

# Committee Agenda



**Epping Forest  
District Council**

## **Finance and Performance Management Cabinet Committee Thursday, 17th March, 2016**

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

**Committee Room 1, Civic Offices, High Street, Epping  
on Thursday, 17th March, 2016  
at 7.00 pm .**

**Glen Chipp  
Chief Executive**

**Democratic Services  
Officer**

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

### **Members:**

Councillors S Stavrou (Chairman), A Lion, J Philip, D Stallan and C Whitbread

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

### **BUSINESS**

**1. APOLOGIES FOR ABSENCE**

**2. DECLARATIONS OF INTEREST**

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

**3. MINUTES**

To confirm the minutes of the last meeting of the Committee held on 21 January 2016 (previously circulated at Cabinet on 4 February 2016).

**4. KEY PERFORMANCE INDICATORS - 2015/16 QUARTER 3 PERFORMANCE, AND 2016/17 TARGETS (Pages 5 - 26)**

(Senior Performance Improvement Officer) To consider the attached report (FPM-029-2015/16).

**5. QUARTERLY FINANCIAL MONITORING (Pages 27 - 50)**

(Director of Resources) To consider the attached report (FPM-030-2015/16).

**6. RISK MANAGEMENT - CORPORATE RISK REGISTER (Pages 51 - 80)**

(Director of Resources) To consider the attached report (FPM-031-2015/16).

**7. ANY OTHER BUSINESS**

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

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

**8. EXCLUSION OF PUBLIC AND PRESS**

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

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

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

**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**

**Reference: FPM-029-2015/16**

**Date of Meeting: 17 March 2016**

**Portfolio:** Governance and Development Management

**Subject:** Key Performance Indicators - 2015/16 Quarter 3 Performance, and 2016/17 targets

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

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

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

- (1) that the Committee reviews Quarter 3 performance for the Key Performance Indicators adopted for 2015/16;**
- (2) That, subject to the views of the select committees, the proposed Key Performance Indicators and targets for 2016/17 be agreed.**

### **Executive Summary:**

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

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

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

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

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

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

### **Report:**

1. A range of thirty-six Key Performance Indicators (KPI) was adopted for 2015/16 in March 2015. The KPIs are important to the improvement of the Council's services and comprise a combination of former statutory indicators and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district.
2. Progress in respect all of the KPIs is reviewed by Management Board and overview and scrutiny at the conclusion of each quarter, and service directors review KPI performance with the relevant portfolio holder(s) on an on-going basis throughout the year. Select Committees are each responsible for the review of quarterly performance against specific KPIs within their areas of responsibility.
3. Improvement plans are produced for all of the KPIs each year, setting out actions to be implemented in order to achieve target performance, and to reflect changes in service delivery. In view of the corporate importance attached to the KPIs, the improvement plans are agreed by Management Board and are also subject to ongoing review between the relevant service director and Portfolio Holder over the course of the year.

### **Key Performance Indicators 2015/16 – Quarter 3 Performance**

4. The position with regard to the achievement of target performance for the KPIs at the end of the third quarter (31 December 2015), was as follows:
  - (a) 28 (78%) indicators achieved third quarter target performance;
  - (b) 8 (22%) indicators did not achieve third quarter target performance,
  - (c) 0 (%) of these KPIs performed within the agreed tolerance for the indicator;
  - (d) 28 (78%) indicators are currently anticipated to achieve the cumulative year-end target;
  - (e) 6 (17%) are currently not anticipated to achieve the cumulative year-end target, whilst a further 2 (6%) are uncertain as to whether they will achieve the cumulative year-end target.
5. A headline Q3 KPI performance report for 2015/16 is attached for the consideration of the Committee as Appendix 1 to this agenda. Detailed performance reports in respect of each of the KPIs are being considered by the individual select committees.
6. The 'amber' performance status used in the KPI report identifies those indicators that missed the agreed target for the year, but where performance was within an agreed tolerance or range (+/-). The KPI tolerances were agreed by Management Board when targets for the KPIs were set in February 2015.
7. The Committee is requested to review Q3 performance for the 2015/16 set of KPIs. Any matters raised by the Committee in respect of KPI performance, will be reported to the appropriate select committee.

### **Key Performance Indicators 2016/17 – Targets**

8. The adoption of challenging but achievable KPIs each year is a key element of the Council's Performance Management Framework. The continued relevance of the existing KPI set for 2016/17 has recently been considered by Management Board. The current suite of measures is considered appropriate for the ongoing evaluation of relevant performance factors, with some changes. It is proposed that:

**NEI002** Waste Recycling is deleted and separated out into 2 new indicators which will provide greater clarity around performance, as follows:

**NEI013** What percentage of all household waste was sent to be recycled or reuse?

**NEI014** What percentage of all household waste was sent to be composted or anaerobic digestion?

Service directors have identified provisional targets for each indicator with the relevant portfolio holder(s), based on third-quarter performance (and the estimated outturn position) for the current year, resulting in some targets being either increased or decreased for 2016/17. Details of the proposed KPIs and targets for 2016/17 are set out at Appendix 2 to this report.

9. The KPIs will comprise the totality of the Council's corporate performance indicator measures for 2016/17. Improvement plans will be developed for each KPI, identifying actions to achieve target performance, which will be considered and agreed by Management Board. As part of this process, the Board will also review the provisional targets for 2016/17 for each KPI, with reference to outturn data for 2015/16 when this is available. Any revisions to targets on the basis of the outturn position will be reported to the Committee and the appropriate select committees in June 2016.
10. The Committee is requested to agree the proposed KPIs and targets for 2016/17. These will also be considered by the individual select committees during the current cycle of meetings and the views of the select committees in this respect will be reported to the Committee.

#### **Resource Implications:**

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

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

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance will have been identified by the responsible service director.

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

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district. Relevant implications arising from actions to achieve specific KPI performance will have been identified by the responsible service director.

#### **Consultation Undertaken:**

The indicators and targets have been considered by Management Board during January 2016.

#### **Background Papers:**

KPI submissions are held by the Performance Improvement Unit.

#### **Impact Assessments:**

### ***Risk Management***

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific KPI performance will have been identified by the responsible service director.

### **Due Regard Record**

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

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

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There are no equality implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance will have been identified by the responsible service director.



