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HEAD OF PAID SERVICE'S OFFICE
HEAD OF PAID SERVICE
Richard Holmes

16 September 2019

Dear Councillor

You are summoned to attend the meeting of the;

FINANCE AND CORPORATE SERVICES COMMITTEE

on **TUESDAY 24 SEPTEMBER 2019** at 7.30 pm.

in the Council Chamber. Maldon District Council Offices, Princes Road, Maldon.

A copy of the agenda is attached.

Yours faithfully



Head of Paid Service

COMMITTEE MEMBERSHIP

CHAIRMAN

Councillor B E Harker

VICE-CHAIRMAN

Councillor M W Helm

COUNCILLORS

M G Bassenger
Mrs P A Channer, CC
Mrs J L Fleming
A S Fluker
K M H Lagan
C Morris
W Stamp

Ex-officio non-voting Members:

Councillors M S Heard
Mrs M E Thompson

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AGENDA
FINANCE AND CORPORATE SERVICES COMMITTEE
TUESDAY 24 SEPTEMBER 2019

1. **Chairman's notices (please see overleaf)**

2. **Apologies for Absence**

3. **Minutes of the last meeting** (Pages 5 - 8)

To confirm the Minutes of the meeting of the Finance and Corporate Services Committee held on 11 June 2019, (copy enclosed).

4. **Disclosure of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, other Pecuniary Interests or Non-Pecuniary Interests relating to items of business on the agenda having regard to paragraphs 6-8 inclusive of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interests as soon as they become aware should the need arise throughout the meeting).

5. **Public Participation**

To receive the views of members of the public on items of business to be considered by the Committee (please see below):

1. A period of ten minutes will be set aside.
2. An individual may speak for no more than two minutes and will not be allowed to distribute or display papers, plans, photographs or other materials.
3. Anyone wishing to speak must notify the Committee Clerk between 7.00pm and 7.20pm prior to the start of the meeting.

6. **Corporate Health and Safety** (Pages 9 - 14)

To consider the report of the Interim Section 151 Officer (copy enclosed).

7. **Human Resources statistics - Quarter Four 2018 / 19** (Pages 15 - 26)

To consider the report of the Interim Section 151 Officer (copy enclosed).

8. **Human Resources Statistics - Quarter One 2019 / 20** (Pages 27 - 38)

To consider the report of the Interim Section 151 Officer (copy enclosed).

9. **Internal Audit Fraud Risk Assessment - Advisory Report - March 2019** (Pages 39 - 70)

To consider the report of the Interim Section 151 Officer, (copy enclosed).

10. **Financial Outturn 2018 / 19** (Pages 71 - 82)

To consider the report of the Interim Section 151 Officer, (copy enclosed).

11. **Budgetary Control (April - July 2019)** (Pages 83 - 94)

To consider the report of the Interim Section 151 Officer, (copy enclosed).

12. **Any other items of business that the Chairman of the Committee decides are urgent**

13. **Exclusion of the Public and Press**

To resolve that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following item(s) of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act, and that this satisfies the public interest test.

14. **Application to Commercial Feasibility Fund** (Pages 95 - 116)

To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).

NOTICES

Sound Recording of Meeting

Please note that the Council will be recording any part of this meeting held in open session for subsequent publication on the Council's website. At the start of the meeting an announcement will be made about the sound recording. Members of the public attending the meeting with a view to speaking are deemed to be giving permission to be included in the recording.

Fire

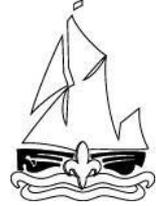
In event of a fire, a siren will sound. Please use the fire exits marked with the green running man. The fire assembly point is outside the main entrance to the Council Offices. Please gather there and await further instruction.

Health and Safety

Please be advised of the different levels of flooring within the Council Chamber. There are steps behind the main horseshoe as well as to the side of the room.

Closed-Circuit Television (CCTV)

This meeting is being monitored and recorded by CCTV.



**MINUTES of
FINANCE AND CORPORATE SERVICES COMMITTEE
11 JUNE 2019**

PRESENT

Chairman	Councillor B E Harker
Vice-Chairman	Councillor M W Helm
Councillors	M G Bassenger, Mrs P A Channer, CC, Mrs J L Fleming, A S Fluker, K M H Lagan, C Morris and W Stamp
Ex-Officio Non- Voting Member	Councillor(s) M S Heard and Mrs M E Thompson
In attendance	Councillor E L Bamford, R G Boyce MBE, M F L Durham, CC and K W Jarvis

136. CHAIRMAN'S NOTICES

The Chairman drew attention to the list of notices published on the back of the agenda.

137. APOLOGIES FOR ABSENCE

There were none.

138. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 16 April 2019 be approved and confirmed.

139. DISCLOSURE OF INTEREST

There were none.

140. PUBLIC PARTICIPATION

No requests had been received.

141. REVIEW OF PERFORMANCE 2018 / 19

The Committee considered the report of the Director of Resources giving details of performance against targets set for 2018 / 19 and to ensure that progress was being achieved towards the corporate goals and objectives detailed in the Corporate Plan 2015 - 19 adopted by the Council.

The Key Corporate Activities assessed as being “behind schedule” or “at risk of not being achieved” along with indicators which had not achieved their end of year target were set out in Appendix 1 to the report.

The Director of Resources provided Members with an update in respect of the following indicators

- **Time taken to process Housing Benefit / Council Tax Support new claims** was shown in the Appendix as being at risk. Members were informed that there had been a impact on quarters one and two due to the implementation of Universal Credit and cross checking going through once service centre which had caused a backlog. However, the Council was still above the national rate for 2018 / 19 of 20 days.
- **% Business Rates collected** – Performance was down by 0.05% due to an ongoing dispute regarding non-payment.

In response to the complaint received against the Director of Resources, Members were informed that this related to a case the Director had been involved with and the complaint had been dealt with by the Director of Service Delivery.

RESOLVED that performance against the targets set for 2018 / 19 be noted.

142. ANNUAL REPORT ON THE WHISTLEBLOWING POLICY

The Committee considered the report of the Director of Resources reporting on any complaints made under the Whistleblowing Policy for 2018 / 19.

The Director of Resources advised that no reports had been made under the Whistleblowing for the year 2018 / 19.

RESOLVED that the content of the report be noted.

143. STRATEGIC AND FINANCIAL PLANNING PROCESS

The Committee received the report of the Director of Resources seeking agreement to the annual Strategic and Financial Planning Process (S&FPP) for 2020 / 21 as set out in Appendix 1 to the report.

It was noted that the Strategic and Financial Planning Process and timetable aimed to ensure available resources were effectively directed towards achievement of a financially independent and sustainable Council. Members were informed that the savings forecast did not consider the addition of any growth items or changes to the Government allowance received.

RESOLVED that the Strategic and Financial Planning Process for 2019 / 20, be approved.

144. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act, and that this satisfies the public interest test.

145. LEASE OF LAND ADJACENT TO THE MALDON DISTRICT COUNCIL OFFICES

The Director of Resources asked Members to consider withdrawing this report from consideration as the organisation who had originally approached the Council regarding leasing land had advised that due to timescales etc. they were now looking for other options.

The Chairman then put to the Committee that this item of business be withdrawn from the agenda and not considered as it was no longer relevant. This was duly agreed.

RESOLVED that this item of business be withdrawn.

There being no further items of business the Chairman closed the meeting at 7.48 pm.

**B E HARKER
CHAIRMAN**

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REPORT of INTERIM SECTION 151 OFFICER

to
**FINANCE AND CORPORATE SERVICES COMMITTEE (SPECIAL MEETING)
24 SEPTEMBER 2019**

CORPORATE HEALTH AND SAFETY

1. PURPOSE OF THE REPORT

- 1.1 To provide an update on corporate health and safety activity from 1 April to 30 June 2019 (quarter one).
- 1.2 To show progress with the Health and Safety Action Plan for 2019 / 20, attached at **APPENDIX 1** to this report.

2. RECOMMENDATIONS

- (i) That the accident and incident statistics for the quarter be noted;
- (ii) That progress with the Health and Safety Action Plan for 2019 / 20 (**APPENDIX 1**) be noted.

3. SUMMARY OF KEY ISSUES

- 3.1 There were seven accidents and no near misses reported accident during the quarter.
 - **Staff:** Five accidents: remedial measures were taken in relation to one of the accidents.
 - **Members of the public:** Two accidents: a child was hurt whilst playing on the Galleon in Promenade Park, equipment was checked to ensure it was in good order; and an adult was hurt whilst playing walking football.
- 3.2 There has been one incident of unacceptable behaviour involving a member of staff in Planning and Regulatory Services; this is lower than recent levels of reporting.
- 3.3 Progress with the Health and Safety Action Plan for 2019 / 20 can be seen in **APPENDIX 1**.
- 3.4 There has been no further contact to date from the Health and Safety Executive (HSE) following the submission of data and information as requested on how the Council manages Hand Arm Vibration (HAV) within the Parks Department. To manage this risk, the Council monitors the use of equipment which may lead to HAV. Health checks are now being undertaken for practical ground based staff in relation to HAV, hearing and eyesight.

- 3.5 Following the implementation of phase one and two, several staff with health and safety responsibilities have left or will be leaving the organisation and replacements have been nominated or will need to be nominated.
- Legionella duty holders and fire marshals have been appointed.
 - First aiders and display screen equipment assessors need to be appointed.
- 3.6 The fire procedure has been updated and fire marshals have been identified for all fire zones based on current seating plans. If there are further organisational moves, the fire procedure will be updated accordingly.

4. CONCLUSION

- 4.1 No worrying trends in relation to accidents at work or incidents of unacceptable behaviour.
- 4.2 Progress is being made in relation to the Health and Safety Action Plan for 2019 / 20.

5. IMPACT ON STRATEGIC THEMES

- 5.1 Managing health and safety well helps protect the workforce and wider community who may be affected by the Council's activities ensuring that communities stay safe and healthy.

6. IMPLICATIONS

- (i) **Impact on Customers** – Good health and safety management reduces the number of accidents and injuries to both customers and employees alike. Reduced staff absence resulting from work related injuries or ill health ensures a better service is provided to customers.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Poor management of health and safety can lead to accidents, injuries, occupational ill health or dangerous occurrences. This may result in avoidable sickness absence and these incidents may be investigated by the Health and Safety Executive (HSE). This could result in prosecution with fines or custodial sentences and an award of costs if found guilty by the courts. In addition the HSE has adopted a “Fee for Fault” policy in which it recharges the cost of investigations if liability is identified. Civil claims by individuals could lead to significant pay outs which in turn could lead to increased insurance premiums. It can also lead to poor publicity, reputational damage and impacts on staff morale.
- (iv) **Impact on Resources (financial)** – No additional resources required, however, by managing health and safety, there should be less impact on financial resources as identified in (iii) above.

- (v) **Impact of Resources (human)** – No additional resources are required, however, by preventing accidents and ill health, there should be less impact on human resources.
- (vi) **Impact on the Environment** – Good health and safety management of the workplace, for example, management of asbestos and legionella, helps provide a safer and healthier environment in which to live and work.

Background Papers: None.

Enquiries to: Gill Gibson, Health and Safety Adviser, (Tel: 01621 875813).

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HEALTH AND SAFETY ACTION PLAN 2019 / 20

Subject	Action Required	Timescale	Progress
Health and Safety Arrangements	To review all the corporate health and safety procedures falling due during 2019-20, ensuring they are relevant to the new future model	March 2020	<ul style="list-style-type: none"> • Accident and near miss reporting procedure reviewed and updated to reflect changes in staffing: new staff have been identified and made aware of the procedure. • Contractors' procedure reviewed and updated as some links were no longer working and relevant staff were reminded of this procedure.
Risk Assessments	To update and amend risk assessments, ensuring they reflect the new organisational structure: <ul style="list-style-type: none"> • Strategy, Performance and Governance • Resources • Service Delivery Units 	October 2019 October 2019 March 2020	<ul style="list-style-type: none"> • The managers of the Resources and Strategy, Performance and Governance teams have been asked to complete their risk assessments by October 2019.
Hand Arm Vibration (HAV)	To respond to the Health and Safety Executive's (HSE) investigation into HAV hazards and risks within the Parks Team	June 2019	<ul style="list-style-type: none"> • To date, the HSE has not contacted the Council following the submission of HAV information.
Training	To deliver health and safety training where required, to include: <ul style="list-style-type: none"> • refresher first aid training and training for new first aiders • training for new workstation assessors 	When required and June 2019 October 2019	

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**REPORT of
INTERIM SECTION 151 OFFICER**

to
**FINANCE AND CORPORATE SERVICES COMMITTEE
24 SEPTEMBER 2019**

HUMAN RESOURCES STATISTICS - QUARTER FOUR 2018 / 19

1. PURPOSE OF THE REPORT

1.1 To present the Council’s human resource statistics for the period 1 January 2019 to 31 March 2019. The main purpose of the report is to provide an update on the levels over the past quarter of vacancies, staff turnover, sickness absence, staff numbers and staff data to meet equality standards.

