating updates are promptly reflected in the counter party list and in considering alternative investments give highest weighting to security.	Finance & Economic Development Portfolio Holder Director of Finance & ICT	No further counter party failures that put Council funds at risk.	Quarterly	None
33	Detailed financial modelling undertaken. Representations made to CIPFA and CLG.	Will not be known until debt settlement and accounting arrangements confirmed.	Continue to make representations and respond to consultations.	Housing portfolio holder. Finance and Economic Development Portfolio Holder. Director of Finance and ICT Director of Housing	Sustainable level of debt agreed. No serious impact on general fund.	Quarterly	31/03/12

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Proposed new Risk - June 2011

No	Rating		Short name	Vulnerability	Trigger	Consequence
36	D3		North Weald Airfield Bund	The bund has low to moderate likelihood of failure which may result in slump extending to the kerb of the M11 motorway.	Failure of the bund.	<ul style="list-style-type: none">• Failure of the bund leads to disruption on the M11 motorway.• Failure of the bund may lead to injury or damage to property.• Insurance claim against the Council.• Reputational damage.

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FPM-003-2011/12.

Date of meeting: 20 June 2011.

Portfolio: Finance and Economic Development

**Subject: Sundry Income & Debt Policy
Sundry Debtors Performance Indicators**

Responsible Officer: Edward Higgins (01992 564606).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That the updated Sundry Income and Debt Policy be updated; and**
- (2) That the performance indicators of the Sundry Debt function be noted.**

Executive Summary:

The Sundry Income and Debt Policy is reviewed annually supported by Sundry Debtor performance indicators.

Reasons for Proposed Decisions:

To ensure the Sundry Income and Debt Policy is kept up to date and that Members are kept informed of performance.

Other Options for Action:

Members could make amendments to the Policy or request further information.

Report:

1. Cabinet on 19 April 2010 adopted version 4 of the Sundry Income and Debt Policy, the adoption followed an extensive review of the policy. A further review has been carried in preparation for the 2011/12 update attached as Appendix 1. This review has identified the addition of credit cards to payment methods. The inclusion of credit cards payments follows the decision by Members at Cabinet on the 7 March 2011 to accept credit card payments.

2. Aged debt analysis for 2009/10 can be seen in table 1 and for 2010/11 in table 2. The tables show that there is a £596k reduction in the debt outstanding at year end, this improved collection rate is highlighted further when taking into account the £926k increase in value of invoices issued during 2010/11, shown within table 3.

Table 1 – 2009/10 Aged debt analysis							
Days	0-30	31-60	61-180	181-365	366-1825	Over 1825	Total
Amount £	1,483,805	210,260	103,005	101,854	684,519	271,014	2,854,457
% of total	52%	7.4%	3.6%	3.6%	23.9%	9.5%	100%

Days	0-30	31-60	61-180	181-365	366-1825	Over 1825	Total
Amount £	994,159	179,247	129,279	100,986	575,065	279,530	2,258,266
% of total	44%	7.9%	5.7%	4.5%	25.5%	12.4%	100%

3. Table 3 shows a number of performance indicators. The value of debts collected within 42 and 60 days within 2010/11 illustrate another year of improved performance.

		<u>2009/10</u>	<u>2010/11</u>
Value of invoices issued		£7,933,541	£8,860,003
Level of debt as at 31 st March		£2,854,727	£2,258,265
Level of irrecoverable debt provision as at 31 st March		£1,163,911	£1,023,714
Value of debts written off in year		£105,393	£61,358
Percentage of debt collected in 42 days (42 days represents the number of days before legal may be involved)	By number	58.22%	67.49%
	By value	60.21%	72.66%
Percentage of debts collected in 60 days	By number	68.65%	76.87%
	By value	71.40%	79.88%

4. The value of debts collected within 40 days exceeds the Policy target of 70%, and both the value and number of debts collected within 60 days exceed the target of 75%.

5. Officers are preparing sundry debt collection data for the CIPFA benchmarking Club. Table 4 shows an extract of data requested by CIPFA as part of the benchmarking questionnaire.

Sample week dates	Number of invoices	Value of £'000	Number cleared %	Value cleared %
26/04/10 – 30/04/10	29	118	76	99
06/09/10 – 10/09/10	35	210	86	99
22/11/09 – 26/11/09	17	25	94	99

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

There may be an impact on Legal services if the number of cases referred to legal increases due to none payment of invoice.

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

None.

Impact Assessments:

Risk Management

If the sundry debt performance was not monitored collection rates might deteriorate.

Equality and Diversity

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

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

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

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

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Epping Forest District Council

Sundry Income & Debt Policy

Version 5 – June 2011
for FPMCC 20 June 2011

Contents

Section		Page
1	Introduction	3
2	Exclusions	4
3	Key Objectives of Fees and Charges	4
4	Responsibilities	4
5	Invoicing	5
6	Payment Methods	6
7	Credit Limits	6
8	Credit Terms	6
9	Accounting Arrangements	7
10	Collection	7
11	Queries/Disputes	8
12	Litigation	8
13	Credit Notes	8
14	Write Offs	9
15	Interest Loss	9
16	Debt Management	9
17	Monitoring	10
18	Review	10
Appendix A	Debt Recovery Procedure	11
Appendix B	Recovery Flowchart	13
Appendix C	Write Off Policy for Sundry Debts	16

1 Introduction

1.1 This Policy is known “The Sundry Income & Debt Policy” and covers the collection of sundry debt due to Epping Forest District Council.

1.2 It is the Council’s policy to recover all collectable debt owed to it. With this overall objective in mind this policy aims to:

- a) Maximise the Council’s Income
- b) Reduce the time taken to collect charges
- c) Reduce the level of debt owed to the Council and hence its provision for bad debts, and
- d) Reduce the incidence of debt that cannot be collected.

1.3 This Policy supports these aims by:

- a) Promoting ownership of debts by service providers
- b) Ensuring wherever possible that collection of the fee or charge involved takes place prior to the service being provided so that credit is only given when it is essential to do so
- c) Promoting a system of active credit control
- d) Ensuring invoicing procedures are carried out on an accurate and timely basis
- e) Requiring that evidence to support the invoice exists in the form of an order or other written contract
- f) Encouraging debtors to pay promptly, and
- g) Making collection and enforcement activity more efficient.

1.4 The Policy aim is to achieve the following rates of collection in terms of both numbers and value of invoices:

- a) 70% of debt to be collected within 42 days of the invoice being issued
- b) 75% of debt to be collected within 60 days of the invoice being issued.

1.5 The Senior Finance Officer will review the targets given above each year and report on performance to the Finance & Performance Management Cabinet Committee.

1.6 The Council will publicise the fact that it has this policy and that it intends to pursue the collection and recovery of all debts owed to it.

2. Exclusions

- 2.1 The following areas are excluded from this policy as they are subject to their own legislation / regulations:
- a) Council Tax
 - b) National Non Domestic Rates
 - c) Housing Rents
 - d) Housing and Council Tax Benefits Overpayments
 - e) Parking penalties
 - f) Rent deposit loans

3. Key Objectives of Fees and Charges

- 3.1 The fee or charge imposed by the Council should be fair in relation to the goods and/or services provided.
- 3.2 The charge should reflect the principles outlined in the appropriate charging policy and in the Council's Financial Regulations.
- 3.3 The charge should, depending on legislation, always at least cover the cost of providing the goods or service and the costs of collection, unless the Council has taken a policy decision to subsidise the service.
- 3.4 The charge should wherever possible be obtained in advance of the goods and/or services being provided. If not, and where appropriate, the prior written agreement of the person receiving the goods and services should be obtained to pay for the goods and/or service.
- 3.5 The charge should be collectable.
- 3.6 Fees and charges must be reviewed at least annually.
- 3.7 There should be a clear and prompt billing and collection process.
- 3.8 There should be a clear and consistent council-wide approach to the giving of credit and the collection of debt that is led by this policy.
- 3.9 There should be a system that ensures Services only retain credit for an invoice if the income is actually collected.

4. Responsibilities

- 4.1 Directors must ensure that:
- a) Financial Regulations in relation to the collection of sundry debt are adhered to

- b) The parts of this policy that apply to their service are correctly followed
 - c) They proactively support the achievement of corporate targets for debt collection
 - d) Budget Managers are fully appraised of their responsibilities
 - e) Relevant systems and procedures are put in place
 - f) Staff involved in the debt collection process are appropriately trained, and
 - g) The successfulness of training is kept under continuous review.
- 4.2 The Director of Finance & ICT is charged with the responsibility of providing central support and the relevant electronic processes needed to ensure this policy can be adhered to.

5. Invoicing

- 5.1 Services are responsible for raising invoices in respect of the goods and/or services they supply on credit.
- 5.2 An invoice should be raised within 10 working days of the goods and/or services being supplied.
- 5.3 Services should ensure that the names and addresses of the debtors are up to date and correct.
- 5.4 Amounts due to the Council should not generally be held in holding accounts. However, where it is unavoidable for a holding account to be used then that account must be cleared on not less than a 10 working day cycle.
- 5.5 An invoice should not be raised:
- a) For less than £10, unless it is a statutory charge (Fees and charges below this level should be collected in advance by other methods.)
 - b) If an order (or equivalent) has not been received
 - c) When it cannot be proven that the goods and/or services have been supplied
 - d) When the amount due is not still owed
 - e) If a debt is already bad or doubtful
 - f) Where a potential debtor fails to obtain credit limit approval, or

- g) Where a previous invoice for the same goods or service has already been credited.
- 5.6 For periodic charges, a direct debit should, wherever possible, be set up in advance of the service being provided.
- 5.7 An invoice must not be raised to provide a hidden subsidy.
- 5.8 An invoice must not be raised to artificially enhance income targets.

