



### NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the EPPING FOREST DISTRICT COUNCIL to be held in the COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING at 7.00 pm on Tuesday 20 February 2024 for the purpose of transacting the business set out in the agenda.

A handwritten signature in blue ink, appearing to read 'G. Blakemore'.

**Georgina Blakemore**  
Chief Executive

**Democratic Services:** Gary Woodhall Tel: (01992) 564243  
Email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

#### WEBCASTING/FILMING NOTICE

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The meeting may also be otherwise filmed by third parties with the Chairman's permission.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

Therefore by entering the Chamber and using the lower public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for web casting and/or training purposes. If members of the public do not wish to have their image captured they should sit in the upper council chamber public gallery area or otherwise indicate to the Chairman before the start of the meeting.

If you have any queries regarding this, please contact the Public Relations Manager on 01992 564542.

## **BUSINESS**

### **1. WEBCASTING INTRODUCTION**

This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking. The Democratic Services Team Manager will read the following announcement:

“The Chairman would like to remind everyone present that this meeting will be broadcast live to the internet (or filmed) and will be capable of repeated viewing (or another use by such third parties).

If you are seated in the lower public seating area it is likely that the recording cameras will capture your image, and this will result in the possibility that your image will become part of the broadcast.

This may infringe your human and data protection rights and if you wish to avoid this you should move to the upper public gallery.”

### **2. APOLOGIES FOR ABSENCE**

To be announced at the meeting.

To report non-attendance before the meeting, please use the [Members Portal webpage](#) to ensure your query is properly logged.

Alternatively, you can access the Members portal from the front page of the [Council's website](#), at the bottom under 'Contact Us'.

### **3. DECLARATIONS OF INTEREST**

To declare interests in any item on the agenda.

### **4. MINUTES**

To approve as a correct record and sign the minutes of the meeting held on 19 December 2023 (to follow).

### **5. ANNOUNCEMENTS**

(a) Chairman's Announcements.

### **6. PUBLIC QUESTIONS (IF ANY)**

To answer questions asked after notice in accordance with the provisions contained within Part 4 of the Council Rules of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

(a) to the Leader of the Council;

(b) to any Portfolio Holder; or

(c) to the Chairman of the Overview and Scrutiny Committee.

Questions, if any, will follow if not received in time to be incorporated into the agenda.

## **7. QUESTIONS BY MEMBERS UNDER NOTICE**

To answer questions asked after notice in accordance with the provisions contained within the Council's rules in Part 4 of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

- (a) to the Chairman of the Council;
- (b) to the Leader of the Council;
- (c) to any Member of the Cabinet; or
- (d) the Chairman of any Committee or Sub-Committee.

The Council's rules provide that answers to questions under notice may take the form of:

- (a) direct oral answer;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

Answers to questions falling within (a) and (b) above will be made available to the member asking the question one hour before the meeting. Answers to questions falling within (c) above will be circulated to all councillors.

Questions, if any, will follow if not received in time to be incorporated into the agenda.

## **8. REPORTS FROM THE LEADER & MEMBERS OF THE CABINET (Pages 7 - 35)**

To receive reports and any announcements from the Leader and members of the Cabinet on matters falling within their area of responsibility:

- (a) Report of the Leader of Council (attached and verbal);
- (b) Report of the Place Portfolio Holder (attached);
- (c) Report of the Finance & Economic Development Portfolio Holder (attached);
- (d) Report of the Housing & Strategic Health Partnerships Portfolio Holder (attached);
- (e) Report of the Community Health & Wellbeing Portfolio Holder (attached);
- (f) Report of the Contracts, Service Delivery & Improvement Portfolio Holder (attached); and
- (g) Report of the Regulatory Services Portfolio Holder (attached).

## **9. QUESTIONS BY MEMBERS WITHOUT NOTICE**

The Council's rules provide for questions by any member of the Council to the Leader or any Portfolio Holder, without notice on:

- (i) reports under the previous item; or
- (ii) any other matter of a non operational character in relation to the powers and duties of the Council or which affects all or part of the District or some or all of its inhabitants.

The Council's rules provide that answers to questions without notice may take the form of:

- (a) a direct oral answer from the Leader or, at the request of the Leader, from another member of the Cabinet;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication;
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner; or
- (d) where the question relates to an operational matter, the Leader or a member of the Cabinet will request that a response be given direct to the questioner by the relevant Service Director.

In accordance with the Council's rules, a time limit of thirty minutes is set for questions. Any question not dealt with within the time available will receive a written reply. The Chairman may extend this period by up to a further ten minutes at their discretion.

## **10. MOTIONS**

To consider any motions, notice of which has been given under the Council's rules.

Motions, if any, will follow if not received in time to be incorporated into the agenda.

## **11. REPORT OF THE CABINET - FINAL DRAFT BUDGET PROPOSALS 2024/25 (Pages 36 - 142)**

(Finance Portfolio Holder) To consider the attached report on the Council Budget for 2024/25.

### **Notes**

That a recorded vote is held on the recommendations contained within the report, in accordance with the Council Procedure Rule V3 'Voting at Budget Decision Council 18 February 2016 Meetings' which directs Members to comply with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, immediately after any vote is taken at a budget decision meeting there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

"Budget decision" means a meeting at which:

- (a) a calculation is made (whether originally or by way of substitute) in accordance with any of the Sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the Local Government Finance Act 1992, as amended; or

(b) a precept is issued under Chapter 4 of Part 1 of that Act and includes a meeting where making the calculation or issuing the precept as the case may be was included as an item of business on the agenda for that meeting.

References to a vote are references to a vote not only on the substantive budget motions agreeing the budget, setting council taxes or issuing precepts, but also on any amendments proposed at the meeting.

**12. REPORT OF THE CABINET - COUNCIL TAX SETTING 2024/25 (Pages 143 - 150)**

(Finance & Economic Development Portfolio Holder) To consider the attached report for setting the Council Tax for 2024/25.

**13. REPORT OF THE MONITORING OFFICE - CONSTITUTIONAL UPDATE (Page 151)**

(Monitoring Officer) To note the attached report detailing a minor change to the Scheme of Delegation within the Constitution.

**14. OVERVIEW AND SCRUTINY COMMITTEE**

To receive the report of the Chairman of the Overview and Scrutiny Committee and to answer any questions without notice asked in accordance with Council Rules.

**15. JOINT ARRANGEMENTS & EXTERNAL ORGANISATIONS**

(a) To receive from Council representatives the reports (attached - if any) on the business of joint arrangements and external organisations and to receive answers to any questions on those bodies which may be put without notice; and

(b) To request written reports from representatives on joint arrangements and external organisations for future meetings.

**16. EXCLUSION OF PUBLIC AND PRESS**

Exclusion

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

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

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

Background Papers

Article 17 of the Constitution (Access to Information) define background papers as being documents relating to the subject matter of the report which in the Proper

Officer's opinion:

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

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

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

## ***Report to the Council***

**Committee:** Cabinet  
**Date:** 20 February 2024  
**Subject:** Portfolio – Leader of the Council  
**Portfolio Holder:** Councillor C Whitbread

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### **Recommending:**

**That the report of the Leader of Council be noted.**

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### **Corporate Services**

#### **People Team**

##### Legislative Changes/Updates

A quarterly update report is now submitted to the ELT/SLT and Wider leadership team outlining updates and changes to wider legislation reviews/changes and internal policy development, the last report being January 2024.

##### Wagestream

Wagestream, our new financial wellbeing app launched to the organisation on 2 October. Our current engagement rate is 14% of the workforce, Wagestream report that we have one of the highest engagement rates of all their local government clients.

Of the enrolled employees, 62% use the “track” facility on average 6 times a month to support with budgeting and money management. 27% have started a “build” pot with over £1,500 being put aside as an emergency fund. Over £11,800 has been advanced and 25% of enrolled employees have used the flexible pay feature. 50% of advances have been used for groceries and shopping. 40% of advances have been used for bills, expenses and travel.

We will continue to monitor the uptake of Wagestream and provide regular reports on usage.

##### Standby/Call out payments

Formal consultation will commence with Unions and effected employees on any changes in late January.

##### Apprenticeships

Our Health and Safety Apprentice now in post as of 8 January 2024.

##### Service Led Workforce Planning

Leadership/Management workforce planning upskilling sessions booked to commence with the LGA, June 2024.

### Gender Pay Gap 2024

The Gender Pay Gap (GPG) calculations have been completed and submitted to the government portal for the snapshot date of 31 March 2023. We are pleased to report that the gap between male and female pay has reduced, and the mean gap is now 7.15% compared to 9.47% in 2022. The median pay gap has reduced to 0%.

### **Business Support**

#### Local Land Charges (LLC), HMLR Project

- Turnaround time approximately 4 working days (target is 10 working days).
- Steering group has agreed the roll out of Arcus Land Charges to put it on the same platform as Planning and Building Control. Project Plan being developed.
- HMLR continue to provide glowing feedback on our performance.

#### Finance Team

- Testing of Advance Financials commenced.
- Customer monthly service reviews being set up for Finance customers.

#### Waste Team

- The back-office waste team are providing support and knowledge to the Corporate Waste project.

#### ECC Library

- Site visits at the Civic in Epping and Harlow Library have been undertaken.
- Draft stage one paper has been drafted for agreement with ECC.

#### Planning Admin Team

- Formal Consultation to bring more resilience into the team has been successful and new arrangements are in place.

#### Chamber chairs

- Quotes are being obtained to sensitivity repair and upholster the top table chairs in the Chamber.

### **Democratic Services**

- At the time of writing, the Elections Team has been busy organising the Roydon Parish Council by-election on 1 February 2024 and the result will be known by the date of the Council meeting.
- We must undertake a review of Polling Districts this year and the plan is to start this before the all-out elections in March. We are planning to hold the public consultation in September / October with a report to Council in December.
- An all-Member Briefing on the implications of the Elections Act 2022 has been scheduled for Monday 12 February 2024. This will be held on Teams and the invite has already been sent out.
- Two multi-team Officer workshops have been scheduled for February to understand the process following the declaration of a result at an election. This will encompass Member Training and Induction, as well as the administrative duties that we have to undertake for all newly elected Councillors.
- We are looking to implement DocuSign with the aim that Councillors will be using this for the signing of minutes and Portfolio Holder decisions in the first instance. The Team has had a training session on its use and we will support any Councillors who have not used DocuSign before.



- Work is continuing to digitalise Members induction forms so that Members only have one form to complete, saving Member and Officer time. This form, along with the new interactive online training courses being set up on Litmos, will be available for Member testing in March.

## **Corporate Communications**

The Corporate Communications team continued to provide a full programme of media liaison, social media, website, webcasting and marketing services on behalf of the Council.

The team helped organise, set up and support the 2023 Youth Conference in November, which saw 125 delegates and teachers from the district's secondary schools hear from guest speakers and take part in a lively debate. The theme of the Conference was 'Let's Talk About Money'.

Corporate Communications is working on moving the Countrycare, Epping Forest District Museum and North Weald Airfield microsites plus relevant files on the Local Plan Examination website, into the main EFDC website. Closing these 4 microsites will save just over £19,000 in support and hosting costs.

The team continues to provide specific support for the 2024 May elections, the new waste and recycling contract, shared services, and the Latton Priory Design Code consultation in association with Harlow and Gilston Garden Town.

Corporate Communications continued to support a range of external partners on joint communications projects including Essex County Council to NHS initiatives. Communications is in development with London Marathon Events, Essex County Council and EFDC colleagues for the Ford Ride London-Essex 2024.

The team has been working with Places Leisure, Pellikaan and Qualis to distribute key messages for the new Epping Leisure Centre in Bakers Lane. A dedicated webpage has been set up as a central place for news and updates on the centre.

Corporate Communications continues to receive a variety of local, social and national (often tabloid) media enquiries.

Earlier this month, the team launched an updated version of our Communications Guidelines, 'Communicating with our Community'. This contains a wealth of information to help colleagues across the organisation plan any communications they may need for their project. The team is working closely with the internal communications team to promote the document, highlighting different sections including the importance of planning, accessibility and other directives also the use of social media.

Members of the Corporate Communications team have been supporting Operation Dial. This campaign tackles anti-social behaviour in Debden and received funding from the Police, Fire and Crime Commissioner. Team members have been working closely with colleagues from the Community Resilience team to promote 2 Public Spaces Protection Orders: 1 for dog control, 1 for anti-social behaviour.

The team organised the Christmas Carol service at St. Mary's Church in Chigwell. Councillors, employees and local residents braved the cold weather for a delightful service and mince pie.

Plans are underway for this year's Civic Awards. There was a lot of worthy nominations this year for both Team and Citizen of the Year. Finalists have been invited to the ceremony, which will take place at the Marriot Hotel in Waltham Abbey in March.

Webcasts November and December 2023

- 9 live meetings totalling 10 hours 53 minutes
- 1 recorded meeting totalling 40 minutes

Top 3 viewed:

1. Council 19 December 302 views (287 Public-i + 15 YouTube)
2. Cabinet 18 December 247 views (216 Public-i + 31 YouTube)
3. Cabinet 13 November 217 views (203 Public-i + 14 YouTube)

Social Media

Social media engagement remained steady, with number of followers increasing slightly since the last portfolio report.

Social Media Engagement Table

<b>Platform subscribers</b>	<b>October 2023</b>	<b>December 2023</b>
Facebook	4,793	4,816
Instagram	2,559	2,593
LinkedIn	3,235	3,317
X (Twitter)	9,968	9,992
Mailchimp	1,542	1,557

Social media channels are monitored out of hours on a rota by members of the Corporate Communications team, up to 10pm weekdays and 9pm at weekends. The team also provided monitoring and customer response services over the Christmas/New Year period.

# ***Report to the Council***

**Committee: Cabinet**

**Date: 31<sup>st</sup> January 2024**

**Subject: Place Portfolio**

**Portfolio Holder: Councillor Nigel Bedford**

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**Recommending:**

**That the report of the Place Portfolio Holder be noted.**

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## **Harlow and Gilston Garden Town (HGGT)**

EFDC officers continue to liaise with key stakeholders across the five Harlow and Gilston Garden Town (HGGT) authorities and relevant site promoters. This is undertaken in the context of wider Garden Town activities. Key updates in terms of the Garden Town are:

- Inter Authority Agreement for a Joint Committee has been agreed by all parties and is in the process of being implemented.
- The Laton Priory Design Code public consultation has concluded and is being updated in response. It is programmed to be brought to March 2024 Cabinet for endorsement as a material consideration in planning decisions.
- Officers are currently engaged with the promoters of the Water Lane masterplan and it is anticipated that the masterplan will be developed further throughout 2024.
- The East of Harlow masterplanning guidance Supplementary Planning Document consultation has concluded and officers are working with Harlow Council officers on the review and updating of the document. The final Supplementary Planning Document is programmed to be brought to March 2024 Cabinet for endorsement as a material consideration in planning decisions.

## **Other Strategic Masterplans**

The public consultation on the draft North Weald Bassett Strategic Masterplan Framework concluded on 16<sup>th</sup> January 2024. Feedback is currently being reviewed and amendments made to the masterplan. The final Strategic Masterplan Framework is programmed to be brought to March 2024 Cabinet for endorsement as a material consideration in planning decisions. A planning application for an element of the masterplan has now been received and is under consideration by officers. Determination of this application will have due regard to the final endorsed Strategic Masterplan Framework.

The site promoters of the South Epping masterplan are engaged with Council officers on the development of a Strategic Masterplan for the site. It is currently anticipated that consultation on a draft masterplan will take place in summer 2024.

The developers of the Waltham Abbey North masterplan are engaged with officers and receipt of a draft Strategic Masterplan Framework document is currently awaited.

# ***Report to the Council***

**Committee: Council**

**Date: 20 February 2024**

**Subject: Finance, Qualis Client & Economic Development Portfolio Holder**

**Portfolio Holder: Councillor John Philip**

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## **Recommending:**

**That the report of the Finance, Qualis Client and Economic Development Portfolio Holder be noted.**

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## **Finance:**

### Budget for 2023/24 and 2024/25

In respect of Finance, my work has been dominated by the development of a Budget for Council to consider at this meeting. As has been said on numerous occasions, this budget has been exceptionally challenging due the impact of higher prices and borrowing costs on the Council. If this hadn't been complicated enough then the completion of the partial disposal of North Weald Airfield, and the substantial capital receipt that came with it, has added even greater complexity, (if a welcome problem to have). It also offered the potential temptation to avoid some of the hardest choices the budget necessarily contains.