2. RECOMMENDATION

That the contents of this report are noted.

3. SUMMARY OF KEY ISSUES

3.1 This report is for Members’ information only.

4. LABOUR TURNOVER

4.1 **Quarter 4 (Q4):** The staff turnover was based on an average of 209 staff employed in post between 1 January 2019 and 31 March 2019. There were 20 leavers and 08 starters in Q4.

4.2 Service level turnover for Q4 2018 / 19 is as follows:

Directorate	Leavers	Reasons for Leaving	Q4 Average ¹ Headcount	Average Full Time Equivalent (FTE) per Service	% of Service Staffing that was a Leaver per Service
Corporate Core	1	1 redundancy	4	3.73	25%
Resources	6	6 redundancies	47	37.04	12.76%
Customers and Community	6	5 resignations 1 redundancy	92	72.87	6.52%

¹ Headcount figure averaged from month ends within each quarter. Please also note the above data does not include information on staff employed on zero hours contracts / seasonal staff contracts.

Directorate	Leavers	Reasons for Leaving	Q4 Average ¹ Headcount	Average Full Time Equivalent (FTE) per Service	% of Service Staffing that was a Leaver per Service
Planning and Regulatory	7	6 resignations 1 redundancy	66	57.02	10.61%
Total	20		209	170.66	9.57%

5. RECRUITMENT

- 5.1 As a consequence of the implementation of the Future Model, a recruitment freeze has been placed on all non-essential recruitment which is why the cost of agency staff is greater than the norm. The positions advertised during Q4 have been broken down into Directorates both in the existing structure and in what has been referred to as the New Future Model Directorates.
- 5.2 Some of the vacancies reported below were also in Quarter Three (Q3) report as there were no suitable candidates when they were advertised externally the first time; this report shows the second round of advertisements. It is important to note that these vacancies have arisen as a result of no appointments during the Phase 1 consultation process.
- 5.3 Within the New Future Model, nine permanent roles were advertised during Q4, to appoint roles that had not been appointed through Phase 1 of the Future Model process.
- 5.4 All external posts continue to be advertised on the Council website as well as via social media including Facebook and Twitter, Indeed (one of the largest and free of charge job search engines), and the Government website 'Find a Job' - and any other relevant professional journals / media where appropriate, ensuring as wide reach as possible to potential candidates.
- 5.5 Please see below the external and internal vacancies for Q4 2018/19.
- 5.6 Please note that all Members continue to be sent a list of all Council vacancies on or around 5th and 19th of every month.
- 5.7 **Q3 External Vacancies:**

Directorate	Posts Advertised	Positions	Post advertised on MDC website, Indeed, Twitter and Facebook
Customers and Community	Community Protection Officer 1 Year Fixed Term Contract (FTC)	2 Full Time Equivalent (FTE)	Yes

Directorate	Posts Advertised	Positions	Post advertised on MDC website, Indeed, Twitter and Facebook
Resources (New Future Module)	Resources Specialist Services Manager Permanent	1 FTE	Yes
	Senior Specialist (Legal)	0.61 FTE	Yes
	Senior Specialist (Human Resources (HR))	0.61 FTE	Yes
Planning and Regulatory Services	Interim Planner FTC	1 FTE	Yes
Strategy, Performance and Governance (New Future Module)	Strategy, Policy and Communication Manager Permanent	1FTE	Yes
	Programmes, Performance and Governance Manager Permanent	1 FTE	Yes
	Senior Specialist - Local Plan Permanent	1 FTE	Yes
	Specialist – Local Plan Level 1 & 2	1 FTE	Yes
	Specialist – Performance Permanent	1 FTE	Yes
Services Delivery (New Future Module)	Specialist Services Manager Permanent	1 FTE	Yes
	Total Posts	11.22 FTE	

5.8 **Q3 Internal Vacancies:**

Directorate	Posts Advertised	Positions	Post advertised on intranet
Customers and Community	0	0	0
Resources	0	0	0
Planning and Regulatory Services	Interim Planner FTC	1 FTE	Yes
	Total Posts	1 FTE	

6. AGENCY WORKERS

- 6.1 Attention is drawn to **APPENDIX 1**, which sets out agency expenditure for Q4. The Finance department in consultation with Human Resources has compiled this information.

7. STAFF SICKNESS LEVELS

- 7.1 The overall attendance figures (short and long-term absence combined) for Q4 2018 / 19 for total FTE days lost have almost halved that compared with those lost during Q4 in 2017 / 18. This reduction is primarily due to the long-term absence figures being 26 FTE days lost during 2018 / 19 when compared with 198.24 FTE days lost during 2017 / 18.
- 7.2 During September 2018 the Council embarked on consultation for the Future Council model with approximately one third of the organisation. The Q2 report referred to a Chartered Institute of Personnel and Development (CIPD) 2016 Absence Survey Report that suggested organisational change within the public sector was more likely than other sectors to lead to higher levels of stress related absence. The organisational change continues with Phase 2 staff which affects approximately 140 employees, 71% of the organisation's employees. Consultation closed on 4 April 2019 and the final operating model was released to staff during week commencing (w/c) 15 April 2019; over the next few months, internal recruitment will commence.
- 7.3 During the next three months it is uncertain what absence may look like as stress related absence may increase as we move through the change programme. The Council continues to offer support to all staff by way of Coaching, Change Network meetings supported by 14 Change Champions, trained in house Mental Health First Aiders and the Employee Assistance Scheme available free and confidentially 24 hours a day seven days a week.
- 7.4 The figures for Q4 2018 / 19 regarding short term sickness have decreased from 294.08 total FTE days lost in Q3 (1.64 total days lost per FTE) to 236.03 total FTE days lost in Q4 (1.13 total days lost per FTE).
- 7.5 The figures for Q4 2018 / 19 with regard to long term absence however have, for the second quarter running, decreased significantly from 83.24 total FTE days lost in Q3 (0.46 total days lost per FTE) to 26 total FTE days lost in Q4 (0.15 total days lost per FTE); a reduction of 57.24 days.
- 7.6 Overall it should be acknowledged that the cumulative figures for 2018 / 19 have reduced significantly from the previous two years by 36% from 2017 / 18 and 44% from 2016 / 17. The Human Resources team continues to work in partnership with managers to support staff during sickness, manage returns to work and make referrals to occupational health services as necessary. During a year of such significant change to the Council by way of the Future Model, results such as these shown in relation to sickness are a positive achievement for the Council.
- 7.7 The Council's key performance indicator target is eight days per FTE for the 2018 / 19 financial year. This target has been achieved by almost 1 day per FTE.

7.8 Figure 1 below shows for the sickness for each quarter for 2016 / 17, 2017 / 18 and 2018 / 19:

Figure 1

Please find below the sickness for each quarter for 2016/17, 2017 / 18 and 2018 / 19.

2018 / 19	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	218.80	1.07	129.51	0.67	294.08	1.64	236.03	1.13	878.41	4.51
Long Term Absence	215.92	1.06	164.30	0.84	83.24	0.46	26	0.15	489.46	2.51
Total	434.72	2.13	293.81	1.51	377.32	2.10	262.03	1.28	1367.87	7.02

2017 / 18	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	163.65	0.85	230.32	1.25	322.64	1.64	300.62	1.49	1017.23	5.23
Long Term Absence	393.05	2.04	198.64	1.08	300.12	1.53	198.24	0.98	1090.05	5.63
Total	556.70	2.89	428.96	2.33	622.76	3.17	498.86	2.47	2107.28	10.86

2016 / 17	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	237.94	1.25	241.39	1.21	259.46	1.31	306.53	1.55	1045.32	5.32
Long Term Absence	290.83	1.52	372.46	1.89	393.37	1.99	331.78	1.68	1388.44	7.08
Total	528.77	2.77	613.85	3.1	652.83	3.3	638.31	3.23	2433.76	12.4

8. WORKFORCE STATISTICS

- 8.1 Please see **APPENDIX 2** attached to this report for the key statistics relating to staff including headcount, age profile, gender, sex and ethnic origin across the workforce.

9. FUTURE MODEL

- 9.1 HR continues to work closely with both Corporate Leadership Team (CLT) and Ignite to ensure the implementation of the People work stream under the Future Model. In Q4 work continued to deliver the key milestones and deliverables of the People implementation project plan.
- 9.2 Exits for staff in Phase 1 were completed during Q4.
- 9.3 Individual staff consultations for Phase 2 ended on 4 April 2019 and the Final Operating Model was distributed to staff, having taken account of consultation feedback.
- 9.4 The interview process commences w/c 29 April 2019 for Tier 3 applicants and w/c 6 May 2019 for remaining Phase 2 staff. Phase 2 successful and unsuccessful candidates will be notified on or before 28 June 2019.
- 9.5 Two of the Tier 2 manager appointments were made during Q3. The remaining Tier 2 posts were actively recruited to during Q4 and except for one, are now in post.
- 9.6 Further information on the implementation of the People work stream will be reported at the Future Model Programme Board meetings.

10. CONCLUSION

- 10.1 Due to the implementation of the Future Model, a hold has been placed on all non-essential recruitment. The Tier 2 positions have been now been recruited into except for one, and are now in post.
- 10.2 The overall attendance figures (short and long-term absence combined) for Q4 2018 / 19 have significantly decreased to 262.03 FTE days lost, compared with 377.32 FTE days lost in Q3. Cumulative for 2018 / 19 the total days lost per FTE achieved the Key Performance Indicator set at 8 for the year; 7.02 was the attained figure.
- 10.3 The Council continues to support staff through a number of methods as mentioned at paragraph 7.3 above.
- 10.4 HR continues to work closely with the CLT and Ignite regarding the implementation of the People work stream under the Future Model.

11. IMPACT ON STRATEGIC THEMES

- 11.1 The effective implementation of the Attendance Management policy, including high levels of compliance with the policy, is critical to ensure that staff attendance levels are kept at the highest possible level to ensure resourcing is adequate in order to deliver an effective and efficient service for our customers.

12. IMPLICATIONS

- (i) **Impact on Customers** – No direct impact on customers from this report, although the wider staff context concerning the impact of organisational change, recruitment, vacancies and sickness has an impact on the ability to deliver services to customers.
- (ii) **Impact on Equalities** – More detailed information on the protected characteristics of the Council’s workforce, is now available on the new Human Resources system. This will allow the team to consider the needs of those groups when writing new Policies and Procedures and when carrying out its functions.
- (iii) **Impact on Risk** – Effective and proactive management of staff sickness and recruitment helps mitigate risk.
- (iv) **Impact on Resources (financial)** – The cost of advertisements and other necessary costs related to recruitment are included within current approved budgets.
- (v) **Impact on Resources (human)** – HR continues to regularly provide advice and guidance to both employees and managers on how best to manage attendance using the good practice steps outlined within the Managing Attendance Policy and Procedure. Staff absences do affect direct colleagues and this is addressed by the use of the Managing Attendance Policy with individuals.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Helen Tarling, HR Specialist (L2) (Tel: 01621 875787).