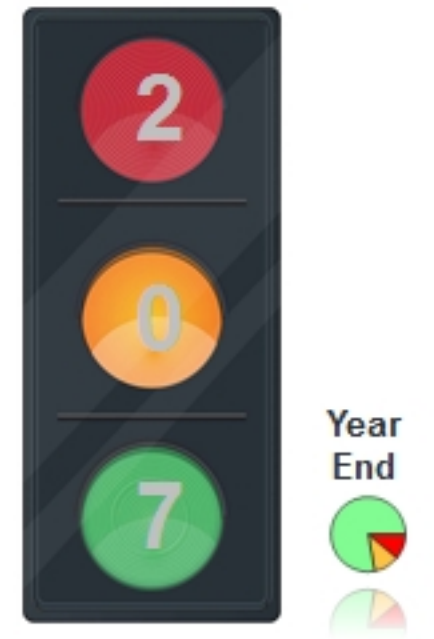
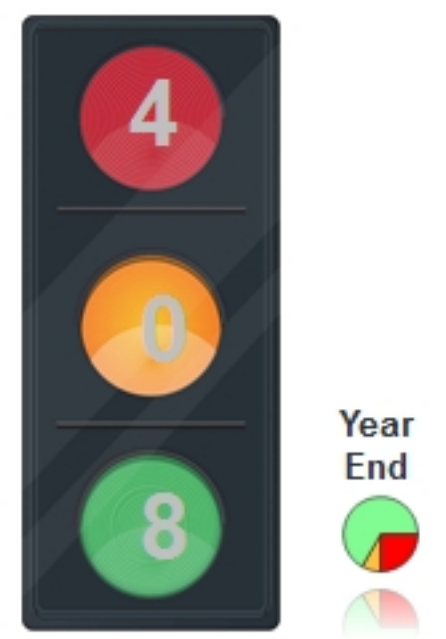
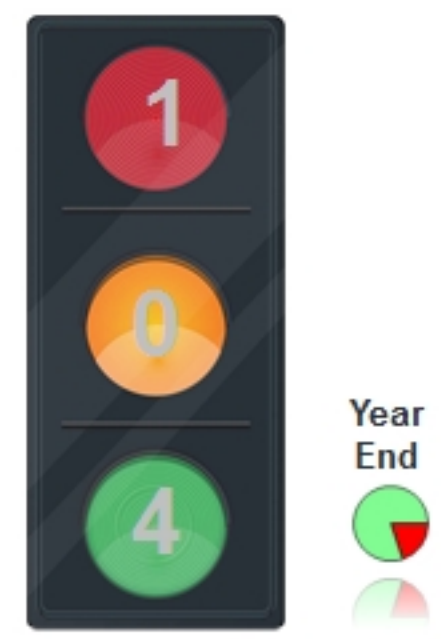
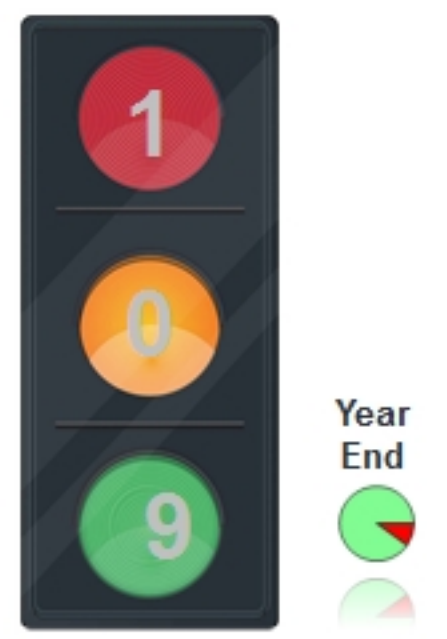
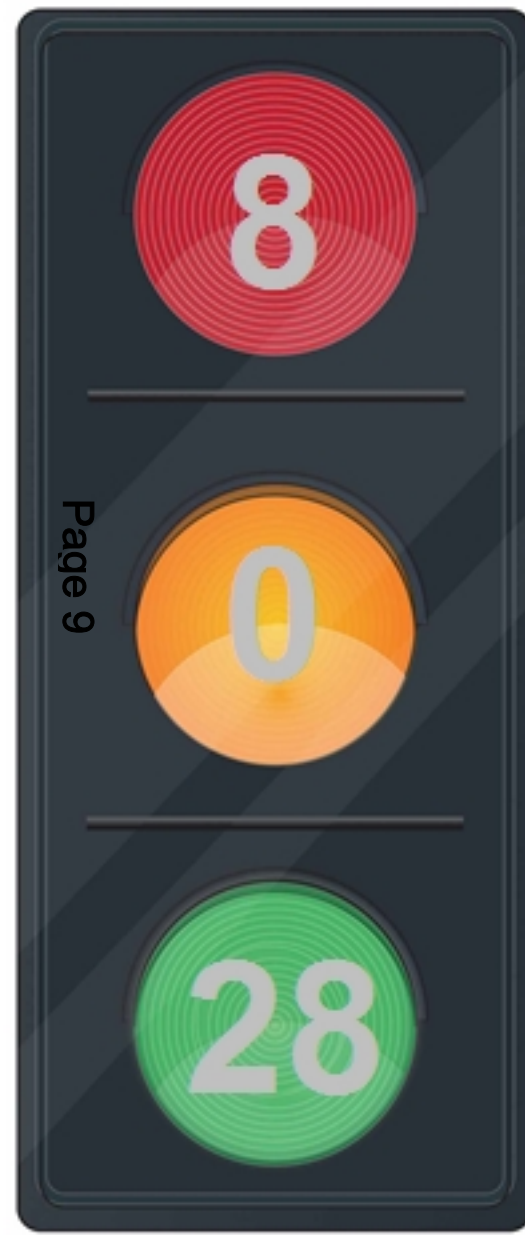
**Overall summary of KPIs achieving target**

**Communities Directorate**

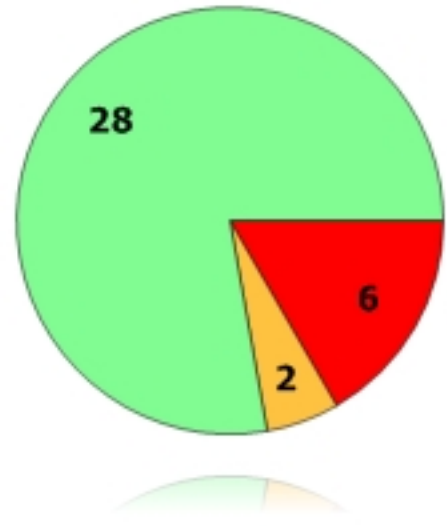
**Governance Directorate**

**Neighbourhoods Directorate**

**Resources Directorate**



Predicted Level of Year End Target Achievement (All KPIs)



**Headlines - Reflecting on our performance**

Q3 2015/16

28 out of 36 Key Performance Indicators have achieved target at the end of the third quarter, representing 78% of the full set.

2 more indicators are achieving performance this quarter than at the previous quarter.

Of the 8 indicators not achieving performance this quarter, 6 are likely to not be achieved at year end whilst the remaining 2 are uncertain.

Quarterly Indicators		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Is year-end target likely to be achieved?
		Tgt	Actual	Tgt	Actual	Tgt	Actual	Tgt	Actual	
<b>Communities Quarterly KPIs</b>										
COM001	(Housing rent) (%)	98.00%	100.87%	98.00%	100.11%	98.00%	99.55%	98.00%	98.00%	Yes
COM002	(Void re-lets) (days)	37	38	37	36	37	37	37	37	Yes
COM003	(Tenant satisfaction) (%)	98.00%	100.00%	98.00%	100.00%	98.00%	99.72%	98.00%	98.00%	Yes
COM004	(Temp. accommodation) (no.)	65	73	65	83	65	95	65	65	No
COM005	(Non-decent homes) (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes
COM006	(Modern Homes Std) (%)	825	844	1,650	1,767	2,475	2,752	3,300	3,300	Yes
COM007	(Emergency repairs) (%)	99.00%	100.00%	99.00%	99.27%	99.00%	99.00%	99.00%	99.00%	Yes
COM008	(Responsive repairs) (days)	7.00	5.86	7.00	6.18	7.00	6.44	7.00	7.00	Yes
COM009	(Emergency repairs) (%)	98.00%	98.40%	98.00%	98.32%	98.00%	98.28%	98.00%	98.00%	Yes
COM010	(Calls to Careline) (%)	97.50%	99.91%	97.50%	99.89%	97.50%	99.87%	97.50%	97.50%	Yes
<b>Governance Quarterly KPIs</b>										
GOV004	(Major planning) (%)	75.00%	100.00%	75.00%	100.00%	75.00%	100.00%	75.00%	75.00%	Yes
GOV005	(Minor planning) (%)	90.00%	84.62%	90.00%	91.13%	90.00%	91.67%	90.00%	90.00%	Yes
GOV006	(Other planning) (%)	94.00%	93.96%	94.00%	94.72%	94.00%	95.20%	94.00%	94.00%	Yes
GOV007	(Appeals - officers) (%)	19.0%	0.0%	19.0%	31.8%	19.0%	33.3%	19.0%	19.0%	No
GOV008	(Appeals - members) (%)	50.0%	50.0%	50.0%	50.0%	50.0%	41.2%	50.0%	50.0%	Yes
<b>Neighbourhoods Quarterly KPIs</b>										
NEI001	(Non-recycled waste) (kg)	100	95	199	197	299	297	400	400	Yes
NEI002	(Household recycling) (%)	64.58%	61.00%	62.53%	60.30%	61.51%	57.90%	60.00%	60.00%	No
NEI003	(Litter) (%)	8%	11%	8%	8%	8%	8%	8%	8%	Yes
NEI004	(Detritus) (%)	10%	14%	10%	15%	10%	14%	10%	10%	No
NEI005	(Neighbourhood issues) (%)	95.00%	96.22%	95.00%	95.91%	95.00%	96.46%	95.00%	95.00%	Yes
NEI006	(Fly-tip investigations) (%)	90.00%	95.35%	90.00%	95.33%	90.00%	94.32%	90.00%	90.00%	Yes
NEI007	(Fly-tip: contract) (%)	90.00%	90.84%	90.00%	92.42%	90.00%	90.89%	90.00%	90.00%	Yes
NEI008	(Fly-tip: non-contract) (%)	90.00%	67.72%	90.00%	81.28%	90.00%	85.64%	90.00%	90.00%	Uncertain
NEI009	(Noise investigations) (%)	90.00%	87.80%	90.00%	91.63%	90.00%	90.52%	90.00%	90.00%	Yes
NEI010	(Increase in homes) (no.)	70	48	111	80	182	101	230	230	No
NEI011	(Commercial rent arrears) (%)	3.0%	5.2%	3.0%	4.7%	3.0%	2.6%	3.0%	3.0%	Yes
NEI012	(Commercial premises let) (%)	98.00%	98.98%	98.00%	99.32%	98.00%	98.89%	98.00%	98.00%	Yes
<b>Resources Quarterly KPIs</b>										
RES001	(Sickness absence) (days)	1.54	2.02	3.20	3.88	4.95	5.58	7.00	7.00	No
RES002	(Invoice payments) (%)	97%	95%	97%	96%	97%	96%	97%	97%	Uncertain
RES003	(Council Tax collection) (%)	27.10%	27.56%	51.98%	52.54%	77.00%	77.91%	96.50%	96.50%	Yes
RES004	(NNDR Collection) (%)	28.38%	28.52%	53.04%	53.54%	78.09%	78.78%	97.20%	97.20%	Yes
RES005	(New benefit claims) (days)	22.00	22.56	22.00	22.36	22.00	21.78	22.00	22.00	Yes
RES006	(Benefits changes) (days)	10.00	7.03	10.00	7.19	10.00	7.29	6.00	6.00	Yes
RES009	(Website Availability) (%)	99.60%	99.96%	99.60%	99.94%	99.60%	99.95%	99.60%	99.60%	Yes
RES010	(Website Broken Links) (%)	94.10%	95.50%	94.10%	100.00%	94.10%	100.00%	94.10%	94.10%	Yes
RES011	(Website Navigation) (%)	79.90%	81.97%	79.90%	81.57%	79.90%	81.04%	79.90%	79.90%	Yes