The proposals presented tonight avoid the temptation to duck the difficult issues and focuses instead on creating a sustainable budget that balances the Council's expenditure with its regular income. Whilst not reliant on the receipt, it has provided some welcome flexibility and allowed for an extended timeframe to implement some of the most challenging proposals. Cabinet has worked jointly with Overview and Scrutiny Committee to develop a set of Budget proposals which are as inclusive as possible and, given the scale of the challenge faced by the Council, I believe the proposals represent a sensible and practical balance.

### Audit

Whilst we continue to inch towards 'sign-off' on the Accounts for 2020/21, as at the date of writing this update, we are unfortunately still not there. I met with our Auditor and the Local Government Lead within Deloitte during the past month to express my displeasure at the delays. I was given some reassurance and an update on the issues delaying completion for us and the majority of other councils in the Country. I will continue to press them until the matter is resolved.

## **Economic Development Programme:**

Allocations from the Rural England Prosperity Fund for 2023/24 have been awarded to the following groups:

- **Ongar and District Association** - To improve facilities at Budworth Hall including a disabled toilet and accessible entrance.

- **Nazeing Cricket Club** - To support the enhancement of the new club pavilion, enabling the club to improve community access to the site through an enhanced entry system and improved parking and Wi-Fi.
- **Theydon Garnon Parish Council** - To support roof repairs to the Grade 1 listed All Saints Church in Theydon Garnon.
- **Epping Upland Parish Council** - To extend the cemetery and create a community green space through improved access, paths, historical interpretive boards, covered areas and a wild garden for the scattering of ashes.
- **Matching Parish Council** - To undertake a project to protect the Matching village green.
- **Theydon Mount Parish Council** - To renovate the Red Telephone Box, a local landmark for the community.
- A new round of funding will open in April 2024 with a closing date for applications in September 2024.

The Rural Regeneration Report contract has been awarded to Deyton Bell Ltd. The contract will see Deyton Bell develop six reports that will assess current economic performance, challenges and opportunities for economic growth in the following key target areas:

- North Weald
- Abridge
- Theydon Bois
- Roydon
- Nazeing
- Chigwell

The contract for the West Essex Business Support Programme in Partnership with the West Essex authorities has been awarded to NWES. The programme will provide more face-to-face interaction for local businesses. Support will include advice on how to access business grants and loans, and guidance in respect of local skills opportunities.

Epping Forest District Council, Harlow Council and Uttlesford District Council have jointly awarded Anglia Ruskin University the contract for Voluntary Sector Training. The project will see the University deliver a range of training programmes for community and voluntary groups which will up-skill volunteers to fulfil vital roles.

Epping Forest District Council's Customer & Community service area will facilitate a 'Meet the Buyer' event on the 14 March 2024 at the Civic Offices. The event will be an opportunity for small and medium enterprises to meet site developers and contractors in order to build relationships and bid for future contracts.

#### Federation of Small Business Subsidised Membership Scheme

On Tuesday 19 December 2023, a successful promotional drop-in session was held for businesses at the Oakwood Hill Industrial Estate in Loughton between 10:30am and 3:30pm. Council staff attended the FSB's monthly meeting on 12 January 2024, which was held at Grangewood House in Loughton. Additionally, the FSB were present at the Epping

Chambers event on 23 January 2024, where they were able to network and promote the subsidised Membership Scheme to local businesses.

Further promotional activity is planned to promote the scheme including a joint event with Link Workspace in Epping, working with the Theydon Oak Public House in Epping to host an event and a summer event at the Crate in Loughton and an event in partnership with Regus.

#### Meet the Buyer Event

The Meet the Buyer event will take place on 14 March 2024. A stakeholder database has been created and save-the-date invites have been sent out. Developers and principal construction companies have been invited to take part by having a stall or other presence. The event will go live towards the end of January with a programme of marketing and an online site for attendees to find out more and sign-up. All aspects of the event are being provided at no cost to participants and the audience.

#### Monthly Business E-Newsletter

The Economic Development Team has released the January edition of the 'Business Matters' e-newsletter to over 2,000 local businesses with topics focusing on, a free workshop from Colbea for business start-up-success, how businesses can ensure that they have valued their property with the Valuation Office Agency, a public survey from Visit Essex to help shape tourism for the county in the future and a callout from The Greater South East Net Zero Hub for local installers of low carbon heating systems to benefit from their Government-funded programme. If you would like to receive a copy of the monthly e-newsletter, please contact Matteo Pesci at [mpesci@eppingforestdc.gov.uk](mailto:mpesci@eppingforestdc.gov.uk)

#### Visitor Economy

At the recent Visit Essex meeting for Local Authority Members, two presentations were made, firstly by Visit England to explain the benefits of Essex now being a Local Visitor Economic Partner (LVEP), and secondly by The Essex Film Office to report on progress and new developments. Both presentations demonstrated the commitment being made to the Visitor Economy by Essex and the benefits that are already being seen in terms of economic well-being from inward investment. The opportunities opening via new sources of support at regional and national level, and the contribution being made to encourage and build our creative industries and related skills and careers are also being seen as a significant area.

The Epping Forest District tourism website, [visiteppingforest.org](http://visiteppingforest.org), had one of its best Christmases since its creation as the district hosted more events than ever. Around forty festive events were listed at any one time in the lead-up to Christmas Day, which also saw over 40,000 pages visited by 18,000 users. The top pages visited, which accounted for 8,000 views, were the Epping Forest Retail Park, Christmas at the Royal Gunpowder Mills, Epping Ongar Railway Light Fantastic, Epping Christmas Market, Carols on the Green, North Weald Market and the Ongar Christmas Tractor Run.

#### Economic Digest

Following previous work and amendments made to the Economic Digest in December 2023, the main findings of the report will be presented to the Senior Leadership Team on Monday 29 January 2024.

#### Essex + Herts Digital Innovation Zone (DIZ)

The Digital Innovation Zone has recently held two particularly well-attended Advisory Board sessions. The December session received a presentation from Watford BC and Digital Urban on their digital twin model for planning, development management and for innovative engagement with communities on development proposals. Across the initial session, and three subsequent replay sessions, over 40 attendees saw the presentation which also included a number of videos of their initiatives and experiences to date. This was followed in

January with a presentation from Hertfordshire County Council on the Herts Living Lab project and, in particular, its application to issues of air quality monitoring and reporting - 39 people attended the session.

The next online DIZ Smart Place Seminar 'How Can Data Transform Our Place?' will take place on 8 March 2024 via Teams Live and will feature keynote presentations from the Local Government Association (LGA) and London Office of Technology and Innovation (LOTI). Further speakers will be added to the agenda over the coming weeks and the link to book places at this free event is the following: <https://www.eventbrite.co.uk/e/how-can-data-transform-our-place-a-diz-smart-place-seminar-tickets-796080306627>.

## **ICT:**

### Shared Service – Fit for Future

Collaboration continues between EFDC and Colchester City Council. We can already see numerous benefits, including the exchange of ideas and skills. Both councils can share their knowledge and can collaboratively work with third parties to make joint decisions on aligning the two councils i.e. Monthly, Microsoft Meetings.

EFDC and Colchester City Council have also undertaken the development of projects to address familiar challenges and to explore innovative technologies, for the benefit of the broader community. By sharing best practices, we can share successful policy implementation, Strategies, and an approach to address familiar challenges faced by the ICT Industry in local government.

### ICT Projects

Priorities for ICT to deliver in the next few months continues:

- Ensuring our ESRI mapping application has all ward boundary updates for upcoming local elections
- Moving to a Software-as-a-Service, for our payments application (Pay360)
- The Corporate Document Management Solution major upgrade
- Museum migration to Trust
- Supporting the Waste project (in-house)
- Lone working application replacement
- Freedom of Information application replacement (working with Colchester City Council)
- Requirement gathering for internal room booking application replacement (working with Colchester City Council)
- Delivery a new website platform which can be used by Epping and Colchester City Council.

### PMO Corporate Update

The Project Management Office (PMO) provides governance and project management resources. The PMO is currently working with service areas and the Senior Management Team (SMT) to review, align and agree key projects to EFDC's corporate objectives so that time, effort, and money can be directed and supported on the right projects.

Through the collaborative work that is underway, 13 projects are noted as EFDC's 'Corporate Priority Projects' which will be strategically aligned to EFDC's Corporate Objectives. Corporate Priority Projects will be reported on a quarterly basis through Overview and Scrutiny as well as being governed through our internal project framework. The Corporate Priority Projects are:

1. Housing and Asset Management Project (HAM's)



2. Shared Services Programme
3. M3 Replacement Project
4. Omnichannel Customer Contact Experience (Previously Telephony) – In closure stage.
5. Epping Leisure Centre Project
6. Waste Services Programme
  - a. Workstream 1: Future Waste Services Delivery
  - b. Workstream 2: Environment Operations Hub
  - c. Workstream 3: Procurement of Waste Fleet Vehicles
7. Finance Systems Replacement Project
8. Pay 360
9. EFDC Website Replacement
10. File Server Data Cleanse (Migration to Cloud based storage and improved data Governance and Compliance)
11. Infrastructure Architecture (Review of the Council's ICT platforms)
12. The Big Switch Off
13. Project Management Application Tool

The programme management office continues to work to align resources with all Projects to ensure correct prioritisation and the appropriate allocation of resources. This work will help inform the critical path with a view to complete a forward plan.

The PMO is considering new tools, that will provide EFDC with a platform where all our processes, tools, and teams work together to boost teams' alignment, efficiency, and productivity. This is being considered as a shared project across EFDC, Colchester City Council and Braintree District Council. A Project Brief has been submitted and approved by EFDC's Portfolio Steering Group and an Outline Business Case will be submitted in February to outline options for consideration.

## ***Report to the Council***

**Committee:** Cabinet  
**Date:** January 2024  
**Subject:** Housing and Communities Portfolio  
**Portfolio Holder:** Councillor Holly Whitbread

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### **Recommending:**

**That the report of the Housing and Communities Portfolio Holder be noted.**

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### **Assets**

#### RAAC latest / position for EFDC

We have assessed Council buildings for risks associated with RAAC considering the date of build and information we hold on its construction. Where we identified a building that we cannot eliminate the use of RAAC through desktop study, we have undertaken a site investigation.

This exercise is now complete. None of the buildings in our operational and residential portfolio used RAAC in their construction.

#### Damp & Mould Policy

We have drafted a condensation, damp and mould policy. We have consulted the Tenants' and Lessees' Panel and, presented the draft policy to Scrutiny Committee in January 24. The policy will be presented to the next Cabinet meeting for approval.

The policy will demonstrate our commitment to be proactive in seeking all instances of condensation, damp and mould that could have an adverse effect on the wellbeing of our tenants. This will include running campaigns encouraging tenants to report problems and advice on controlling condensation. We will carry out works to deal with the cause of the problem and monitor its effectiveness until we are confident the problem is resolved.

We are working Qualis to fully implement the policy.

#### Asset Management Strategy - update

Ark Consultancy are close to completing their research. This has included:

- A tour of a sample of EFDC stock
- Workshops with Asset Management team staff, our internal customers and Qualis
- One-to-one meetings with key individuals about specific areas of asset management
- A survey of tenants on their priorities
- Benchmarking of the services we provide

Ark will present a draft Position Statement early February 24 for discussion. We expect to receive the full position statement, summary of challenges and proposed strategy framework around the middle of February. The draft strategy is expected by mid-March.

### Landlord Compliance

Our position on the Big Six compliance areas continues to improve. In some areas (asbestos reinspection's, water hygiene risk assessments, lift inspections and fire risk assessments) we are 100% compliant. In other areas we are close to full compliance. Our focus is to improve our position on electrical testing.

### Energy Efficiency Retrofit

Our first retrofit project to improve the energy performance of 103 homes is expected to start on site in February. The project is part funded by the Social Housing Decarbonisation Fund (SHDF). The properties were selected as they are some of our worst performing in terms of their energy efficiency. Many of the properties included in the project are not on the gas grid. The retrofit works will bring all the properties to a minimum standard of EPC (Energy Performance Certificate) band C.

Most of the homes included in the project have now had a retrofit assessment to identify what measures are needed to achieve EPC band C. The assessments have found that a number of the properties are not as poorly performing as we previously believed, so the cost to meet the target standard will be less than we assumed. We are therefore seeking approval from the department administering SHDF funding to increase the overall number of properties. If agreed, we will increase the number in our project to 132, securing the original grant allocation.

## **Housing**

### **Housing Strategy Team**

#### Government Consultations responded:

*The Regulator of Social Housing: tenant rights and complaints –*

- DLUHC is proposing directions requiring the Regulator of Social Housing to introduce standards on:
  - Tenants' rights regarding their homes
  - How tenants can complain against their landlord
  - Relevant regulatory requirements concerning homes, facilities, and services

Once finalised, the standards will become mandatory for all registered housing providers. This represents a significant change - tenants will have clearly defined rights and complaint processes.

EFDC were one of only 14 local authority social landlords that responded, along with 52 individuals and 70 organisations in total.

#### Government Consultations In-consideration:

- The Future Homes and Buildings Standards: 2023 consultation
- Awaab's Law: Consultation on timescales for repairs in the social rented sector
- We are also expecting a consultation from Government on how British citizens can be given faster access to social housing. It is unclear at present if DHLUC will go ahead with a consultation on this proposed policy.

### Housing Policies - Update

Further to a sector-wide Ombudsman amendment in respect of wording for exceptions to the residency criteria within Housing Allocations Schemes, we have amended the EFDC

Housing Allocations scheme (eppingforestdc.gov.uk), section 3.11.2. to remain compliant with the amendment.

The aim was to make the residency criteria clearer. The purpose of section 3.11.2 has not changed. The Ombudsman required the clarification of the wording to be done within a few days.

The simpler wording is:

“Households who are homeless or at risk of homelessness  
Households who are owed a main homelessness duty by the Council under S193 of the Housing Act 1996 as amended.

Please note that applicants who may be experiencing homelessness, but to whom the Council has **not** accepted a full homelessness duty will still be required to meet the seven years’ residency criteria in order to join the housing register.”

Housing Policies currently in consideration/being drafted include:

- Disposals
- Decants
- Temporary Accommodation Placements policy
- Annual Report to Tenants 2022/23
- A review of our tenancy agreement and handbook.

## **Housing Team**

Final works are being carried out at the Oakwood Hill community centre, with a re-launch planned for March 2024. Multiple organisations are involved, and consultation starts in February with residents, to gain views and comments of what service they would like to see being delivered from the centre.

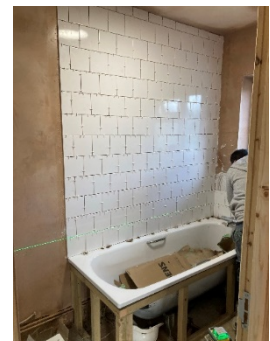
Independent Living – the return of our Independent Living Officers to our older people schemes a couple of day per week has been well received by residents. Through working with our residents and listening to their views, this was a key change we were pleased to implement.

## **Housing Development**

Pentlow Way, Buckhurst Hill - 7 units; 6 x 1B2P Flats, 1 x 2B4P flat

The roof at Pentlow is now complete with the building now watertight. Internals are well underway, with fire protection ongoing to stud walls, plastering, 1<sup>st</sup> fixes on M & E and further works ongoing.

We have experienced some delays with the fire access road and contractors (experiencing supply chain issues). Recent meetings with our contractors indicate a revised handover date for the whole scheme of June 2024. We will however press ahead with the scheme opening event in March and we look forward to sharing the scheme with members and the wider teams involved.



Woollard Street, Waltham Abbey - 8 units; 7 x 1B2P & 1 x 2B4P

The internal works continue to make progress, all plastering is now complete, 2<sup>nd</sup> fix plumbing and radiators installed, tiling is ongoing. Further works to drainage ongoing, with

works expected to go ahead with UKPN and MWA works. Handover is expected the end of March 24 with a scheme opening early March.

#### Local Authority Housing Fund (LAHF) Project

We are soon to complete 3 of our properties for the LAHF project, with a further 3 to be completed over the coming months. We will be arranging a visit with our portfolio holder to see the good work that has gone on throughout this project so far. We have worked with local contractors and suppliers to complete the works. We have had some challenges to work through within the properties but, are now close to completion as below.

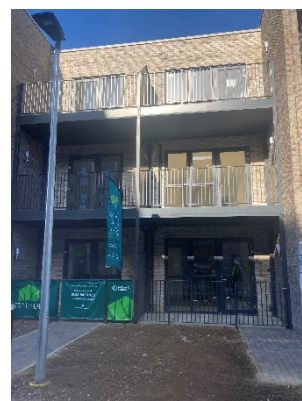


#### Planning

Ongoing communication with our planning colleagues is underway regarding our phase 4.4 schemes for Chequers B and Ladyfields. We aim to make further progress on these by year end.