6. **Payment Methods**

Invoices should be able to be paid by all of the following methods:

Cheque
Direct Debit
Debit/Credit card
Standing order
BACS/Faster Payment Service (FPS)
Cash

- a) Telephone
- b) Internet

7 **Credit Limits**

- 7.1 For goods and/or services being supplied and costing over £10,000 a credit check must be run on all customers except those in the public sector.
- 7.2 Credit must not be given to previous customers who have been consistently late payers or have not paid at all.
- 7.3 Preferential credit limits must not be agreed for any customer.

8. **Credit Terms**

- 8.1 The Council should aim to collect monies owing to it fully and promptly.
- 8.2 Payment terms should only be granted where the debtor is not able to settle the debt in full in one payment. On receipt of an invoice a debtor can make arrangements to clear the account by weekly, fortnightly or monthly instalments. These payments should be by direct debit wherever possible.

- 8.3 Only Legal Recovery and Central Debtor Teams can arrange payment terms with the debtor.
- 8.4 The Central Debtors Team should consider withdrawing payment terms if a debtor fails to honour the agreement entered into.
- 8.5 The following table should be used as guidance when arranging credit. However, no terms can be agreed over twelve months.

Value	Terms (from date of invoice)
Debts below £500	No more than 3 months
Debts below £1,500	No more than 6 months
Debts below £2,500	No more than 9 months
Debt above £2,500	No more than 12 months

- 8.6 In order for a debtor to receive more than 3 months credit, a detailed income and expenditure sheet should be completed for their case to be considered. The Senior Finance Officer should be consulted on all these cases.
- 8.7 The Senior Finance Officer must review the monetary values contained in this section on an annual basis. When it is considered that those values should be changed the new figures shall only apply once the Director of Finance & ICT has agreed them in writing.

9. Accounting Arrangements

- 9.1 The Service will receive the credit when an invoice is raised.
- 9.2 If the invoice is paid within 60 days the Service will retain the credit.

10. Collection

- 10.1 A written reminder should be sent for all invoices unpaid after 21 days.
- 10.2 If after a further 7 days (i.e. 28 days from the date of the invoice) the account is unpaid a final reminder notice should be issued.
- 10.3 If after a further 7 days (i.e. 35 days) the account is unpaid a letter before action letter should be issued.
- 10.4 After a further 7 days (i.e. 42 days) if an invoice is still outstanding it should be passed to Legal for county court action for debts over £100 or referred to a debt collection agency for debts below £100.
- 10.5 If an invoice of £2,500 or more is unpaid after 34 days (the service will receive a task on AIMS advising that the debt remains outstanding) a telephone reminder should be made to the debtor by the relevant

Service to confirm receipt of the invoice and to identify any queries relating to it. In cases where it proves difficult to make contact with a private individual during normal working hours telephone calls should also be made between 6pm and 8pm Monday to Friday.

- 10.6 The Council should employ a debt collection agency to deal with a value less than £100 that remain outstanding after 42 days.
- 10.7 Performance of the debt collection agency will be monitored by the Senior Finance Officer.
- 10.8 Recovery action can be halted at any part of the process if the debtor enters into payment terms to clear the debt by instalments.
- 10.9 Recovery action can be halted at any part of the process if the originating Service decides not to pursue recovery for the good of the service. When this happens the originating Service must bear the cost. Any adjustment to the amount invoiced must be requested by submitting a write off request to the Central Debtors Team by the Director.
- 10.10 Only Legal Recovery and Central Debtor Teams can arrange payment terms with the debtor.
- 10.11 The debt recovery procedure can be seen at Appendix A.

11 Queries and Disputes

- 11.1 If there is a dispute the Service that raised the invoice must attempt to resolve the matter within 30 days of the dispute being registered.
- 11.2 The Senior Finance Officer will monitor accounts on hold on a quarterly basis

12 Litigation

- 12.1 All debts outstanding above £100 should be referred to Legal with the necessary documentation being provided by the service.

13 Credit Notes

- 13.1 In conjunction with financial regulations there must be a clear distinction between raising a credit note and writing off a debt.
- 13.2 A credit note to cancel or reduce a debt must only be issued to:
 - a) Correct a factual inaccuracy
 - b) Correct an administrative error

- c) Process a discount granted by the Director where the account was originated.
- 13.3 Only authorised staff at the discretion of service managers should issue credit notes.
- 13.4 A credit note should only be issued when the credit request memo is signed by an authorised signatory and an explanation for the credit note is stated in every case.

14 Write Offs

- 14.1 All write offs need to adhere to the Council's Write Off Policy for Sundry Debts. This can be seen at Appendix C.
- 14.2 The following officers have delegated powers to write off bad debts as follows:
- a) Director of Finance & ICT for debts under £2,500
 - b) Finance & Economic Development Portfolio Holder for debts of £2,500 and above.

15 Interest Loss

- 15.1 If it is evidenced that any action by a Service leads to a significant detrimental effect on the Council's cash flow by not following this policy, the Director of Finance & ICT should consider imposing a charge on that service equivalent to the lost interest incurred.
- 15.2 A loss of £500 should be considered as being significant.

16 Debt Management

- 16.1 The following data should be used to monitor performance against targets and timescales set for each Service:
- a) Level of debt
 - b) Level of irrecoverable debt provision
 - c) Number of days debts are outstanding – “debtor days” for invoices raised within the preceding 12 months
 - d) Number of days debts are outstanding – “debtor days” for all invoices
 - e) Number and value of disputed accounts and those where action is on hold

- f) Percentage of debt by number and value collected in 42 days
- g) Percentage of debt by number and value collected in 60 days
- h) Aged debt analysis by value, and
- i) Analysis of write offs by income section and age

17 **Monitoring**

17.1 The Senior Finance Officer is authorised to:

- a) Carry out the central monitoring of this policy,
- b) Agree amendments to the policy for operational, efficiency and effectiveness purposes,
- c) Report to Finance & Performance Management Cabinet Committee any major issues arising from the above.

18 **Review**

18.1 The Policy once approved and implemented will be subject to an annual review.

1 FINANCE RECOVERY

- 1.1 When an invoice is being raised the recovery profile is defaulted to 'New Debt Recovery' (code being 'DR'). This recovery profile should be used for all invoices except for Estates, this being 'ES' (Estate Debts). If the debt is for an employee of the Council then recovery profile should be 'SD' (Staff Debts).
- 1.2 The recovery profile dictates the set of events. The flow chart of each of these profiles can be seen at Appendix B.
- 1.3 During any stage of the finance recovery:
 - a) If full payment is received, the debt is closed;
 - b) If an offer to pay in instalments is made, Finance will be responsible for setting up and monitoring the payments. Before the arrangement is agreed the debtor will need to sign and return one copy of the agreement;
 - c) If the debtor breaches the agreement they will receive one reminder letter. If a further breach of the agreement is then made, the agreement will be terminated and passed back to the service for them to instruct legal to take action (copy of the agreement should be forwarded to the service)
 - d) If the debtor disputes the debt, before it reaches Legal, Finance will refer this to the service to resolve. Finance will put a hold (up to one month) on collecting the debt until the service informs Finance with what action to take i.e. resume; cancel; adjust the debt.

2 LEGAL RECOVERY

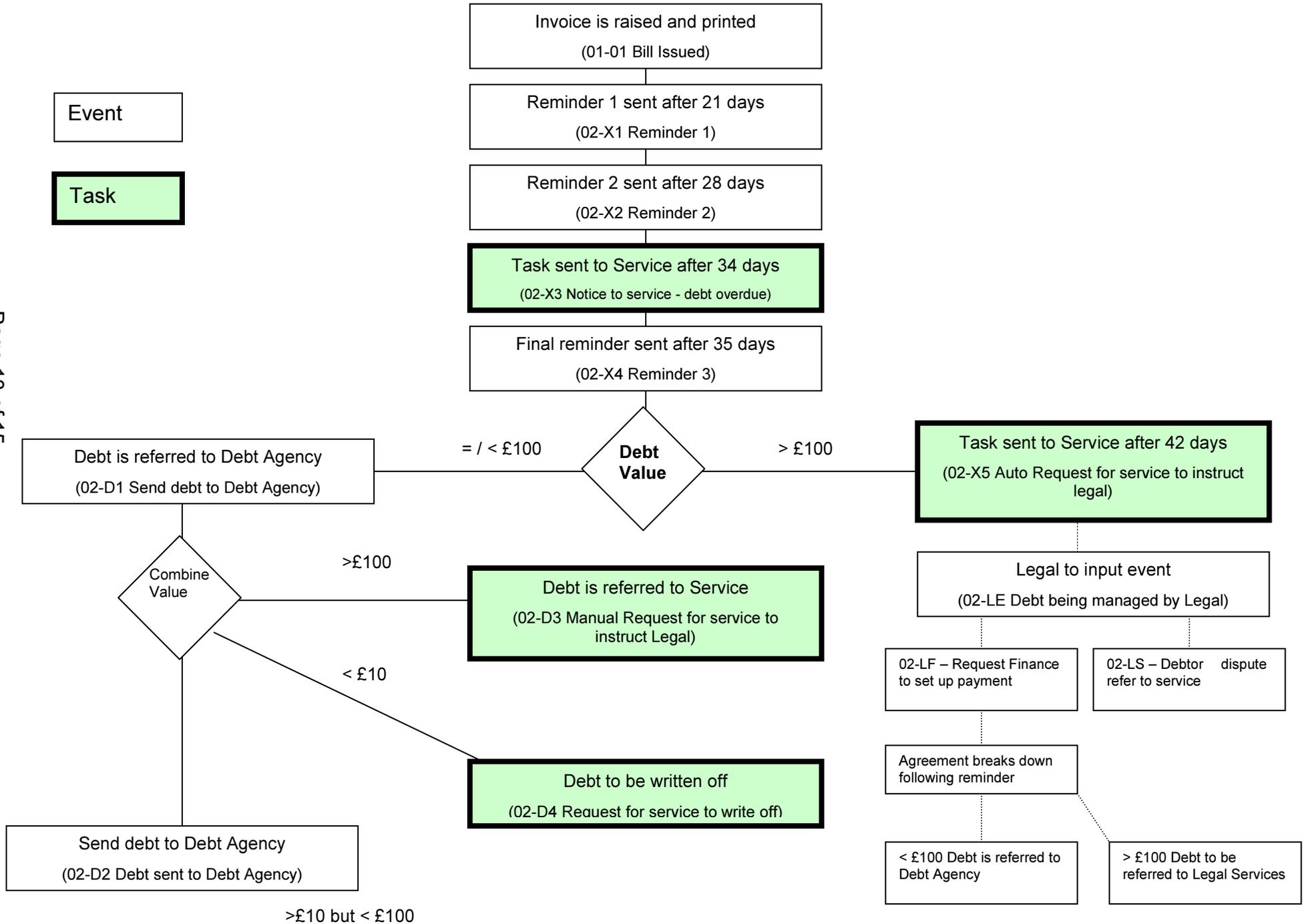
- 2.1 Whilst the debt is with Legal:
 - a) If the debtor asks to make arrangement to pay the debt, Legal will negotiate the arrangement and Finance will set up the arrangement. The arrangement will then be monitored by Finance and Legal will close their file. If the arrangement is breached after one reminder Finance will refer the debt back to Legal to re-open the file.
 - b) If the debtor disputes the debt, following Pre Action Protocol Letter, Legal will close the file and refer the debtor back to the Client Service.
 - c) Legal WILL only re-open their file, if either Finance or Client Service request Court action to be continued and evidence is provided that shows that the dispute has been discussed with the debtor.