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
<b>Neighbourhoods Directorate and Community Services</b>						
NEI001	How much non-recycled waste was collected for every household in the district?	kg 400	kg 297	kg 400 Amber tolerance = 5% below target	No	With the introduction of the revised arrangements it is proposed that the target is retained at current levels and reviewed in 2017/18 once a full 18 months of operation is completed.
NEI002	What percentage of all household waste was sent to be recycled, reused or composted?	60.00%	57.90%	% Amber tolerance = 2.00% below target		<b>Indicator to be deleted</b> for 2016/17 and replaced with 2 indicators (NEI013 and NEI014) separating out the recycling and composting waste functions.
NEI003	What percentage of our district had unacceptable levels of litter?	8%	8%	8% Amber tolerance = 1% above target	No	Street Cleansing performance has been affected by the divergence of resources to assist in revised waste collection arrangements. Waste Client Officers are focusing on seeking improvements back to 2015/16 levels.

Key Performance Indicators 2016/17 - Targets (F&PMCC)

Appendix 2

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
NEI004	What percentage of our district had unacceptable levels of detritus (dust, mud, stones, rotted leaves, glass, plastic etc.)?	10%	14%	10%	No	As per NEI003
				Amber tolerance = 1% above target		
NEI005	What percentage of the issues and complaints received by the Environment & Neighbourhoods Team received an initial response within 3 days?	95.00%	96.46%	95.50%	Yes	Performance has exceeded target in 2015/16 and it is proposed that a 0.5 increase will serve to maintain this improvement.
				Amber tolerance = 1.00% below target		
NEI006	What percentage of the recorded incidences of fly-tipping are investigated within 3 working days of the fly-tip being recorded where the fly-tip is on public or privately owned land?;	90.00%	94.32%	92.00%	Yes	Performance has exceeded target and a 2% increase to consolidate is proposed.
				Amber tolerance = 1.00% below target		

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
NEI007	What percentage of the recorded incidences of fly-tipping (contract cleared), are removed within 5 working days of being recorded?	90.00%	90.89%	90.00%	No	Maintain target.
				Amber tolerance = 1.00% below target		
NEI008	What percentage of the recorded incidences of fly-tipping (variation order / non-contract) are removed within 10 working days of being recorded?	90.00%	85.64%	90.00%	No	Maintain target although it should be recognised that the performance of third parties etc.. ECC, Biffa Municipal and Landowners, has a bearing.
				Amber tolerance = 1.00% below target		
NEI009	What percentage of out of hours noise complaints that are passed through to the duty noise officer are responded to within 15 minutes?	90.00%	90.52%	90.00%	No	Maintain target to reflect current performance which generally meets customer expectations.
				Amber tolerance = 1.00% below target		

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
NEI010	What was the net increase or decrease in the number of homes in the district?	230	101	230	No	Numbers are low, but our housing trajectory, based on planning permissions, indicates that we should be meeting the 230 on average per year. Next year there are a number of larger developments (including 60 plus units at Spurs grounds) which we know are commenced and highly likely to be completed within the monitoring period, so for that reason I would say we continue with the current target of 230. It is important to note that the Council has a limited influence over housing completion figures meeting targets. The Council can encourage more building of dwellings by granting planning permission, making strategic housing site allocations through the Local Plan etc., but it does not actually build the vast majority of the dwellings, so it cannot control if and when they are completed. Even if a site is given planning permission, the state of the housing market can mean that projects may not commence as developers may wait and try to take advantage of rising property prices. This means that even if the Council grants sufficient permissions, it cannot guarantee a completion rate.
				Amber tolerance = within 5% below target		

Key Performance Indicators 2016/17 - Targets (F&PMCC)

Appendix 2

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
NEI011	What percentage of the rent we were due to be paid for our commercial premises was not paid?	3.0%	2.6%	2.5%	Yes	Proposed uplift to recognise improved performance as a result of new procedures within Estates and Valuation pro-actively pursuing arrears.
				Amber tolerance = 0.5% above target		
NEI012	What percentage of our commercial premises was let to tenants?	98.00%	98.89%	98.00%	No	Maintain target. Inevitably there will be a turnover of tenants and difficult to avoid no void periods.
				Amber tolerance = 1.00% below target		
NEI013	What percentage of all household waste was sent to be recycled or reuse?	New Indicator for 2016/17	N/A	30%	N/A	<b>New indicator</b> based upon splitting NEI002 to create 2 new indicators (NEI013 and NEI014) separating recycling and composting. The target for NEI002 is 60% with quarterly targets adjusted to account for seasonal fluctuation. Recycling and composting contribute roughly equal amounts to the performance statistics. It is therefore considered appropriate to split the 60% target equally between the 2 replacement indicators, at 30% each and review in the light of first year performance.
				Amber tolerance = 2% below target		

Key Performance Indicators 2016/17 - Targets (F&PMCC)

Appendix 2

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
NEI014	What percentage of all household waste was sent to be composted or anaerobic digestion?	New Indicator for 2016/17	N/A	30%	N/A	New indicator - See NEI013 above.
				Amber tolerance = 2% below target		



KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
<b>Communities Directorate</b>						
COM 001	Rent collected from current and former tenants as a % of rent due (excluding arrears brought forward)	98.00%	99.55%	99.00%	Yes	The definition for this target was changed for 2015/16, with an associated increased target. In the light of the first year's operation, it is therefore suggested that the target is increased.
				Amber tolerance = 0.50% point below target		
COM 002	On average, how many days did it take us to re-let a Council property?	Days 37	37	Days 37	No	The target continues to be challenging. Although the cumulative target was just met in Quarter 3, due to a lower void period in Quarter 2, the individual void periods for Quarters 1 and 3 were above target.
				Amber tolerance = 1 day above target		
COM 003	How satisfied were our tenants with the standard of the repairs service they received?	98.00%	99.72%	98.00%	No	The current target is already very high and well into the Top Quartile in the country. In view of the exceptional, ongoing levels of satisfaction, it is not considered necessary or appropriate to reduce the Council's aspirations for performance against this indicator.
				No amber tolerance appropriate		