#### Strategic partnership

Sovereign Network Homes (Previously known as Network Homes) have completed on their site A development in Borders Lane, Loughton with the team and our portfolio holder recently attending an open event. These homes have housed a total of 22 people of which half are children. Well done everyone involved.





**Site B** continues to make progress and we periodically attend site to monitor progress. We look forward to these completing to this level of quality.

## ***Report to the Council***

**Committee:** Council  
**Date:** 20 February 2024  
**Subject:** Community Health & Wellbeing  
**Portfolio Holder:** Councillor Smruti Patel

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### **Recommending:**

**That the report of the Community, Health & Wellbeing Portfolio Holder be noted.**

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#### "Let's Get Together" - Civic Offices Community Hub

The Community Development & Wellbeing (CDW) Team launched a new weekly activity session, 'Let's Get Together,' on 23 January in the Community Hub. The free sessions offer the opportunity for local residents to drop in and socialise, play games, learn a new skill or simply relax and chat to others over a hot drink. Running every Tuesday from 2.30pm – 4.30pm, the sessions provide a different activity to enjoy each week as part of the Council's Warm Places initiative.

The first knitting session proved popular with 11 people attending. Several attendees shared that they struggled with mental health issues but really felt the benefit of coming along to an activity where they could learn new skills and get to know new people in a safe and welcoming environment.

#### Civic Offices Community Hub

November saw yet another increase in usage with the busiest month since the Hub opened with 597 visitors, rising from 539 in October. Barclays, the Warm Places initiative, plus the Council's Homelessness service and Epping Foodbank saw the highest usage.

#### Youth Council secure funding for secondary school safety programme

Epping Forest Youth Council has been successful in securing £8,800 via Essex County Council's Local Community Fund. The money will enable the Broadcast Roadshow to be delivered in nine secondary schools across the Epping Forest district.

Arc Theatre's Broadcast production has been developed to tackle the issue of sexual harassment and is aimed at young people in Years 7 to 9. Broadcast uses a range of activities and techniques, including Arc's highly engaging forum theatre approach and short films, to reinforce positive messages, supporting young people to develop new and counter narratives to challenge issues such as violence against women and girls, misogyny, and domestic abuse. The programme is devised to support schools to successfully deliver the new RSHE (Relationships, Sex and Health Education) agenda.

In addition to the secondary school programme, funding totalling £10,450 from the Community Safety Partnership has enabled Broadcast Junior, the primary school version of the theatre production, to be delivered in 15 primary schools across the district to over 1200 Year 5 and 6 pupils.

### Epping Forest Youth Council Elections

Youth Council elections will be held in 2024. Pre-election promotion and campaigning is being delivered in all secondary schools, with the closing date for nominations set for 16th February. The online nomination form is available at [www.eppingforestdc.gov.uk/EFYCNomination](http://www.eppingforestdc.gov.uk/EFYCNomination). The elections will be held in schools from Monday 26 February until Friday 22 March 2024. Election results will be announced by Georgina Blakemore on Tue 26 March. The newly elected cohort of Youth Councillors will take up office on Monday 8 April.

### Limes Farm Youth Club

Facilitated by the CDW Team, Youth Unity CIC has been successful in its Violence & Vulnerability Community Safety Grant application totalling £10,910, to continue the running of the Limes Farm Youth Club for 2024/25. This will also include the provision of additional skills sessions for young people in the local community.

### Limes Farm Colts Football Sessions

As part of the community offer in Chigwell, Limes Farm Colts Football Club continues to provide free football sessions for children living on the Limes Farm Estate, with over 40 children attending each week. Work is underway to secure external funding to sustain the project longer term.

### Thursday Ninefields Youth Group

A poet revisited the Ninefields Youth Group on 25 January to deliver a workshop exploring poetry in song lyrics, with an opportunity for the young people write their own material. Baloo, a Belgian Mallinois dog who was tragically injured whilst deployed with Essex Police, also visited the Youth Group before Christmas to help the young people think about mental wellbeing and encourage discussion around disability.

### Epping Forest Dementia Friendly Communities

A new Epping Forest Dementia Friendly Community Group logo has been created in conjunction with a group of local school children to mark the change in name from the Epping Forest Dementia Action Alliance.

Supported by the Council's CDW Team, a partnership bid involving Buckhurst Hill Parish Council, Loughton and Epping Town Councils has been submitted to Essex County Council's Carers Community Fund. If successful, a project called 'Dementia Friendly Community Carers' will be delivered for a year and ensure residents living with dementia, and their Carers, continue to have access to local services supporting them to live healthy, safe and independent lives.

### Multiply Programme

The district-wide maths project continues through partner engagement, working closely with Harlow College and The International Education Group, expanding the project to deliver courses such as Gardening Maths Magic and Cooking by Numbers. The new courses are in addition to the core programmes of financial and budget management and parent support courses. The CDW Team's role in this government funded project is to act as an advocate and coordinator to ensure partners are working together, and resident groups have access to the delivery partners, ensuring those in need have the opportunity to engage in the initiative.



### Epping Forest Community Champions

A new Waltham Abbey Community Champion has been recruited meaning there are now 6 Community Champions based in Waltham Abbey alone, and 25 Community Champions in total across the district.

A new section has been established on the Frontline on-line portal to enable Community Champions to refer and signpost residents to organisations via the App. Setting up the Community Champion group on Frontline allows the Team to record how many referrals are made via the Community Champions initiative.

Ongar and Chigwell Community Champions are supporting the Operation Minerva Project which is tackling violence against women and girls.

Events have offered information to residents in Debden, Ongar and Roydon in respect of general crime prevention matters and improving personal safety including the provision of free self-defence classes.

Community Champions completed 296 voluntary hours in the community in December 2023.

### Epping Forest Community Lottery coming soon.

The Council has been successful in its application to secure a Remote Society Licence from the Gambling Commission, with nominated officers and named licence holders having undertaken all relevant training. The Council is currently in the process of applying for membership of the Lotteries Council with a view to launching an exciting new Community Lottery platform later in the year.

### Museum Exhibitions

December saw the successful “Greater in Spirit, Larger in Outlook” exhibition, which was funded by the Arts Council, draw to a close.

The next exciting display will involve the re-imagining of the temporary exhibition gallery with a wonderful display called ‘Towns Through Time’ on show. Photographs featuring towns around the district including Ongar, Waltham Abbey, Chigwell, Loughton, and Epping will be displayed, many of which date back to the early 1900s.

### What’s On Brochure

The latest edition of “What’s On in Epping Forest” January-March is available to pick up from the Civic Offices, Epping Forest District Museum, all district libraries, Waltham Abbey Tourist Information office and wider venues across the district. Alternatively, the online edition is available via: <https://www.eppingforestdc.gov.uk/wp-content/uploads/2023/12/Whats-On-Jan-24.pdf>

### Complaints Team

The Complaints Team is seeing a stable volume of complaints, with waste-service related complaints significantly reducing. Teams across the Council are receiving direct support from Customer Service’s staff to help them address the root causes of the complaints being seen, and to assist in the implementation of improvement plans.

Waste

Customer Service staff are supporting the new waste service project with a review of existing procedures to identify efficiencies and simplification of online services.

# ***Report to the Council***

**Committee:** Full Council  
**Date:** 20 February 2024  
**Subject:** Contracts, Service Delivery, and Improvements  
**Portfolio Holder:** Councillor Ray Balcombe and Councillor Ken Williamson (Parking)

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## **Recommending:**

**The report of the Contracts, Service Delivery, and Improvements Portfolio Holder be noted.**

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## **Leisure Management:**

### New Epping Leisure Centre

Work is progressing well for the construction of the Epping Leisure Centre. The contractor, Pellikaan, has taken formal possession of the site and are preparing the site for the upcoming works and installing the site set up. Once this has been completed, Pellikaan will commence the main construction works.

Pellikaan is a considerate constructor under the Considerate Constructors Scheme (CCS), which helps support respecting the community, caring for the environment and valuing the workforce. As part of this, Pellikaan will issue a series of newsletters to residents to keep them informed of the progress and the first newsletter was issued early January.

A special assembly was given to students at Epping Primary School to learn about and contribute to the creation of a time capsule that is to be buried under the new Epping Leisure Centre.

### Health & Wellbeing

Over the coming months, Places Leisure have several Health and Wellbeing interventions launching across the Council's leisure facilities, these include:

- Fall Prevention – initial 12-week intervention programme at Loughton (due to start April 24)
- Parkinson's 'shout and move' project – 12-month intervention programme (due to start March 24)
- Menopause through Movement – 12-week intervention programme at Loughton and Epping (due to start March 24)

### Places Leisure 'Big Colleague Survey'

Places Leisure have conducted a survey with employees across the four leisure centres and had a 71% completion rate. The main headlines are; 75% of employees feel it's a great place to work because management have a clear view of where the company is going and how to get there. Management show appreciation to employee's good work and employees are paid fairly.

From a customer view, 70% of the respondents rate the service provided across the four leisure centres as excellent.

## **Procurement and Contracts:**

The Procurement and Contract Development Team have been involved in several Council projects, in particular the Waste Tender processes for the Operations Hub and Contract Hire of Specialist Vehicles, starting the Procurement processes for In-cab Software Systems and Dry/Mixed Recycling Collections, and providing support with other related projects involved in the wider Waste Project.

The team also recently conducted and awarded a tender for Rural Regeneration Consultancy and are also in the process of assessing Procurement options for the Council's Microsoft Licenses Renewal. Work has also started on the tender process for the Council's Arboricultural Services Contract with a view to appointing a contractor from July 2024.

From a contract perspective, the team have also reviewed the agreement for a new Finance System and created a Service Level Agreement between EFDC and the new Museum Trust, which is in the process of being finalised. The Team Manager for Procurement and Contract Development has led on a project to review, amend, and complete two Service Level Agreements between EFDC and Qualis, and work is ongoing on further agreements. He is also involved in a project looking at collaborating with Essex CC regarding the recruiting of temporary workers, and the team have reviewed the Collaboration Agreement with a view to signing off soon.

## **Parking:**

### EV Charging

The Council has installed 14 Electric Vehicle (EV) charging stations in EFDC operated off-street car parks across five sites. Chargers are installed and managed by the Council's partner, InstaVolt, at no cost to the Council and in return generates an income through ground rent. The Epping Forest district area has the highest number of electric vehicles (battery only) on road in Essex, so the installation of chargers has met local demand, and the chargers are well-used. Following the installation of chargers, Epping Forest District Council is now one of the top 3 authorities all Essex in terms of EV chargers.

The installation of chargers has also resulted in greenhouse gas savings across the district, which supports the Council's journey towards a carbon-neutral District by 2030.

### New Off-Street Enforcement Contract

The Council will enter a new contract for off-street parking enforcement services from 1st April 2024, as the existing contract expires on 31st March 2024. Following a procurement exercise, Cabinet agreed that the contract is awarded to Marston Holdings Ltd., who is the Council's incumbent contractor. The new contract will generate savings to the Council due to reduced deployed hours following the closure of the Cottis Lane and Bakers Lane car parks.

Under the new contract, the contractor has committed to supporting the local community and delivering social value improvements. The contractor will support three community organisations based in the Epping Forest district with monetary donations throughout the life of the contract (5 years minimum). EFDC officers will work with the contractor to identify these organisations.

## **Service Improvement:**

### Review of Contact Centre performance underway

The Council is currently undertaking a review of the Contact Centre performance. A survey has been conducted with neighbouring Local Authorities to benchmark EFDC's performance against its peers. A full report, including key findings and recommendations, will be presented to the Communities Scrutiny Committee on 5 March.

# ***Report to the Council***

**Committee:** Cabinet

**Date:** 20 February 2024

**Subject:** Regulatory & Technical Services Portfolio Holder

**Portfolio Holder:** Councillor Ken Williamson

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**Recommending:**

**That the report of the Portfolio Holder be noted.**

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## **Regulatory & Technical Services**

### **Private Sector Housing**

The Team have recruited a new Environmental Health Officer to the team, she will support the team in regulating private sector housing conditions, licensing of Houses in multiple occupation, mobile home sites, empty homes, and public funerals. The team has successfully dealt with complaints about property leaks, defective boilers and have also responded to a number of complaints regarding potential illegal evictions.

As a reminder to members if their constituents approach them about any issues with privately rented accommodation in a poor state of repair or issues related to their landlords our team is happy to offer help and advice and can be contacted on:

[privatesectorhousing@eppingforestdc.gov.uk](mailto:privatesectorhousing@eppingforestdc.gov.uk)

### **Private Sector Grants**

The team have entered a partnership with Castle Point Borough Council (CPBC) to deliver their Disabled Facilities Grants. This partnership has the potential to earn additional income for RFDC of circa £100K per annum for subject to receiving sufficient referrals from CPBC.

The partnership went live in December and to date the team have received and registered 33 cases from CPBC. The team are working hard to process cases efficiently whilst also continuing to process EFDC cases without impact. Two CPBC DFGs have already been approved with 2 more due to be approved this week. There are a further 12 cases pending the return of tenders, all of which should lead to approvals by CPBC before the end of February.

### **Licensing**

#### **Bliss Heights, 140 London Road, Abridge RM4 1XX**

In July 2023 the owner of the property applied for a premises licence to permit regulated entertainment at the premises. During the consultation period the Council received 75 objections from the Councils Community Resilience team, Environmental Health, Lambourne Parish Council, Abridge Park Residents Association and local residents. At a hearing of the Councils Licensing Sub-Committee on 1 August, the decision was made to refuse the application.

An appeal was subsequently lodged by the applicant against the decision and the matter was due to be heard at Romford Magistrates Court on 5 & 6 March 2024. Following

discussion between the applicant and the Council, the applicant has withdrawn the appeal and in doing so, has agreed to pay the Councils costs incurred so far.

As the appeal has been withdrawn, the Councils Licensing Sub-Committee decision to refuse the application, remains in place.

### **Taxi Tariff**

On 9 October 2023 Cabinet agreed to the public consultation on the proposed taxi tariff increase and to reconsider the proposal, in light of any objections received.

The consultation began on 30 November 2023 and ended on 31 December 2023 and during this period the Councils Licensing team consulted widely on the proposed tariff increase. This included a public notice being published in the Epping Forest Guardian on 30 November, on the Councils website and at Civic Office. All taxi drivers, operators, Councillors, Town and Parish Councils were directly consulted, a press release was issued, it was included on the EFDC mailing list (made up of mostly residents) and posted on our social media accounts (Facebook, Instagram, LinkedIn and Twitter) throughout December.

During the consultation the Councils Licensing Team received 27 responses from residents, taxi drivers/operators, Epping Town Council, Loughton Town Council and a ward Councillor. Having considered the responses received, it is Cabinet's view that the tariff detailed in the consultation, represents what it believes to be fair increase for drivers, whilst maintaining a reasonable fare that passengers can be expected to pay. However, it acknowledged the concerns expressed by those respondents who believe the starting fare for the first mile to be too low, and it is agreed that the fare will be subject to further review in 12 months' time following the implementation of the new tariff and at regular intervals going forward to ensure that fares remain reasonable and fair to both the licensed taxi trade and the fare paying public. The new tariff will come into effect on 28 February 2024.

### **Environmental Enforcement**

The district has seen heavy fly-tipping during the January period and the team are extremely busy responding and investigating the incidents, mobile and covert cameras have been deployed at various sites, some images have been captured and are under further investigation. The Trial hearing date for the Cartersfield fly-tipping has been set for February 2025.

Noise complaints have reduced in line with the current time of year.

### **Antisocial Behaviour Team**

The team continue their work with Project Minerva- Violence against women and girls' project. The work in our first zone started in December with an engagement event at New City College, Loughton and three self-defence sessions. Officers from the team attended the engagement event, gave out crime prevention materials and offered advice around keeping yourself safe whilst out in the community. Areas we are covering at present are Debden Broadway, Ninefields and Ongar.

Op Dial patrols continue with some useful linking in to the overlapping Police patrols. The patrols have been dealing with shoplifting, a dog attack, rough sleeper assistance, ASB at Barrington Hall. Some excellent work by the team engaging with both local businesses and residents.

Community Protection Notices have been issued for:

- Cannabis odour in Matching Tye; and
- Shouting and screaming in public in North Weald.

An ASB surgery was held at Hyde Mead, Waltham Abbey which is an independent living scheme. The team will be holding surgeries at all the schemes in the district throughout the year.