- d) If the debtor raises a Defence following the service of the Claim Form then Legal will not close their file, but liaise with the Client Service to receive instructions on how to proceed. Client Service must comply with any time limits imposed by Legal, as the matter will now be in the control of the Court and its timetable.

3 SERVICE RESPONSIBILITY

- 3.1 In order for all parties to keep up to date with the latest developments services should arrange regular meetings with Legal and Finance.
- 3.2 Services will receive the following monthly reports from Finance and Legal. It is the service responsibility to review these reports and to take action on all necessary debts.
 - a) Aged debt reports – this will show the amount in value and numbers outstanding by period
 - b) Debts to be referred to Legal – this will show the debts where the client service has not yet instructed legal to take Court action against the debtor
 - c) Debts placed on hold – this will show the debts where they are put on hold until the service informs Finance of the outcome
 - d) Listing of cases currently being managed by Legal and where they are with each case
 - e) Any other specific report to a client

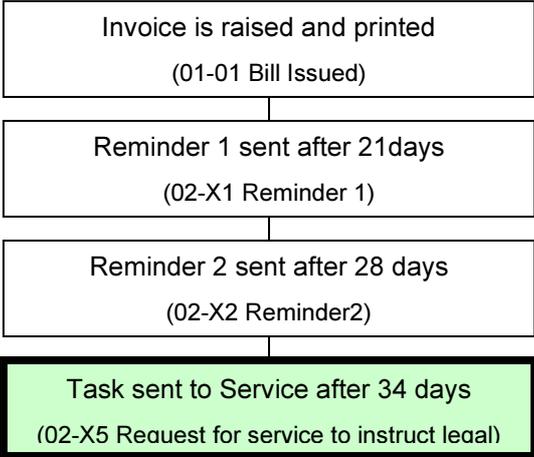
Recovery DR = New Debt Recovery



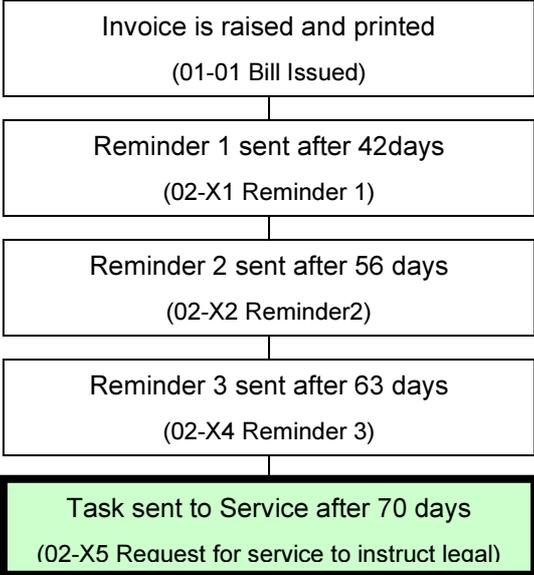
Event

Task

Recovery SD = Staff Debts



Recovery ES = Commercial Rent



Event	Action	Timescale to achieve action
On receipt of instruction from service	Legal will check the evidence received and if correct will enter on AIMS that the invoice is now being managed by Legal. Proof of address is obtained and a Pre-Action Protocol Letter is sent giving 7 days to pay.	10 working days
8 th Day after Pre-Action Protocol Letter sent	Legal to issue Court Proceedings, if no contact has been made by the debtor.	10 working days
Day 15 after issue of proceedings	If no response is made by the debtor. Legal will obtain Judgment.	10 working days
Once Judgment is obtained	Legal will take the appropriate action to recover the debt through discussions with the originating service where necessary.	10 working days

1. General

- 1.1 It is Epping Forest District Council's aim to collect all outstanding charges from debtors wherever possible, provided that it is cost effective. However, this may not be possible due to the circumstances of some cases, these are listed below.

2. Purpose of this Policy

- 2.1 To describe the circumstances and authorisations when debts are considered as non-recoverable.

3. Types of Debts not covered by the Policy:

- 3.1
- a) Council Tax;
 - b) National Non-Domestic Rates;
 - c) Housing Rents;
 - d) Housing and Council Tax Benefits Overpayments; and
 - e) Parking penalties

4. Circumstances where the debt may be non-recoverable

- 4.1
- a) Debtor has absconded and cannot be traced;
 - b) Debtor / company is insolvent i.e. Bankruptcy, Liquidation and Administrative Receivership cases;
 - c) Debtor deceased and there is no estate;
 - d) Debts where all or part has been remitted by the Magistrates Courts due to hardship;
 - e) Small debts under £10 and other small non-recurring debts which are uneconomical to collect;
 - f) Debts where a company has ceased to trade leaving no assets;
 - g) Debts that cannot be legally enforced.
 - h) Debt Relief Orders

- 4.2 In some cases further action may be required before the amount is written off, such as referring the debt to a Tracing Agency

5. Write Off and Reporting

- 5.1 Where any of the above criteria are satisfied then the balance outstanding will be considered for write off.
- 5.2 The service that raised the debt will need to request the write off, providing the following information and signed by the delegated person detailed on the authorised signatories list:
 - a) Name of Debtor;
 - b) Reason for the write off;
 - c) Amount to be written off;
 - d) Recovery history;
 - e) Details of any traces / enquiries carried out; or
 - f) Agreement by Legal Services
 - g) Any other relevant information.
- 5.3 A write off list will be submitted and reconciled every 3 months by the Senior Finance Officer.
- 5.4 The Director of Finance & ICT has delegated power to write off individual debts of up to £2,500.
- 5.5 The Finance and Economic Development Portfolio Holder must approve the writing off of any debt in excess of £2,500.
- 5.6 Should a debtor be traced then the debt will be re-instated to enable recovery action to continue.

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FPM-004-2011/12

Date of meeting: 20 June 2011

Portfolio: Finance and Economic Development.

Subject: Consultation – Future of Local Public Audit.

Responsible Officer: Bob Palmer (01992 564279).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations:

(1) To consider what response, if any, the Committee wishes to make to the Government consultation on the future of local public audit.

Executive Summary:

The Government have issued a consultation paper entitled “Future of local public audit”, which has a closing date for responses of 30 June 2011. The consultation is over sixty pages and has fifty detailed questions, most of which are either not relevant to the Council or are too complex to easily form a view on. However, there is a proposal about the future structure of audit committees that is relevant and would impact on the Council.

Reasons for Proposed Decisions:

To determine if a response is to be made to the consultation.

Other Options for Action:

Members could decide to not respond, to respond in part or to respond in full to all fifty questions.

Report:

1. On 13 August 2010, the Secretary of State for Communities and Local Government announced plans to disband the Audit Commission and refocus audit on helping local people hold their Councils and other public bodies to account for local spending decisions. The Secretary of State’s announcement on 13 August contained the following overall intentions and policy aims:

- (a) To disband the Audit Commission and transfer the work of the Commission’s in-house audit practice to the private sector;
- (b) To enable local authorities to appoint their own independent external Auditors;
- (c) To provide a new framework for the audit of local health bodies who are also currently audited via the Audit Commission; and
- (d) To ensure that all local public bodies would still be subject to robust auditing.

2. The consultation paper sets out the Government's vision for the future of local audit. The consultation is wide ranging and both provides details of the Government's proposals to change the audit of local councils and other local bodies and also consult on a range of potential options where the Government has yet to establish its intentions. The Government's vision for local public audit is based on four principles:

(a) Localism - Local public bodies should be free to appoint their own independent external Auditors from a more competitive and open market;

(b) Transparency - Local public bodies will become increasingly accountable for their spending decisions to the people who provide their resources;

(c) Lower audit fees; and

(d) High standards of auditing - External audit should remain both robust, efficient and follow the established principals of public audit.