**Key Performance Indicators 2016/17 - Targets (F&PMCC)**

**Appendix 2**

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
COM 004	How many households were housed in temporary accommodation?	Households 65	95	Households 140	Yes	The number of households in temporary accommodation has rocketed over the past year, increasing by 64%. This is due to a number of reasons but, primarily, an increase in homelessness applications and difficulties placing homeless applicants due to the number of out-of-London placements in the District by London Boroughs (47 in the last year). Numbers in temporary accommodation have increased progressively each quarter, by an average of 12 per quarter (Q4-58; Q1-73-; Q2-83; Q3-95). The position is expected to worsen with the requirement that the Council must sell higher value voids. Despite the actions being put into place to try to mitigate the use of temporary accommodation, the proposed target is realistic under all the circumstances.
				Amber tolerance = 7 above target		
COM 005	What percentage of our council homes were not in a decent condition?	0.0%	0.0%	0.0%	No	It is not possible to make the target any more challenging. Although the Council achieved its target of having no non-decent homes a number of years ago, with the loss in rental income to the HRA (due to the 1% rent reductions), one of the options to be considered during 2016 is to reduce investment in the housing stock. It is therefore essential to ensure that, at the very least, properties that may fail the standard in the near future are identified, and appropriate programmes of work continue to be put into place, to ensure that the Council continues to have no non-decent homes at any time.
				No amber tolerance appropriate		

**Key Performance Indicators 2016/17 - Targets (F&PMCC)**

**Appendix 2**

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
COM 006	How many of the key building components required to achieve the Modern Homes Standard were renewed?	3300	2752	3300	No	The target of 3,300 components was carefully assessed from the outset to ensure that more building components are renewed each year than would be required to simply meet standard industry life cycles, in order to deal with the backlog that has arisen over the years and, eventually, for all Council homes to meet the Council's Modern Homes Standard, introduced a few years ago. It is also on this basis that the Council's HRA Capital Programme has been formulated. The target is therefore appropriate to be continued for 2016/17.
				Amber tolerance = 2% below target		
COM 007	What percentage of all emergency repairs (including out of hours emergencies), are attended to within 4 working hours?	99.00%	99.00%	99.00%	No	In view of the existing challenging target and the fact that it reflects the KPI within the Repairs Management Contract with Mears, it is proposed that the current target for this KPI should continue for 2016/17.
				Amber tolerance = 1.00% below target		
COM 008	What is the average overall time to complete all responsive repairs, from the time the request is made to the time the job is completed?	Working days 7.00	6.44	Working days 7.00	No	In view of the existing challenging target (indeed, the average time for Quarter 3 itself was 6.9 days - just 0.1 day within the target) and the fact that it reflects the KPI within the Repairs Management Contract with Mears, it is suggested that the current target for this KPI should continue for 2016/17.
				Amber tolerance = 1.00 working day above target		

Key Performance Indicators 2016/17 - Targets (F&PMCC)

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KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
COM 009	What percentage of appointments for repairs are both made and kept?	98.00%	98.28%	98.00%	No	In view of the existing challenging target and the fact that it reflects the KPI within the Repairs Management Contract with Mears, it is suggested that the current target for this KPI should continue for 2016/17.
				Amber tolerance = 1.00% below target		
COM 010	What percentage of calls is answered by the Council's Careline Service within 60 seconds?	97.50%	99.87%	97.50%	No	This KPI was originally introduced in response to the National Audit Office's suggestion that the Council should have more qualitative KPIs. It is therefore suggested that it should continue into 2016/17. The indicator is a national requirement and target set by the Telecare Services Association (TSA) for all control centres that meet the TSA's stringent accreditation requirements. The target is very challenging, within the top quartile, and it is proposed that it continues for 2016/17.
				Amber tolerance = 1.00% below target		

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target Changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
<b>Governance Directorate</b>						
GOV004	What percentage of major planning applications were processed within 13 weeks or extension of time date?	75.00%	100.00%	90.00%	Yes	There is a lower number of planning applications in this category compared with Minor (GOV005) or Other (GOV006) types so one application not meeting the target can result in a greater percentage swing. However, the target has proved to be easier to hit since the Government introduced a new tolerance that allowed a developer to extend the 13 week deadline to a new date, and there has been a significant increase in the number of applications meeting the target. Increasing the target by 15% to 90% therefore would be more challenging.
				Amber tolerance = 2.00% below target		
GOV005	What percentage of minor planning applications were processed within 8 weeks or extension of time date?	90.00%	91.67%	90.00%	No	Performance against the current target of 90% has been achievable since 2013/14, but just within an upward 2% tolerance. It is therefore considered the target remains at 90%.
				Amber tolerance = 2.00% below target		
GOV006	What percentage of other planning applications were processed within 8 weeks or extension of time date?	94.00%	95.20%	94.00%	No	The target at its current level for the category of planning applications, which is the highest received and mainly decided under delegated powers, still remains a challenge for officers at 94% and therefore it is recommended this should not be changed.
				Amber tolerance = 2% below target		

GOV007	What percentage of planning applications recommended for refusal were overturned and granted permission following an appeal?	19.0%	33.3%	20.0%	Yes	Target had been achieved for 3 consecutive years from 11/12 to 13/14, including a target change challenge for officers from 20 to 19%. However, for this and last year it has not been met and may be because some allowed appeals are the result of the Local Plan becoming increasingly outdated and Inspectors therefore giving more weight to the National Planning Policy Framework. Whilst a small change, it is recommended that the target be put back to 20%, which will still be a challenging target for Officers.
				Amber tolerance = 2.0% above target		
GOV008	What percentage of planning applications, refused by members against a recommendation, were granted permission following an appeal?	50.0%	41.2%	50.0%	No	This target should remain the same There have been fluctuations either side of the 50% over the past few years, but Members consider that if half their decisions to refuse planning permission are then dismissed on appeal, this is a good performance, given that these are usually balanced or contentious planning applications.
				Amber tolerance = 5.0% above target		

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

Key Performance Indicators 2016/17 - Targets (F&PMCC)

Appendix 2

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



Key Performance Indicators 2016/17 - Targets (F&PMCC)

Appendix 2

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

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



**Epping Forest  
District Council**

**Report reference: FPM-030-2015/16  
Date of meeting: 17 March 2016**

**Portfolio: Finance**

**Subject: Quarterly Financial Monitoring**

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

**Democratic Services Officer: Rebecca Perrin (01992 – 56 4532)**

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

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

### **Executive Summary**

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

### **Reasons for proposed decision**

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

### **Other options for action**

No other options available.

### **Report:**

1. The Committee has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This is the third quarterly report for 2015/16 and covers the period from 1 April 2015 to 31 December 2015. The reports are presented based on which directorate is responsible for delivering the services to which the budgets relate and the budgets themselves are the Revised Estimate.
2. Salaries monitoring data is presented as well as it represents a large proportion of the authorities expenditure and is an area where historically large under spends have been seen.

### **Revenue Budgets (Annex 1 – 6)**

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £284,000 or 1.8%. This time last year the variance was 1.1%. The vacancy allowance is removed from the budget when it is revised and allocated to the areas where vacancies have actually occurred though even after that there is still an underspend showing.
4. Communities is showing the largest underspend of £124,000 this relates in the main to