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Agency costs 2018/19

	Post	Budget Value	Actual Spent Q1	Actual Spent Q2	Actual Spent Q3	Actual Spent Q4	Actual Spend to date	variance Over/(Under) spend	
HR	HR support	140,400	-	-	16,771	38,832	55,602	- 84,798	
Committee Services	Principle Advisor GDPR	86,900	17,210	22,691	-	29,794	69,695	- 17,205	
Finance		65,300				29,712	29,712		
						9,671	9,671		
IT	IT Manager	92,700	7,650	27,900	27,000	24,750	87,300	- 5,400	
Housing	Homelessness officer	23,100	-	-	9,743	8,640	18,383	- 4,718	
Parks Operational	Assistant Parks & Countryside Officer x2	6,900	-	3,205	4,030	- 360	6,875	- 25	
Building Control	Building Control Officer	15,600	13,502	2,109	-	0	15,611	11	
Future Model - Transformation	HR Project Officer	11,721	-	7,200		4,521	11,721	-	
Future Model - Transformation	Technology Implementation Manager	645,000		9,558	37,436	406,636	453,629	- 191,371	
Future Model - Transformation	Programme Manager	61,785		5,711	35,306	20,768	61,785	-	
							-	-	
		1,149,406	38,363	78,374	130,284	572,964	819,985	- 303,504	

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Workforce Statistics: Quarter Four 2018 / 19**1. Headcount and Full Time Equivalent (FTE) by Gender ^{*1}**

		Q1	Q2	Q3	Q4
Female	Headcount	154	150	138	138
	FTE	123.98	120.52	105.35	112.26
	% Workforce	65.25%	65.79%	66.01%	66.03%
Male	Headcount	82	78	71	71
	FTE	77.83	73.62	73.86	58.41
	% Workforce	34.75%	34.21%	33.97%	33.97%
Total	Headcount	236	228	209	209
	FTE	201.81	194.14	179.21	170.67

2. Number of Full and Part Time Employees by Gender ^{*1}

	Q1		Q2		Q3		Q4	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Full Time	74	83	69	80	63	70	63	71
Part Time	8	71	9	70	2	67	8	67
Total	82	154	78	150	65	137	71	138

3. Headcount by Directorate

Section	Number of staff in QTR 1 (Average ^{*2})	Number of staff in QTR 2 (Average ^{*2})	Number of staff in QTR 3 (Average ^{*2})	Number of staff in QTR 4 (Average ^{*2})
Corporate Core	8	6.33	6	4
Resources	52.33	51.33	48.67	47
Customers & Community	104	97.67	97	92
Planning & Regulatory	72	72	71.67	66
Total	236.33	227.33	223.33	209

4. Headcount by Ethnic Group ^{*1}

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
A White British	168	163	148	143
A White English	48	45	43	44
A White Irish	3	3	2	2
A White Scottish	2	2	2	2
A White Welsh	1	1	1	1
B Mixed White & Asian	1	1	2	2
B Mixed White & Black African				
B Mixed White & Black Bangladeshi				
C Asian, Asian British Bangladeshi	2	2	2	2
C Asian, Asian British Indian				
C Asian, Asian British Pakistani				
D Black, Black British African				
D Black, Black British Caribbean				
E Chinese, Chinese British / other ethnic Chinese	1	1		
F Other	3	3	3	3
G Prefer not to say	7	7	9	
TOTAL	236	228	212	209

^{*1} Headcount data extracted from last date in reported quarter. Please also note the above data does not include information on staff employed on zero hours contracts / seasonal staff contracts.

^{*2} Headcount figure averaged from month ends within each quarter.



**REPORT of
INTERIM SECTION 151 OFFICER**

to
**FINANCE AND CORPORATE SERVICES COMMITTEE (SPECIAL MEETING)
24 SEPTEMBER 2019**

HUMAN RESOURCES STATISTICS – QUARTER ONE 2019 / 20

1. PURPOSE OF THE REPORT

1.1 To present the Council’s human resource statistics for the period 1 April 2019 to 30 June 2019. The main purpose of the report is to provide an update on the levels over the past quarter of vacancies, staff turnover, sickness absence, staff numbers and staff data to meet equality standards.

2. RECOMMENDATION

That the contents of this report are noted.

3. SUMMARY OF KEY ISSUES

3.1 This report is for Members’ information only.

4. LABOUR TURNOVER

4.1 **Quarter 1 (Q1):** The staff turnover was based on an average of 196 staff employed in post between 1 April 2019 and 30 June 2019. There were 18 leavers and 15 starters in Q1.

4.2 Service level turnover for Q1 2019 /20 is as follows:

Directorate	Leavers	Reasons for Leaving	Q4 Average ¹ Headcount	Average Full Time Equivalent (FTE) per Service	% of Service Staffing that was a Leaver per Service
Resources	3	2 resignations 1 redundancy	43	33.66	6.98%
Customers and Community	8	2 redundancies 6 resignations	80	70.61	10.00%
Planning and Regulatory	6	1 end of Fixed Term Contract (FTC) 5 resignations	50	43.43	12.00%

¹ Headcount figure averaged from month ends within each quarter. Please also note the above data does not include information on staff employed on zero hours contracts / seasonal staff contracts.

Directorate	Leavers	Reasons for Leaving	Q4 Average ¹ Headcount	Average Full Time Equivalent (FTE) per Service	% of Service Staffing that was a Leaver per Service
Strategy, Performance and Governance	1	1 resignation	15	14.47	6.67%
Corporate Core	0	n/a	3	3	n/a
Service Delivery	0	n/a	5	5	n/a
Total	18		196	170.18	

5. RECRUITMENT

5.1 Recruitment during Q1 has concentrated on any remaining Phase 1 roles and Summer Staff for the Splashpark. We have recently started to recruit for vacancies unfilled during Phase 2. Agency staff costs remain high due to backfilling of specialist or hard to fill roles.

5.2 Some roles have been advertised more than once and we are now looking to utilise specialist agencies or websites for hard to fill roles. However, these do come at an increased cost.

5.3 All external posts continue to be advertised on the Council website as well as via social media including Facebook and Twitter, Indeed (one of the largest and free of charge job search engines), and the Government website 'Find a Job' - and any other relevant professional journals / media where appropriate, ensuring as wide reach as possible to potential candidates.

5.4 Please see below the external and internal vacancies for Q1 2019 / 20.

5.5 Please note that all Members continue to be sent a list of all Council vacancies on or around 5th and 19th of every month.

5.6 Q1 External Vacancies:

5.6.1 Please see below the external vacancies for Q1 2019 / 20:

Directorate	Posts Advertised	Positions	Post advertised on MDC website, Indeed, Twitter and Facebook
Customers and Community	Casework/Business Support (Customer) Apprentice	3 FTE	No – Career Track Role, Apprenticeship website
	Health Improvement Officer 12 month FTC	1 FTE	Yes
Resources (New	0	Not	N/A

Directorate	Posts Advertised	Positions	Post advertised on MDC website, Indeed, Twitter and Facebook
Future Module)		applicable (N/A)	
Planning and Regulatory Services	0	N/A	N/A
Strategy, Performance and Governance (New Future Module)	Senior Specialist: Local Plan	1 FTE	Yes
Services Delivery (New Future Module)	Highway Ranger FTC	1 FTE	Yes
	Parks and Countryside Officer (Level 1)	2 FTE	Yes
	Lead Assets and Maintenance Co-Ordinator	1 FTE	Yes
	Total Posts	9 FTE	

5.7 Q1 Internal Vacancies:

Directorate	Posts Advertised	Positions	Post advertised on intranet
Customers and Community	Cemeteries and Community Services Officer	1 FTE	Yes
Resources	Senior Specialist – ICT Infrastructure	1 FTE	Yes
	Specialist – ICT Infrastructure (Level 2)	1 FTE	Yes
	Resources Caseworker	2 FTE	Yes
Planning and Regulatory Services	0	N/A	N/A
Strategy, Performance and Governance	0	N/A	N/A
Service Delivery	0	N/A	N/A
	Total Posts	5 FTE	

6. AGENCY WORKERS

- 6.1 Attention is drawn to **APPENDIX 1**, which sets out agency expenditure for Q1. The Finance department in consultation with Human Resources has compiled this information.

7. STAFF SICKNESS LEVELS

- 7.1 The overall attendance figures (short and long-term absence combined) for Q1 2019 / 20 for total FTE days lost is 297.14. This figure continues to be lower and is almost halved that compared with those lost during Q1 in 2018 / 19. This reduction is primarily due to the long-term absence figures being 122 FTE days lost during Q1 2019 / 20 when compared with 215.92 FTE days lost during Q1 2018 / 19.
- 6.2 During April - June 2019 work has commenced on Phase 2 of the restructure. We have seen a slight increase in stress related absences some of which has been connected to the restructure. Applications were submitted by 26 April 2019. The assessment and selection process ceased on 28 June 2019.
- 7.3 The Council continues to offer support to all staff by way of Coaching, Change Network meetings supported by 14 Change Champions, trained in house Mental Health First Aiders and the Employee Assistance Scheme available free and confidentially 24 hours a day seven days a week. Managers have also been supporting staff.
- 7.4 The figures for Q1 2019 / 20 regarding short term sickness have decreased slightly from 218.80 total FTE days lost in Q1 (1.07 total days lost per FTE) to 175.14 total FTE days lost in Q1 (1.74 total days lost per FTE). However, FTE has increased due to lower headcount numbers. Compared to Q4 2018 / 19 short term absence is still lower.
- 7.5 The figures for Q1 2019 / 20 with regard to long term absence however have, increased significantly from 26 total FTE days lost in Q4 (0.15 total days lost per FTE) to 122 total FTE days lost in Q1 (0.72 total days lost per FTE); an increase of 96 FTE days. This can be mainly attributed to individual operations and stress.
- 7.6 The Human Resources team continues to work in partnership with managers to support staff during sickness, manage returns to work and make referrals to occupational health services as necessary. During a year of such significant change to the Council by way of the Future Model, it is disappointing that sickness has increased since the last quarter but not unexpected due to the period of significant change.
- 7.7 The Councils key performance indicator target is eight days per FTE for the 2019 / 20 financial year.
- 7.8 The sickness for Quarter 1 2019 / 20 is shown at Figure 1 overleaf. It also details the sickness for each quarter for 2016 / 17, 2017 / 18 and 2018 / 19

Figure 1. Please find below the sickness for each quarter for 2019 / 20, 2018 / 19, 2017 / 18 and 2016 / 17

2019 / 20	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	175.14	1.02								
Long Term Absence	122.00	0.72								
Total	297.14	1.74								

2018 / 19	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	218.80	1.07	129.51	0.67	294.08	1.64	236.03	1.13	878.41	4.51
Long Term Absence	215.92	1.06	164.30	0.84	83.24	0.46	26	0.15	489.46	2.51
Total	434.72	2.13	293.81	1.51	377.32	2.10	262.03	1.28	1367.87	7.02

2017 / 18	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	163.65	0.85	230.32	1.25	322.64	1.64	300.62	1.49	1017.23	5.23
Long Term Absence	393.05	2.04	198.64	1.08	300.12	1.53	198.24	0.98	1090.05	5.63
Total	556.70	2.89	428.96	2.33	622.76	3.17	498.86	2.47	2107.28	10.86

2016 / 17	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	237.94	1.25	241.39	1.21	259.46	1.31	306.53	1.55	1045.32	5.32
Long Term Absence	290.83	1.52	372.46	1.89	393.37	1.99	331.78	1.68	1388.44	7.08
Total	528.77	2.77	613.85	3.1	652.83	3.3	638.31	3.23	2433.76	12.4

8. WORKFORCE STATISTICS

- 8.1 Please see **APPENDIX 2** attached to this report for the key statistics relating to staff including headcount, age profile, gender, sex and ethnic origin across the workforce.

9. FUTURE MODEL

- 9.1 HR continues to work closely with both the Corporate Leadership Team (CLT) and Ignite to ensure the implementation of the People work stream under the Future Model. In Q1 work continued to deliver the key milestones and deliverables of the People Implementation Project Plan for Phase 2.
- 9.2 Exits for staff in Phase 2 will be completed over the coming months with some extended into next year to meet business need.
- 9.3 The interview process commenced week commencing (w/c) 29 April for Tier 3 applicants and w/c 13 May for remaining Phase 2 staff. Phase 2 successful and unsuccessful candidates were notified on or before 28 June 2019.
- 9.4 All Tier 2 Managers are now in post.
- 9.5 Further information on the implementation of the People Work Stream will be reported at the Future Model Programme Board meetings.

10. CONCLUSION

- 10.1 Due to the implementation of the Future Model, a hold was placed on all non-essential recruitment. Recruitment has taken place for roles needed in the Phase 1 structure. Recruitment has recommenced for roles in Phase 2 which are not considered to be SAE's (Suitable Alternative Employment).
- 10.2 The overall attendance figures (short and long-term absence combined) for Q1 2019 / 20 have increased to 297.14 FTE days lost, compared with 262.03 FTE days lost in Q4. Compared to the same quarter last year sickness levels have reduced significantly, (this is likely to be in line with a reduced headcount).
- 10.3 The Council continues to support staff through a number of methods as mentioned at paragraph 7.3 above.
- 10.4 HR continues to work closely with CLT and Ignite regarding the implementation of the People Work Stream under the Future Model.

11. IMPACT ON STRATEGIC THEMES

- 11.1 The effective implementation of the Attendance Management Policy, including high levels of compliance with the policy, is critical to ensure that staff attendance levels

are kept at the highest possible level to ensure resourcing is adequate in order to deliver an effective and efficient service for our customers.