3. The consultation document runs to more than sixty pages and includes a list of fifty questions, which are copied at Annex 1. A full copy of the consultation can be obtained either from the Director of Finance and ICT or the CLG website using the address below:

- www.communities.gov.uk/publications/localgovernment/localpublicauditconsult

4. Many of the questions are about the overall system of audit and regulation and as such are either not relevant to the Council or are too complex to easily form a view on. Rather than attempting to provide a very detailed paper to promote an understanding of the wider issues, it was felt a more focused paper on the potential effect on the structure of the Audit and Governance Committee would be more useful. Page 26 of the consultation includes detail of the Government's preferred structure for audit committees. This paragraph states "*we envisage that in the new system an Audit Committee could be structured in the following way:*

(a) The Chair should be independent of the local public body; the Vice Chair would also be independent to allow for the possible absence of the Chair.

(b) The elected Members on the Audit Committee should be non executive, non Cabinet Members, sourced from the Audit body and at least one should have recent and relevant financial experience;

(c) There would be a majority of Members of the Committee who are independent of the local public body."

5. These proposals would require significant change to the current Audit & Governance Committee structure. Presently the Chair is an elected Member and the Vice Chair is independent, they would now both be required to be independent. There are also currently a majority of elected Members on the Committee, that position would now be reversed and it would be the independent Members who would be in the majority.

6. This report will also be presented to the Audit and Governance Committee to seek their views. The views of this Committee will be reported to the Audit and Governance Committee and whilst a jointly agreed response, or decision not to respond, would be preferable it would be possible to make two different responses if necessary.

Resource Implications:

The consultation includes the possibility of paying independent Members to encourage sufficient suitable candidates to come forward. If this was to become a requirement there would be some additional costs.

Legal and Governance Implications:

This is only a consultation, but because of the potential impact on the Audit and Governance Committee the officer Corporate Governance Group have considered the consultation and their view is set out below.

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

The Corporate Governance Group (CGG), which comprises of the Acting Chief Executive, the Chief Finance Officer, the Monitoring Officer, the Assistant to the Chief Executive and the Chief Internal Auditor, has considered the consultation and the key issue of the future composition of the Audit and Governance Committee. CGG agreed with the proposal that the Audit and Governance Committee should be independent from the Council and so endorsed the recommendations that the majority of Members on Audit and Governance should be independent and also that the Chairman should be independent. This is a model that has been used for the Standards Committee, which has discharged its functions effectively.

Background Papers:

CLG Consultation document – Future of local public audit.

Impact Assessments:

Risk Management

With audit committees taking on the responsibility for the appointment of the external auditor, there is a greater need for such committees to be, and be seen to be, independent. A risk exists that the credibility of the external auditor and the audit committee could be called into question.

Equality and Diversity:

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

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

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

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

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List of consultation questions

1. Have we identified the correct design principles? If not, what other principles should be considered? Do the proposals in this document meet these design principles?
2. Do you agree that the audit of probation trusts should fall within the Comptroller and Auditor General's regime?
3. Do you think that the National Audit Office would be best placed to produce the Code of audit practice and the supporting guidance?
4. Do you agree that we should replicate the system for approving and controlling statutory auditors under the Companies Act 2006 for statutory local public auditors?
5. Who should be responsible for maintaining and reviewing the register of statutory local public auditors?
6. How can we ensure that the right balance is struck between requiring audit firms eligible for statutory local public audit to have the right level of experience, while allowing new firms to enter the market?
7. What additional criteria are required to ensure that auditors have the necessary experience to be able to undertake a robust audit of a local public body, without restricting the market?
8. What should constitute a public interest entity (i.e. a body for which audits are directly monitored by the overall regulator) for the purposes of local audit regulation? How should these be defined?
9. There is an argument that by their very nature all local public bodies could be categorised as 'public interest entities'. Does the overall regulator need to undertake any additional regulation or monitoring of these bodies? If so, should these bodies be categorised by the key services they perform, or by their income or expenditure? If the latter, what should the threshold be?
10. What should the role of the regulator be in relation to any local bodies treated in a manner similar to public interest entities?
11. Do you think the arrangements we set out are sufficiently flexible to allow councils to co-operate and jointly appoint auditors? If not, how would you make the appointment process more flexible, whilst ensuring independence.
12. Do you think we have identified the correct criteria to ensure the quality of independent members? If not, what criteria would you suggest?
13. How do we balance the requirements for independence with the need for skills and experience of independent members? Is it necessary for independent members to have financial expertise?
14. Do you think that sourcing suitable independent members will be difficult? Will remuneration be necessary and, if so, at what level?
15. Do you think that our proposals for audit committees provide the necessary safeguards to ensure the independence of the auditor appointment? If so, which of the options described below seems most appropriate and proportionate? If not, how would you ensure independence while also ensuring a decentralised approach?

- a) only the chair and perhaps a minority of members are independent of the local public body.
 - b) a chair and a majority of members independent of the local public body.
 - c) as for (b) but with independent selection of the members independent of the local authorities.
16. Which option do you consider would strike the best balance between a localist approach and a robust role for the audit committee in ensuring independence of the auditor?
 17. Are these appropriate roles and responsibilities for the Audit Committee? To what extent should the role be specified in legislation?
 18. Should the process for the appointment of an auditor be set out in a statutory code of practice or guidance? If the latter, who should produce and maintain this?
 19. Is this a proportionate approach to public involvement in the selection and work of auditors?
 20. How can this process be adapted for bodies without elected members?
 21. Which option do you consider provides a sufficient safeguard to ensure that local public bodies appoint an auditor? How would you ensure that the audited body fulfils its duty?
 22. Should local public bodies be under a duty to inform a body when they have appointed an auditor, or only if they have failed to appoint an auditor by the required date?
 23. If notification of auditor appointment is required, which body should be notified of the auditor appointment / failure to appoint an auditor?
 24. Should any firm's term of appointment be limited to a maximum of two consecutive five-year periods?
 25. Do the ethical standards provide sufficient safeguards for the rotation of the engagement lead and the audit team for local public bodies? If not, what additional safeguards are required?
 26. Do the proposals regarding the reappointment of an audit firm strike the right balance between allowing the auditor and audited body to build a relationship based on trust whilst ensuring the correct degree of independence?
 27. Do you think this proposed process provides sufficient safeguard to ensure that auditors are not removed, or resign, without serious consideration, and to maintain independent and audit quality? If not, what additional safeguards should be in place?
 28. Do you think the new framework should put in place similar provision as that in place in the Companies sector, to prevent auditors from seeking to limit their liability in an unreasonable way?
 29. Which option would provide the best balance between costs for local public bodies, a robust assessment of value for money for the local taxpayer and provides sufficient assurance and transparency to the electorate? Are there other options?
 30. Do you think local public bodies should be required to set out their performance and plans in an annual report? If so, why?
 31. Would an annual report be a useful basis for reporting on financial resilience, regularity and propriety, as well as value for money, provided by local public bodies?

32. Should the assurance provided by the auditor on the annual report be 'limited' or 'reasonable'.
33. What guidance would be required for local public bodies to produce an annual report? Who should produce and maintain the guidance?
34. Do these safeguards also allow the auditor to carry out a public interest report without his independence or the quality of the public interest report being compromised?
35. Do you agree that auditors appointed to a local public body should also be able to provide additional audit-related or other services to that body?
36. Have we identified the correct balance between safeguarding auditor independence and increasing competition? If not, what safeguards do you think would be appropriate?
37. Do you agree that it would be sensible for the auditor and the audit committee of the local public body to be designated prescribed persons under the Public Interest Disclosure Act? If not, who do you think would be best placed to undertake this role?
38. Do you agree that we should modernise the right to object to the accounts? If not, why?
39. Is the process set out above the most effective way for modernising the procedures for objections to accounts? If not, what system would you introduce?
40. Do you think it is sensible for auditors to be brought within the remit of the Freedom of Information Act to the extent of their functions as public office holders? If not, why?
41. What will be the impact on (i) the auditor / audited body relationship, and (ii) audit fees by bringing auditors within the remit of the Freedom of Information Act (to the extent of their functions as public office holders only)?
42. Which option provides the most proportionate approach for smaller bodies? What could happen to the fees for smaller bodies under our proposals?
43. Do you think the county or unitary authority should have the role of commissioner for the independent examiners for smaller bodies in their areas? Should this be the section 151 officer, or the full council having regard to advice provided by the audit committee? What additional costs could this mean for county or unitary authorities?
44. What guidance would be required to enable county / unitary authorities to:
 - a) Appoint independent examiners for the smaller bodies in their areas?
 - b) Outline the annual return requirements for independent examiners?
 Who should produce and maintain this guidance?
45. Would option 2 (see below) ensure that smaller bodies appoint an external examiner, whilst maintaining independence in the appointment?

Option 2

The small body would be required to make arrangements for the appointment of the independent examiner, **including** the involvement of an audit committee. This would give the body the freedom to make all necessary arrangements which might include joining up with other small bodies, either locally or providing similar services. The smaller bodies would be able to arrange a joint audit committee, with safeguards to provide for independence. Alternatively, the small body would be able to join with a larger local public body and utilise their audit committee.

46. Are there other options given the need to ensure independence in the appointment process? How would this work where the smaller body, e.g. a port health authority, straddles more than one county / unitary authority?
47. Is the four level approach for the scope of the examination too complex? If so, how would you simplify it? Should the threshold for smaller bodies be not more than £6.5m or £500,000? Are there other ways of dealing with small bodies, e.g. a narrower scope of audit?
48. Does this provide a proportionate, but appropriate, method for addressing issues that give cause for concern in the independent examination of smaller bodies? How would this work where the county council is not the precepting authority?
49. Is the process set out above the most appropriate way to deal with issues raised in relation to accounts for smaller bodies? If not, what system would you propose?
50. Does this provide a proportionate but appropriate system of regulation for smaller bodies? If not, how should the audit for this market be regulated?