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

5. Investment interest levels are below expectations at Month 9 by £6,000. Whilst cash balances available for investment have reduced income from the loan to Biffa have offset this to a degree.
6. Development Control income at Month 9 is continuing the recent upward trend. Fees and charges were £34,000 higher than the revised budget to date and pre-application charges are £13,000 higher. At Month 10 total income was £62,000 above expectations.
7. Building Control income was £6,000 higher than the budgeted figure at the end of the third quarter. Also the ring-fenced account is showing an in-year surplus of £53,000 as at Month 9. The expected surplus of £13,000 has been revised upwards to £47,000 for the full year.
8. Public Hire licence income and other licensing is now above expectations. A number of reminders were sent out during November and December which has led to this increase.
9. Income from MOT's carried out by Fleet Operations is £4,000 below expectations. The revised budget shows a deficit of £6,000 for the year though this may now be slightly optimistic.
10. Car Parking income was £31,000 below the estimate as at month 9. Pay and display income was in line with the profiled budget until month 9 but some income relating to December was not received until January probably due to the Christmas break. Season ticket income is £2,000 up on expectations. At one stage it did look as if Penalty Charge Notice income would fall short of expectations but this is now in line with the budget.
11. Local Land Charge income is £8,000 above the revised expectation. There have been significantly fewer searches undertaken this year compared to the same period last year.
12. Income from Development Control, Building Control and Land Charges should exceed the revised budget though in the case of land charges this was reduced by some £39,000 from the original due to the fall in searches undertaken.
13. Car parking income is quite difficult to profile accurately and at month 6 it looked like a shortfall might occur. At month 9 income did look a lot better and the budget was revised upwards as a result, month 10 saw a further improvement and It looks as if the budget for the year may well be met.
14. From the start of the new waste management contract recycling credits are paid only on dry recycling. There is a time lag between achieving recycling credits and the income being paid. The income is billed once confirmation from the County Council is received. Billing was up to September at the end of December and now up to the end of November.
15. In order to cut down on the amount of administration and speed up payment times it was agreed to pay the waste contractor the agreed contract sum monthly by Direct Debit as this is a fixed sum. The contract variations are paid as and when invoiced which at the moment are behind expectations. After a period of stability with Leisure Contract payments these have again fallen behind due to late billing.
16. The Housing Repairs Fund shows an underspend of £366,000. The budget has been reviewed and some savings have been identified. There is also a significant variance on HRA Special Services which relate partly to heating and lighting. There are likely to be some savings here also due in part to the work undertaken by Smith Bellerby.

## **Business Rates**

17. This is the third year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash.
18. The resources available from Business Rates for funding purposes is set in the January preceding the financial year in question. Once these estimates are set the funding available for the year is fixed. Any variation arising from changes to the rating list or provision for appeals, whilst affecting funding do not do so until future years. For 2015/16 the funding retained by the authority after allowing for the Collection Fund deficit from 2014/15 is £3,363,000. This exceeded the government baseline of £3,022,000 by some £341,000. The actual position for 2015/16 will not be determined until May 2016.
19. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances. At the end of December the total collected was £28,006,359 and payments out were £25,614,207, meaning the Council was holding £2,392,155 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

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

20. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the nine months to 31 December. There is a commentary on each item highlighting the scheme progress.
21. The full year budget for comparison purposes is the budget updated as part of the Capital review report that went to Cabinet in December.

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

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

## **Conclusion**

23. With regard to revenue, income is generally up on expectations and expenditure down. The increased income levels are very much welcome, in particular Development and Building Control income. Expenditure being below budget is not surprising as expenditure is usually heaviest toward the end of the financial year.
24. The Committee is asked to note the position on both revenue and capital budgets as at Month 9.

## **Consultations Undertaken**

This report is due to be presented to the Resources Select Committee in April, and an update will be provided to that Committee to cover any additional comments or information from this Committee.

## **Resource Implications**

There is little evidence at this stage to suggest that the revised net budget will not be met.

The budget was revised as part of the 2016/17 budget process.

### **Legal and Governance Implications**

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

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

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

### **Background Papers**

Various budget variance working papers held in Accountancy.

### **Impact Assessments**

#### Risk Management

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

## **Due Regard Record**

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

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

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

**DECEMBER 2015 - SALARIES**

<u>DIRECTORATE</u>	<u>2015/16</u>			<u>2014/15</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 31/12/15</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 31/12/14</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>(REVISED)</u>	<u>(REVISED)</u>	<u>£000</u>	<u>(REVISED)</u>	<u>(REVISED)</u>
		<u>£000</u>	<u>%</u>		<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	149	149	0.0	153	152	0.7
RESOURCES *	4,074	4,119	-1.1	4,092	4,167	-1.8
GOVERNANCE	2,481	2,533	-2.1	2,460	2,537	-3.0
NEIGHBOURHOODS *	3,230	3,293	-1.9	2,970	2,988	-0.6
COMMUNITIES *	5,363	5,487	-2.3	5,281	5,276	0.1
<b>TOTAL</b>	<b>15,297</b>	<b>15,581</b>	<b>-1.8</b>	<b>14,956</b>	<b>15,120</b>	<b>-1.1</b>

\* Agency costs are included in the salaries expenditure.

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



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

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

	15/16 Full Year Budget £'000	Third Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Planning Policy/Local Plan	1,054	327	170	116	-157	-48	There has been less expenditure in the first nine months than expected due to slippage in the programme. This budget is due to be reviewed in detail shortly to assess when money will be spent.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-160	-126	-111	-116	15	-12	} The in year variances are due to contractor invoices being two months in arrears at the end of December 2015. The budget profile assumes one month in arrears so the actual spend at Month 9 only contains 7 monthly payments.
Epping Sports Centre	316	210	184	180	-26	-12	
Waltham Abbey Pool	523	349	303	297	-46	-13	} The in year variances are due to contractor invoices being two months in arrears at the end of December 2015. The budget profile assumes one month in arrears so the actual spend at Month 9 only contains 7 monthly payments.
Ongar Sports Centre	301	200	174	171	-26	-13	
	980	633	550	532			

## DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

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

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

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

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

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2015/16 DIRECTORATE CAPITAL MONITORING -  
COMMUNITIES

ANNEX 7

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

2015/16 DIRECTORATE CAPITAL MONITORING -  
NEIGHBOURHOODS

ANNEX 8

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

2015/16 DIRECTORATE CAPITAL MONITORING -  
NEIGHBOURHOODS

ANNEX 8

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

2015/16 DIRECTORATE CAPITAL MONITORING -  
RESOURCES

ANNEX 9

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

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

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

2015/16 DIRECTORATE CAPITAL MONITORING -  
HOUSING REVENUE ACCOUNT

ANNEX 10

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

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

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



**HOUSE BUILDING PHASE 1**

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

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

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

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

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

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

**EPPING FOREST DISTRICT MUSEUM**

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

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

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

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

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

**EPPING FOREST SHOPPING PARK**

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

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

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

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

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

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

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



**Epping Forest  
District Council**

**Report reference: FPM-031-2015/16**

**Date of meeting: 17 March 2016**

**Portfolio: Finance**

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

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

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

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

- 1. To agree the updating of the Vulnerabilities, Trigger, Consequences and Action Plan for Risk 1;**
- 2. To agree the updating of the Effectiveness of controls/actions for Risk 2;**
- 3. To agree the updated Key Date within Risk 4;**
- 4. To agree the updated Effectiveness of Control within Risk 6;**
- 5. To consider whether there are any new risks that are not on the current Corporate Risk Register; and**
- 6. To agree that the amended Corporate Risk Register be recommended to Cabinet for approval.**
- 7. To consider and recommend the Risk Management Strategy and Policy Statement to Cabinet for adoption; and**
- 8. To note the Terms of Reference of the Risk Management Group.**

### **Executive Summary:**

The Corporate Risk Register has been considered by both the Risk Management Group on 18 February 2016 and Management Board on 2 March 2016. These reviews identified amendments to the Corporate Risk Register.

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

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

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

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

### **Report:**

1. The Corporate Risk Register was reviewed by the Risk Management Group on 18 February and Management Board on 2 March. Amendments have been identified and incorporated into the register (Appendix 1).
2. Risk 1 Local Plan – Additional vulnerabilities have been added which centre on the potential delay seeking approval from Highways England on strategic modelling and a protracted process in achieving local highway modelling. The consequence of these

delays underlines the possibility of the loss of control of the Local Plan and also the potential loss of New Homes Bonus. Existing Controls/Actions have been added to advise that the Council is lobbying DCLG and Local Members of Parliament (MP) and also continuing to work closely with Essex County Council. The Required Further Management Action advises the need for a joint letter from Council leaders to local MP's.

3. The retention of Planning Policy staff has also been identified as a vulnerability to the Local Plan risk. It is felt that consideration should be given to outsourcing aspects of the work. A buoyant Planning job market within Essex has been identified as the trigger with the consequence being the delivery of the Local Plan to timetable.
4. Risk 2 Strategic Sites – The Effectiveness of controls/actions have been amended to advise the updated position for the key sites. The Winston Churchill site has groundworks underway and agents appointed to let the retail space. Final tender submissions for the Langston Road site are expected by 1 April with good progress being made on pre-lets. An outline specification for North Weald Airfield has commenced.
5. Risk 4 Finance Income – The Key Date has been amended to advise that the revised scheme for New Homes Bonus is likely to be issued in late summer 2016.
6. Risk 6 Data / Information – The Effectiveness of Control has been amended following a minor data loss.
7. This Committee undertakes an annual review of the Risk Management Terms of Reference (appendix 2), Strategy (appendix 3) and Policy Statement (appendix 4). The review last year was on 19 March 2015, with subsequent Cabinet approval on 13 April 2015.
8. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.
9. Members are also asked to note the annual review of the corporate risk management documents.