12. IMPLICATIONS

- (i) **Impact on Customers** – No direct impact on customers from this report, although the wider staff context concerning the impact of organisational change, recruitment, vacancies and sickness has an impact on the ability to deliver services to customers.
- (ii) **Impact on Equalities** – More detailed information on the protected characteristics of the Council’s workforce, is now available on the new Human Resources system. This will allow the team to consider the needs of those groups when writing new Policies and Procedures and when carrying out its functions.
- (iii) **Impact on Risk** – Effective and proactive management of staff sickness and recruitment helps mitigate risk.
- (iv) **Impact on Resources (financial)** – The cost of advertisements and other necessary costs related to recruitment are included within current approved budgets.
- (v) **Impact on Resources (human)** – HR continues to regularly provide advice and guidance to both employees and managers on how best to manage attendance using the good practice steps outlined within the Managing Attendance Policy and Procedure. Staff absences do affect direct colleagues and this is addressed by the use of the Managing Attendance Policy with individuals.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Sam Mott, Senior HR Specialist (L2), (Tel: 01621 876281).

Agency costs 2019/20

	Post	Budget Value	Actual Spent Q1 plus one month	Actual Spent Q2	Actual Spent Q3	Actual Spent Q4	Actual Spend to date	variance Over/(Under) spend
HR	HR support	-	-				-	-
Committee Services	Principle Advisor GDPR	-	-				-	-
Finance	Finance	-	2,319				2,319	2,319
		-	-				-	-
IT	IT Manager	-	-				-	-
Housing	Homelessness officer	-	10,163				10,163	10,163
Parks Operational	Assistant Parks & Countryside Officer x2	-	462				462	462
	Development control		5,968				5,968	5,968
Building Control	Building Control Officer	-	-				-	-
	Resources		44,414				44,414	44,414
Future Model - Transformation	HR Project Officer	-	6,042				6,042	6,042
Future Model - Transformation	Technology Implementation Manager	-	531				- 531	- 531
Future Model - Transformation	Programme Manager	-	49,866				49,866	49,866
							-	-
							-	-
		-	118,703	-	-	-	118,703	118,703

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Workforce Statistics: Quarter One 2019 / 20**1. Headcount and Full Time Equivalent (FTE) by Gender ^{*1}**

		Q1	Q2	Q3	Q4
Female	Headcount	130			
	FTE	107.34			
	% Workforce	54.76%			
Male	Headcount	66			
	FTE	62.57			
	% Workforce	33.67%			
Total	Headcount	196			
	FTE	170.18			

2. Number of Full and Part Time Employees by Gender ^{*1}

	Q1		Q2		Q3		Q4	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Full Time	59	69						
Part Time	7	61						
Total	66	130						

3. Headcount by Directorate

Section	Number of staff in QTR 1 (Average ^{*2})	Number of staff in QTR 2 (Average ^{*2})	Number of staff in QTR 3 (Average ^{*2})	Number of staff in QTR 4 (Average ^{*2})
Corporate Core	3			
Resources	43			
Customers and Community	80			
Planning and Regulatory	50			
Strategy, Performance and Governance	15			
Service Delivery	5			
Total	196			

4. Headcount by Ethnic Group^{*1}

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
A White British	137			
A White English	40			
A White Irish	2			
A White Scottish	2			
A White Welsh	1			
B Mixed White & Asian	2			
B Mixed White & Black African				
B Mixed White & Black Bangladeshi				
C Asian, Asian British Bangladeshi	2			
C Asian, Asian British Indian				
C Asian, Asian British Pakistani				
D Black, Black British African				
D Black, Black British Caribbean				
E Chinese, Chinese British / other ethnic Chinese				
F Other	3			
G Prefer not to say	7			
TOTAL	196			

^{*1} Headcount data extracted from last date in reported quarter. Please also note the above data does not include information on staff employed on zero hours contracts / seasonal staff contracts.

^{*2} Headcount figure averaged from month ends within each quarter.



**REPORT of
INTERIM SECTION 151 OFFICER**

to
**FINANCE AND CORPORATE SERVICES COMMITTEE (SPECIAL MEETING)
24 SEPTEMBER 2019**

**INTERNAL AUDIT FRAUD RISK ASSESSEMENT - ADVISORY REPORT –
MARCH 2019**

1. PURPOSE OF THE REPORT

- 1.1 To consider the findings of the Internal Audit Fraud Risk Assessment as requested by the Director of Resources covering the period November 2018 to January 2019.

2. RECOMMENDATIONS

That the Committee review and consider the findings of the Internal Audit Fraud Risk Assessment – Advisory Report – March 2019.

3. SUMMARY OF KEY ISSUES

- 3.1 **APPENDIX 1** to this report provides further information on the Council’s approach to address fraud, corruption and bribery risks, and to assess the suitability of the arrangements and documented policies in place to help mitigate these risks.
- 3.2 Interviews were conducted with key staff from Procurement; Council Tax; Human Resources; Finance; Committee Clerks and Corporate Counter Fraud.
- 3.3 This report is brought to this Committee following consideration by the Audit Committee its meeting on 13 June 2019 who resolved that:
- (i) Members reviewed the information as set out in this report and appendix 1 and their views and comments were sought;
 - (ii) it was recommended that the Finance and Corporate Services Committee receive and consider the findings of the Internal Audit Fraud Risk Assessment – Advisory Report – March 2019.
- 3.4 An extract from the Audit Committee Minutes is attached at **APPENDIX 2** to this report.

4. CONCLUSION

- 4.1 Audit work will continue to be focussed on areas of financial and corporate importance, however deviances from the Audit Plan arise. The Audit Committee will continue to be informed of all significant changes.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The work of Internal Audit directly supports the Corporate Strategic Theme of ensuring best value procurement and project management thereby exceeding customers' expectations.

6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities**- None.
- (iii) **Impact on Risk** – None.
- (iv) **Impact on Resources (financial and human)** - All risk management activity is undertaken within existing and planned budgets.
- (v) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Kamal Mehta, Interim Section 151 Officer, (Tel: 01621 875762).



MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT

FRAUD RISK ASSESSMENT - ADVISORY REPORT
MARCH 2019

FRAUD RISK ASSESSMENT

EXECUTIVE SUMMARY	1
FINDINGS	3
RECOMMENDATION	3
STAFF INTERVIEWED	4
APPENDIX I - DEFINITIONS.....	5
APPENDIX II - TERMS OF REFERENCE	6
APPENDIX III - CIPFA CODE OF PRACTICE: SELF ASSESSED FRAUD RESILIENCE QUESTIONNAIRE	7
APPENDIX IV - FIGHTING FRAUD LOCALLY: SELF ASSESSED FRAUD RESILIENCE QUESTIONNAIRE	17

DISTRIBUTION

Name	Job Title
Emma Foy	Director of Resources

REPORT STATUS LIST

Auditors:	Kerry Lin, Internal Audit Senior, James Shortall, Counter Fraud Specialist
Dates work performed:	November 2018-January 2019
Draft report issued:	March 2019
Final report issued:	March 2019

EXECUTIVE SUMMARY

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	1
Medium	0
Low	0

TOTAL NUMBER OF RECOMMENDATIONS: 1

BACKGROUND:

According to the Annual Fraud Indicator 2013, which provides the last set of government sanctioned estimates, fraud costs the public sector at least £20.6bn annually and of this total, £2.1bn is specifically in local government.

FRAUD RISK ASSESSMENT

Maldon District Council ('the Council') has a combined Corporate Fraud and Enforcement Team of qualified Counter Fraud Investigators who investigate all types of corporate fraud, raise awareness of fraud risks with other services, and share protocols for reporting fraud concerns. The team, which currently sits under the Director of Planning and Regulatory Services (now the Director of Strategy, Performance and Governance), also provides periodic updates to the Planning and Licensing Committee and Area Planning Committees on planning enforcement activity.

We were asked to perform a Fraud Risk Assessment by the Director of Resources to help prioritise the Council's approach to address fraud, corruption and bribery risks, and to assess the suitability of the arrangements and documented policies in place to help mitigate these risks. We have considered the Council's overall organisational resilience, as well as fraud controls across the Council's main functions and services, reporting on these by exception within the detailed findings and recommendations section.

We reviewed the Council's position against both the 'CIPFA Code of Practice on Managing the Risk of Fraud and Corruption' and the 'Fighting Fraud Locally Companion Checklist'. Please see Appendix III and IV for the full checklists.

We have also conducted interviews with key staff to identify fraud risks in each department and the current controls in place to mitigate these risks, so that areas of significant control weakness and fraud risk can be highlighted:

- Procurement
- Council Tax and Business Rates
- HR
- Finance
- Committee Clerks
- Corporate Counter Fraud

Our work was reviewed by accredited Counter fraud staff with up to date knowledge of fraud risks.

FINDINGS

ASSESSMENT AGAINST THE CIPFA CODE OF PRACTICE

The Council has a basic framework in place to deal with fraud and corruption and meets many of the requirements of the CIPFA Code and Fighting Fraud Locally Checklist. These include:

- An anti-Fraud and Corruption strategy and policy
- A Code of Conduct that all staff have signed up to
- An experienced fraud team that includes accredited staff, supplemented by external resource for investigations
- Participation in the National Fraud Initiative and pan Essex Compliance and Counter Fraud Scheme

However, we have also identified a large number of areas for improvement to consider, if the Council wishes to comply fully with the guidance and meet best practice. These are detailed in the Appendices. We suggest that priority areas to address are:

FRAUD RISK ASSESSMENT

- Developing an anti-fraud and corruption plan which addresses key fraud risks, including those in procurement and HR
- Implementing a fraud awareness training programme, focussing on areas of highest risk
- Updating the strategy and policies to bring them into line with best practice
- Producing regular reports to the Audit Committee on counter fraud activity and results

RECOMMENDATION	PRIORITY
The Council should commission external resource to develop the risk assessment further and carry out an annual programme of work to address risks around fraud and corruption	High
MANAGEMENT RESPONSE:	

The Director of Resources is currently commissioning external resource to develop this risk assessment further and carry out an annual programme of work. Initial indications are that this will cost approximately £9,000 per annum. The Director of Resources is looking to have this programme of work in place by May 2019.

Responsible Officer: Director of Resources

Implementation Date: 1 May 2019.

STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

Name	Job Title
Emma Foy	Director of Resources
Simon Quelch	Monitoring Officer
Rachel Arnull	Corporate Fraud and Enforcement Officer
Spyros Mouratidis	Principal Planning Officer
Sue Green	Group Manager, Customers
Michelle La Marre	Interventions Manager
Paula Jarvis	Senior Procurement Consultant
David Rust	Facilities and Asset Manager
Helena Beattie	HR Team Leader/Senior HR Business Partner

FRAUD RISK ASSESSMENT

Ann Nagy	Senior Accountant
Simon Walker	Senior Accountant
Alia Hamdam	PA to the Chief Executive/Business Analyst
Tara Bird	Committee Service Supervisor

APPENDIX I - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

FRAUD RISK ASSESSMENT

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of conducting a fraud risk assessment (FRA) is to identify areas of risk in key departments and guide development of strategies to mitigate these risks. The outcome of the FRA should be used to review and inform service and corporate risk registers.

KEY RISKS:

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding, the key risks associated with the area under review are:

- Fraud risk governance arrangements are inadequate and do not provide a robust framework for fraud risk management
- Fraud risk management in the following areas is inadequate:
 - Procurement
 - Local Council Tax Support / Other Welfare Assistance
 - Council Tax and Business Rates
 - Employee fraud
 - Insurance claims
 - Grants
 - Councillors' interests and expenses
 - Abuse of position / Management override of controls, including manipulation of performance data and financial journals.

FRAUD RISK ASSESSMENT

SCOPE OF REVIEW:

The review will provide an assessment of the Council's position against both the 'CIPFA Code of Practice on Managing the Risk of Fraud and Corruption' and the 'Fighting Fraud Locally Companion Checklist'.

In addition, we will consider the following specific fraud risk areas:

- Procurement
- Local Council Tax Support / Other Welfare Assistance
- Council Tax and Business Rates
- Employee fraud (Payroll, Expenses and Recruitment)
- Insurance claims
- Grants
- Councillors' interests and expenses
- Abuse of position / Management override of controls, including manipulation of performance data and financial journals.

APPROACH:

Our work will be conducted by accredited Counter fraud staff with up to date knowledge of fraud risks. Our approach will be to conduct interviews with key staff to identify fraud risks in each department and the current controls in place to mitigate these risks, such that areas of significant control weakness and fraud risk can be highlighted.