### **EFDC Policing Team**

In the first week of January the team ran an operation under “Op-Avenge” and throughout the evening found and recovered 1 stolen vehicle, coordinated an area search in company with METPOL for a vehicle linked to knife point carjacking travelling through our area which led to it being located and occupants arrested. No burglaries or theft of motor vehicles were reported in our area during the time of the operation.

Operation District is taking place week beginning 22 January, this is where students walkaround with the Police handing out leaflets around knife crime.

### **CCTV**

The team have supported BTP following the serious stabbing in December and other knife point robberies in the area. Aided Police for the recent Pharmacy raid in Epping High Street and other incidents dealt with include assault, robbery and criminal damage.

### **Environmental Protection**

During the recent weather warnings and heavy rain in January the team have been busy responding to flood calls from residents. Whilst we only have a limited stock of sandbags and are not an emergency service, we provided sandbags to residents in Ivy Chimneys, Epping at risk of flooding and in the aftermath have assisted in identifying causes of flooding and referring residents to appropriate agencies. Whilst a small number of properties were affected by internal flooding, there has been a number of follow-up reports and referrals to other agencies such as Essex Highways for blocked highway systems such as Abridge Road under the M11 bridge near Theydon Bois which remained flooded for a number of days until cleared.

### **Highway Rangers**

Recent jobs completed include installing several new finger posts including at the Mole Trap in Tawney Common, hedge cutting and pavement clearances, offensive graffiti clearances and removing extensive fly posting on lamp columns and signs. Recently new historic oak gates fitted at Waltham Abbey Sun Street market entrance, the gate had been damaged by a vehicle driving into it and needed repaired and reset. At the other end of the market square several bollards had been knocked over by vehicles which were also reset and replaced. In recent wind and storm conditions the Rangers have assisted in keeping paths clear with minor tree branch clearances that have come down in winds. They have also repaired and made good roundabout signage ready for new sponsorship contracts, currently Four Wantz and the Talbot are available for businesses to express their interest to sponsor.

### **Countrycare**

The Countrycare Team have been working to continue managing Local Nature Reserves across the district owned by EFDC or as charged work to parish council's or other owners. Some upcoming include a proposed separate pond at Nazeing Triangle to help Great Crested Newts breed without fish eating the eggs. Landowners are to be made aware of a proposed price increase for managing sites with volunteer days from April 2024. The team have also been looking at commercial ideas to increase revenue with projects such as a proposed woodland path clearance for the Woodland Trust.

### **Grounds Maintenance**

The Qualis grounds maintenance teams are nearing the end of their winter-works programme, which includes the annual pruning of the roses, shrubs and hedgerows. A

number of ornamental beds are being topped up with a layer of wood-chippings, this acts as a mulch to help suppress weed growth, retain moisture and enrich the soil. These wood-chippings are a byproduct of the Council's tree service and so as well as being environmentally friendly, it is an excellent way of recycling this surplus material.

To ensure grounds maintenance operations remain on track, and that work standards are consistent across the district, regular monitoring is undertaken. Planned joint inspections are carried out by EFDC and Qualis contract managers that focus on different parts of the district. Recently, these visits have been broadened to include relevant ward Members. This provides the opportunity to explain the various operational tasks and provide general information on the grounds service. This offer has been well received, with various Members keen to take part.

The fleet of ride-on mowing machines used to maintain the green spaces and highway verges are being returned from the workshops following their winter service. As well as the annual service, there are scheduled daily, and weekly maintenance inspections undertaken throughout the mowing season. This ensures the machinery functions correctly and remains reliable throughout the long grass cutting period. Other machinery such as tractors, trailers and hand-held mechanical equipment such as leaf-blowers and strimmers are also serviced at this time of year.

A new tractor-mounted mowing machine has been purchased for the GM contract to maintain the Council's various nature reserves, flood storage sites and wildflower areas. These sites are managed specifically to promote biodiversity and provide wildlife habitat. As part of the management, certain areas will only be mown once a year, with the grass needing to be cut, collected, and removed from site. The new machinery will prove invaluable with this operation and provide greater flexibility in the timing of these works.

### **Tree Team**

During the recent weather warnings and heavy rain the team have been busy responding to fallen trees and calls from residents. With Winter beginning in earnest, we are currently undertaking our winter works programme for this cycle. We have now completed this year's planting list, and all of the new trees will be in the ground, throughout the district, with the hope that they will be in a better position to the summer, should it be as warm as last summer. Watering bags will be installed in the near future, in the hope that all of the tree will become established, and increase the canopy cover of Epping Forest District urban heat islands for future generations.

### **Fleet Operations**

MOT bookings and have been very busy over December and January. Third party work income has increased, and the team are receiving increased demand from mot failure repairs. All tyre pairs now in house, reducing expenditure with external supplier.

### **Business Continuity**

Outcome report regarding the tabletop exercise in December is now complete and minor amendments made to the Corporate Business Continuity Plan, Service areas found the exercise useful as some amended their Service Business Continuity Plans. We are on target to finalise all Plans by the end of February 2024.



## Planning Services

### Building Control

#### Applications and inspections

Application volumes to the Council in Q3 of 23/24 were 5% behind the same period in 22/23. Notification to private sector Building Control Bodies were down by 19% in the same period. The market share of applications in that period being 51% in favour of the Council compared with all other providers. It continues to be the case that inflation on building materials and higher costs associated with borrowing are impacting the construction industry, although there are indicators that these pressures are now easing.

#### Legislative Change

The new enforcement powers conferred by the Building Safety Act are now live and grant Building Control Officers powers to issue compliance and stop notices on building sites with serious breaches of Building Regulations. The Council's legal team have been asked to add these to the scheme of delegations. Existing enforcement powers to prosecute for breach of Building Regulations have had the previous limiting period of two years removed, and the service period for notices to remove or correct offending work have been extended from twelve months to ten years.

The legal requirement for all Building Inspectors to be registered with the Building Safety Regulator has been met by the Council's employees, however the additional requirement that this registration includes validation of competency for specific types of building remains in progress. The deadline of 6 April 2024 is likely to be extended into June due to the limited number of schemes by which inspectors can apply for validation and the availability of assessments. Half of the Registered Building Inspectors at EFDC have already sat validation assessments, however the results of these take up to three months to return.

The next substantial piece of work for the team is aligning the data collected and the processing systems involved in assessing plans and inspecting building sites to the new Operational Standards Rules set by the Building Safety Regulator. This will involve implementing changes to the Arcus Global back-office software system that is used to administer the Building Control function within the Council to enable quarterly reporting on Key Performance Indicators.

#### Staffing Update

A Senior Building Control Surveyor left the authority in October and the service are currently operating with reduced capacity while a replacement is recruited to. Meeting the requirements of the new regulatory regime are of paramount importance for the operation of the service and staff resources to provide the service alongside delivering these changes is critical.

### Development Management

#### Planning Appeals

Members are reminded that Planning Appeal details are published in the weekly Bulletin, and links to the appeal documents are now provided to enable members to view a relevant appeal by clicking the link.

#### Cost Awards

A number of costs have been awarded against the Council by the Planning Inspectorate, including the following:

- **£12,000** for EPF/1586/21 – Construction of a 4 bed dwelling at Highgrove Close, Hillyfields, Loughton. Overturned by Committee with costs awarded due to “*failure to*

*afford significant weight to the previous appeal decision as a material consideration” and due to a lack of substantive reasoning to justify Planning Committee reaching a different decision to the Councils Tree Officer.*

- **£2,215** for EPF/2640/22 – Single storey extension, roof alterations with rear box dormer inc. Juliet balcony, and a further Juliet balcony at first floor level at 3 Linkside, Chigwell. Overturned by Committee with costs awarded since *“the Council’s decision was not well founded and was unreasonable”* since it was based on vague assertions and there was no justification that the fallback position had been attributed appropriate weight.
- **Costs not yet agreed.** EPF/1015/22 – Redevelopment of former Barclays Bank to mixed use development. Overturned by Committee with costs awarded since the reason for refusal *“was based on generalised assertions and unevicenced assumptions”* and *“had Members of the planning committee accepted the professional advice of their officers, this could have meant that an appeal was unnecessary, and the costs associated with the appeal could have been avoided”*.

### Enforcement action

The following enforcement notices were issued in the last quarter 2023:

**Location:** Land at Paslow Common Farm, Ingatestone, Essex, CM4 0JZ

**Alleged breach of planning control:** Without planning permission, the material change of use of the land for storage

**Date issued:** 27 October 2023

**Date compliance due by:** 1 March 2024

**Appeal received:** yes

**Location:** 14 Upper Park, Loughton, Essex, IG10 4EW

**Alleged breach of planning control:** Breach of condition notice issued for a failure to comply with condition 4 to permission Ref EPF/1373/19 and carry out a scheme of soft landscaping to the front of the dwellinghouse

**Date issued:** 1 November 2023

**Date compliance due by:** 31 January 2024

**Appeal received:** no

**Location:** 16 Eleven Acre Rise, Loughton, Essex, IG10 1AN

**Alleged breach of planning control:** Breach of condition notice issued for a failure to comply with conditions 2 and 5 to permission Ref EPF/1508/18: dwellinghouses constructed to high and not in accordance with the approved plans with respect to their external finishes

**Date issued:** 23 November 2023

**Date compliance due by:** 23 February 2024

**Appeal received:** yes, against the planning committee’s decision to refuse retrospective planning applications seeking retention of the deviations that have occurred.

**Location:** 33 Forest Lane, Chigwell, Essex, IG7 5AF

**Alleged breach of planning control:** Breach of condition notice issued for a failure to comply with conditions 2, 5 and 7 to permission Ref EPF/0160/22: French doors instead of windows installed to rear elevation of dwellinghouse, use of a rear extension roof as a balcony and a failure to carry out a scheme of soft landscaping

**Date issued:** 8 December 2023

**Date compliance due by:** 29 February 2024

**Appeal received:** no

**Location:** 4 Appleton Road, Loughton, Essex, IG10 2HH

**Alleged breach of planning control:** Without planning permission, the operation of locating a container and installation of an air conditioning condenser unit

**Date issued:** 10 January 2024

**Date compliance due by:** 12 May 2024

**Appeal received:** not at present

Enforcement Appeal Decisions

**Appeal site:** Leaside Industrial Park, Sedge Green, Nazeing, Waltham Abbey EN9 2BF

**Alleged breach of planning control:** Without planning permission: the use of the Land for the stationing of caravans/mobile homes for residential purposes

**Date notice issued:** 27 April 2022

**Date of inspector's decision:** 2 January 2024

**Outcome of appeal:** Appeal dismissed, and the enforcement notice upheld with variations

**Date compliance due:** 2 March 2024

**Appeal site:** 32 Starling Close, Buckhurst Hill, Essex IG9 5TN

**Alleged breach of planning control:** Without planning permission: The erection of a raised terrace and side walls onto the rear elevation

**Date notice issued:** 15 June 2022

**Date of inspector's decision:** 14 December 2023

**Outcome of appeal:** Appeal dismissed

**Date compliance due:** 14 January 2024

# Agenda Item 11

## ***Report to the Council***

Committee: Cabinet

Date: 20 February 2024

Subject: Budget 2024/25 (including Fees & Changes, Medium-Term Revenue and Capital, and Treasury Management).

Portfolio Holder: Cllr John Philip

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### Recommending:

- (1) That the draft General Fund Revenue and Housing Revenue Account budgets for 2024/25 as presented in Attachment 1a, including amendment in Attachment 1b, be approved.
- (2) That the draft General Fund and Housing Revenue Account Capital programmes for 2024/25 to 2028/29 presented in Attachment 1c, be approved.
- (3) That the proposed Fees and Charges for 2024/25, including an average Housing Rent increase of 7.7% on Council Dwellings, presented in Attachment 1d, be approved.
- (4) That the updated General Fund Medium-Term Financial Plan for 2024/25 to 2028/29 presented in Attachment 1e, be approved.
- (5) That the Section 151 Officer's report – in accordance with Section 25 of the Local Government Act 2003 – on the robustness of the estimates for the purposes of the Council's 2024/25 budgets and the adequacy of the reserves, presented in Attachment 2, be noted.
- (6) That the Section 151 Officer's recommendation to maintain a minimum £4.0 million contingency balance in the Council's General Fund Reserve in the medium-term, including a contribution to the Reserve as part of the General Fund revenue budget proposals for 2024/25, be approved.
- (7) That the draft Treasury Management Strategy 2024/25 considered by the Audit & Governance Committee on 15th February 2024 and recommended for Council approval, presented in Attachment 3, be approved; and
- (8) That the draft Capital Strategy 2024/25 to 2026/27, considered by the Audit & Governance Committee on 15th February 2024, presented in Attachment 4, be approved.

## 1. Executive Summary

- 1.1 The first major milestone in the Financial Planning Framework (FPF) for 2024/25 to 2028/29 was reached on 9th October 2023, with Cabinet receiving and considering an updated Medium-Term Financial Plan (MTFP). The MTFP revealed a projected deficit of £3.720 million for 2024/25 on the General Fund; it is a deficit that required eliminating in full for the Council is to fulfil its legal obligation to set a balanced budget for the forthcoming financial year.
- 1.2 The MTFP projected a small revenue surplus of £0.015 million on the Housing Revenue Account for 2024/25.
- 1.3 Acting on the strategic direction provided by Cabinet on 9th October 2023, officers were successful in provisionally bridging the General Fund revenue deficit and presented an early draft budget for 2024/25 to Cabinet on 18th December 2023. The budget was balanced, primarily due to the inclusion of draft General Fund savings proposals of £3.229 million (total savings of £3.535 million were presented, including HRA savings of £0.306 million). The proposals also reflected the comments of a special Overview & Scrutiny Committee, which met to consider the emerging budget, including the savings proposals, on 12th December 2023.
- 1.4 An early draft revenue budget for 2024/25 for the HRA was also presented to Cabinet on 18th December 2023. It anticipated a *planned* deficit of £0.465 million.
- 1.5 The draft budget proposals presented to Cabinet on 18th December 2023 – both General Fund and HRA revenue – were further scrutinised by the Overview & Scrutiny Committee on 23rd January 2024. The Portfolio Holder for Finance also updated the Committee on a significant land disposal at North Weald Airfield. The capital receipt generated was a material event which had happened too late to be reflected in the initial draft budget proposals presented in December 2023; the interest generated from the receipt (a revenue stream) provided an opportunity to modify the budget proposals for 2024/25, including some of the initial savings' proposals.
- 1.6 Further detailed work was completed on the revenue budgets and the basis of latest available intelligence and Scrutiny feedback, with the final budget proposals for 2024/25 being considered and recommended for approval by Cabinet on 5th February 2024 and are presented in **Attachment 1**.
- 1.7 The *Revenue* elements (**Attachment 1a, including amendment in Attachment 1b**) of the proposed Budget for 2024/25 comprise the following:
  - The General Fund final budget proposal for 2024/25 comprises Net Expenditure of £15.853 million, which includes a contribution of £1.972 million to Reserves. The provisional Local Government Finance Settlement 2024/25 was generally as expected, but there has been a substantial decrease of £2.076 million in the overall Net Expenditure budget requirement compared to that assumed in December 2023 driven by a significant fall in net Financing costs (reflecting the impact of the North Weald Airfield capital receipt). This helped to address some late budget pressures, including an income shortfall on Planning Applications (£0.600 million) and the need for a further ongoing contingency on Waste Management (£0.500 million). Scrutiny feedback has also helped guide the judicious use of the available short-term flexibility in removing a limited number of savings proposals embedded in the December 2023 initial draft budget (£0.588 million). It is proposed that the remaining budget surplus (£1.972 million) is set aside within a newly created Transformation Revenue Reserve. A Council Tax increase of 2.99% is proposed; and

- The HRA final draft budget proposal for 2024/25 anticipates a planned deficit of £0.465 million and assumes an average Housing Rent increase of 7.7% (in line with the legal Rent Standard).
- 1.8 The *Capital* elements (**Attachment 1c**) of the proposed Programme for 2024/25 to 2028/29 comprise the following:
- The General Fund Capital Programme comprises total expenditure of £60.488 million over the five-year period 2024/25 to 2028/29, including £32.178 million in 2024/25; and
  - The HRA Capital Programme comprises total expenditure of £140.424 million over the five-year period 2024/25 to 2028/29, including £33.087 million in 2024/25.
- 1.9 **Attachment 1d** also presents the proposed Fees & Charges that support the draft budget for 2024/25. This comprises both General Fund and HRA.
- 1.10 Looking further ahead, an updated Medium-Term Financial Plan (2024/25 to 2028/29) covering both the General Fund and the HRA was also considered and recommended for approval by the Cabinet on 5th February 2024 and is also included in **Attachment 1e**; the numbers reflect the draft budget proposals for 2024/25.
- 1.11 In addition, the Council's Section 151 Officer has a duty under Section 25 of the Local Government Act 2003 to report on the robustness of the budget estimates and the adequacy of the Council's proposed financial reserves. Members attention is therefore drawn to the comments made in **Attachment 2**, which is for consideration and noting.
- 1.12 In considering the Council's contingency reserves, extant professional guidance in the form of the recommended principles contained in "*LAAP Bulletin 99: Local Authority Reserves and Balances (issued July 2014)*" is followed. On that basis, taking account of the strategic, operational, and financial risks facing the Council, the maintenance of a £4.0 million minimum contingency balance of unallocated reserves in the General Fund Reserve is recommended. This is an underlying assumption in the Council's updated Medium-Term Financial Plan 2024/25 to 2028/29.
- 1.13 The draft Treasury Management Strategy 2024/25 (**Attachment 3**) – considered by the Audit & Governance Committee on 15th February 2024 – is also presented and recommended for approval.
- 1.14 And finally, the draft Capital Strategy 2024/25 to 2026/27 (**Attachment 4**) was also presented to the Audit & Governance Committee on 15th February 2024 and is recommended for approval (including the embedded Prudential Indicators 2024/25 to 2026/27).