**Resource Implications:**

No additional resource requirements.

**Legal and Governance Implications:**

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

**Safer, Cleaner, Greener Implications:**

None.

**Consultation Undertaken:**

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

**Background Papers:**

None.

**Impact Assessments:**

Risk Management

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

# Due Regard Record

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

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

<b>Date / Name</b>	<b>Summary of equality analysis</b>
06/01/16  Director of Resources	The purpose of the report is to monitor corporate risks. It does not propose any change to the use of resources and so has no equalities implications.

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

**Date: 17 March 2016**

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# 1. Introduction

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

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

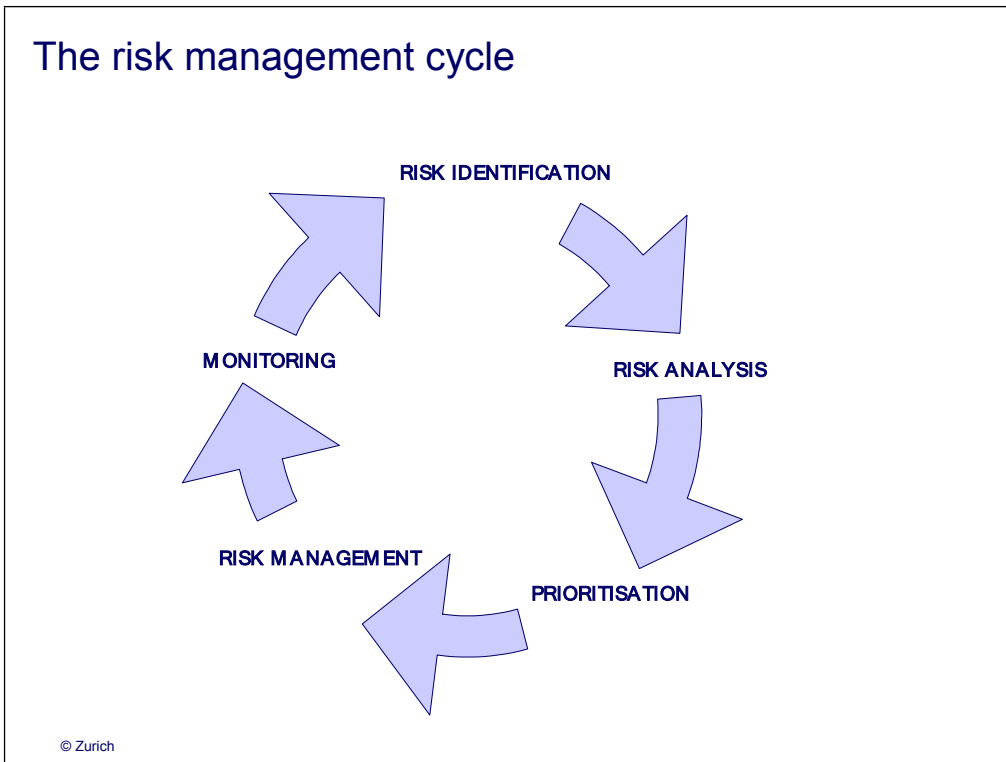
In total 8 strategic risks were profiled at the workshop and during the workshop, each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. The risk matrix measured each risk for its likelihood and its impact in terms of its potential for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

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

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

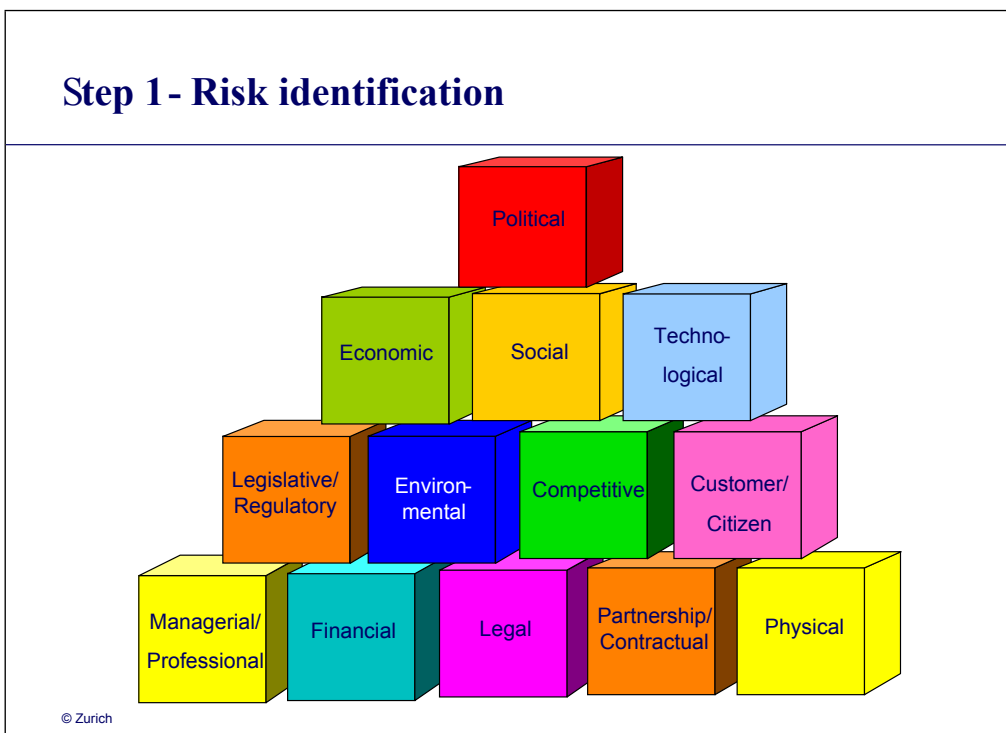
The following report outlines the process utilised by Zurich Risk Engineering and the results achieved.

## 2. The Process



### Risk identification

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



## **Risk analysis**

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

## **Risk prioritisation**

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

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

## **Risk management and monitoring**

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

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

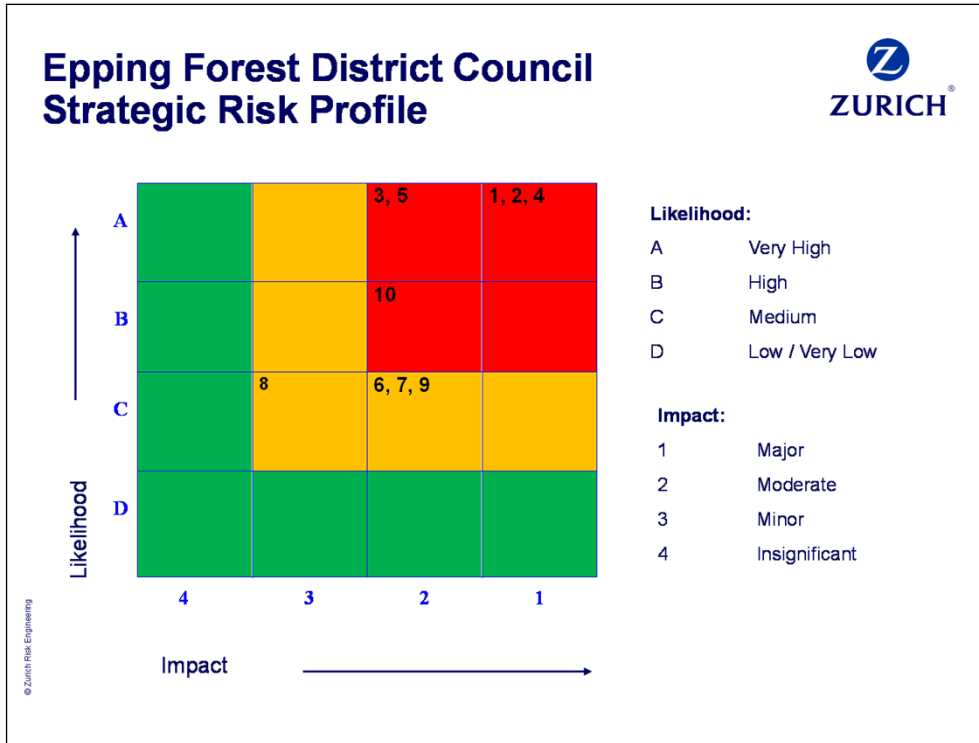
The monitoring of these action plans takes place at Corporate Governance Group, Management Board and the Risk Management Group. The action plans are also reported to Members quarterly.