FRAUD RISK ASSESSMENT

APPENDIX III - CIPFA CODE OF PRACTICE: SELF ASSESSED FRAUD RESILIENCE QUESTIONNAIRE

#	QUESTION	✓/✗	EVALUATION	AREAS TO CONSIDER
Principle A: The governing body should acknowledge responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation				
A1.	The organisation's leadership team acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users	✓	This is a statement in the Council's Anti-Fraud and Corruption Strategy that acknowledges the threats of fraud and corruption, and the harm they can cause to the organisation.	
A2.	The organisation's leadership team acknowledge the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance	✓	The Council's Financial Regulations and Procedures document states the Council has an effective Anti-Fraud and Anti-Corruption Policy and maintains a culture that will not tolerate fraud or corruption and all Members and staff act with integrity and lead by example as per the relevant Code of Conduct.	
A3.	The governing body acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports	✓	The Financial Regulations makes it clear that the Directors and Heads of Service are responsible for the prevention of fraud and corruption within the services and functions under their control. The Audit Committee's terms of reference also states that it is responsible for promoting an anti-fraud culture relating to all the activities of the Council.	
A4.	The governing body sets a specific goal of	✓	This is included within the Anti-Fraud and	

FRAUD RISK ASSESSMENT

	ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection and prevention		Corruption Policy.	
Principle B: Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users				
B1.	Fraud risks are routinely considered as part of the organisation's risk management arrangements	✓	The Council's strategic risk registers and risk management framework reviewed as part of this include references to prevention of fraud, bribery or corruption	
B2.	The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework	✓	See B1.	
B3.	The organisation uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures	✗	Discussion with interviewee noted that the Council does not publish numerical figures related to fraud loss. However, the Council does publish news of successful prosecutions on the intranet.	The Council should use calculated estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposure.
B4.	The organisation evaluates the harm to its aims and objectives and service users that different fraud risks can cause	✗	See B3.	
Principle C: An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action				
C1.	The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation's acknowledged	✗	The strategy available on the staff intranet dates back to January 2009. Our review of the Audit Committee minutes found that the strategy has turned into a policy document and it was last reviewed in	The Councils Anti-Fraud and Corruption Policy should be reviewed and updated as necessary and made available to all staff. Training on the policy should be rolled out to staff to ensure all employees are aware

FRAUD RISK ASSESSMENT

	responsibilities and goals		2015.	<p>of their responsibilities. The policy review should ensure that it is strengthened to include:</p> <ul style="list-style-type: none"> • how to report suspected fraudulent activity including the actions to be taken if fraud is discovered or suspected, including the Council’s reporting process, contact details of responsible officer(s) and external reporting as a matter of course, but especially so should staff wish to remain anonymous. • the current configuration of the Council’s counter fraud team, • the responsibilities of employees including stating that staff who are involved in or manage internal control systems should receive adequate training and support to carry out their duties. It should be explained that if an employee suspects fraud has taken place they should ensure they report their concerns in accordance with the methods described. • A clear introductory statement of intent that articulates a zero-tolerance approach to criminal wrongdoing, including fraud, bribery and corruption. • the Council’s anti-fraud and corruption stance and the actions it takes against fraudsters to act as a deterrent
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FRAUD RISK ASSESSMENT

C2.	The strategy includes the organisation's use of joint working or partnership approaches to managing its risks, where appropriate	*	None identified.	<ul style="list-style-type: none"> Consider partnerships and joint working as part of the development of the strategy
C3.	<p>The strategy includes both proactive and responsive approaches that are best suited to the organisation's fraud and corruption risks. Proactive and responsive components of a good practice response to fraud risks management are set out below:</p> <p>Proactive:</p> <ul style="list-style-type: none"> - Developing a counter fraud culture to increase resilience to fraud - Preventing fraud through the implementation of appropriate and robust internal controls and security measures - Using techniques such as data matching to validate data - Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions it takes against fraudsters 	✓/✖	The strategy does not include "Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions it takes against fraudsters" as its proactive approaches.	See C1. In addition, management should improve staff awareness in relation to anti-fraud training, the new structure and its implications for the responsibilities for counter fraud.

FRAUD RISK ASSESSMENT

	<p>Responsive:</p> <ul style="list-style-type: none"> - Detecting fraud through data and intelligence analysis - Implementing effective whistleblowing arrangements - Investigating fraud referrals - Applying sanctions, including internal disciplinary, regulatory and criminal <p>Seeking redress, including the recovery of assets and money where possible</p>			
C4.	The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight	✓	The Audit Committee Terms of Reference include the following: 'To consider the effectiveness of the Authority's Counter Fraud and Corruption arrangements and promote an Anti-Fraud culture relating to all the activities of the Council'.	
Principle D: The organisation should make arrangements for appropriate resources to support the counter fraud strategy				
D1.	An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk	✗	<p>None identified.</p> <p>Discussion with the Corporate Counter Fraud Team noted that on average they have 550 planning enforcement cases and</p>	The Council should undertake an annual assessment of whether the level of resource invested in counter fraud and corruption activity is appropriate for the

FRAUD RISK ASSESSMENT

			50 prosecution cases from Community. It is also noted that Housing Revenue rarely referred cases to Counter Fraud and there were only 3 referrals in 2018/19 at the time of the audit.	level of risk.
D2.	The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation	✓	<p>In the Corporate Counter Fraud Team, there are three members. There are:</p> <ul style="list-style-type: none"> • An accredited Counter Fraud Specialist (ACFO) who is also attending a Proceed of Crime Act Training for financial intelligence officer course provided by the National Crime Agency. • An officer who is currently attends the same course for POCA. • An officer whose prior employment was a Senior Fraud Investigator for Barclays Bank Plc. for four years. <p>In Housing Revenue, it is noted that two staff members were trained in Professionalism in Security and Police (PINS) and Criminal Evidence. It is noted that for PINS, regular training and refreshers are required for maintenance of the accreditation. Discussion noted that they are not maintained as role has changed from counter fraud officer to in-house officers for council tax and NNDR.</p> <p>The Council utilises OneSource for all HR</p>	

FRAUD RISK ASSESSMENT

			related investigation. The Council has also previously asked RSM, an external accounting firm, to conduct investigations.	
D3.	The organisation grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes	✓	Discussion with the above-mentioned staff noted that they have been granted unhindered access to its employees, information and other resources as required for investigation purposes.	
D4.	The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity	✓	Discussion with Housing Revenue staff noted that the Council participates in Pan Essex Compliance and Counter Fraud Scheme. This scheme is helped to run by a Company name Vigilant and it allows information from individual systems to be imported, compared and analysed with a view to identifying mismatches in data sets which may indicate fraud or non-compliance. The protocol of this particular scheme is part of the contract. However, they also acknowledge there is no general protocol in place. The Council is a partner in the Whole of Essex Information Sharing Framework and participates in the National Fraud Initiative.	
Principle E: The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud				
E1.	The organisation has put in place a policy framework which supports the implementation of the counter fraud	✓/✘	There is an Information Security Policy but no separate Cyber Security Policy.	Guidance should be circulated to staff to raise awareness of the requirement to disclose conflicts of interest and gifts and

FRAUD RISK ASSESSMENT

	<p>strategy. As a minimum the framework includes:</p> <ul style="list-style-type: none"> - Counter fraud policy - Whistleblowing policy - Anti-money laundering policy - Anti-bribery policy - Anti-corruption policy - Gifts and hospitality policy and register - Pecuniary interest and conflicts of interest policies and register - Codes of conduct and ethics - Information security policy - Cyber security policy 		<p>Policies have all been reviewed within the last 3 years.</p> <p>There are no specific policies on conflict of interest and gift and hospitality as they are included in the Code of Conduct.</p> <p>However, it is noted that the Counter Fraud Policy on the Intranet date back in 2009. It should be updated with the 2015 version.</p>	<p>hospitality, as set out in the Council's Code of Conduct.</p>
E2.	<p>Plans and operations are aligned to the strategy and contribute to the achievement of the organisation's overall goal of maintaining resilience to fraud and corruption</p>	✘	<p>None identified.</p>	<p>See previous comments re strategy</p>
E3.	<p>Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing</p>	✓	<p>The Council participates in the data matching exercises of the National Fraud Initiatives and in the Pan Essex Compliance and Counter Fraud Scheme.</p>	
E4.	<p>Providing for independent assurance over fraud risk management, strategy and</p>	✓	<p>Days within the internal audit plan provide independent assurance over fraud risk</p>	

FRAUD RISK ASSESSMENT

	activities		management.	
E5.	<p>There is a report to the governing body at least annually on performance against the counter fraud strategy and the effectiveness of the strategy from the lead person(s) designated in the strategy. Conclusions are featured in the annual governance report.</p> <p>The Code states one of the following statements should be approved by the governing body and signed by the person responsible for signing the annual governance report:</p> <p>Statement 1: Having considered all the principles, I am satisfied that the organisation has adopted a response that it appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud</p> <p>OR</p> <p>Statement 2: Having considered all the principles, I am satisfied that, subject to the actions identified below, the organisation has adopted a response that it appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud</p>	✓	Within the 2017/18 annual governance statement.	

FRAUD RISK ASSESSMENT

APPENDIX IV - FIGHTING FRAUD LOCALLY: SELF ASSESSED FRAUD RESILIENCE QUESTIONNAIRE

#	QUESTION	✓/✗	EVALUATION	AREAS TO CONSIDER
1.	The Council has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members	✓	This assessment is undertaken.	See Recommendation 1.
2.	The Council has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks	✓	This assessment is undertaken.	
3.	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2016 and this checklist	✓	This assessment is undertaken.	
4.	There is a Counter fraud and corruption strategy applying to all aspects of the Council's business, this has been communicated throughout the Local Authority and acknowledged by those charged with governance	✓/✗	<p>There is a version from 2009 on the intranet. However, while reviewing the Audit Committee minutes, we noted that the document is renamed as a policy and was last reviewed in 2015.</p> <p>The Council have a Making a Referral procedure which is also available on the staff intranet. The policy has information on how to report suspected fraudulent activity.</p>	<p>The policy should be updated to reflect the current configuration of the Council's counter fraud team, which has changed since the last restructure.</p> <p>There should be a section on the responsibilities of employees. It should be stated that staff who are involved in or manage internal control systems should receive adequate training and support to carry out their duties. It should be</p>

FRAUD RISK ASSESSMENT

			We found the existence, content and location of the policy was generally not well understood by staff interviewed for this assessment.	<p>explained that if an employee suspects fraud has taken place they should ensure they report their concerns in accordance with the methods described.</p> <p>The policy should be actively cascaded and advertised to all staff groups.</p> <p>The policy needs a clearer introductory statement of intent that articulates a zero-tolerance approach to wrongdoing.</p>
5.	There are arrangements in place designed to promote and ensure probity and propriety in the conduct of business	✓/✗	Code of conduct details the expected behaviours of employee. However, during our interview, we noted that fraud awareness training is only limited to induction (with the exception of Human Resources).	See C3 Appx III
6.	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process	✗	None identified. Those involved in conducting or reviewing procurement processes has also raised concerns that they are unsure how to report any concerns that may arise.	Fraud and corruption risks should be assessed. Those involved in conducting or reviewing procurement processes should be given training on how to report any concerns that may arise.
7.	Counter Fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to Committee	✗	Discussion with Corporate Counter Fraud Team noted that this is not the case.	Counter Fraud staff should be consulted in order to fraud-proof new policies, strategies and initiatives across departments.
8.	Successful cases of proven fraud / corruption are routinely publicised to raise awareness	✓/✗	Only successful prosecutions are publicised.	The Council should publicise all fraud and corruption cases internally and externally.