## 2. Resource Implications

- 2.1 There are significant resource implications, which are covered in detail in the report.

## 3. Legal and Governance Implications

- 3.1 The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. This report sets out a recommended budget for 2023/24 which fully meets the legal requirements.

#### **4. Safer, Cleaner and Greener Implications**

4.1 None.

#### **5. Consultation Undertaken**

5.1 The initial draft budget proposals for 2024/25, including an updated Medium-Term Financial Plan, were (following scrutiny from special Overview & Scrutiny Committee 12th December 2023) presented to Cabinet on 18th December 2023 and again to the Overview & Scrutiny Committee on 23rd January 2024. The Cabinet – at its meeting held on 5th February 2024 – considered further comments on the budget proposals, made by the Overview and Scrutiny Committee at its meeting held on 23rd January 2024.

## Report to the Cabinet

**Report reference:** C-044-2023/24  
**Date of meeting:** 5th February 2024



**Portfolio:** Finance & Economic Development – Cllr. John Philip

**Subject:** Draft Budget 2024/25 (including General Fund & HRA revenue & capital, Fees & Charges, and an updated Medium-Term Financial Plan)

**Responsible Officer:** Andrew Small (01992 564278)

**Democratic Services:** Vivienne Messenger (01992 564243)

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### Recommendations/Decisions Required:

- 1) To consider the final revenue and capital budget proposals for 2024/25 as presented in *Appendices A to E* of this report, together with the comments received from the Overview & Scrutiny Committee; and after making any amendments that Cabinet considers necessary.
- 2) Recommend to Council:
  - a. The budget for 2024/25 and the updated Medium-Term Financial Plan; and
  - b. The level of Council Tax increase for 2024/25.

### Executive Summary:

The Cabinet approved an updated Financial Planning Framework (FPF) 2024/25 to 2028/29 at its meeting on 18th September 2023, which is the first step in preparing the 2024/25 budget.

The first major milestone in the FPF was reached on 9th October 2023, with Cabinet receiving and considering an updated Medium-Term Financial Plan (MTFP) for 2024/25 to 2028/29. The MTFP revealed a projected deficit of £3.720 million for 2024/25 on the General Fund; it is a deficit that required eliminating in full for the Council to fulfil its legal obligation to set a balanced budget for the forthcoming financial year.

The MTFP also identified a projected a small surplus of £0.015 million on the Housing Revenue Account (HRA) for 2024/25.

Acting on the strategic direction provided by Cabinet on 9th October 2023, officers were successful in provisionally bridging the General Fund revenue deficit and presented an early draft budget for 2024/25 to Cabinet on 18th December 2023. The budget was balanced, with the proposals also reflecting the comments of a special Overview & Scrutiny Committee, which met to consider the emerging budget, including the savings proposals, on 12th December 2023.



The provisional Local Government Finance Settlement for 2024/25 was also announced on 18th December 2023, with the outcome for Epping Forest District Council in line with early expectations.

However, as agreed by Cabinet on 13th March 2023, the Council was successful in completing the sale of a portion of land owned a North Weald Airfield, which was earmarked for employment use within the Local Plan. The eventual sale completed immediately prior to Christmas 2023, but negotiations with the buyer had proceeded for many months prior to the sale. Without certainty on completion, the financial implications could not be assumed in preparing the initial draft budget for 2024/25 presented to Cabinet on 18th December 2023.

The size of the capital receipt, and the investment interest that it generates, has material financial implications for the Council. However, although recognising the temptation to substantially scale back the many difficult and challenging savings assumptions embedded in the December 2023 draft budget, it is strongly recommended that the Council continues its approach to creating a sustainable budget across the whole of the MTFP period. There is a substantial underlying structural deficit in the Council's General Fund revenue budget, which cannot be addressed through the application of the North Weald Airfield capital receipt.

However, the capital receipt does provide some short-term opportunities and some flexibility, which is now reflected in the amended draft budget proposals for 2024/25 presented in this report for consideration by Cabinet.

The Revenue elements of the draft budget for 2024/25 can be found at **Appendix A**.

- The General Fund final draft budget proposal for 2024/25 comprises Net Expenditure of £15.853 million, which includes a contribution of £2.152 million to Reserves. The provisional Local Government Finance Settlement 2024/25 was generally as expected, but there has been a substantial decrease of £2.076 million in the overall Net Expenditure budget requirement compared to that assumed in December 2023 driven by a significant fall in net Financing costs (reflecting the impact of the North Weald Airfield capital receipt). This has helped to address some late budget pressures, including an income shortfall on Planning Applications (£0.600 million) and the need for a further ongoing contingency on Waste Management (£0.500 million). Scrutiny feedback has also helped guide the judicious use of the available short-term flexibility in removing a limited number of savings proposals embedded in the December 2023 initial draft budget (£0.588 million). It is proposed that the remaining budget surplus (£2.152 million) is set aside within a newly created Transformation Revenue Reserve. A Council Tax increase of 2.99% is proposed; and
- The HRA final draft budget proposal for 2024/25 anticipates a planned deficit of £0.465 million and assumes an average Housing Rent increase of 7.7% (in line with the legal Rent Standard).

The Capital elements of the draft budget for 2024/25 can be found at **Appendix B**.

- The General Fund Capital Programme comprises total expenditure of £60.488 million over the five-year period 2024/25 to 2028/29, including £32.178 million in 2024/25; and
- The HRA Capital Programme comprises total expenditure of £140.424 million over the five-year period 2024/25 to 2028/29, including £33.087 million in 2024/25.

The proposed Fees & Charges that support the draft budget for 2024/25, can be found at **Appendix C**. This comprises both the General Fund and HRA elements, with an average inflationary increase of around 6.7% (September 2023 CPI) applied.

Looking further ahead, the updated MTFP is included at **Appendix D** covering both the General Fund and the HRA; the numbers reflect the final draft budget proposals for 2024/25. Whilst the position for the HRA is almost identical to that presented in December 2023, the updated projections for the General Fund are significantly different, most notably with a balanced position projected for 2025/26 (compared to a forecast deficit £1.152 million in December 2023). This is achieved whilst still contributing £0.461 million to Reserves. However, the underlying structural deficit re-emerges from 2026/27 onwards though.

In terms of the **General Fund** medium-term position, the projections are summarised below.

<b>General Fund MTFP (@ February 2024)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2024/25	0	Includes contribution of £2.152 million to Transformation Revenue Reserve. New Waste Management arrangements assumed with effect from November 2024.
2025/26	0	Includes contribution of £0.461 million to Transformation Revenue Reserve.
2026/27	921	
2027/28	530	
2028/29	531	

In terms of the **HRA** medium-term position, the projections are summarised below.

<b>Housing Revenue Account MTFP (@ February 2024)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2024/25	465	
2025/26	296	
2026/27	105	
2027/28	18	
2028/29	5	

The final stage in the process will see the budget proposals for both the General Fund and Housing Revenue Account presented to the Council on 20th February 2024, alongside the Council Tax Setting report for 2024/25.

**Reasons for Proposed Decision:**

To enable Cabinet to recommend a final budget for 2024/25 to the Council on 20th February 2024.

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

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. This report presents final budget proposals that reflect a balanced position for 2024/25.

### **Safer, Cleaner and Greener (SCG) Implications:**

There are no direct SCG implications contained within the report.

### **Consultation Undertaken:**

The initial draft budget proposals for 2024/25, including an updated Medium-Term Financial Plan, were (following scrutiny from special Overview & Scrutiny Committee 12th December 2023) presented to Cabinet on 18th December 2023 and again to the Overview & Scrutiny Committee on 23rd January 2024. The comments from the Overview & Scrutiny Committee will be considered by Cabinet alongside this report.

### **Background Papers:**

None.

### **Risk Management:**

The consideration of risk formed an integral part of the development of the proposals in this report. In particular, the Budget (and updated MTFP) is based on a series of estimates and assumptions that are informed by a range of intelligence sources (some certain, some uncertain); that process, including any residual risk in the decision-making process, is clearly indicated where appropriate.

## Final Budget Proposals 2024/25

### GENERAL FUND & HRA REVENUE

#### 1. Background and Introduction

- 1.1 The Cabinet approved an updated Financial Planning Framework (FPF) 2024/25 to 2028/29 at its meeting on 18th September 2023, which is the first step in preparing the 2024/25 budget.
- 1.2 The first major milestone in the FPF was reached on 9th October 2023, with Cabinet receiving and considering an updated Medium-Term Financial Plan (MTFP) for 2024/25 to 2028/29. The MTFP revealed a projected revenue deficit of £3.720 million for 2024/25 on the General Fund; it was a deficit that required eliminating in full if the Council were to fulfil its legal obligation to set a balanced budget for the forthcoming financial year.
- 1.3 The MTFP projected a small revenue surplus of £0.015 million on the Housing Revenue Account for 2024/25.
- 1.4 Acting on the strategic direction provided by Cabinet on 9th October 2023, officers were successful in provisionally bridging the General Fund revenue deficit and presented an early draft budget for 2024/25 to Cabinet on 18th December 2023. The budget was balanced, primarily due to the inclusion of draft General Fund savings proposals of £3.229 million (total savings of £3.535 million were presented, including HRA savings of £0.306 million). The proposals also reflected the comments of a special Overview & Scrutiny Committee, which met to consider the emerging budget, including the savings proposals, on 12th December 2023. By coincidence, the *provisional* Local Government Finance Settlement for 2024/25 was also announced on 18th December 2023; the details in the Settlement confirmed the robustness of the related estimates and assumptions in the budget proposals.
- 1.5 An early draft revenue budget for 2024/25 for the HRA was also presented to Cabinet on 18th December 2023. It anticipated a *planned* deficit of £0.465 million.
- 1.6 The draft budget proposals presented to Cabinet on 18th December 2023 – both General Fund and HRA revenue – were further scrutinised by the Overview & Scrutiny Committee on 23rd January 2024. The Portfolio Holder for Finance also updated the Committee on a significant land disposal at North Weald Airfield. The capital receipt generated was a material event which had happened too late to be reflected in the initial draft budget proposals presented in December 2023; the interest generated from the receipt (a revenue stream) provided an opportunity to modify the budget proposals for 2024/25, including some of the initial savings' proposals.
- 1.7 Further detailed work has now been completed on the revenue budgets. This has included updating the proposals to reflect the very latest developments, most notably the impact of the North Weald capital receipt and the *provisional* Local Government Finance Settlement for 2024/25. The General Fund has now been 're-balanced' and this report allows Cabinet to consider the final budget proposals for 2024/25 – for both the General Fund and HRA – as set out in the report, whilst taking into consideration the comments of the Overview & Scrutiny Committee.

## 2. Proposed General Fund Revenue Budget 2024/25

### SUBJECTIVE ANALYSIS

2.1 The proposed General Fund revenue budget for 2024/25 comprises Net Expenditure of £15.853 million and is summarised by **subjective** heading – including changes to the early draft adopted by Cabinet in December 2023 – in the table below.

<b>2024/25 General Fund Draft Revenue Budget: subjective analysis</b>			
<b>Description</b>	<b>Draft Budget (Dec 2023)</b>	<b>Movements</b>	<b>Draft Budget (Feb 2024)</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>EXPENDITURE</b>			
Employees	21,268	412	21,680
Premises	3,530	0	3,530
Transport	233	0	233
Supplies & Services	8,974	1,082	10,056
Support Services	1	0	1
Contracted Services	11,606	0	11,606
Transfer Payments (H Bens)	21,698	0	21,698
Financing Costs	4,446	(4,083)	363
Specific Contingency (Waste)	200	0	200
<b>Gross Expenditure</b>	<b>71,956</b>	<b>(2,589)</b>	<b>69,367</b>
<b>INCOME</b>			
Fees and Charges	(18,556)	600	(17,956)
Government Contributions	(23,285)	0	(23,285)
Misc. Income (inc. Qualis)	(3,459)	(78)	(3,537)
Other Contributions	(4,194)	0	(4,194)
HRA Recharges	(4,533)	(9)	(4,542)
<b>Net Expenditure</b>	<b>17,929</b>	<b>(2,076)</b>	<b>15,853</b>
<b>FUNDING</b>			
Council Tax	(9,288)	0	(9,288)
Business Rates	(6,595)	236	(6,359)
Collection Fund Adjustments	(405)	10	(395)
Council Tax Sharing Agreement (CTSA)	(390)	(45)	(435)
Revenue Support Grant (RSG)	(133)	(4)	(137)
New Homes Bonus	(81)	75	(6)
Other Grants/Funding Guarantee Allocation (FGA)	(1,300)	(85)	(1,385)
Contribution to/(from) Reserves	263	1,889	2,152
<b>Total Funding</b>	<b>(17,929)</b>	<b>2,076</b>	<b>(15,853)</b>
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

## EXPENDITURE

2.2 The **Expenditure** highlights included in the table above are as follows:

- **Employee Costs (£21.680 million)** – the core inflationary assumptions with regard to 2024/25 remained unchanged compared to the October 2023 MTFP. The anticipated back-dated pay settlement for 2023/24 was adopted following agreement with the unions; it was a fixed sum increase of £1,925 for all employees, equating to an average pay increase of approximately 5.0%. The assumed pay award of 3.0% for 2024/25 remains unaltered and the figures also include an additional 1.0% (making 4.0% in total) to address the underlying deficit in the base budget as a consequence of the 2023/24 pay award exceeding the budget provision by 1.0% (i.e., the 2023/24 budget assumed an award of just 4.0% compared to the actual award of 5.0%). However, the initial draft budget presented in December 2023 reflected a budgeted reduction in Employee costs of £2.089 million since the October 2023 estimate was prepared primarily as a consequence of the savings proposals to tackle the projected overall budget deficit of £3.720 million identified in October 2023.

### Update February 2024

Estimated Employee costs have risen by £0.412 million (from £21.268 million to £21.680 million) since the initial draft budget was presented in December 2023. This partly reflects minor pay adjustments identified in January 2024, but is mostly a consequence of the reversal of two specific budget savings (for £133,280 and £116,120 respectively), which were assumed in the December 2023 draft budget. See Paragraph 2.5 below for a discussion on savings proposals (including **Appendix E**).

- **Premises (£3.530 million)** – a tailored approach was applied to Premises costs for 2024/25 in the initial draft budget presented in December 2023, with targeted savings on Energy costs of £100,000 (already assumed within the October 2023 MTFP) achieved, with other costs assumed to follow the general rate of inflation (3.5%). However, overall Premises costs had fallen by £0.211 million. As with Employee costs, this was primarily due to the assumed realisation of savings proposals.

### Update February 2024

There have been no further changes in estimated Premises costs for 2024/25.

- **Supplies & Services (£10.056 million)** – as reported to Cabinet in December 2023, the October 2023 iteration of the MTFP assumed 3.5% inflation on Supplies and Services for 2024/25, which was driving an estimated cost pressure of £0.327 million. Whilst that general assumption remained unchanged, overall Supplies and Services costs fell by £0.685 million. Again, primarily due to the assumed realisation of savings proposals, with notable reductions across a wide range of cost centres, especially in areas such as Commercial & Technical (£346,652) and Corporates Services (£163,813 mainly in respect of miscellaneous ICT costs).