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

# Appendix 1 – Risk Profile

## Risk profile

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



Appendix 2 details all of the above risks.

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

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

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

## Appendix 2 – Corporate Risk Register and Action Plans

Risk No 1	Local Plan	A1		
Vulnerability	Trigger	Consequence	Risk Owner	
<p>On-going changes to Planning system increase importance of having up to date Local Plan, in particular, Central Government's announcement that Local Authorities must complete by 2017 or face sanctions</p> <p>Proposed changes to the New Homes Bonus regime where planning approvals granted on appeal will not qualify for bonus.</p> <p>Changes in government planning policy require new Local Plan to take approaches significantly different from predecessors e.g. Duty to Co-operate, release Green Belt.</p> <p>Difficulties in implementing "Duty to Co-operate" may make it difficult or impossible to achieve "Sound" Local Plan in timely fashion</p> <p>Particular vulnerability to delay in approvals from Highways England on strategic modelling delay ability to understand impacts of delivering to objectively assessed need levels.</p> <p>Protracted process of achieving local highway modelling</p> <p>Failure to make timely progress increases likelihood of "planning by appeal"</p> <p>Planning policy recruitment and retention issues. Not considering alternative options of delivering work i.e outsourcing.</p>	<p>Failure to make timely decisions and adhere to Local Development Scheme Project Plan.</p> <p>Failure to make timely decisions and adhere to Local Development Scheme Project Plan.</p> <p>Failure of Council to approve a draft plan in line with National Planning Policy Framework.</p> <p>Inability to agree, particularly on amount and distribution of objectively assessed development needs.</p> <p>Failure to make timely decisions on Preferred Approach plan due to lack of required information</p> <p>As above</p> <p>Failure to adhere to Local Development Scheme leads to developers making significant planning applications in advance of new Plan.</p> <p>S106/CIL arrangements. Planning policy recruitment and retention issues. Not considering alternative options of delivering work i.e outsourcing</p>	<p>Reduced ability to manage development in line with local priorities and provide strategic direction. Possible Government intervention through designation as a failing authority, loss of control over the local plan process and loss of new homes bonus.</p> <p>Loss of New Homes Bonus revenue.</p> <p>Plan not "sound", leading to further delay, wasted resources, and vulnerability to planning appeal decisions.</p> <p>As above</p> <p>As above</p> <p>As above</p> <p>Significant diversion of professional resources to appeals. Risk of costs awards against Council.</p> <p>Delays in achieving timetable, loss of New Home Bonus revenue.</p>	<p>Derek Macnab</p>	

**Risk No 1 Local Plan – Action Plan**

Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Project management approach in place including regular updates, resource planning.	Project plan needs to incorporate more time for political engagement at key decision points.	Agree mechanisms and timing with lead members, incorporate in revised project plan	Derek Macnab	Future adherence to project plan.	MB review 6 weekly	None – process ongoing.
Local Development Scheme revised June 2015.	Local Development Scheme adopted by Cabinet 11 June 2015.	Review progress against key milestones.	Derek Macnab	Local Development Scheme remains robust	As necessary	Review likely within 12 months
Workshops for EFDC and Town/Parish councillors on key issues to enhance awareness and understanding of new government requirements.	Workshops popular and helpful.	Supplement workshops with other forms of briefing to EFDC members as agreed with leading members.	Derek Macnab	Timely decision making in line with project plan.	As necessary	
Engagement with other key stakeholders e.g. ad hoc meetings with Town/Parish councils, Resident Associations and website.	Utilising existing mechanisms including Local Council Liaison Committee and Forester. Intensive engagement takes place in lead up to formal consultations. Ongoing discussions being had around Neighbourhood Plans.	Consider hiring a PR firm to assist in delivering the next statutory consultation.	Derek Macnab	Stakeholders feel well informed about process and decisions. Informed responses to public consultation.	As necessary	

<p>Understanding with key councils in the Strategic Market Housing Area.</p>	<p>progress now being made. Meetings held with most other key bodies with positive outcomes, issues identified. Constant review of Planning Inspectorate local plan decisions re Duty to Co-operate.</p>	<p>exploring additional items to be included on discussion agenda. Engage further key bodies e.g. Lee Valley Regional Park. Discuss informally with Planning Inspectorate as necessary.</p>				<p>Governance arrangements agreed. "Duty to Co-operate" Member meetings now ongoing.</p>
<p>Lobbying of DCLG and local MP's re Highways England delays together with SHMA partners. Pursuit of MoU with Natural England.</p> <p>Consistent close working with Essex County Council through relevant structures, and individual officers</p>	<p>Effect as yet unknown</p>	<p>Joint letter from Leaders to local MPs</p>	<p>Derek Macnab</p>	<p>As above</p>	<p>As above</p>	
<p>Consultants in place to support project management, resource planning, Sustainability Assessment, transport modelling, master planning.</p>	<p>Staff cannot be prevented from leaving. Exit interviews should reveal any specific patterns. Market is picking up, making recruitment more difficult. EFDC is not offering the most competitive salaries compared to other Essex and London authorities.</p>	<p>Ongoing review of strategy by senior planners and Management Board.</p>	<p>Derek Macnab</p>	<p>No delays to timetable due to staffing gaps or lack of critical skills</p>		<p>Further review of staffing and resourcing February 2016.</p>

**Risk No 2 Strategic Sites A1**

Vulnerability	Trigger	Consequence	Risk Owner
<p>The Council has a number of Strategic sites which it needs to make the right decisions about and then deliver on those decisions.</p> <p>One key individual is driving forward the projects.</p>	<p>Not maximising the opportunity of the strategic sites either through decisions or delivery.</p> <p>Loss of key individual</p>	<ul style="list-style-type: none"> <li>• Financial viability of Council harmed</li> <li>• Lack of economic development and job creation</li> <li>• External criticism</li>   <li>• Project delayed or mismanaged</li> </ul>	<p>Derek Macnab</p>

Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Work on strategic sites is co-ordinated through a dedicated Cabinet Committee.</p>	<p>Work is progressing on developing a number of sites:</p> <ol style="list-style-type: none"> <li>1. Winston Churchill site groundworks underway and agents appointed to let the retails space;</li> <li>2. Disposal of St Johns by Essex County Council approved by Secretary of State. Developer and ECC still trying to agree overage;</li> <li>3. Langston Road, PQQ evaluation late February with the final tender submission by 1<sup>st</sup> April. Good progress being made on pre-lets;</li> <li>4. NWA work has commenced on drafting on outline specification;</li> <li>5. Oakwood Hill, making good progress and should open April 2016.</li> </ol>	<p>Reports to Cabinet Committee and Cabinet to obtain decisions on development options.</p> <p>Identification of alternative Housing depot and re-location.</p> <p>Conduct a fresh tendering exercise for the main contract.</p>	<p>Derek Macnab</p>	<p>Development of strategic sites completed in accordance with Cabinet decisions.</p>	<p>Monthly</p>	<p>None</p>



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

<b>Risk No 4 Finance Income A1</b>						
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
<p>The Government will be consulting in 2016 on significant changes in the responsibilities and financing. District Councils are likely to suffer large reductions in grant income and New Homes Bonus.</p> <p>A large number of rating appeals have been received and the outcome of these is uncertain.</p> <p>Welfare reform may require substantial change to the calculation and administration of benefits with a likely reduction in funding received.</p> <p>The medium term financial strategy requires substantial net CSB reductions over three years.</p>		<p>Unable to secure required level of income due to reduced demand for services, changes in legislation or adverse change in funding mechanisms.</p>	<ul style="list-style-type: none"> <li>• Council unable to meet budget requirements</li> <li>• Staffing and service level reductions</li> <li>• Increase Council Tax</li> <li>• Increase in charges</li> <li>• Greater use of reserves if required net savings not achieved</li> <li>• Higher level of saving in subsequent years.</li> </ul>			<p>Bob Palmer</p>

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

<b>Risk No 5 Economic Development A2</b>						
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
Economic development and employment is very important, particularly in the current economic climate. The Council needs to be able to provide opportunities for economic development and employment (especially youth employment) in the District.		Council performs relatively poorly compared to other authorities.	<ul style="list-style-type: none"> <li>• Unable to secure sufficient opportunities</li> <li>• Local area and people lose out</li> <li>• Insufficient inward investment</li> <li>• Impact on economic vitality of area</li> <li>• Loss of revenue</li> </ul>			Derek Macnab
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
Work has commenced on an updated Economic Development Strategy.  Cabinet approved four new posts.	Too early to determine effectiveness of new management and new posts.	Completion of Strategy and allocation of appropriate resources.	Derek Macnab	Growth in NDR tax base and employment opportunities. Council to be viewed as punching above its weight.	Monthly	March 2016.