FRAUD RISK ASSESSMENT

9.	<p>The Council has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee</p>	✓/✗	<p>Our interview with staff noted that overall there is a relatively strong control in place.</p> <p>Internal Audit reviewed selected areas as part of its annual audit plan. The audits will provide assurance over the control design and operating effectiveness of specific areas. They are reported to the Audit Committee.</p> <p>The Council has recently carried out a one-off spending analysis in to identify whether there have been any breaches against procurement rules. This should become a regular exercise.</p>	<p>The Council should regularly carry out spending analysis exercise to identify whether there have been any breaches against procurement rules.</p>
10.	<p>The Council has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> - Codes of conduct including behaviour for counter fraud, anti-bribery and corruption - Register of Interests - Register of Gifts and Hospitality 	✓/✗	<p>All staff were required to sign that they had read and agreed to the Code of Conduct in 2018. This Code of Conduct includes a number of areas such as gifts and hospitality, personal use, use of financial resources and fraud.</p> <p>However, our discussion with staff noted that the need to report interests and gifts and hospitality are not publicised sufficiently which could lead to under reporting.</p> <p>It is best practice for the chief officer or equivalent to make a statement in support</p>	<p>The Council make a statement in support of anti-bribery initiatives which should be published on the organisation's website</p>

FRAUD RISK ASSESSMENT

			of anti-bribery initiatives which should be published on the organisation's website; at present this does not happen.	
11.	The local authority undertakes recruitment vetting of staff prior to employment by risks assessing posts and undertaking checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed	✓/✘	<p>A number of HR and expenses risks were identified</p> <p><u>Human Resources/Payroll</u></p> <ul style="list-style-type: none"> • Disclosure and Barring Service (DBS) checks should be reviewed every three years. There is no consistent approach to ensure that this happens, although HR is leading a project into how regular checking could be implemented. • Timecards do not include a Counter fraud declaration to be signed by the staff member and authoriser. • Expense forms do not include a Counter fraud declaration to be signed by the staff member and the authoriser. • There is no regular audit of expenses claims. • It is best practice that the Council should seek the necessary references to validate a minimum 	<p>Disclosure and Barring Service (DBS) checks should be reviewed every three years.</p> <p>Timecards and expense forms should include a Counter fraud declaration to be signed by the staff member and authoriser.</p> <p>Expense claims should be subject to regular audit to ensure these are valid and appropriate in line with policy.</p> <p>Recruitment procedures should be revised to ensure references are required to validate a minimum period of three consecutive years of continuous employment or training immediately prior to job application</p>

FRAUD RISK ASSESSMENT

		<p>period of three consecutive years of continuous employment or training immediately prior to job application. The Council seeks only two references from the applicant's previous two employers, which might not necessarily cover a three-year period.</p> <ul style="list-style-type: none"> • If an applicant has declared they have spent a continuous or cumulative period of six months or more living or working overseas in the last five years prior to them making their job application, it is best practice that the Council require them to obtain an overseas police certificate from the relevant country/or countries. This currently does not take place. <p><u>Councillors' Expenses</u></p> <p>There is no specific limit on Councillor expenses (with the exception of mileage which is set at the statutory rate) however it was recommended to the Finance and Corporate Services Committee on 29 January 2019 by the Independent Members Remuneration Panel (IMRP) (the Panel), that a Members' Mileage and Expenses Policy be introduced. The purpose of such a policy will be to give transparency to the</p>	<p>Where an applicant has declared they have spent a continuous or cumulative period of six months or more living or working overseas in the last five years prior to them making their job application, the Council should require them to obtain an overseas police certificate from the relevant country/or countries.</p>
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FRAUD RISK ASSESSMENT

			type and level of expense payments funded from the public purse and could also provide an opportunity to bring clarity to the range of activities which Members are expected to undertake in pursuance of their role.	
12.	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	✓/✗	See 10.	
13.	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	✗	None identified.	A programme of work should be established to ensure a strong and consistent counter fraud culture is established across all Council departments.
14.	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure	✓	Yes	
15.	Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	✓/✗	Discussion noted that contractors and third parties do not physically sign up to the whistleblowing policy. Review of the start checklist noted that only GDPR e-learning and the following policies are sent: <ul style="list-style-type: none"> • Health and Safety • Safeguarding • Constitution • Lone Working Policies It is noted the terms and conditions	

FRAUD RISK ASSESSMENT

			referred to the Code of Conduct, which refers to the Whistleblowing Policy	
16.	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced	✘	None identified.	See Recommendation 1.
17.	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. The plan covers all areas of the Council's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	✘	None identified.	The Council should develop an Annual Fraud Plan.
18.	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes	✓/✘	Discussion with the Corporate Fraud Team reports the total number of planning enforcement to the relevant area committee.	Statistics should be reported by the fraud team which cover all areas of activity and outcomes.
19.	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	✓	Discussion with staff noted that they have been granted unhindered access to its employees, information and other resources as required for investigation purposes.	
20.	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the Council's communication team	✘	None identified.	The communications team should be informed when fraud and corruption cases have come to an agreed outcome to facilitate publication of all fraud and corruption cases internally and externally.

FRAUD RISK ASSESSMENT

21.	All allegations of fraud and corruption are risk assessed	✘	None identified.	As per Recommendation 1.
22.	The fraud and corruption response plan covers all areas of counter fraud work: <ul style="list-style-type: none"> - Prevention - Detection - Investigation - Sanctions - redress 	✘	None identified.	As per Recommendation 1.
23.	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	✘	See 22.	
24.	Asset recovery and civil recovery is considered in all cases	✓	This is stated in the strategy and discussion with staff in the Corporate Counter Fraud Team and Housing Revenue confirmed that is the approach taken.	
25.	There is a zero tolerance approach to fraud and corruption which is always reported to committee	✓	Planning enforcement cases are reported to the area committees.	
26.	There is a programme of proactive counter fraud work which covers risks identified in assessment.	✘	None identified. There is no specific training for the Procurement Team over the associated fraud, bribery and corruption risks and of the deterrence, prevention and detection action required. Awareness training, for example values and culture, avoiding conflicts of interest situations and helping to prevent bribery, is also not	Training should be provided to the Procurement Team over the associated fraud, bribery and corruption risks and of the deterrence, prevention and detection action required. Awareness training, for example values and culture, avoiding conflicts of interest situations and helping to prevent bribery, should also be

FRAUD RISK ASSESSMENT

			available.	provided.
27.	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity	✓	Housing Revenue works with DWP and other local Essex councils. Involvement in WEISF and NFI.	
28.	The Council shares data across its own departments and between other enforcement agencies.	✓	The Council participates in Pan Essex Compliance and Counter Fraud Scheme and the WEISF and NFI.	
29.	Prevention measures and projects are undertaken using data analytics where possible	✗	Prevention measures were not identified at the time of audit.	
30.	The Council actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it	✓	Yes	
31.	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work, they too must be trained in this area	✓	Yes	
32.	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas	✓	Yes	
33.	The counter fraud team has access (through partnership / other local authorities / or funds to buy in) specialist staff for: <ul style="list-style-type: none"> - Surveillance 	✓	Discussion with staff noted that the Council utilises OneSource for HR investigation and has access to RSM for other investigation.	

FRAUD RISK ASSESSMENT

	<ul style="list-style-type: none"> - Computer forensics - Asset recovery - Financial investigations 			
34.	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems	✓	Discussion with staff noted that this is the expected practice but there is no follow up to confirm whether this is the case.	

FOR MORE INFORMATION:

Greg Rubins

Greg.Rubins@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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170. INTERNAL AUDIT FRAUD RISK ASSESSMENT- ADVISORY REPORT - MARCH 2019

The Committee considered the advisory report to carry out a Fraud Risk Assessment as requested by the Director of Resources, covering the period November 2018 to January 2019.

Before asking the Head of Internal Audit, Greg Rubins, to comment on findings the Director of Resources provided the background to this report. She informed the Committee that in 2015 Central Government decided to centralise all benefit fraud investigation work, however, this Council decided to retain their own fraud resource with an allocated budget. The result was a combined corporate fraud and planning enforcement resource.

In 2017 the Director of Resources asked for a review to take place, specifically requested by the section 151 Officer, as there were concerns regarding the resource and whether it was focussed on corporate fraud or planning enforcement. The report found that the Council was not doing counter fraud work as the resources were focussed on planning enforcement cases.

Mr Rubins then addressed the report and advised that for best practice purposes BDO had assessed the Council against the Chartered Institute of Public Finance & Accountancy (CIPFA) guidance on counter fraud. He said he had seen both private and public sector organisations adversely impacted by corporate fraud. Furthermore, when going through transformation, there was an increased risk of fraud therefore close control over potential fraud was important. Whilst there was a basic framework in place and the fraud team was both experienced and knowledgeable, resources were inconsistently applied.

Assessment findings demonstrated a need to develop counter fraud resource by putting together a proper risk-based plan, a training plan for both Officers and Members, updated policies and strategies with resources applied to wider areas including procurement, HR and Finance. Alongside these measures regular reporting to Audit Committee on actions taken was crucial. He advised that once investment in this area occurs the Council may see an initial increase in reporting fraud and that this was quite normal as previously staff may not have been aware of fraud or what constituted fraud.

The Director of Resources advised the Committee that, from the outset, the Future Model had a resourced built-in activity to cover this area of work through either staff appointment or external contactor. She said that the review had shown how valuable counter fraud work can be to an organisation as it raised awareness / reporting and shone a light on fraud, which by its nature was hidden.

The chairman put the recommendations to the Committee and they were agreed.

RESOLVED

- (i) That Members reviewed the information as set out in this report and appendix 1 and their views and comments were sought;
- (ii) That it was recommended that the Finance and Corporate Services Committee receive and consider the findings of the Internal Audit Fraud Risk Assessment – Advisory Report – March 2019.

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REPORT of INTERIM SECTION 151 OFFICER

to
**FINANCE AND CORPORATE SERVICES COMMITTEE
24 SEPTEMBER 2019**

FINANCIAL OUTTURN 2018 / 19

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee the indicative outturn position for the year ended 31 March 2019.
- 1.2 To inform Members of movements in relation to the Council's General Fund / Earmarked Reserves and Capital Commitments as at 31 March 2019.

2. RECOMMENDATIONS

- (i) That the outturn position for the 2018 / 19 financial year be noted;
- (ii) That the movement in earmarked reserves in **APPENDIX 2** be reviewed and noted;
- (iii) That Revenue commitments in **APPENDIX 3** be approved to be brought forward to 2019/20;
- (iv) That the Capital commitment roll forwards into 2019/20 be approved.

3. SUMMARY OF KEY ISSUES

3.1 Performance against the net revenue budget

3.1.1 Outturn position

3.1.1.1 The Draft Statement of Accounts is currently being prepared. These are still subject to finalisation and audit by the external auditors, and therefore figures may be subject to change.

3.1.1.2 The revised 2018 / 19 estimates of the Net Cost of Services is £12,035,000. The table overleaf provides an overview of the outturn position for 2018 / 19, comparing the estimated actual controllable expenditure and income to the revised budget estimates:

General Fund Revenue Account	2018/19 Original Budget	2018/19 Revised Budget	2018/19 Actual Expenditure	Variance Actual to Revised Budget
	£000	£000	£000	£000
Expenditure by Directorate:				
Chief Executive	1,045	2,706	1,988	718
Resources Directorate	2,770	3,125	3,225	(100)
Customers and Community Directorate	3,525	3,963	3,088	875
Planning and Regulatory Directorate	2,175	2,241	2,065	176
Net Cost of Services by Directorate	9,515	12,035	10,367	1,669
Central Items:				
Investment, Trading & Rental Income	(228)	(270)	(458)	188
Statutory Adjustments	(1,335)	(2,348)	(1,840)	(508)
General Grants & Other Income	(455)	(505)	(871)	366
Business Rates Renewable Energy	(704)	(432)	(719)	-
Parish Precepts	1,436	1,436	1,436	0
Contribution To/(From) Earmarked Reserves	228	(1,511)	(932)	(579)
Net Revenue Expenditure	8,457	8,406	6,983	1,136
Financed by:				
Council Tax Receipts	(6,104)	(6,104)	(6,104)	-
Revenue Support Grant	-	-	-	-
Business Rate Income	(2,123)	(2,121)	(1,804)	(30)
Council Tax (Surplu)/Deficit	(159)	(159)	(159)	-
Business Rates (Surplus)/Deficit	(71)	(71)	(71)	-
Collection Fund Adjustments		-	(390)	390
Total Financing	(8,457)	(8,455)	(8,528)	360
Contribution To/(From) General Fund Balances	-	(50)	(1,545)	1,495

3.1.1.3 This shows an indicative underspend of £1,545,000

3.1.1.4 Taking the above into consideration, the indicative Net General Fund Position at 31 March 2019 is £4,728,000. The prior year's balance was £3,227,000 therefore the year end outturn was a £1,495,000 contribution to General Fund Reserves.

3.2 Salaries

3.2.1 **APPENDIX 1** provides details of the salary budgets and actual expenditure as at the end of the 2018 / 19 financial year. This shows an underspend of £192,061 against a revised budget of £7,126,100.

3.2.2 The underspend relates to a number of vacancies during 2018/19, the largest savings are in the Planning and Regulatory Directorate which have had vacancies within Housing Services and Development Control.

3.3 Major Sources of Income

3.3.1 The Council is dependent upon a number of large income sources in order to balance the budget. The table below details the main income budgets and income received for the 2018 / 19 financial year.