Update February 2024

Estimated Supplies and Services costs have risen by £1.082 million (from £8.974 million to £10.056 million) since the initial draft budget was presented in December 2023. The single largest factor in the increase relates to the estimated costs of the new Waste Management arrangements; emerging intelligence in January 2024 has identified the need for additional (ongoing) budget provision of £500,000. Other notable cost additions include a contribution towards the “Fit for the Future” (transformation) Programme, which is covered elsewhere on this agenda (£180,000) and the opportunity has also been taken to include a budget of £150,000 for “Place-Based Initiatives”. In addition, a specific budget saving of £180,000 has also been reversed. See Paragraph 2.5 below for a discussion on savings proposals (including **Appendix E**).

- **Contracted Services (£11.606 million)** – in the initial draft budget presented in December 2023, the budgeted cost of Contracted Services was significantly higher (up £1.594 million) than assumed in the October 2023 MTFP. There were two notable factors. Firstly, an increase in the cost of the Biffa waste contract of 6.7% was initially assumed in the October 2023 MTFP on the basis of August 2023 CPI (latest available information at time of preparing report). However, the CPI rate unexpectedly dropped to 4.6% in October 2023, which is the inflation rate written into the contract (and has been applied for 12 months, with effect from November 2023); this reduced the cost pressure by £0.174 million. However, that was outweighed (most notably) by the inclusion of Capital Financing Costs of £1.602 million in respect of the new Waste Management arrangements anticipated in November 2024; such costs would be absorbed into any subsequent Waste Management contract with the planned arms-length Waste Company (rather than being a direct expense of the Council).

Update February 2024

There have been no further changes in estimated Contracted Services costs for 2024/25.

- **Transfer Payments (£21.698 million)** – refined estimates of Housing Benefit (HB) related budgets were completed in preparing the initial draft budget in December 2023. This resulted in a net reduction of £0.762 million in anticipated payments compared to October 2023 MTFP estimates, although Members were once again reminded that increased or reduced payments to claimants are predominantly offset by corresponding adjustments in Government payments to the Council. See Government Contributions below.

Update February 2024

There have been no further changes in estimated Transfer Payments for 2024/25.

- **Financing Costs (£0.363 million)** – it was reported to Cabinet in December 2023 that estimated Financing Costs had been further refined in the light of updated cash flow and interest rate expectations. The major cost pressure created by increased interest rates had further stabilised since the MTFP was drafted in October 2023, which has helped slightly. However, the dominant factor in the (apparent) reduction of £2.147 million in overall Financing Costs was the reclassification of £1.602 million in costs related to the new Waste Management arrangements, which were transferred to Contracted Services as explained above.

Update February 2024

A further detailed review of Financing costs has been undertaken in the light of the North Weald Airfield capital receipt. This has resulted in a major reduction in *net* Financing costs (down by £4.083 million from £4.446 million to £0.363 million). While MRP charges have remained virtually constant (reducing by just £31,000) compared to December 2023, forecast Interest *Receivable* has *increased* by £1.935 million and forecast Interest *Payable* has *reduced* by £2.116 million (as outstanding Short-Term Loans are redeemed as they mature, paid for by available cash from the capital receipt).

Interest rates of 4.3% on Investments and 4.8% on Loans have been assumed respectively for 2024/25. It should be noted that no decisions have been made as to the future use of the capital receipt and the movement in Capital Financing costs merely reflects current assumptions regarding the anticipated Treasury Management Strategy for 2024/25.

- **Specific Contingency (Waste) (£0.20 million)** – the initial draft budget presented to Cabinet in December 2023, included a one-off contingency of £200,000 to aid the continued implementation of the new Waste Management arrangements with effect from November 2024, which is a major undertaking for the Council (see discussion above re additional Waste Management cost assumptions embedded within the budget).

Update February 2024

The £200,000 one-off Waste Management Contingency remains unaltered within these draft budget proposals.

**INCOME**

2.3 The ***Income*** highlights included in the table above are as follows:

- **Fees and Charges (£17.956 million)** – in presenting the initial draft budget to Cabinet in December 2023, it was reported that detailed work on the income assumptions from Fees and Charges had generally been successful in keeping pace with inflation (assumed at typically 6.7% in accordance with August 2023 CPI as explained in October 2023 MTFP) on non-statutory fees. The overall income expectation was increased by £0.480 million though, which was primarily the result of two factors. Firstly, a review of energy cost adjustments within the Leisure contract Management Fee paid by Places Leisure resulted in a positive adjustment of £110,379 (in favour of the Council). And secondly, a misclassification of Market Rent at North Weald Airfield (value £367,500) was subsequently identified within the October 2023 MTFP; the required correction to the classification increases the Fees and Charges line by £367,500, with a corresponding reduction of the same amount on Miscellaneous Income (see below). Limited changes to Car Parking charges were proposed within the savings proposals (estimated yield £106,000).



Update February 2024

A further (and final) review of Fees and Charges has been undertaken during January 2024. That review confirms all previous assumptions as present to Cabinet in December 2023, with one exception. The Quarter 3 Budget Monitoring Report for 2023/24 which appears elsewhere on this agenda, highlights a forecast income shortfall of £950,000 for Planning Applications. This has been a persistent problem and the anticipated uplift in Applications following the adoption of the Local Plan in March 2023 has not materialised, with the increase in statutory fees introduced in December 2023 only partially alleviating the shortfall in income. On that basis, and in the light of updated expectations for 2024/25, it has been concluded that a reduced income assumption of £600,000 should be applied. This reduces the overall Fees and Charges assumption for 2024/25 from £18.566 million to £17.956 million.

- **Government Contributions (£23.285 million)** – these primarily relate to compensation for Housing Benefit payments. These reduced by £0.725 million in the initial draft budget prepared in December 2023 compared to the assumption in October 2023 following an anticipated reduction in payments to claimants by a similar amount (see discussion above on Transfer Payments).

Update February 2024

There have been no further changes in estimated Government Contributions for 2024/25.

- **Miscellaneous Income (including Qualis) (£3.537 million)** – estimated income from Qualis loan margins remained unchanged in the initial draft budget presented to Cabinet in December 2023, compared to that assumed in the October 2023 MTFP.

Update February 2024

An updated review of anticipated income from Qualis loan margins has been completed in January 2024. The outcome has resulted in a small increase of £78,000 (from £3.459 million to £3.537 million) in anticipated loan margins receivable from Qualis in 2024/25.

- **Other Contributions (£4.194 million)** – a marginal increase (of £153,000) was reported to Cabinet in December 2023. “Other Contributions” include Recycling Credits (£1.021 million), the Sale of Recycled Material (£0.828 million), Garden Town partner contributions (£0.750 million) and Waste Service Enhancement Payments from Essex County Council (£0.542 million).

Update February 2024

There have been no further changes in estimated Other Contributions for 2024/25.

- **HRA Recharges (£4.542 million)** – as reported to Cabinet in December 2023, the updated (net) HRA Recharges assumption was lower – by £0.318 million – compared to the assumption in the October 2023 MTFP. This predominantly reflected the assuming realisation of proposed HRA-related savings (of £0.306 million).

Update February 2024

There has been a marginal increase of £9,000 in HRA Recharges (rising from £4.533 million to £4.542 million) compared to the initial draft budget presented in December 2023. This adjustment reflects the HRA impact of savings adjustments completed in January 2024 (see Paragraph 2.5 below).

## FUNDING

2.4 The **Funding** highlights included in the table above are as follows:

- **Council Tax (£9.288 million)** – the Council Tax Base for 2024/25 was calculated as at 30th November 2023 (at 55,617.6) based on latest available data held on the “Academy” system and supplemented by intelligence on additional “Completion Notices” anticipated by 31st March 2024 (as an indicator of expected growth in the base); the parishes were notified accordingly on 4th December 2023. A Council Tax collection rate assumption of 98.0% has been assumed for 2024/25, following a temporary reduction to 97.5% in 2023/24 in anticipation of a reduction in collection rates due to the worsening economic climate at the time; experience has shown local collection rates to be more resilient than assumed with performance stable, thereby allowing a more optimistic assumption this year.

The original assumption in the October 2023 MTFP that Council Tax will rise by 3.0% in 2024/25 remained unchanged in the draft budget presented to Cabinet on 18th December 2023.

### Update February 2024

The Referendum Principles for 2024/25 were confirmed by the Government as part of the *provisional* Local Government Finance Settlement announced on 18th December 2023. This draft budget contains a proposed Council Tax increase of 2.99%. If adopted, this would increase the Band D charge from £162.15 to £167.00 (an increase of £4.85 compared to the £5.00 maximum allowable, without recourse to a Referendum). Members of course retain the option to vary this proposal. All other Council Tax assumptions remain unchanged compared to those presented to Cabinet in December 2023.

- **Business Rates (£5.359 million)** – as originally reported to Cabinet on 18th September 2023, revenue from the Business Rates Retention (BRR) scheme has been performing strongly in 2023/24 following the April 2023 Revaluation (whereby the Business Rates base in Epping Forest increased in value by 14.0%, which is double the national average of 6.9%). On that basis, the estimates originally prepared for the October 2023 MTFP remained unchanged in the initial draft budget prepared in December 2023. It was assumed that the funding expectation in the budget from this source will rise by £0.829 million; from £5.766 million in 2023/24 to £6.595 million in 2024/25, with normal inflationary rises assumed thereafter (for the purposes of the MTFP in **Appendix D**).

### Update February 2024

An updated review of the Council’s Business Rates position was completed in January 2024 with technical support provided by external advisors LG Futures. The outcome results in a revised Business Rates projection of £6.359 million, which is £236,000 lower than the £6.595 million assumed in December 2023. Alongside the North Weald Airfield capital receipt and the need to invest in the “Fit for the Future” (transformation) Programme, the opportunity has also been taken to exclude any additional funding (“pooling gains”) available from membership of the Essex Business Rates Pool from the overall assumed funding from Business Rates. The Pooling Gain is a particularly volatile element of the overall Business Rates Retention (BRR) system as – amongst other things – it relies partly on Business Rates growth achieved in other Essex districts (as well as Epping Forest), so in the interests of added prudence, funding from this source is no longer assumed to support the budget. It is proposed that any subsequent Pooling Gains received will be earmarked for the “Fit for the Future” Reserve (see further discussion below).

- **Collection Fund (£0.395 million)** – subsequent to the October 2023 MTFP, a review of Collection Fund forecasts was completed by Finance officers in late October/early November 2023 in order to establish *provisional* estimates. This identified some encouraging signs, with an overall net distribution of £0.405 million anticipated from Council Tax and Business Rates (up £0.180 million compared to the October 2023 MTFP assumption).

Update February 2024

The assumptions in December 2023 have been further refined, which has resulted in revised forecasts of £90,122 and £304,860 for Council Tax and Business Rates respectively; this reduces the anticipated Collection Fund income distributions from £0.405 million to £0.395 million (i.e., down by £10,000).

- **Council Tax Sharing Agreement (CTSA) (£0.435 million)** – as reported to Cabinet in December 2023, the latest available income forecast from the 2023/24 CTSA at that stage was the Quarter 2 forecast presented to the Overview & Scrutiny Committee on 24th October 2023. This was showing an anticipated outturn of £390,000, so was reflected in the 2024/25 funding assumption.

Update February 2024

The subsequent release of CTSA statistics for Quarter 3 (as at 31st December 2023) suggests that a slight increase would be a reasonable assumption. On that basis, assumed funding of £435,108 is now included in this Budget, based on the Quarter 3 forecast (up £45,000).

- **Revenue Support Grant (£0.137 million)** – the December 2023 draft budget for 2024/25 assumed funding from the Revenue Support Grant (RSG) of £133,000 as part of an anticipated Local Government Finance Settlement at “Core Spending Power +3.0%”.

Update February 2024

The *provisional* Local Government Finance Settlement for 2024/25 was announced by the Government on 18th December 2023. The Settlement was very close to expectations and included an RSG allocation of £137,319 (i.e. fractionally more than assumed in December 2023).

- **New Homes Bonus (£0.006 million)** – the December 2023 draft budget for 2024/25 assumed funding from New Homes Bonus (NHB) of £81,000. Although NHB forms part of the Government’s “Core Spending Power” calculations, annual allocations to individual councils are based on updated local Housing Delivery statistics so are prone to fluctuation.

Update February 2024

The *provisional* Local Government Finance Settlement for 2024/25 included an NHB allocation of £5,880 for Epping Forest District Council. Whilst was disappointing and below the December 2023 assumption, although (in recent years) NHB has become a relatively minor source of funding for the Council following the demise of “legacy payments”.

- **Other Grants/Funding Guarantee Allocation (FGA) (£1.385 million)** – based on an anticipated Local Government Finance Settlement of “Core Spending Power +3.0%” for 2024/25, a budget assumption of £1.300 million was included in the draft budget in December 2023 for the Funding Guarantee Allocation (FGA).

Update February 2024

The *provisional* Local Government Finance Settlement for 2024/25 announced by the Government on 18th December 2023 included an FG allocation of £1,235,398 for this Council. Although slightly below December 2023 expectations, the shortfall was offset by a larger than expected Settlement within the Business Rates system (with councils receiving a full inflationary increase of 6.7%).

However, in the light of consultation responses received on the provisional Settlement, on 24th January 2024, Michael Gove, the Secretary of State for Levelling Up, Housing and Communities, announced additional funding worth £600 million to local government in 2024/25. Although most of that funding is to be targeted at councils with responsibility for adults and children's social care, there was also an expressed commitment to increase the Funding Guarantee for 2024/25 to 4.0% for all councils (from the provisional 3.0%). Additional allocations for individual councils have not been announced at the time of preparing this report. In the circumstances a prudent (notional) assumption has been made that this Council will receive a minimum *additional* allocation of £150,000, which is reflected in these draft budget proposals (resulting in an overall *assumed* FGA allocation of £1,385,398).

- **Contribution to/(from) Reserves (£2.152 million)** – Cabinet were reminded in December 2023 that, in the light of the General Fund Reserve falling below its adopted minimum contingency balance of £4.0 million in February 2023, the Council had committed to – with effect from 2023/24 – annually contributing £262,620 to towards replenishing the General Fund Reserve. At that point in time (December 2023), the Quarter 2 Budget Monitoring Report 2023/24 was projecting a further significant overspend on the 2023/24 General Fund revenue budget, which – if this materialised – would further deplete the General Fund Reserve balance. The pressure to contribute to the General Fund Reserve was therefore rising. As a consequence, as with the October 2023 MTFP, the Council's annual commitment of £262,620 was retained.

Update February 2024

The financial impact of the North Weald Airfield capital receipt has resulted in a substantial shift in the proposed Contribution to Reserves. It has an impact on both 2023/24 and 2024/25:

- **2023/24 Impact** - there is an immediate impact on the Council's projected General Fund revenue outturn for 2023/24. As reported elsewhere on this agenda, following anticipated *overspends* in both Quarter 1 and Quarter 2, a budget *underspend* of £0.584 million is now projected at the Quarter 3 stage for 2023/24. If this materialises (supplemented by the redesignation of other reserves totalling £0.605 million), a year-end balance of £4.533 million is anticipated on the General Fund Reserve, which is *above* the Council's adopted minimum contingency balance of £4.0 million; the annual '*top up*' contribution to the General Fund Reserve of £262,620 is therefore no longer required; and

- **2024/25 Impact** – there has been a substantial decrease in anticipated *net Financing costs* for 2024/25 as explained above, which is the dominant factor in what is effectively a potential budget surplus for 2024/25 with projected Funding exceeding projected Net Expenditure by £2.152 million. It is therefore proposed that this surplus should be added to a separate Transformation Revenue Reserve (TRR); the TRR would be specifically earmarked to provide the necessary investment in systems, expertise, and capacity to support the Council’s “Fit for the Future” (transformation) Programme (reported elsewhere on this agenda). The budgeted contribution of £2.152 million to the TRR in 2024/25 would add to (‘top up’) any available surplus balance on the General Fund Reserve as at 31st March 2024 (estimated at £0.533 million as at Quarter 3 2023/24). The target balance on the TRR would be £3.0 million with Business Rates pooling gains potentially available as an additional source of funding as described above. It should be emphasised that the primary purpose of the “Fit for the Future” Programme is to put the Council on a ‘firmer financial footing’ through the delivery of a revenue budget that is sustainable for the long-term.