Report to Finance and Performance Management Cabinet Committee

Report Reference: FPM-005-2010/11

Date of meeting: 20 June 2011



**Epping Forest
District Council**

Portfolio: Finance and Economic Development

Subject: Provisional Capital Outturn 2010/11

Responsible Officer: Teresa Brown (01992-564604)

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That the provisional outturn report for 2010/11 be noted;**
- (2) That retrospective approval for the over and underspends in 2010/11 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 2011/12 relating to schemes on which slippage has occurred is recommended to Cabinet; and**
- (4) That retrospective approval for changes to the funding of the capital programme in 2010/11 is recommended to Cabinet.**

Executive Summary:

This report sets out the Council's capital programme for 2010/11, in terms of expenditure and financing, and compares the actual outturn figures with the revised estimates. The revised estimates, which were based on the Capital Strategy, represent those adopted by Council on 22 February 2011.

Appendix 1 summarises the Council's overall capital expenditure in 2010/11, analysed by directorate, 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 2010/11 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 2010/11 are detailed in appendix 4.

Reasons for Proposed Decision:

The funding approvals requested are intended to make best use of the Council's capital

resources that are available to finance the Capital Programme.

Other Options for Action:

The HRA capital expenditure in 2010/11 could have been financed partly from the use of usable capital receipts. This option was rejected because the Revenue Contributions to Capital Outlay (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 2010/11 was that a total of £9,931,000 was spent on capital schemes, compared to a revised estimate of £11,422,000. This represents an underspend of £1,491,000 or 13% on the Council's revised capital budget. Expenditure on General Fund projects totalled £3,501,000, which was £1,285,000 or 27% less than anticipated, whilst expenditure on the Housing Revenue Account (HRA) totalled £6,430,000, which was £206,000 or 3% less than anticipated.

2. The majority of the underspends on General Fund schemes relate to slippage of expenditure, although there were also savings on some schemes and one instance of work being carried out ahead of expectations. The underspend on the HRA was made up of a number of over and underspends on different areas of capital investments. Appendices 2 and 3 give details of the individual projects where slippage, savings, brought forwards and overspends have occurred.

3. With regard to the General Fund, one scheme was significantly overspent; the Langston Road redevelopment project (£25,000). Provision for the Langston Road redevelopment project was set aside within the District Development Fund (DDF) but some costs were more appropriately chargeable to Capital as they were feasibility studies relating to the scheme. However, if the scheme does not progress to completion, these costs will be subsequently charged to revenue. On the other hand, if the scheme is completed, the £25,000 capital overspend will be compensated by an underspend on the DDF.

4. Within the non-housing Capital Programme, only one individual scheme was underspent by more than £100,000. This was the Waste Management Vehicles and Equipment capital provision for the new food and recycling system. The budget of £147,000 was set aside for the provision of new bins and recycling containers to flats, schools, places of worship, village halls etc. These purchases have been delayed as a result of problems with tender submissions, which have now been resolved; a carry forward has therefore been requested.

5. The Civic Office Works budget was underspent by a total of £152,000; this being spread over a total of 16 schemes. The two major projects, being the replacement of the windows and heating systems in the condor building, were given top priority and were completed in 2010/11 along with 5 further projects. The remaining 9 projects have experienced some slippage and the budgets in respect of these schemes are proposed for carry forward to 2011/12.

6. The Housing General Fund programme was underspent by £457,000, mostly because of slippage with the Open Market Shared Ownership Scheme. This is a unique and innovative scheme agreed by the Cabinet, whereby local housing applicants can select a property on the open market, which Broxbourne Housing Association then purchases (partly

funded by an interest-free loan from the Council) and provides a shared ownership lease to the applicant. Being a new concept, the slippage is due to the complexity of the required legal agreements. However, these have almost been finalised and the marketing process has also been undertaken concurrently; it is expected that the budget provision will be spent in 2011/12. Further underspends were experienced on Affordable Housing Contributions to Housing Associations, under the scheme agreed by the Cabinet to enable a housing association to purchase properties on the open market to let at affordable rents. However, following a tender exercise, the amount of required contributions were considered too high and not offering value for money; the Housing Portfolio Holder proposes to report to a future Cabinet meeting on the possible use of this budget to extend the Open Market Shared Ownership Scheme to assist more applicants. Underspends on Disabled Facilities Grants have been offset, to some extent, by overspends on Other Private Sector Grants and the Home Ownership Grants Scheme. It is proposed to make the equivalent adjustments in 2011/12, pending Cabinet approval.

7. The outturn on the HRA was just 3% under the revised budget. However, there were several under and overspends on the different initiatives within the HRA Capital Programme. Appendix 3 shows which areas of work experienced slippage and which areas experienced more demand; Cabinet is requested to approve the relevant carry forwards and brought forwards to and from 2011/12.

8. The major scheme within the HRA over the last few years has been the improvement works at Springfields, Waltham Abbey. Practical completion was achieved on 14 August 2009 and the final account has been agreed between the constructor and the Council's quantity surveyor. It is thought likely that there will be a saving on the project budget overall but, for the time being, it is proposed to carry forward the £28,000 underspend to 2011/12 until all capital fees have been finalised.

9. 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 carry forward requested is £1,419,000 on the General Fund and £616,000 on the HRA. Members are also requested to retrospectively approve the brought forwards of £114,000 and £410,000 on the General Fund and HRA respectively.

Funding

10. When financing the capital programme, government grants and private funding for specific schemes, are applied initially. Appendix 1 identifies all the grants used in 2010/11 and it compares the actual sums used with the amounts estimated in the revised capital programme. In 2010/11, the total sum of grants applied was £390,000 lower than expected for two main reasons. Firstly, the application of the Disabled Facilities Grant was lower than estimated, in line with lower than expected expenditure in this area. Secondly, slippage on the Open Market Shared Ownership scheme has meant that the £435,000 contribution from McCarthy and Stone remains in the Council's reserve accounts pending completion of this scheme in 2011/12. All other unused grants will be carried forward to finance the appropriate schemes in the future. In contrast, more work was carried out on leasehold flats than expected and this has resulted in private funding from leaseholders being £124,000 more than anticipated.

11. The situation with regard to capital receipts in 2010/11 proved to be marginally better than had been anticipated, as shown in appendix 4. Income from council house sales was slightly higher than expected with 9 houses being sold.

12. The use of capital receipts was £751,000 lower than expected due to the reduced expenditure on General Fund schemes. There was a further £200,000 reduction in the use of

capital receipts as it did not prove necessary to supplement the Pension Fund Capital Reserve this financial year. This was because the Capitalisation Direction received was lower than the application made, which resulted in an additional charge to the General Fund and the HRA. The overall effect of these variations is that balance of unused capital receipts was £18,694,000 as at the 31 March 2011, which was £1,033,000 higher than expected.

13. With regard to the use of revenue contributions to capital outlay, these were £400,000 higher than anticipated in order to keep the HRA balance from exceeding the level required to enable the capitalisation of pension deficits to take place. As a consequence of this, plus the underspend on HRA capital schemes, the use of resources from the Major Repairs Reserve was £750,000 less than estimated. This has meant that the balance on the Reserve was higher than planned at £6,541,000 as at 31 March 2011.

Resource Implications:

The 2010/11 General Fund Outturn totalled £3,501,000 which represents an underspend of £1,285,000 on the revised budget. This comprises of savings of £8,000, overspends of £28,000, slippage of £1,419,000, and brought forward expenditure of £114,000.

The 2010/11 HRA Capital Outturn was £6,430,000 which represents an overall underspend of £206,000 on the revised budget. This includes slippage of £616,000 and brought forward expenditure of £410,000.

Legal and Governance Implications:

The Council's capital accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Local Authority Accounting in the United Kingdom 2010.

Safer, Cleaner and Greener Implications:

The Council's Capital Strategy works to incorporate safer, greener and cleaner design concepts within all capital schemes. The capital programme also supports sustainable initiatives such as the new food and recycling system which was supported by the provision of new vehicles and equipment.

Consultation Undertaken:

Progress on the capital programme is monitored regularly by the Finance and Performance Management Scrutiny Panel and the Finance and Performance Management Cabinet Committee. 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 31 January 2011 and working papers filed for External Audit purposes.

Impact Assessments:

Risk Management:

The changes to the proposed funding of the capital expenditure are intended to reduce the financial risks faced by the Council.

Equality and Diversity:

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

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

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

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

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**CAPITAL PROGRAMME
2010/11 ACTUAL (PROVISIONAL)**

	2010/11 Revised £000	2010/11 Actual £000	(Under) / Overspend £000
EXPENDITURE			
Finance & IT	408	298	(110)
Corporate Support Service	1,045	914	(131)
Deputy Chief Executive	255	159	(96)
Environment & Street Scene	1,455	1,203	(252)
Planning & Economic Development	65	10	(55)
Total Non-Housing	3,228	2,584	(644)
Housing General Fund	1,558	917	(641)
HRA	6,636	6,383	(253)
Housing Works Unit	0	47	47
Total Housing	8,194	7,347	(847)
TOTAL	11,422	9,931	(1,491)
FUNDING			
DCLG Grant for DFG	290	177	(113)
DCLG Grant for Decent Homes	350	370	20
HPDG/LABGI Capital Grants	14	6	(8)
Big Lottery Grant	60	60	0
ECC/Parish Contributions	14	14	0
Private Funding	670	381	(289)
Total Grants	1,398	1,008	(390)
Housing GF (Other Capital Receipts)	2,938	2,286	(652)
HRA (Other Capital Receipts)	10	32	22
Non Housing (Other Capital Receipts)	483	362	(121)
Total Capital Receipts	3,431	2,680	(751)
GF - RCCO	47	47	0
HRA - RCCO	1,763	2,163	400
HRA - MRR	4,783	4,033	(750)
Total Revenue Contributions	6,593	6,243	(350)
TOTAL	11,422	9,931	(1,491)