<b>Risk No 6 Data / Information C2</b>						
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.		Data held by the Council ends up in inappropriate hands.	<ul style="list-style-type: none"> <li>• Breach of corporate governance</li> <li>• Increased costs and legal implications</li> <li>• Reputation damaged</li> </ul>			Colleen O'Boyle
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Updated Data Protection policy agreed by Corporate Governance Group and rolling out through meta-compliance.</p> <p>Data Protection formed part of Member induction from May 2014, with requirement to confirm acceptance of the Council's DP policy.</p> <p>Consolidation of Data Protection and Freedom of Information work in one area.</p> <p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Controls in systems have been strengthened in response to specific occurrences.</p>	Generally effective to date, with no significant lapses so far in 2015/16.	<p>Consider separation of Environmental Information Requests and ensure these are handled in accordance with the appropriate regulations.</p> <p>New system for handling F.O.I. requests purchased and being implemented early 2016. Review after six months for extension to Data Protection.</p> <p>Data sharing and fair processing notices to be reviewed and standardised.</p> <p>Maintain GCSx compliance and system controls.</p> <p>A working group is reviewing data held by Directorates to eliminate duplication and any inadvertent Data Protection issues.</p>	Colleen O'Boyle	<p>Continued security of personal data held by the Council in accordance with the Data Protections Act 1998.</p> <p>No criticism from the ICO over how requests are handled.</p> <p>No data loss or system downtime due to unauthorised access of EFDC systems or data.</p>	Quarterly	None

<b>Risk No 7 Business Continuity C2</b>						
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
<p>The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act.</p> <p>Following the consolidation into four directorates plans need to be updated and changes in responsibilities confirmed.</p>		<p>Unable to respond effectively to a business continuity incident (e.g. IT virus/flu pandemic)</p>	<ul style="list-style-type: none"> <li>• Services disrupted / Loss of service</li> <li>• Possible loss of income</li> <li>• Staff absence</li> <li>• Hardship for some of the community</li> <li>• Council criticised for not responding effectively</li> </ul>			Derek Macnab
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Most services already have business continuity plans in place and a separate flu pandemic plan has been developed.</p> <p>The Corporate Plan has been updated and adopted.</p>	<p>The effectiveness of controls is assessed periodically through test and exercises</p>	<p>Guidance to be issued to services on updating plans.</p> <p>Arrange periodic tests and exercises.</p>	Derek Macnab	<p>Having plans in place which are proved fit for purpose either by events or external scrutiny.</p>	Quarterly	None

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

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

**Risk No 9 Safeguarding - Action Plan**

Existing Controls/ actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>The Council has a Safeguarding Policy (2015), which is updated in line with new legislation. The policy details what is required of all staff and Elected Members and is supported by a set of procedures which set out the process for recording safeguarding concerns, incidents and allegations.</p> <p>A corporate Safeguarding Group ensures sharing of best practice and information across Directorates and enables the identification of any weaknesses in the Council's work.</p> <p>Council policies have been developed for all new and emerging safeguarding issues such as Child Sexual Exploitation (CSE).</p> <p>A Safeguarding Strategy and Action Plan has been adopted by Cabinet.</p> <p>The Safeguarding Officer and part time Admin. posts have now been proposed as CSB growth.</p> <p>Nursery Worker Accommodation Task Group established.</p>	<p>The Council has reduced the risk of safeguarding issues going unnoticed by staff and Elected Members by providing a range of training and production of the new Policy and procedures in 2015.</p> <p>This group has become an effective forum for sharing of best practice and commitment from all Directorates is shown.</p> <p>Several of these policies have been used across Essex as examples of best practice.</p> <p>The Safeguarding Strategy and Action Plan set out the areas requiring further improvement.</p> <p>These posts have enabled a Safeguarding 'Hub', which all EFDC safeguarding issues are filtered through. The number of safeguarding concerns identified in the last year has quadrupled since these posts were introduced.</p>	<p>Leadership Team and Managers to continue to promote vigilance amongst staff.</p> <p>The Council needs to ensure timely response to changes in legislation or local procedures.</p> <p>Directorates need to continue to commit time for representatives to attend the Corporate Working Group.</p> <p>An ongoing rolling programme of training needs to be in place, to update and refresh staff and Elected Member awareness in the new and emerging issues.</p> <p>Finance Cabinet to agree proposal for CSB growth bid to make posts permanent.</p> <p>The group has developed an action plan which is submitted to Management Board.</p>	<p>Alan Hall</p>	<p>The Council meets all of its duties under Section 11 and 47.</p> <p>The Council meets the new duties of the Care Act 2014.</p> <p>The Council fully meets all aspects of the ESCB/ESAB Safeguarding self - assessment.</p>	<p>Monthly</p>	<p>October 2015 Self-Assessment Audit to be undertaken.</p> <p>December 18<sup>th</sup> 2015 submission of District LA responses from above and associated Action Plan.</p>



<b>Risk No 10 Housing Capital Finance</b>		<b>B2</b>				
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
<p>If the Council is unable to spend right to buy receipts in set timescale on qualifying capital schemes we will have to pay the money to the Government along with interest at a penalty rate.</p> <p>Changes to legislation which reduce income to the HRA.</p> <p>The Government is introducing right to buy for tenants of housing associations financed through the forced sales of Council properties as they become void. A scheme is being piloted initially with five housing associations to assist with the development of a national scheme.</p>		<p>Schemes are delayed by either the planning process or unanticipated site problems.</p> <p>Imposition of rent reduction proposal.</p> <p>Imposition of right to buy scheme which requires the disposal of a large proportion of the Council's void properties.</p>	<ul style="list-style-type: none"> <li>• Loss of capital resources</li> <li>• Revenues cost of penalty interest</li> <li>• Loss of HCA affordable housing grant</li> <li>• Loss of rental income</li> <li>• Delays in provision of new social housing</li> <li>• Increase in housing waiting list</li> <li>• Current 30 year business plan may become unsustainable.</li> </ul>			Alan Hall
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Position being monitored by the House Building Cabinet Committee and a number of contingency options are available including purchasing on the open market.</p> <p>The Council belongs to the Association of Retained Council Housing which lobbies on such issues.</p>	<p>Effective to date as no loss of funds yet.</p> <p>Too early to comment yet as the policy is still being developed.</p>	<p>Continue close monitoring of financial position.</p> <p>Keeping Members fully informed of the potential consequences of their actions.</p> <p>Monitor policy development/announcements and participate in lobbying if appropriate.</p>	<p>Alan Hall</p> <p>Alan Hall</p>	<p>No loss of right to buy receipts.</p> <p>No loss of Council properties to support right to buy for HA tenants.</p>	<p>Monthly</p> <p>Monthly</p>	<p>Ongoing</p>

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

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

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

**Aims & Objectives**

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

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

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

## **Epping Forest District Council**

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

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

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

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

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

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

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

#### **Responsibilities of Individuals**

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

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

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

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

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

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

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

**Objective**

The aims of risk management for the Council are to:

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

Achieving these aims will:

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

**Organisation**

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

To assist:

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

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

## **Arrangements**

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

**Epping Forest District Council**

**Risk Management Policy Statement**

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

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

The Council will develop its risk management programme to:

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

Thus benefiting the whole community.

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

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

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