### **EMBEDDED SAVINGS PROPOSALS**

- 2.5 Given the scale of the originally projected budget deficit for 2024/25 (£3.720 million) identified in the updated MTFP adopted in October 2023, senior officers, under the strategic direction of Cabinet, prepared a range of savings proposals for consideration by a special meeting of the Overview and Scrutiny Committee on 12th December 2023. The total value of savings considered was £3.780 million (£2.650 million “Low Impact” savings, £1.130 million “High Impact” savings). Acting on feedback from Committee, and subsequent direction provided by Cabinet following the meeting, updated General Fund savings of £3.536 million (£3.229 million net of HRA adjustments) were assumed and embedded in the initial draft budget adopted by Cabinet presented on 18th December 2023. The table below summarises those savings by Cabinet Portfolio.

#### **Update February 2024**

The financial benefit derived from the North Weald Airfield capital receipt gives the Council the opportunity to identify sustainable, longer-term savings proposal, to replace some of the negative, short term, reactionary savings that were an undesirable feature of the December 2023 budget proposals for 2024/25, although a balance has to be struck with the critical need to tackle the Council’s underlying structural deficit. On that basis, and in the light of feedback from the Overview & Scrutiny Committee, a limited number of savings embedded in the initial draft budget in December 2023, have been removed from these final draft proposals. This reduces overall General Fund embedded savings from £3.536 million (£3.229 million net of HRA adjustments) to £2.938 million (£2.641 million net of HRA adjustments). The table below summarises those savings by Cabinet Portfolio, including changes since December 2023.

Draft General Fund 2024/25 (@ February 2024): Embedded Savings Proposals			
Portfolio Description	December 2023	Movements	February 2024
	£'s	£'s	£'s
Community Health and Wellbeing	201,458	(22,805)	178,653
Customer and Corporate Support Services	1,350,603	(145,541)	1,205,062
Finance and Economic Development	725,917	(116,120)	609,797
Housing and Strategic Health Partnerships	210,344	0	210,344
Leader of the Council	76,183	0	76,183
Place	386,046	0	386,046
Regulatory Services	585,038	(313,280)	271,758
<b>Overall Savings Total</b>	<b>3,535,590</b>	<b>(597,746)</b>	<b>2,937,843</b>
HRA Recharges Adjustment	(306,225)	9,510	(296,715)
<b>Net Savings in General Fund</b>	<b>3,229,365</b>	<b>(588,236)</b>	<b>2,641,128</b>

2.6 The identification of savings on this scale (16.7% of the 2023/24 General Fund Net Expenditure budget) remains critical to ensure the financial sustainability of the Council. Nevertheless – in developing the proposals – Cabinet and senior officers have been mindful of the overriding need to protect public services. It is a difficult balancing act and transparency and engagement with the wider Council has been a priority to deliver a satisfactory outcome in difficult circumstances. Despite the financial benefits from the North Weald Airfield capital receipt, tough choices still have to be made, some of which entail potential sensitivities affecting employees, public sector partners, customers, and the general public. See **Appendix E** (including **Eii CONFIDENTIAL**) for a detailed summary of the updated (draft) Savings Proposals.

**GENERAL FUND BUDGET ANALYSES**

2.7 A more detailed analysis of the draft General Fund Budget 2024/25 has been prepared and is attached at **Annex 1** (“Subjective Analysis”) and **Annex 2** (“Cost Centre Summary”).

### 3. Proposed Housing Revenue Account Budget 2024/25

3.1 The proposed HRA revenue budget for 2024/25 is summarised by **subjective** heading – including changes to the early draft adopted by Cabinet in December 2023 – in the table below. A *planned* deficit of £0.465 million remains the core assumption, although there have been some very minor movements on individual budget elements between December 2023 and February 2024.

HRA MTFP Illustration (@February 2024)			
2024/25 HRA Draft Revenue Budget: Subjective Analysis			
Description	Draft Budget (December 2023)	Movements	Draft Budget (February 2024)
	£'s	£'s	£'s
Employees	5,282,310	13,490	5,295,800
Premises	6,690,830	-	6,690,830
Transport	80,790	-	80,790
Supplies & Services	1,281,290	-	1,281,290
Contracted Services	8,296,155	-	8,296,155
Support Services (GF Recharges)	4,532,625	9,510	4,542,135
Debt Management Expenses	68,000	-	68,000
Bad Debt Provision	109,000	-	109,000
Depreciation	10,700,000	-	10,700,000
<b>Total Expenditure</b>	<b>37,041,000</b>	<b>23,000</b>	<b>37,064,000</b>
Rental Income - Dwellings	(41,143,000)	-	(41,143,000)
Rental Income - Non-Dwellings	(999,000)	-	(999,000)
Fees and Charges (Charges for Services)	(3,051,000)	-	(3,051,000)
Other Contributions (Shared Amenities)	(394,000)	-	(394,000)
<b>Total Income</b>	<b>(45,587,000)</b>	<b>-</b>	<b>(45,587,000)</b>
<b>Net Cost of Service</b>	<b>(8,546,000)</b>	<b>23,000</b>	<b>(8,523,000)</b>
Interest Received	(150,000)	-	(150,000)
Financing Costs	6,562,000	-	6,562,000
<b>Net Operating Income</b>	<b>(2,134,000)</b>	<b>23,000</b>	<b>(2,111,000)</b>
<b>Appropriations:</b>			
HRA Contribution to Capital	2,599,000	(23,000)	2,576,000
<b>Total Appropriations</b>	<b>2,599,000</b>	<b>(23,000)</b>	<b>2,576,000</b>
<b>In-Year (Surplus)/Deficit</b>	<b>465,000</b>	<b>-</b>	<b>465,000</b>

3.2 The draft HRA budget proposals for 2024/25, where appropriate, include assumptions that are consistent with the General Fund. The most notable HRA specific factor is the annual Rent Increase. As reported to Cabinet in December 2023, September 2023 CPI was recorded at 6.7%. Therefore, in accordance with the extant legal Rent Standard (April 2020), a rent increase of 7.7% (CPI + 1.0%) remains a key proposal, which is the maximum allowable increase. Members of course have the option of choosing a lower rent increase.

**COST CENTRE SUMMARY**

3.3 A detailed summary of the draft HRA budget analysed by cost centre can be found at ***Annex 3***.



Final Draft General Fund Budget 2024/25: Full Subjective Analysis

FINAL DRAFT Income & Expenditure Analysis 2024-25 (@ Feb 2024)															
Subjective Description	Chief Executive	Commercial & Technical	Community & Wellbeing	Corporate Finance	Corporate Services	Customer Services	Internal Audit	Place	Planning & Development	Property Services	Strategy, Delivery & Performance	Quails	Other	HRA Recharges	General Fund Total
	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s
Employee Expenses	475,170	5,068,410	1,300,550	965,850	4,690,730	3,592,220	122,490	96,740	3,485,220	901,110	589,620		392,630		21,680,740
Premises Related Expenses		1,566,700	442,590		392,080				300	1,127,970					3,529,640
Transport Related Expenses	1,040	177,520	4,000	1,120	10,910	5,830	940	310	17,520	13,130	320				232,630
Supplies And Services	152,180	2,234,980	626,290	431,090	4,705,900	372,150	189,060	243,570	893,990	42,740	264,150				10,056,100
Support Services										700					700
Contracted Services		11,605,610													11,605,610
Transfer Payments						21,698,600									21,698,600
Financing Costs													363,160		363,160
MM Contingency (Implementation)		200,000													200,000
<b>Total Expenditure</b>	<b>628,390</b>	<b>20,753,220</b>	<b>2,373,430</b>	<b>1,398,080</b>	<b>9,799,610</b>	<b>28,668,800</b>	<b>312,490</b>	<b>340,620</b>	<b>4,397,030</b>	<b>2,005,650</b>	<b>854,090</b>	<b>0</b>	<b>755,790</b>	<b>0</b>	<b>69,367,180</b>
Fees & Charges		-14,331,120	-505,370		-327,010				-2,480,610	-312,290					-17,956,400
Government Contributions			-468,740	-178,000		-22,637,780									-23,284,520
Misc Income		-6,110			-280	-518,250			-59,600			-2,952,690			-3,536,940
Other Contributions		-2,770,820	-33,980		-881,130	-255,230			-750,000	-2,390					-4,193,750
HRA Recharges														-4,542,140	-4,542,140
<b>Total Income</b>	<b>0</b>	<b>-17,108,050</b>	<b>-1,008,090</b>	<b>-178,000</b>	<b>-708,430</b>	<b>-23,411,280</b>	<b>0</b>	<b>0</b>	<b>-3,290,210</b>	<b>-314,880</b>	<b>0</b>	<b>-2,952,690</b>	<b>0</b>	<b>-4,542,140</b>	<b>-53,513,750</b>
<b>Net Expenditure</b>	<b>628,390</b>	<b>3,645,170</b>	<b>1,365,340</b>	<b>1,220,080</b>	<b>9,091,180</b>	<b>2,257,540</b>	<b>312,490</b>	<b>340,620</b>	<b>1,106,820</b>	<b>1,770,770</b>	<b>854,090</b>	<b>-2,952,690</b>	<b>755,790</b>	<b>-4,542,140</b>	<b>15,853,430</b>

**Annex 2****Draft General Fund Budget 2024/25: Cost Centre Summary**

<i>Service: Chief Executive</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
50100	Chief Executive - Policy	550,030	479,470
CM100	Corporate Policy Making	30,900	31,980
CM105	Subscriptions	42,840	84,340
CM103	Company Structure - Qualis	31,500	32,600
		<b>655,270</b>	<b>628,390</b>

<i>Service: Community &amp; Wellbeing</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
27150	Limes Centre	34,330	23,850
34170	Community & Culture	416,790	518,780
34180	Homelessness Team	509,580	511,160
52100	Community & Wellbeing - Policy	215,050	213,170
CD112	Youth Council	12,600	10,350
CH110	Museum	481,030	314,120
GD100	Grants To Voluntary Orgs	21,010	9,220
GD110	Grant - Essex Womens Refuge	18,330	0
GD140	Grant - Citizens Advice Bureau	152,440	137,390
GD150	Grant - Voluntary Action Ef	30,000	27,040
HL100	Homelessness Advice	-455,650	-405,730
HL110	Bed Breakfast Accommodation	1,100	1,240
PT101	Community Transport	16,020	16,580
RS300	All Weather Pitch	-25,560	-17,500
RS400	Community, Health & Wellbeing	39,330	-2,250
RS403	Marketing And Promotions	11,360	7,920
		<b>1,477,760</b>	<b>1,365,340</b>

<i>Service: Commercial &amp; Technical</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
32170	Licensing Group	326,840	340,160
32220	Estates & Valuation	339,620	441,020
35003	Procurement & Contract Dev	250,760	257,690
35004	Public & Environmental Health	464,070	504,970
35005	Neighbourhoods Team	367,360	791,120
35006	Safer Communities	358,170	0
35007	Waste Management Group	841,230	414,500
35009	Cctv Cameras	27,800	29,620
35013	Engineering, Drainage & Water	500,730	518,070
35016	Leisure & Car Parking	172,560	175,840
35017	Countryside & Landscape	179,130	183,590
35018	Arborcultural Team	140,390	166,980
35600	Grounds Maintenance Contract		1,164,730
35601	Grounds Maintenance (Qualis)	1,172,090	69,240
36800	Private Hsg Policy Grants Care	250,580	260,190
36850	Private Hsg Technical	185,390	187,460
54100	Contract & Technical - Policy	410,490	367,270
54110	Highways Rangers - Group	140,420	140,580
CY100	Safer Communities Programme	195,250	192,120
EH100	Food Inspection	2,600	2,620
EH110	Pollution Control	56,120	10,350
EH111	Industrial Activities - Regula	-10,000	-10,670
EH112	Contaminated Land & Water Qual	55,730	61,300
EH113	Health & Safety	-5,750	-6,140
EH120	Private Sector Housing Matters	-21,920	-24,280
EH142	Animal Welfare Service	10,000	5,000
EH143	Burials (National Assist Act)	-1,830	-2,110
EH150	Public Hire Licensing	-112,880	-114,320
EH151	Licensing & Registrations	-121,030	-123,440
EH152	Animal Licensing	-9,420	-10,240
EH160	Public Conveniences	198,460	187,550
EI131	Countrycare	58,820	63,220
FD100	Flood Defence/Land Drainage	57,360	55,680
GD190	Charity - Chigwell Row Rec	1,320	9,290
HI121	Highways G F Other	15,750	16,300
HI122	Highways G F Trees	-18,850	-15,900
HI123	Highways Rangers	73,640	69,180
HI124	Street Furniture	12,820	25,000
HI129	Highways G F Verge Maintenance	-42,000	-43,700
LA100	Laa Pooled Funds	0	0
OS100	Roding Valley Development	1,060	10,000
OS101	Tree Service	73,490	76,070
OS110	Open Spaces	-3,590	360
OS115	Contribution To Hra	383,000	396,410
PH100	Private Housing Grants	-90,250	-202,360
PS100	Off-Street Car Parking	-633,510	-671,970
RS150	Leisure Services Contract	-905,880	-1,191,930
RS301	North Weald Airfield	-732,250	-1,128,260
RS302	North Weald Airfield Electric	216,910	171,000
SC100	Street Cleansing	1,485,690	1,494,060
SC101	Litter Bins	21,540	21,940
TI150	David Lloyd Centre	-217,350	-233,540
TI170	Brooker Rd Industrial Estate	-817,430	-891,160
TI180	Oakwood Hill Plots	-510,310	-502,120
TI190	Oakwood Hill Units	-311,840	-291,680
TI220	Langston Rd Industrial Estate	-126,490	-139,050
TO100	Fleet Operations Dso Account	44,010	152,150
UO110	Sundry Non-Distributable Costs	-29,800	-29,800
UO112	Greenyards, Waltham Abbey	-15,000	-15,000
UO113	Wayleaves	-4,460	-4,460
UO130	Business Premises	-2,715,380	-2,769,900
UO140	Epping Forest Shopping Park	-2,513,300	-2,523,990
UO150	Loughton High Road	-825,800	-883,100
WC100	Refuse Collection	1,820,280	1,915,780
WC102	Abandoned Vehicles	6,360	6,770
WC200	Recycling	1,981,310	2,265,130
WC400	Waste Management Company		2,300,000
WC300	Trade Waste	-42,510	-46,020
		<b>2,060,320</b>	<b>3,645,170</b>

<i>Service: Corporate Services</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
25300	Internal Insurance Fund	719,750	719,360
31140	Democratic Services	219,360	216,530
32060	Legal Services	408,050	402,910
32115	Corporate Training	128,100	75,100
32120	Human Resources	738,150	702,050
32122	Apprenticeships	373,040	337,670
32140	Payroll	51,710	53,530
33070	Debt & Insurance Services	80,240	82,360
33080	Information & Comms Technology	3,674,080	3,637,110
42110	Elections Group	99,160	102,700
51100	Corporate Support - Policy	289,130	382,420
51110	Finance Support	338,350	400,390
51120	Correspondence & Operational	222,900	196,790
51130	Service Support 1	243,480	302,500
51140	Service Support 2	198,550	143,430
51150	Business Services Admin	565,560	620,180
DR155	Members Allowances	369,060	363,350
DR160	Overview & Scrutiny	1,340	1,390
EL100	Elections	172,340	172,080
EP100	Emergency Planning	73,410	82,770
LC100	Service Support 3 (Lic)	88,240	61,580
PT110	Concessionary Fares	5,840	6,040
RE100	Electoral Registration	36,520	28,940
		<b>9,096,360</b>	<b>9,091,180</b>

<i>Service: Customer Services</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
33020	Cashiers	363,890	333,100
33055	Benefits	800,660	618,550
33075	Revenues	1,215,390	1,288,110
33085	Systems Admin & Contract	346,260	377,890
34160	Public Relations & Information	309,760	267,940
40120	Customer Service	701,950	693,510
55100	Customer Services - Policy	296,320	301,050
BA100	Housing Benefit Administration	-433,270	-373,820
BP100	Rent Allowances	-853,320	-593,040
BP110	Non Hra Rent Rebates	0	-10
BP200	Hra Rent Rebates	111,500	160,790
DR140	Civic Ceremonial	16,980	17,570
DR150	Civic & Member Expenditure	10,820	4,870
LT110	Nndr Collection	-229,280	-212,850
LT120	Council Tax Collection	-542,380	-626,120
		<b>2,115,280</b>	<b>2,257,540</b>

<i>Service: Corporate Finance</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
FM130	Prov Bad And Doubt Debts	105,000	108,680
33030	Treasury Management	42,000	43,470
33060	Accountancy	955,640	802,430
33065	Bank & Audit Charges	256,500	265,480
		<b>1,359,140</b>	<b>1,220,060</b>