**CAPITAL PROGRAMME
2010/11 ACTUAL (PROVISIONAL)**

	2010/11 Revised £000	2010/11 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Finance & IT						
General IT	341	266	(75)		(75)	
Cash Receipting & Income System	44	32	(12)		(12)	
General Capital Contingency	23	0	(23)		(23)	
Total	408	298	(110)	0	(110)	0
Corporate Support services						
Civic Office Works	669	517	(152)		(152)	
Building Improvement Programme - Leisure	12	8	(4)		(4)	
Brooker Road Purchase	212	212	0			
Purchase of Black Lion Car Park	152	152	0			
Langston Rd Redevelopment	0	25	25	25		
Total	1,045	914	(131)	25	(156)	0
Deputy Chief Exec						
Customer Services Trans Prog	20	6	(14)		(14)	
Limes Farm Hall Development	110	62	(48)		(48)	
Waltham Abbey All Weather Pitch	42	14	(28)		(28)	
Youth Sports Facilities	9	3	(6)	(6)		
Children's Play Programme	74	74	0			
Total	255	159	(96)	(6)	(90)	0
Environment & Street Scene						
W Abbey Sports Provision Feasibility	42	41	(1)		(1)	
Loughton Leisure Centre:New Build	13	1	(12)		(12)	
Loughton Leisure Centre:Modifications	800	803	3	3		
Waste Management Vehicles & Equip't	147	6	(141)		(141)	
Bobbingworth Tip	41	10	(31)		(31)	
Parking & Traffic Schemes	147	71	(76)		(76)	
Housing Estate Car Parking	13	6	(7)		(7)	
Bakers Lane Car Park	7	7	0			
N W Airfield Market Improvements	155	170	15			15
Safer Cleaner Greener	3	1	(2)	(2)		
Flood Alleviation Schemes	0	0	0			
Grounds Maint Plant & Equipt	87	87	0			
Total	1,455	1,203	(252)	1	(268)	15
Planning & Economic Development						
Loughton Broadway Town Centre Enhancement	25	3	(22)		(22)	
Loughton Broadway CCTV	25	1	(24)		(24)	
Planning Services Capital Schemes	15	6	(9)		(9)	
Total	65	10	(55)	0	(55)	0
TOTAL NON-HOUSING PROGRAMME	3,228	2,584	(644)	20	(679)	15

**CAPITAL PROGRAMME
2010/11 ACTUAL (PROVISIONAL)**

	2010/11 Revised £000	2010/11 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Housing General Fund						
Affordable Housing Contributions to HAs	187	3	(184)		(184)	
Disabled Facilities Grants	400	279	(121)		(121)	
Other Private Sector Grants	350	421	71			71
Home Ownership Grants Scheme	186	214	28			28
Open Market Shared Ownership Scheme	435	0	(435)		(435)	
TOTAL HOUSING GENERAL FUND	1,558	917	(641)	0	(740)	99
Housing Revenue Account						
Springfields, Waltham Abbey *	58	30	(28)		(28)	
Heating/Rewiring *	1,611	1,717	106			106
Windows/Roofs/Asbestos/Water Tanks *	761	897	136			136
Other Planned Maintenance	319	296	(23)		(23)	
Total Planned Maintenance	2,749	2,940	191	0	(51)	242
Structural Schemes	407	477	70			70
Small Capital Repairs *	900	635	(265)		(265)	
Kitchen & Bathroom Replacements *	1,699	1,534	(165)		(165)	
Environmental Improvements	409	274	(135)		(135)	
Disabled Adaptations	427	454	27			27
Other Repairs and Maintenance *	45	70	25			25
TOTAL HRA	6,636	6,383	(253)	0	(616)	363
Housing DLO Vehicles	0	47	47			47
TOTAL DLO	0	47	47	0	0	47
TOTAL HOUSING PROGRAMME	8,194	7,347	(847)	0	(1,356)	510
* EFDC Affordable Housing	5,074	4,883	(191)	0	(458)	267

CAPITAL RECEIPTS
2010/11 ACTUAL (PROVISIONAL)

	2010/11 Revised £000	2010/11 Actual £000	2010/11 Variation £000
Receipts Generation			
Housing Revenue Account	706	1,012	306
General Fund	15	15	0
Total Receipts	721	1,027	306
Receipts Analysis			
Usable Receipts	201	283	82
Payment to Govt Pool	520	744	224
Total Receipts	721	1,027	306
Usable Capital Receipt Balances			
Opening Balance	21,091	21,091	0
Usable Receipts Arising	201	283	82
Transfer to Pension Fund Capital Reserve	(200)	0	200
Use of Other Capital Receipts	(3,431)	(2,680)	751
Closing Balance	17,661	18,694	1,033

MAJOR REPAIRS RESERVE
2010/11 ACTUAL (PROVISIONAL)

	2010/11 Revised £000	2010/11 Actual £000	2010/11 Variation £000
Opening Balance	5,730	5,730	0
Major Repairs Allowance	4,844	4,844	0
Use of MRR	(4,783)	(4,033)	750
Closing Balance	5,791	6,541	750

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FPM-006-2011/12

Date of meeting: 20 June 2011

Portfolio: Finance and Economic Development.

Subject: Provisional Revenue Outturn 2010/11.

Responsible Officer: Peter Maddock (01992 564602)

Democratic Services: Gary Woodhall (01992 564470).

Recommendations:

(1) That the overall 2010/11 revenue out-turn for the General Fund and Housing Revenue Accounts (HRA) be noted; and

(2) That as detailed in Appendix D, the carry forward of £462,000 District Development Fund expenditure be considered and approved where appropriate.

Executive Summary

This report provides an overall summary of the revenue outturn for the financial year 2010/11.

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 2010/11.

	Original Estimate £000	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
General Fund					
Net Expenditure after Adjustments	18,048	17,813	17,223	(825)	(590)
Government Grants and Local Taxation	17,504	17,504	17,504	-	-
(Contribution to)/from Balances	<u>544</u>	<u>309</u>	<u>(281)</u>	<u>(825)</u>	<u>(590)</u>
Opening Balances – 1/4/10	(8,300)	(8,300)	(8,300)	-	-

General Fund	Original Estimate £000	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
(Contribution to)/from Balances	544	309	(281)	(825)	(590)
Closing Balances – 31/3/11	(7,756)	(7,991)	(8,581)	(825)	(590)

2. Net expenditure for 10/11 totalled £17.223 million, which was £825,000 (4.8%) below the original estimate and £590,000 (3.4%) below the probable outturn. When compared to a gross expenditure budget of approximately £76 million, the variances can be restated as 1.1% and 0.8% 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	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
Opening CSB	18,285	17,935	17,448	(837)	(487)
In Year Growth	157	813	852	695	39
In Year Savings	(394)	(935)	(1,077)	(683)	(142)
Total Continuing Services Budget	18,048	17,813	17,223	(825)	(590)
DDF – Expenditure	2,438	2,796	2,707	269	(89)
DDF – One Off Savings	(554)	(890)	(1,935)	(1,381)	(1,045)
Total DDF	1,884	1,906	772	(1,112)	(1,134)
Appropriations	(1,884)	(1,906)	(772)	(1,112)	(1,134)
Net Expenditure	18,048	17,813	17,223	(825)	(590)

Continuing Services Budget

4. CSB expenditure was £825,000 below the original estimate and £590,000 lower than the probable outturn. Variances have arisen on both the opening CSB, £487,000 lower than the probable outturn and the in year figures, £103,000 lower than the probable outturn.

5. In common with recent years salary savings make up a proportion of this saving. Actual salary spending for the authority in total, including agency costs, was some £19.126 million compared against a probable outturn of £19.392 million. The saving of £266,000 was primarily spread over two directorates Housing and Planning and Economic Development, two thirds of this saving in monetary terms relates to the Housing Revenue Account (HRA). The saving in total was slightly lower than the probable outturn position in 2009/10 (1.4% compared to 1.6%), having said that a vacancy allowance was included in the last quarter of 2010/11 which was not included in the 2009/10 figures. This, with the effects of the recruitment freeze, actually produced a bigger underspend than the previous year.

6. There were a number of other savings when compared to the probable outturn, these include:

(a) Building Maintenance (£49,000);

- (b) some unspent monies relating to the HR corporate improvement budget (£45,000);
- (c) further savings on Gas and Electricity over and above anticipated at the Civic Offices of £30,000, given the likely increases in cost going forward these can probably be contained within the existing budget;
- (d) savings on temporary legal staff and consultants (£35,000);
- (e) additional income on Elections (£50,000); and
- (f) a significant number of other budgets showing underspends of between £6,000 and £12,000.

7. The original in year net CSB saving figure of £237,000 became an in year saving figure of £122,000 when estimating the probable outturn, largely due to the reduction of investment interest income. The out-turn net savings exceeded both figures at £225,000. There were additional savings on Waste Management of £106,000 relating to reductions in Gate fee payments (£144,000), Reductions in Sack expenditure and other items (£17,000) offset by reduced Recycling Credits (£55,000). Full details of items within the CSB growth and savings figures can be found at appendix A.

District Development Fund

8. Net DDF expenditure was expected to be £1,884,000 in the original estimate and £1,906,000 in the probable outturn, the DDF outturn showed net expenditure of £772,000. This is £1,112,000 below the original and £1,134,000 below the probable outturn. There are requests for carry forwards totalling £462,000 and therefore the variation actually equates to a £672,000 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 probable outturn position.

9. The DDF increased between the Original and Probable outturn position by £22,000, this was due to a mixture of items brought forward, rephased into future years and new items identified during 2010/11, the largest reduction in the year was the slippage of Local Development Framework expenditure into 2011/12. The expenditure profile of this budget will again need to be reviewed during the next budget cycle.

10. The biggest item identified in the actual expenditure related to a VAT refund relating to Sports tuition fees and bulky household waste collections where VAT paid to HMRC was deemed to be overdeclared and therefore repayable to the Council. This related to the years 1973 to 1997. The net amount repayable was £714,000. When the Probable Outturn was prepared there was significant doubt surrounding whether this repayment would be forthcoming however being able to obtain detailed evidence in support of the claim during February enabled a successful conclusion to be reached during March 2011.