Budget Heading	2018 / 19 Budget £	2018 / 19 Actual £	2018 / 19 Variance £	2017 / 18 Actual £
Land Charges	121,900	109,744	12,156	115,100
Planning Development Fees	763,000	683,700	79,300	506,837
Pre-Application Advice	63,700	54,750	8,950	69,382
Building Control	135,300	130,531	4,769	149,696
Investment Income	278,800	291,867	(13,067)	237,138
Town Centre Car Parks	704,300	688,487	15,813	700,804
Prom Car Parks	380,000	387,751	(7,751)	371,034
Splash Park	127,000	127,738	(738)	94,955
TOTAL	2,574,000	2,474,568	99,432	2,244,946

3.3.2 Actual income has fallen below budgeted estimations by £99,432 (equivalent to 3.86%). This is largely due to a significant drop in Development Control income, major planning applications that had been budgeted for but have not yet commenced planning proceedings.

3.3.3 Under the Business Rate Retention scheme, the Council is able to retain 100% of business rates sourced from Renewable Energy; in 2018 / 19 this income totalled £719,513.

3.4 Movement in Earmarked Reserves

3.4.1 Indicative Earmarked Reserves balances as at 31 March 2019 are £2,559,000.

3.4.2 **APPENDIX 2** provides information in relation to the purposes of the various Earmarked Reserves and the movements in 2018 / 19.

3.4.3 During the 2018/19 financial year, the main use of Earmarked Reserves has been to fund the previous year's identified committed expenditure.

3.4.4 Revenue commitments as at 31 March 2019 total £326,046. This reserve recognises that there are timing differences between monies being earmarked to fund expenditure from the annual revenue budget and the expenditure being incurred. **APPENDIX 3** provides information on Commitments and seeks members approval for these to be carried forward into 2019/20.

3.5 Capital Commitments

3.5.1 The Council's approved capital programme was £1,722,000 in 2018 / 19. This includes the prior year programme roll forwards, and supplementary estimates. The largest projects in the year related to Car park machines at the Prom and Town Centre and the Future Model I.T project.

3.5.2 As at 31 March 2019, a number of capital projects were still on-going and the following budget amounts were requested to be carried over into 2019 / 20:

Capital Project	2018/19 Budget £	2018 / 19 Expenditure £	2018/19 Balance £	Amount requested to carry forward £
All weather Car Parking	98,200	79,049	19,151	19,100
New Accessible play site	48,000	5,000	43,000	43,000
Riverside Park Information boards	20,000	8,864	11,136	11,100
Rangers new vehicle	9,200	0	9,200	9,200
Tip Road Resurfacing	80,000	0	80,000	80,000
Heybridge Cemetery Chapel roof	24,000	0	24,000	24,000
Splash Park New Elements	10,000	0	10,000	10,000
CCTV Burnham-on-Crouch, BHF, WMCC	30,000	0	30,000	30,000
CCTV High Street and Car park system upgrade 16/17	30,000	0	30,000	30,000
CCTV Prom upgrade 16/18	9,000	0	9,000	9,000
Car Park Machines - Prom & Town Centre	115,000	3,766	111,234	111,200
Email replacement Upgrade	17,500	0	17,500	17,500
I.T Future model	732,000	288,412	443,588	443,600
Total	1,222,900	385,091	837,809	837,700

4. CONCLUSIONS

4.1 Income and expenditure levels came in under the revised budget. This was as a result of salary savings, goods and services underspends and improved income and contributions.

4.2 The net outturn position will support the Medium Term Financial Strategy (MTFS) positively however, the future shape and basis of the system of local government finance continues to be uncertain over the term of the MTFS.

4.3 A number of capital projects have been completed in year, however, some projects were unable to be completed by 31 March 2019 and budgets have therefore been committed at year end accordingly.

5. IMPACT ON CORPORATE GOALS

5.1 This report links to the corporate goal of ‘delivering good quality, cost effective and valued services’.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risks** – There is a Corporate risk on the delivery of a balanced budget. The actual outturn position is in line with the approved budget approved by the Council in January 2019, therefore no impact on the risk.
- (iv) **Impact on Resources (financial)** – The net outturn position is in line with the budget forecast therefore the financial impact is in line with the medium term financial strategy.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Kamal Mehta, Interim Section 151 Officer, (Tel: 01621 875789).

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	Cost Centre	Original Budget	Revised Budget	Actual	(Saving) / Overspend
		2018/19	2018/19	2018/19	(Actual to revised)
	Chief Executive				
101	Corporate Core	573,700	530,900	522,002	(8,898)
	Service Area Total	573,700	530,900	522,002	(8,898)
	Resources Directorate				
102	Election Management	92,800	79,900	79,385	(515)
103	Policy & Comms	206,200	197,100	192,659	(4,441)
105	Human Resources	170,400	175,500	173,774	(1,726)
106	Apprentices	21,800	11,000	6,268	(4,732)
108	Committee Services	303,000	268,500	275,521	7,021
109	General Office Support	42,100	21,300	21,316	16
113	Finance	361,000	297,100	286,841	(10,259)
119	ICT Services	395,100	335,000	335,595	595
121	Council Offices	185,800	220,700	221,881	1,181
	Service Area Total	1,778,200	1,606,100	1,593,240	(12,860)
	Customer & Communities Directorate				
110	Customer Contact Centre	373,900	365,000	359,438	(5,562)
114	Revenues & Benefits	945,100	848,000	816,959	(31,041)
118	Leisure and Countryside Management	286,900	222,800	226,242	3,442
133	Environmental Waste	172,500	177,500	165,077	(12,423)
141	Parks Operational	526,600	510,400	505,706	(4,694)
153	Community Rangers	341,200	339,600	335,890	(3,710)
	Service Area Total	2,646,200	2,463,300	2,409,312	(53,988)
	Planning Services Directorate				
132	Environmental Health	463,200	461,800	456,887	(4,913)
134	Housing	569,300	516,800	481,146	(35,654)
163	Enforcement	209,700	168,000	162,948	(5,052)
164	Economic Development	134,000	132,300	120,142	(12,158)
165	Planning Policy Services	398,400	339,300	320,818	(18,482)
166	Planning Admin Services	268,500	247,400	247,079	(321)
167	Development Control	598,300	556,300	516,467	(39,833)
168	Building Control	203,700	103,900	103,998	98
	Service Area Total	2,845,100	2,525,800	2,409,485	(116,315)
	TOTAL	7,843,200	7,126,100	6,934,039	(192,061)

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Earmarked Revenue Reserve	Balance	Transfers (from) revenue	Transfers to revenue	Balance
	31-Mar-18	2018/19	2018/19	31-Mar-19
	£000	£000	£000	£000
Transformation	1,713		961	752
Community grants	1		-	1
Community Sports Network	8		-	8
Heritage projects	8		-	8
Insurance liability	60		8	52
Repairs & renewals fund	225	(17)	39	203
Revenue commitments	134	(319)	126	327
review	235		9	226
Business Continuity	10		-	10
Sports Development	13	(6)	7	12
Community Safety	81	(3)	8	76
Economic Development	91	(5)	70	26
Electoral Registration	20	(10)		30
Neighbourhood Plan Applications	29		-	29
Waste Contract Implementation	25		10	15
FDO external funding from Plume	3		2	1
Homeless reduction Act Grant	30		12	18
Business Rates equalisation	533			533
Pensions Reserve	116			116
Community Housing Fund Grant	156		40	116
Total Specific Reserves	3,491	(360)	1,292	2,559

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Revenue Commitments

Revenue Budget	2018/19 Budget	2018/19 Expenditure	2018/19 Balance	Amount requested to carry forward
	£	£	£	£
Temp Finance resource	17,700.00	-	17,700.00	17,700.00
Temp Caseworker resource	16,600.00	-	16,600.00	16,600.00
Additional staff hours	555,700.00	522,002.00	33,698.00	27,300.00
Donation to the dengie defibrillator - PC	6,400.00	2,310.00	4,090.00	100.00
Temp HR resource	76,000.00	-	76,000.00	76,000.00
Balance of Savings Tracker budget to be c/f	14,700.00	-	14,700.00	35,000.00
DWP New burdens funding	31,800.00	-	31,800.00	31,800.00
Rivers Dredging project	20,000.00	-	20,000.00	20,000.00
Car Parks General parks Maintenance	26,100.00	9,277.90	16,822.10	16,800.00
Promotion/education of mdc guide	12,000.00	9,415.00	2,585.00	1,200.00
Promotion / education	15,100.00	13,134.00	1,966.00	2,000.00
Legal fees	98,000.00	10,000.00	88,000.00	10,000.00
Air Quality	25,300.00	3,040.49	22,259.51	20,000.00
Energy efficiency costs	2,900.00	-	2,900.00	2,100.00
Valuations - Misc	6,000.00	3,750.00	2,250.00	2,250.00
Contract Technical services	14,000.00	10,274.56	3,725.44	1,100.00
Planned Reps/Maint	11,500.00	6,575.92	4,924.08	2,896.00
Bio Diversity Consultancy	4,000.00	-	4,000.00	4,000.00
Tree Surgery	42,700.00	26,061.00	16,639.00	16,600.00
Cyber Resilience programme	5,500.00	-	5,500.00	5,500.00
Parks improvement fund	10,100.00	-	10,100.00	10,100.00
Flood Management study	8,000.00	0	8,000.00	7,000.00
			-	
Total	1,020,100.00	615,840.87	404,259.13	326,046.00

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REPORT of INTERIM SECTION 151 OFFICER

**to
FINANCE AND CORPORATE SERVICES COMMITTEE
29 AUGUST 2019**

BUDGETARY CONTROL (APRIL – JULY 2019)

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with information in relation to financial performance over the period 1 April 2019 to 31 July 2019.

2. RECOMMENDATION

That Members review and comment on the contents of this report.

3. SUMMARY OF KEY ISSUES

This report is for Members' information only.

3.1 Revenue Budgets

- 3.1.1 **APPENDIX 1** shows both the actual variance to profiled budget and % variance to annual controllable budget on a cost centre basis. Where budgets are not in line with expectation, variances relate to annual payments such as leases and grants that will not follow any profiling; or demand led budgets such as maintenance. The following areas are currently demonstrating significant variances against the annual controllable budgets or the profiled budgets:

- Budget Value – The current year annual budget amount, as approved by the Council on 14 February 2019; this figure will include any adjustments to budget levels such as virements movements or supplementary estimates which have been approved, since 1 April 2019.
- Profiled Budget – The expected budgets pend after four months of the financial year.
- Outturn year to date – The actual expenditure or income from 1 April 2019 to 31 July 2019. This equates to Quarter One (Q1) plus one month of Quarter Two (Q2).
- Variance to profiled budget – This shows the difference between the profiled budget amount and the outturn to date.
- Outturn as % of budget – This shows the outturn as a percentage of the current budget.

- 3.1.2 The report provides information for the first quarter of the 2019/20 financial year; if expenditure or income are utilised or received evenly throughout the year, we would expect outturn to be 33% of the annual budget. However, budgets have been reprofiled for key items to reflect the expected income/expenditure.

Resources Directorate

- Corporate core is overspent due to the costs of recruitment of senior posts.
- Committee Services have received additional income from court costs relating to legal appeal hearings.
- I.T. services budgets are higher than profile due to software maintenance charges being paid in Q1 for the year.
- Council Offices are £22,000 overspent due to demand led budgets, such as utility bills and responsive maintenance paid in Q1 for the year.
- Internal Audit payments are made at the end of each quarter not monthly, the next payment for Q2 will be due in September.
- Springfield industrial estate income is higher than profile due to Q2 invoices going out in early July.
- Election management was higher than profile due to all expenditure being in May when the elections took place.

Service Delivery Directorate

- Administration grants relating to Business rates, housing benefit and council tax are one off annual payments.
- As at 31 July 2019, the Rent Allowances Subsidy payments received from the government are based on an initial estimated expenditure submitted at the beginning of the financial year. The actual expenditure is below that estimated initially due to the effect of the full rollout of the Universal Credit in the District and therefore the excess income will be repaid back to the government. This is why the Housing Services line in Appendix 2 is showing an underspend.
- River income is higher than profile due to Q2 invoices going out in early July.
- Cemeteries grave digging invoices are still to be paid, meaning income is showing higher than profile.
- Highway Rangers have still to invoice Essex County Council (ECC) for Q1, this will offset the expenditure.
- Parks events income is higher than profile due to a successful car show event.
- Maldon Promenade Income is considered in section 3.2.3 below.

Strategy Performance and Governance Directorate

- Temporary Events and Personal licences and taxi and hire licences income has been received in Q1. Invoices for the cost of consultancy have yet to be received.

- Homelessness grant received at the start of the year, expenditure will be incurred over the duration of the year.

3.2 Key Areas of Note

3.2.1 Vacancy Savings

3.2.1.1 Current salary and temporary staff expenditure for the period totals £2,184,964 (representing 28.85%) of the current budget of £7,572,400.

3.2.1.2 **APPENDIX 2** shows that there is currently an £451,959 underspend. This variance relates to the ongoing implementation of the Future Model and the associated transformation programme in roles to reach the final structure. The appendices attached have been reported half year in the old structure and half year in the new structure.

3.2.2 Agency Expenditure

3.2.2.1 Over the period to 31 July 2019, the total costs of Agency staff that have been included within the salary variances above are as follows:

Service	Expenditure to 31 July 2019 (£)
Committee Services	4,538
Development Control	5,968
HR	30,845
Finance	37,924
Housing	10,162
Parks	462
TOTAL	89,899

3.2.2.2 As previously agreed with members, more detail on agency expenditure will be provided within the HR statistics report.

3.2.3 Major Sources of Income

3.2.3.1 The Council is dependent on income from fees and charges to balance the budget. The table below details the main income budgets and income received for the period to 31 July 2019 and the comparative information for the same period in 2018 / 19:

Area of Income	Current Budget £	2019/20 Income to 31 July £	% of Current Budget	Projected Outturn	2018 / 19 Income to 31 July £
Land Charges	121,900	36,880	30.25	122,300	40,839
Planning Development Fees	733,600	151,146	20.60	733,600	230,598
Pre-Application Advice	44,200	8,591	19.44	44,200	22,750
Planning Performance Agreements	102,000	0	0.00	102,000	449

Area of Income	Current Budget £	2019/20 Income to 31 July £	% of Current Budget	Projected Outturn	2018 / 19 Income to 31 July £
Building Control	140,700	33,950	24.13	140,700	50,729
Cemeteries	97,300	34,044	34.99	97,300	39,628
Investment Income	245,000	62,997	25.71	245,000	13,698
Town Centre Car Parks	704,300	251,975	35.78	704,300	228,915
Prom Car Parks	382,200	169,259	44.29	382,200	192,204
Splash Park	110,000	51,205	46.55	110,000	78,234
TOTAL	2,681,200	800,047	29.84	2,681,600	898,044

3.2.3.2 Key headlines are:

- Overall, 29.84% of the expected annual income has been received.
- Of these, the splash park and prom car parks are seasonal, and therefore income would be expected to be exceeding 33%.
- Cemeteries income is exceeding budget; however, this cannot be predicted, therefore the projected outturn has been marginally increased.
- The projected outturn for planning income reflects the position with the inherent risk that continues at the levels to date.
- Planning Performance agreements are not meeting budget; it is expected that this income will be received in the financial year, therefore the projected outturn has not been amended.

3.3 Capital Projects

3.3.1 **APPENDIX 3** provides details of the capital projects for the 2019/20 financial year.

3.3.2 As part of the 2019/20 budget process, the capital programme was reviewed and approved. The total programme to be carried out in 2019/20 totalled £701,000.

3.3.3 Eight Capital projects totalling £837,700 have been carried forward from 2018 / 19 into the 2019/20 programme, as they were on-going or were committed to at year end but had yet to start, increasing the total programme to £1,538,700.

3.3.4 Total expenditure for the period to 31 July was £480,329 this reflects 31% of the overall 2019/20 capital budget of £1,538,700.

3.3.5 All projects are anticipated to be completed in 2019/20 and officers will continue to monitor progress.

4. CONCLUSION

4.1 There are currently no significant concerns over financial performance to budget. Income is performing as expected with the caveat of the inherent risks in development control fees and income from seasonal activities that may be affected by unseasonal

weather conditions during the summer holiday period and expenditure variances are relating to timing of transactions and works.

- 4.2 Capital projects are progressing, and the programme at this stage in the financial year is expected to be completed within this financial year.

5. IMPACT ON CORPORATE GOALS

- 5.1 This report links to the corporate goal of ‘delivering good quality, cost effective and valued services’.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – There are no corporate risk issues associated with this report.
- (iv) **Impact on Resources (financial)** – Variances from the budget will impact upon the level of balances and/or capital reserves available in the future.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Kamal Mehta, Interim Section 151 Officer, (Tel: 01621 875789).

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	<u>Budget Value</u>	<u>Profiled budget</u>	<u>Outturn Year to Date</u>	<u>Variance to profiled budget</u>	<u>Outturn as % of full Budget.</u>
Service Management & Support services	9,954,796	3,318,265	2,492,050	(826,215)	25%
Central Services - Corporate & Democratic Core	525,100	175,033	72,351	(102,682)	14%
Central Services to the Public	(144,900)	(48,300)	81,615	129,915	-56%
Sport	(37,200)	(12,400)	(117,248)	(104,848)	315%
Community Centres	35,800	11,933	9,535	(2,398)	27%
Parks & Open spaces	(245,300)	(81,767)	(270,967)	(189,200)	110%
Heritage	7,900	2,633	480	(2,153)	6%
Rivers	(130,800)	(43,600)	(46,093)	(2,493)	35%
Tourism	133,600	44,533	52,406	7,873	39%
Environmental Services	1,786,200	595,400	(33,305)	(628,705)	-2%
Plannng & Development	(788,300)	(262,767)	(302,244)	(39,478)	38%
Highways Roads & Transport	(567,500)	(189,167)	(124,647)	64,519	22%
Housing Services	(106,500)	(35,500)	(640,287)	(604,787)	601%
Other Services	(31,100)	(10,367)	(5,529)	4,838	18%
TOTAL	10,391,796	3,463,932	1,168,116	(2,295,816)	11%

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Cost Centre	Budget 2019 / 20	Profile 31st July 2019	Actual 2019 / 20	(Saving) / Overspend 2019 / 20
<u>Resources Directorate</u>				
Resources	1,798,400	599,467	444,676	(154,791)
Apprentices	-	0	2,501	2,501
Service Area Total	1,798,400	599,467	447,177	(152,290)
<u>Customer and Communities Directorate</u>				
Customer Contact Centre	151,100	86,343	89,572	3,229
Revenues & Benefits	414,800	237,029	238,190	1,161
Leisure and Countryside Management	96,400	55,086	62,478	7,392
Environmental Waste	27,000	15,429	8,956	(6,473)
Parks Operational	273,800	156,457	164,329	7,872
Community Rangers	174,900	99,943	111,587	11,644
Maldon TIC	60,100	34,343	26,385	(7,958)
Burnham TIC	14,000	8,000	-	(8,000)
Highway Rangers	28,800	16,457	9,596	(6,861)
Community Safety	35,600	20,343	7,166	(13,177)
Service Area Total	1,276,500	729,429	718,259	(11,170)
<u>Planning Services Directorate</u>				
Environmental Health	213,900	122,229	127,516	5,287
Housing	238,700	136,400	133,407	(2,993)
Enforcement	105,100	60,057	59,582	(475)
Economic Development	28,400	16,229	16,775	546
Planning Policy Services	39,100	22,343	15,705	(6,638)
Planning Admin Services	113,000	64,571	64,686	115
Development Control	269,100	153,771	123,508	(30,263)
Building Control	62,700	35,829	41,757	5,928
Service Area Total	1,070,000	611,429	582,936	(28,493)
Service Delivery	2,546,200	402,832	218,067	(184,765)
Strategy & Performance	881,300	293,767	218,525	(75,241)
Service Area Total	3,427,500	696,599	436,592	(260,006)
Total	7,572,400	2,636,922	2,184,964	(451,959)

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Capital Programme 2019/20	2018/19 (£000)	2019/20 (£000)	Supp. Estimates & Virements	Total Budget (£000)	Expenditure to 31st July 2019 (£000)	Project Status	Due start date	Due completion date	Narrative - July Update	Responsible Officer - Job Title	Likely to be Spent in 2019/20
Vehicle & Plant Replacement											
Replace 3 mowers - two ride on and one tractor mounted - to continue grounds maintenance functions within Parks & Open Spaces. 1x Hustler Fastrak SDX Super duty 48" 1 x Hustler Super Z Diesel 60" 1 x Trimax Pegasus		42		42	81	Not started		Aug-19	All items collected, Invoice pending payment	Countryside and Coast Manager	Yes
Replacement parks team vehicle- 2 x 2004 Transit Vans		56		56	0	Not started		Aug-19	3 x second hand vehicles purchased. Current discussion with CPO team for requirement for additional vehicle, will require Virement	Countryside and Coast Manager	
Additional Tractor Mounted side arm flail		21		21	0	Not started		Aug-19	Quote received, PO pending, Item available for immediate collection and invoicing.	Countryside and Coast Manager	
New Rangers Vehicle 18/19	9.2	0		9.2	10	In progress		Jul-19	Vehicle on the road and being used daily	Senior Community Protection officer	Yes
Information & Communication Technology											
I.T Future model	444			444	99	In progress	Apr-19	Mar-20	On-going capital purchase alongside the transformation project	Director of Resources	Yes
PC and Printer Replacement Programme 18/19		35		35	0	In progress			On going purchases during the year.	Director of Resources	
Provision of Superfast broadband		45		45	0	Not started			This is a contribution to be paid to ECC during the year.	Director of Resources	
E-Mail replacement - Upgrade of Exchange and Enterprise Vault	17.5	0		17.5	0	In progress			Office 365 has been rolled out to all officers.	Director of Resources	
Maldon Promenade											
All weather Car Parking improvements	19	0		19	19	In progress		Aug-19	Final procurment of Bodpave plastics received, invoice still to pay	Countryside and Coast Manager	Yes
New accessible play site 18/19	43	48		91	0	In progress	Apr-19	Mar-20	Out to consultation with proposals	Countryside and Coast Manager	Yes
CCTV Upgrade Prom	9	0		9	0	Procurement process	Aug-19	Nov-19	Chelmsford City Council project delayed which has impacted on Maldon as this was a joint procurement exercise. Now intend to separate Maldon High Street system and procure via three quotes. This work has just commenced	Senior Community Protection officer	Yes
New Splash Park Elements 18/19	10	10		20	0	Not started			Quotes received totalling 26k, options being looked at regarding additional funding. A budget is in place for 10k in the 2020/21 financial year which could be moved. A separate report to memebbers will be tabled.	Countryside and Coast Manager	Yes
Tip Road 18/19	80	0		80	56	Procurement process	Apr-19	Sep-19	Physical works completed. Awaiting invoices for completion.	Countryside and Coast Manager	Yes
Parks & Open Spaces											
CCTV - B-O-C, BHF,WMCC	30	0		30	0	Procurement process	Oct-19	Nov-19	Chelmsford City Council project delayed which has impacted on Maldon as this was a joint procurement exercise. Now intend to separate Maldon High Street system and procure via three quotes. This work has just commenced		Yes
Riverside Park information boards and signage	11	0		11	0	In progress	Jul-19	Sep-19	Revised artwork received, signing off early August. Approximate delivery date beginning of September	Tourism and Events Manager	Yes
Car Parks											
		0									

Capital Programme 2019/20	2018/19 (£000)	2019/20 (£000)	Supp. Estimates & Virements	Total Budget (£000)	Expenditure to 31st July 2019 (£000)	Project Status	Due start date	Due completion date	Narrative - July Update	Responsible Officer - Job Title	Likely to be Spent in 2019/20
Car Park Machines Prom & Maldon Town Centre 18/19	111	0		111	67	In progress	May-19	Sep-19	The machines have been installed on the Prom. Planned installation at Maldon Town Centre car parks planned for the next 2 weeks	Senior Park Ranger	yes
CCTV High Street & Car Park System Upgrade	30	0		30	0	Procurement process	Aug-19	Nov-19	Chelmsford City Council project delayed which has impacted on Maldon as this was a joint procurement exercise. Now intend to separate Maldon High Street system and procure via three quotes. This work has just commenced	Senior Park Ranger	Yes
Cemeteries											
Heybridge Cemetery Chapel roof	24			24	0	Complete	Oct-18	Aug-19	works complete waiting for invoices	Countryside and Coast Manager	
Maldon Cemetery Foundation work		25		25	0	In progress	Apr-19	Nov-19	Following a structural engineers report no major foundation work will be required, some cosmetic work will be required to deal with cracks on the building but no major works required. This budget will be underspent.	Countryside and Coast Manager	
Housing											
Disabled Facility Grants		420		420	149	In progress	Apr-19	Mar-20	Grant work on-going and in line with profile	Senior Housing Officer	Yes

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