11. Corporate Support Services and Environment and Street Scene saw variations in excess of £100,000 on their DDF when compared to the probable outturn estimate. Within Corporate Support Services the Planned Building Maintenance Programme and the Council Asset Rationalisation projects have fallen behind schedule. Within Environment and Street Scene, additional income from Off Street Parking and SLM (from the income share agreement) contributed to the variances along with an underspend on remedial works to watercourses.

12. Appendix B shows full details of DDF expenditure and savings for 2010/11.

Appropriations

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

Housing Revenue Account

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

Housing Revenue Account	Original Estimate £000	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
Revenue Expenditure	14,365	14,426	13,603	(762)	(823)
HRA Subsidy Payable	10,052	9,726	9,728	(324)	2
Depreciation	8,011	8,706	8,706	695	-
Total Expenditure	32,428	32,858	32,037	(391)	(821)
Gross Dwelling Rents	25,791	25,644	25,675	116	(31)
Other Rents and Charges	4,848	4,697	4,223	625	474
Total Income	30,639	30,341	29,898	741	443
Net Cost of Service	1,789	2,517	2,139	350	(378)
Interest and Other Transfers	537	457	497	(40)	40
Transfer from Major Repairs Reserve	3,167	3,905	3,905	738	-
Net Operating Income	(1,915)	(1,845)	(2,263)	(348)	(418)
Appropriations					
Capital Expenditure Charged to Revenue	1,763	1,763	2,163	400	400
Other	159	209	303	144	94
Deficit/(Surplus) for Year	7	127	203	196	76
Opening Balance – 1/4/10	(6,089)	(6,089)	(6,089)	-	-
Deficit/(Surplus) for year	7	127	203	196	76
Closing Balance – 31/3/11	(6,082)	(5,962)	(5,886)	196	76

15. A Deficit within the HRA of £7,000 and £127,000 was expected within its original and probable outturn revenue budgets respectively, the actual outturn was a deficit of £203,000. There are a number of areas seeing underspends, for example gas and electricity however countering this was a reduction in shop rent income.

16. Capital Expenditure Charged to Revenue was increased by £400,000 to £2,163,000. This was done in order to avoid the HRA accumulating excessive balances and ensure that the current guidelines on applications for pension deficit capitalisations are not exceeded. Even with this action the balance at 31 March 2011 is still in excess of £5.8 million, well above the £3 million to £4 million target.

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:

Risk Management

This report is a key part in managing the financial risks faced by the Council.

Equality and Diversity

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

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

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

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

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DISTRICT DEVELOPMENT FUND

Directorate	Description	2010/11					over/(under)spend	2011/12		2012/13	2013/14
		Original	Probable	Actual	Difference	C/Fwd		Estimate	Adjusted	Estimate	Estimate
		£000's	£000's	£000's	£000's	£000's		£000's	£000's	£000's	£000's
Chief Executive	Elections							160	160		
	Elections							(160)	(160)		
	Grants to Voluntary Orgs								20		
	Members								6		
Total Chief Executive							0	26	0	0	
Corporate Support Services	Estates & Valuation										
	Estates & Valuation										
	Estates & Valuation							35	130		
	Estates & Valuation								(19)		
	Other Land & Property										
	Facilities Management									13	
	Emergency Planning										
	Human Resources										
	Industrial Estates- Brooker Rd										
	Legal Services										
	Legal Services										
	Local Land Charges									100	
	Local Land Charges										
	Local Land Charges										
	Non HRA Building Maintenance								20	20	
	Non HRA Building Maintenance								(5)	124	45
	Civic Offices								6	6	
Office Accommodation								65	70	0	
Office Accommodation											
Total Corporate Support Services							121	469	45	19	
Deputy Chief Executive	Public Relations							3	3		
	Public Relations & Information							25	25	25	
	Deputy Chief Executive							75	75		
	Deputy Chief Executive							(75)	(75)		
	Museum										
	Youth Council							12	12		
	Limes Farm Hall								19	15	
	NWA Strategy Action Plan								2	1	
	NWA Strategy Action Plan								20	20	
	Total Deputy Chief Executive							81	76	25	0

DISTRICT DEVELOPMENT FUND

Directorate	Description	2010/11						2011/12		2012/13	2013/14
		Original	Probable	Actual	Difference	C/Fwd	over/(under)spend	Estimate	Adjusted	Estimate	Estimate
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Environment & Street Scene	Pollution Control		9	5	(4)	4	-		4		
	Pollution Control		(9)	(9)	-		-		-		
	Neighbourhoods / Rapid Response		4		(4)		(4)		-		
	Pest Control		(10)	(18)	(8)		(8)		-		
	Pest Control			6	6		6		-		
	Waste Management			8	7	(1)		(1)		-	
	Waste Management		(119)	(132)	(125)	7		7	(102)	(102)	
	Abandoned Vehicles					-		-	3	3	
	Contaminated Land		5	5	5	-		-		-	
	Contaminated Land			130	120	(10)		(10)		-	
	Contaminated Land			(120)	(123)	(3)		(3)		-	
	Land Drainage		35	49	26	(23)	23	-		23	
	Safer Communities		3			-		-		-	
	Safer Communities		3	1	1	-		-		-	
	Safer Communities		2	2		(2)		(2)		-	
	Leisure Facilities			15		(15)		(15)		-	
	Leisure Facilities			13		-		-		-	
	Leisure Facilities			(13)	(13)	-		-		-	
	Leisure Facilities			(4)	(4)	-		-		-	
	Leisure Facilities			5	5	-		-	10	10	5
	Leisure Facilities				(35)	(35)		(35)		-	
	Parks & Grounds			3	2	(1)		(1)		-	
	North Weald Airfield			12	12	-		-		-	
	North Weald Airfield			13	13	-		-		-	
	Waltham Abbey Sport Centre			(28)	(28)	-		-		-	
	Parks & Grounds			23	26	3	(3)	-	3	-	
	Parks & Grounds			(23)	(26)	(3)	3	-	(3)	-	
	North Weald Airfield					-		-	(18)	(18)	
	North Weald Airfield			43	43	-		-	34	34	24
	North Weald Airfield		5	5		(5)	5	-		5	14
	Off Street Parking					-		-	(40)	(40)	
	Off Street Parking				(30)	(30)		(30)		-	
Off Street Parking			(11)	(11)	-		-		-		
On Street Parking			(14)	(14)	-		-		-		
On Street Parking			14	14	-		-		-		
Off Street Parking		3			-		-		-		
On Street Parking		2			-		-		-		
On Street Parking		(2)			-		-		-		
Total Environment & Street Scene		(63)	(10)	(138)	(128)	32	(96)	(113)	(81)	29	14
Finance & ICT	Concessionary Fares		141	116	87	(29)	(29)	72	72		
	Concessionary Fares		(111)	(99)	(99)	-	-		-		
	Concessionary Fares					-	-	(50)	(50)		
	Council Tax Collection			30	24	(6)	6		6		
	Council Tax Collection				16	16		16		-	
	Council Tax Collection				(12)	(12)		(12)		-	
	Council Tax Collection				30	30		30		-	
	Finance Miscellaneous			4	1	(3)		(3)		-	
	Finance Miscellaneous			(2)		2		2		-	
	Finance Miscellaneous		5			-		-		-	
	Housing Benefits			34	34	-		-		-	
	Housing Benefits		6	0	3	3		3		-	
	Housing Benefits		(6)	0	(5)	(5)	2	(3)		2	
	Housing Benefits				3	3		3		-	
	Housing Benefits				(6)	(6)	3	(3)		3	
	Housing Benefits					-		-	15	15	20
	NNDR			9	8	(1)		(1)		-	
	NNDR			9		(9)	9	-		9	
	NNDR			(9)	(9)	-		-		-	
Audit/Bank Charges			10	10	-		-		-		
Procurement			(12)	3	15		15	(10)	(10)		
Unallocated Land				7	7		7		-		
Total Finance & ICT		35	90	95	5	20	25	27	47	20	0

DISTRICT DEVELOPMENT FUND

Directorate	Description	2010/11					over/(under)spend	2011/12		2012/13	2013/14	
		Original	Probable	Actual	Difference	C/Fwd		Estimate	Adjusted	Estimate	Estimate	
		£000's	£000's	£000's	£000's	£000's		£000's	£000's	£000's	£000's	
Housing	Homelessness	11		2	2			26	26	26		
	Homelessness	(11)		(2)	(2)		(2)	(26)	(26)	(26)		
	Homelessness		(6)	(3)	3			26	26	26		
	Homelessness		6	3	(3)		(3)	(26)	(26)	(26)		
	Private Sector Housing	55	13	9	(4)	4		52	56			
	Housing Strategy	5			-							
	Private Sector Housing	27	27	27				27	27	27		
	Private Sector Housing	(15)	(15)	(15)								
	Private Sector Housing	15	5	11	6	(6)		15	9	12		
	Handy Person Scheme		(20)	(20)	-							
	Handy Person Scheme		10		(10)	10		10	20			
	Total Housing		87	20	12	(8)	8	0	104	112	39	0
	Planning & Economic Development	Development Control	82	31	31	-			51	51		
Development Control			44	40	(4)		(4)					
Economic Development			5	3	(2)	2			2			
Economic Development		2	4		(4)		(4)					
Economic Development		2	0		-			4	4			
Economic Development		36	50	47	(3)	3		9	12			
Economic Development				5	5		5	12	12			
Economic Development			3		(3)	3		3	6			
Conservation Policy					-			10	10			
Forward Planning		22			-							
Forward Planning		400	120	101	(19)	19		395	414			
Forward Planning			10	9	(1)		(1)			456		
Forward Planning		39	30	30	-			35	35			
Forward Planning				(16)	(16)		(16)					
Planning Services			30	30	-							
Planning Services		(55)			-							
Planning Services		10			-							
Planning Services			18	18	-			7	7			
Tourism		2	4	3	(1)		(1)	0	-			
Tourism			5	5	-			5	5			
Town Centre Enhancements	6	6		(6)	6		0	6				
Town Centre Enhancements	22	18	6	(12)		(12)	12	12				
Total Planning & Economic Development		568	378	312	(66)	33	(33)	543	576	456	0	
Total Service Specific District Development Fund		1,113	1,026	525	(501)	462	(39)	763	1,225	614	33	
Other Items	Second Homes Discount Allowance	(84)	(84)	(76)	8		8	(84)	(84)	(84)	(84)	
	Lost Investment Interest	508	413	456	43		43	363	363	233	89	
	Impairment of Heritable Bank Principal	375	375	406	31		31					
	Contribution to Pension Deficit Reserve		176	176	-							
	LABGI Contribution				-			40	40			
	Capital Expenditure Funded from Revenue		40	40	-			22	22			
	Area Based Grant	(28)	(40)	(41)	(1)		(1)					
	VAT Refund		0	(714)	(714)		(714)					
	Total District Development Fund		1,884	1,906	772	(1,134)	462	(672)	1,104	1,566	763	38

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original 2010/11 £000's	Probable 2010/11 £000's	Actual 2010/11 £000's	Variance from Probable £000's
Chief Executive	Civic & Member	Members courses & conferences	(5)	(2)	(2)	-
	Subscriptions	East of England Local Govt Conference		(12)	(12)	-
	Directorate Savings	General		(10)	(10)	-
	Total Chief Executive		(5)	(24)	(24)	0
Corporate Support Services	Local Land Charges	Personal Charges- Increase from £11 to £22	(17)			-
	Hackney Carriages	Increased number of licences issued.		(29)	(35)	(6)
	Industrial Estates- Oakwood Hill	Reduced Rental Income		16	6	(10)
	Industrial Estates- O Hill Workshops	Increased Rental Income		(32)	(24)	8
	Fleet Operations	MOT Income - additional tests		(33)	(19)	14
	Civic Offices	Energy Savings - Heating	(20)	(20)	(20)	-
	Civic Offices	Car Park Rental - Black Lion		(4)	(4)	-
	Langston Road Depot	WRVS lease terminated		8	4	(4)
	Directorate Savings	General		(62)	(62)	-
Total Corporate Support Services		(37)	(156)	(154)	2	
Deputy Chief Executive	Museum	Increase in rents		6	7	1
	Directorate Savings	General		(33)	(33)	-
Total Deputy Chief Executive		0	(27)	(26)	1	

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original 2010/11 £000's	Probable 2010/11 £000's	Actual 2010/11 £000's	Variance from Probable £000's
Environment & Street Scene	Waste Management	Changes to Service	(51)	42	(64)	(106)
	Waste Management	Reduction in Weed spraying - expenditure		(10)	(12)	(2)
	Waste Management	Reduction in Weed spraying - income		10	12	2
	Industrial Activities - Regulated	Reduction in Registration of Commercial Properties	-	7	4	(3)
	Safer Communities	Reduction in Contributions		6	6	-
	Leisure Facilities	Loughton Leisure management fee reduction		(25)	(25)	-
	North Weald Airfield	Increase in Market rent		(41)	(45)	(4)
	Waltham Abbey Sports Centre	Cessation of joint use agreement	(192)	(192)	(187)	5
	Off Street Parking	Fluctuations in NDR	(6)	(8)	(8)	-
	Off Street Parking	Changes to allocations		(50)	(52)	(2)
	On Street Parking	Changes to allocations		(36)	(33)	3
	On Street Parking	Changes to allocations		36	33	(3)
	Off Street Parking	Additional Penalty Notice Charges		(50)	(43)	7
	On Street Parking	Additional Penalty Notice Charges		(55)	(31)	24
	On Street Parking	Additional Penalty Notice Charges		55	31	(24)
	Off Street Parking	Loss of income through VAT increase		4	4	-
	Off Street Parking	Closure of Parking Shop	(24)	(23)	(23)	-
	On Street Parking	Closure of Parking Shop	(24)	(23)	(23)	-
	On Street Parking	Closure of Parking Shop	24	23	23	-
	Directorate Savings	General		(66)	(66)	-
Total Environment & Street Scene			(273)	(396)	(499)	(103)
Finance & ICT	Finance Miscellaneous	Increase in Employers Pension Conts (Act Val 2010)	92	92	111	19
	ICT	Mobile telephones - contract increases	2	10	9	(1)
	Housing Benefits	Housing Benefit Admin Subsidy settlement reductions	39	60	60	-
	Council Tax Collection	Reduction in court cost income		21	21	-
	NNDR	Reduction in court cost income		10	12	2
	Insurance Services	Savings on Premium	(45)	-	-	-
	Directorate Savings	General		(48)	(48)	-
	Total Finance and ICT			88	145	165
Housing	Bed and Breakfast	Reduction in Bed and Breakfast Income		25		(25)
	Bed and Breakfast	Reduction in Bed and Breakfast Expenditure		(12)	(10)	2
	Directorate Savings	General		(3)	(3)	-
	Total Housing				10	(13)

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original 2010/11 £000's	Probable 2010/11 £000's	Actual 2010/11 £000's	Variance from Probable £000's
Planning & Economic Development	Building Control Ring Fenced	Reduced Income resulting from reduction in inspections		114	127	13
	Building Control Ring Fenced	Reduced Income		(114)	(127)	(13)
	Development Control	Reduced Income resulting from reduction in applications		90	90	-
	Countrycare	Staff restructure		(6)	(6)	-
	Directorate Savings	General		(40)	(40)	-
Total Planning & Economic Development			0	44	44	0
Other Items	Investment Interest	Reduction due to lower interest rates		292	292	-
	All Services	Printer Cartridge Savings	(10)	(10)	(10)	-
	Total CSB			(237)	(122)	(225)

Overspends/Income not achieved 100

Underspends/ Income Overachievement (203)

Net Underspend (103)

DISTRICT DEVELOPMENT FUND

Service	2010/11 Original £000	2010/11 Probable £000	2010/11 Actual £000	Over/(Under) spend £000	Carry Forward £000	2011/12 Original £000	2011/12 Updated £000
Chief Executive	30	30	4	0	26	0	26
Corporate Support Services	312	414	132	66	348	121	469
Deputy Chief Executive	144	104	108	(1)	(5)	81	76
Environment & Street Scene	(63)	(10)	(138)	(96)	32	(113)	(81)
Finance & ICT	35	90	95	25	20	27	47
Housing	87	20	12	0	8	104	112
Planning & Economic Development	568	378	312	(33)	33	543	576
Total DDF Expenditure	1,113	1,026	525	(39)	462	763	1,225
Funding Analysis							
Transfer from DDF							
Transfer to/(from) General Fund	1,113	1,026	525			763	1,225
Total DDF Funding	1,113	1,026	525			763	1,225
DDF Earmarked Reserve							
Balance B/F	4,041	4,041	4,041			2,135	3,269
Second Homes Discount Allowance	84	84	76			84	84
Lost Investment Interest	(508)	(413)	(456)			(363)	(363)
Impairment of Heritable Bank Principal	(375)	(375)	(406)			0	0
Contribution to Pension Deficit Reserve		(176)	(176)			0	0
LABGI Contribution			0			(40)	(40)
Capital Expenditure Funded from Revenue		40	(40)			(22)	(22)
Area Based Grant	28	(40)	41			0	0
VAT Refund			714			0	0
Provision for carry forward						0	0
Transfer Out	(1,113)	(1,026)	(525)			(763)	(1,225)
Balance C/F	2,157	2,135	3,269			1,031	1,703

Appendix D

DISTRICT DEVELOPMENT FUND 2010/11 - 2011/12

Directorate	Description	C/Fwd £000's	Year Approved	
Chief Executive	Furniture Exchange Scheme	20	2008	
	Standards Committee additional investigations	6	2010	
		26		
Corporate Support Services	Consultant's fees Legal & Taxation-Langston Rd Project	25	2010	
	Council Asset Rationalisation	95	2010	
	Council Asset Rationalisation HRA Contribution	(19)	2010	
	Quality Assurance & Accreditation BS EN ISO 9001	13	2009	
	Removal of Personal Search charges (LLC Amendment Rules 2010)	100	2010	
	Planned Building Maintenance Programme	129	2010	
	Essential Work to Civic Offices	5	2005	
			348	
	Deputy Chief Executive	Costs of Management/Admin/Mtc/Repairs	(4)	2010
		North Weald Airfield Action Plan.	(1)	2011
		(5)		
Environment & Street Scene	Air Quality Modelling	4	2011	
	Remedial Works Principal Ordinary Watercourses	23	2006	
	Roding Valley Lake - Disabled Projects	(3)	2010	
	Roding Valley Lake - Disabled Projects	3	2010	
	Transformer - 'Sub 'X'	5	2011	
		32		
Finance & ICT	Legal Fees re Bailiffs in Liquidation	6	2010	
	Temporary Accommodation Subsidy - Costs	2	2010	
	Incapacity/Income Support Reassessment - Costs	3	2010	
	New Burdens Small Business Rate Relief Costs	9	2011	
		20		
Housing	House Condition Survey	4	2011	
	Handyperson Scheme	(6)	2010	
	ECC re. Mobile Homes/Sites Improvements	10	2011	
		8		
Planning & Economic Development	Chamber of Commerce	2	2010	
	Town Centre Manager	3	2009	
	Economic Development Strategy	3	2010	
	Local Development Framework	19	2007	
	Improvements Grant Waltham Abbey TC	6	2007	
		33		
		462		