<i>Service: Internal Audit</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
31120	Internal Audit	174,400	180,500
42410	Corporate Fraud Investigation	130,450	131,990
		<b>304,850</b>	<b>312,490</b>

<i>Service: Property Services</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
27050	Civic Offices	412,930	315,570
27060	Hemnall Street Offices	19,980	20,170
27110	Debden Broadway Offices	2,580	2,140
32191	Out Of Hours Service	34,040	35,230
32180	Facilities Management	468,550	612,270
23110	Oakwood Hill Depot	93,860	90,130
23130	Townmead Depot	15,690	12,880
23140	Epping Town Depot	-3,000	3,110
26200	Building Maintenance - General	418,980	390,660
57100	Housing & Property - Policy	382,010	288,610
		<b>1,845,620</b>	<b>1,770,770</b>

<i>Service: Place</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
ED100	Economic Development	34,940	93,520
42510	Economic Development Group	245,260	97,100
TBC	Place-Based Initiatives	0	150,000
		<b>280,200</b>	<b>340,620</b>

<i>Service: Planning &amp; Development</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
37500	Building Control Group	718,780	673,710
37600	Development Control Group	590,960	826,650
42310	Enforcement/Trees & Landscape	522,460	559,600
43310	Planning Policy Group	448,990	307,440
PP111	Local Plan	243,670	211,530
PP112	Neighbourhood Planning	10,490	510
PP113	Strategic Implementation Team	553,650	313,980
DC100	Enforcement	-15,950	-17,010
DC110	Planning Appeals	0	105,850
DC120	Development Control	-2,038,620	-1,699,000
PP100	Conservation Policy	3,000	19,220
58100	Planning Dev Services - Policy	305,390	218,460
BC100	Building Control	-582,710	-414,120
		<b>760,110</b>	<b>1,106,820</b>

Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
CM102	Transformation Projects	83,510	82,450
CM103	Fit for the Future	0	180,000
40110	Project & Programme Management	616,180	459,920
59100	Strategy, Deli & Perf - Policy	115,250	131,720
		<b>814,940</b>	<b>854,090</b>

<i>Service: Other</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
FM100	Finance Miscellaneous	2,378,510	1,698,630
IP100	Interest Payable	2,807,130	1,637,160
IR100	Interest Receivable	-478,500	-2,580,000
		<b>4,707,140</b>	<b>755,790</b>

<i>Service: Qualis Income</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Final Draft)
		£'s	£'s
QU001	Qualis Income Stream	-2,851,520	-2,952,690
		<b>- 2,851,520</b>	<b>- 2,952,690</b>

**Annex 3****Draft Housing Revenue Account Budget 2024/25: Cost Centre Summary**

Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
36250	Housing Resources	162,530	167,120
36260	Housing ICT	133,060	167,110
36500	Housing Options Group	805,310	881,580
36550	Housing Strategy Team	109,640	126,330
36600	Housing Older Peoples Group	568,400	577,690
36650	Housing Maintenance Group	623,830	382,480
36660	Housing Asset Strategy Team	279,870	554,100
36670	Housing Development	66,500	75,360
36900	Housing Management Group	184,830	275,750
36905	Housing Income Management Team	473,270	487,590
36910	Housing Land & Estates Management Team	514,310	469,840
36915	Housing Tenancy Team	421,330	494,300
RM100	Responsive Repairs	117,130	170,700
RM101	Responsive Repairs - Qualis	4,071,000	4,584,050
RM200	Voids Refurbishment	92,420	56,000
RM201	Voids Refurbishment - Qualis	2,500,390	2,894,840
RM300	Planned Maintenance	1,131,920	1,165,340
RM301	Planned Maintenance - Qualis	2,168,980	2,393,440
RM400	Engineering Maintenance	254,660	284,190
RM401	Engineering Maintenance - Qualis	160,500	184,410
RM500	Miscellaneous Projects	24,000	79,280
RM700	Income	(192,670)	(72,670)
YA100	Policy & Management	367,020	516,570
YA110	Sale Of Council Houses	(11,750)	(13,170)
YA140	Comp.Costs New Hsg.System	304,070	156,730
YA150	Tenant Participation	30,740	30,740
YA155	Land and Estates Management	-	6,380
YA160	Contribution To General Fund	697,920	697,920
YA180	New House Builds	121,590	156,700
YA190	HRA Support Services	2,293,900	2,162,640
YA200	Managing Tenancies	317,440	398,390
YA210	Waiting Lists & Allocations	115,890	108,890
YA300	Rent Accounting & Collection	133,400	56,020
YB110	Staircase Lighting	290,970	310,970
YB115	New Build - Street Lighting	-	18,680
YB120	Caretaking & Cleaning	411,120	401,130
YB140	Minor Sewerage Works	69,670	78,740
YB150	Water Course Maintenance	55,310	55,310
YB200	Other Communal Services	61,040	48,280
YB300	Community Centres	9,310	9,310
YB350	Hemnal House	30,000	30,800
YB400	Grounds Maintenance Services	1,566,960	1,563,810
YB401	Grounds Maintenance Services - Qualis	-	50,000
YB500	Oap Units Management	933,900	912,660
YB520	Community Alarms Mgt.	63,870	56,720
YB540	Area Warden Service - Mgt	26,670	20,070
YB620	Norway House - Management	366,980	380,160
YB800	Other Special Items	86,620	86,620
YC100	Capital Exp Charged To Revenue	1,364,000	2,576,000
YD100	Rents/ Rates/Taxes/Insurance	506,710	522,750
YF100	HRA - ICT Systems	47,000	1,900
YH100	Increase Bad & Doubtful Debts	99,000	109,000
YJ110	Depreciation	9,137,000	10,700,000
YJ120	Debt Management	65,000	68,000
YN100	Dwellings Rents	(37,298,450)	(41,161,740)
YN110	Rents - Norway House	(120,550)	(129,830)
YP110	Rents - Other	(1,760)	(1,760)
YP130	Rents - Hardstanding	(5,920)	(5,920)
YP190	Rent - Land	(13,300)	(13,300)
YP200	Garages	(897,770)	(960,770)
YP210	Ground Rents	(11,100)	(11,100)
YR100	Heating Income Special Items	(34,180)	(36,810)
YR110	Mortgage References	(6,240)	(6,720)
YR120	Capital Recs Under £10000	(36,010)	(40,000)
YR140	Sewage Related Income	(32,460)	(34,960)
YR170	Repairs Management Income	(34,530)	(37,190)
YR180	Managing Tenancies Income	(15,400)	(15,400)
YR350	Hemnal House	(4,830)	(5,200)
YR400	Grounds Maintenance Services	(3,200)	(3,450)
YR500	Oaps Units Income	(956,360)	(1,030,000)
YR510	Sheltered Units Support	(168,850)	(181,850)
YR550	Area Warden Support	(86,980)	(93,680)
YR620	Norway House Income	(93,670)	(100,870)
YW110	Interest On Revenue Balances	(8,000)	(510,000)
YW130	Self Financing Interest	5,616,000	6,562,000
YY100	Estate Ground Maintenance	(383,000)	(394,000)
		<b>(364,000)</b>	<b>465,000</b>

## Draft Budget Amendment 2024/25

### **Council Tax adjustment (General Fund revenue budget)**

Following the Cabinet meeting held on 5th February 2024, a final technical review was undertaken by Finance officers prior to full Council. The review identified a necessary adjustment to the Council Tax assumptions included within the draft Budget Proposals for 2024/25 presented to Cabinet for approval. This does not affect the Council's base budget but has a one-off impact on the 2024/25 General Fund revenue budget (funding) assumptions only. The Council's updated Medium-Term Financial Plan (2024/25 to 2028/29) is not affected.

The required adjustments to the recommended 2024/25 General Fund revenue budget are summarised in the table below. The impact reduces the Collection Fund credit adjustment by £0.180 million, which is offset by a reduction of the same amount to the assumed Contribution to Reserves.

<b>2024/25 General Fund Revenue Budget: amendment</b>			
<b>Description</b>	<b>Budget (Cabinet 5/02/24)</b>	<b>Amendments</b>	<b>Amended Budget</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Net Expenditure</b>	<b>15,853</b>	<b>0</b>	<b>15,853</b>
<b>FUNDING</b>			
Council Tax	(9,288)	0	(9,288)
Business Rates	(6,359)	0	(6,359)
Collection Fund Adjustments	(395)	180	(215)
Council Tax Sharing Agreement (CTSA)	(435)	0	(435)
Revenue Support Grant (RSG)	(137)	0	(137)
New Homes Bonus	(6)	0	(6)
Other Grants/Funding Guarantee Allocation (FGA)	(1,385)	0	(1,385)
Contribution to/(from) Reserves	2,152	(180)	1,972
<b>Total Funding</b>	<b>(15,853)</b>	<b>0</b>	<b>(15,853)</b>
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Final Budget Proposals 2024/25

### GENERAL FUND & HRA CAPITAL 2024/25 to 2028/29

#### 1. Background and Introduction

- 1.1 The Capital Programme plays a vital part in the delivery of the Council's Corporate Plan since long-term investment is required to deliver many of the objectives in the Plan.
- 1.2 Cabinet approved an updated Financial Planning Framework (FPF) 2024/25 to 2028/29 at its meeting on 18th September 2023, which is the first step in preparing the 2024/25 budget and updating the 5-year rolling Capital Programme.
- 1.3 The first major milestone in the FPF was reached on 9th October 2023, with Cabinet receiving and considering an indicative Capital Programme for 2024/25 to 2028/29 alongside the updated (revenue) Medium-Term Financial Plan (MTFP) for 2024/25 to 2028/29. The Programme comprised total capital investment of £210.258 million over the five-year period (General Fund £53.913 million, HRA £156.345 million).
- 1.4 Acting on the strategic direction provided by Cabinet on 9th October 2022 (and taking account of feedback from the special Overview & Scrutiny Committee held on 12th December 2023), officers subsequently refined the indicative Capital Programme, presenting an initial draft Capital Programme for 2024/25 to 2028/29 for consideration by Cabinet on 18th December 2023. The initial draft Programme comprised total capital investment of £202.230 million over the five-year period (General Fund £61.806 million, HRA £140.424 million).
- 1.5 The draft budget proposals – including the Capital Programme (both General Fund and HRA revenue) – presented to Cabinet in December 2023 — were further scrutinised by the Overview & Scrutiny Committee on 23rd January 2024.
- 1.6 Further detailed work has now been completed on the capital budgets to reflect the Council's latest capital needs and investment priorities in the context of the impact of the North Weald capital receipt and the *provisional* Local Government Finance Settlement for 2024/25 (explained in detail in **Appendix A**) and the current Balance Sheet position. This report allows Cabinet to consider the final capital investment proposals for 2024/25 to 2028/29 – for both the General Fund and HRA – as set out in the report, whilst taking into consideration the comments of the Overview & Scrutiny Committee.

**2. General Fund Capital Programme 2024/25 to 2028/29: Capital Growth**

2.1 The General Fund capital growth proposals included in the initial draft Capital Programme presented to Cabinet in December 2023 have been further reviewed. Consideration has also been given as to any potential need for further capital investment. This has resulted in no amendments to growth proposals presented in December 2023, which are summarised in the table below.

General Fund: Capital Programme 2024/25 to 2028/29: Growth Proposals (@ February 2024)						
Description	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
	£'s	£'s	£'s	£'s	£'s	£'s
<b><i>Commercial &amp; Technical</i></b>						
CCTV Replacement Programme	-	54,000	34,000	100,000	106,000	294,000
CCTV Car Park Replacement Programme	5,000	18,000	-	5,000	19,000	47,000
Disabled Facilities Grants	-	-	-	-	971,210	971,210
Home Assist Loans	-	-	-	-	30,000	30,000
Grounds Maintenance PVE	-	-	-	-	30,000	30,000
NWA Control Tower	1,000,000	3,900,000	-	-	-	4,900,000
<b><i>Corporate Services</i></b>						
ICT General Schemes	-	-	-	-	93,000	93,000
ICT Strategy	-	-	-	-	900,000	900,000
<b><i>Housing &amp; Property Services</i></b>						
Investment Properties (Planned Works)	-	-	-	-	250,000	250,000
Investment Properties (Debden Broadway)	-	2,000,000	-	-	-	2,000,000
Operational Properties (Planned Works)	-	-	-	-	50,000	50,000
<b>Increased/(Reduced) Budget Demand</b>	<b>1,005,000</b>	<b>5,972,000</b>	<b>34,000</b>	<b>105,000</b>	<b>2,449,210</b>	<b>9,565,210</b>

2.2 The table above shows overall growth proposals of £9.565 million over five years (including £2.449 million in 2028/29) and primarily reflects established commitments, rolling programmes (such as part of Asset Management Strategy) or capital replacement costs. It should be noted that spending on Disabled Facilities Grants is 100% funded by Government grant.

2.3 Members should note the following:

- North Weald Airfield Control Tower (£4,900,000) – an allocation of £1.0 million in 2024/25, followed by a further £3.9 million in 2025/26, has been included. The scheme entails the construction of a replacement Control Tower as part of the reconfiguration of the site following disposal of a section of the site, released under the Local Plan adoption process as employment land. This is likely to be fully funded by netting off the resulting capital receipt with no borrowing cost to the Council.
- Investment Properties (Debden Broadway) (£2,000,000) – a total of £2.0 million has been earmarked as part of a larger scheme to complete urgent major works to the roof and walkways at Debden Broadway (a mixed housing and a commercial property site)
- CCTV Replacement Programme (£341,000) – the current five-year CCTV Strategy runs through until 2024/25. However, a new Strategy has recently been developed for consideration and is awaiting approval. The capital commitments embedded in the new Strategy (which includes £47,000 specifically earmarked for Car Parks) have been provisionally reflected in this iteration of the Capital Programme; and

- *ICT Strategy (£900,000)* – the draft allocation for 2028/29 is indicative only at this stage. The migration of several applications to ‘Software as a Service’ or suppliers cloud hosting solution, have now been completed, such as Revenues and Benefits (Capita Cloud), Housing (Civica CX), Telephone (Gamma/Cirrus) with others being planned for future financial years, including Regulatory Services, Payment Solution and Financial Applications. As part of the collaboration with Colchester City Council, consideration is being given to replace current supplier purchased applications such as Freedom of Information and Internal Room and Desk booking systems with a Microsoft PowerApp.

### 3. Proposed General Fund Capital Programme 2024/25 to 2028/29 (Annex B1)

3.1 The updated General Fund Capital Programme, reflecting the Growth proposals presented above in Paragraph 2.1, and some (very minor) reprofiling of Qualis loans completed in January 2024, totals £60.488 million over the five-year period 2024/25 to 2028/29 (down £1.318 million compared to December 2023) and is summarised by **service** area in the table below.

Draft General Fund Capital Programme 2024/25 to 2028/29: Service Analysis						
Service	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£000's	£000's	£000's	£000's	£000's	£000's
<b>EXPENDITURE</b>						
Commercial & Technical	10,896	15,491	1,065	1,136	1,156	<b>29,744</b>
Corporate Services	1,064	1,219	1,024	993	993	<b>5,293</b>
Housing & Property Services	318	2,303	300	300	300	<b>3,521</b>
Qualis	19,900	2,030	0	0	0	<b>21,930</b>
<b>Total Expenditure</b>	<b>32,178</b>	<b>21,043</b>	<b>2,389</b>	<b>2,429</b>	<b>2,449</b>	<b>60,488</b>

3.2 The individual schemes in the table above include the following:

- **Commercial and Technical (£29.744 million)** – the Commercial and Technical service is leading on seven separate schemes, which are dominated by three in particular (in descending order of projected cost over the five-year period):
  - *Epping Leisure Facility (£19.287 million)* – the new Epping Leisure Facility is the single largest scheme included in the Programme. The scheme will see the development of a replacement leisure facility for the existing (and aging) leisure facility as well as the construction of a multi-story car park (recently completed). Cabinet approved the addition of this scheme to the draft Capital Programme at its meeting on 21st January 2021. Approval to appoint a contractor to build the leisure centre was approved in a report presented to Cabinet on 13th March 2023 (C-040-2022-23) along with approval to increase the overall budget by £8.1 million to £33.1 million.

- North Weald Airfield Control Tower (£4.9 million) – a scheme is to replace the existing Control Tower at North Weald Airfield. Contingent on asset disposal (explained above in Paragraph 2.4); and
  - Disabled Facilities Grants (£4.856 million) – the Epping Forest District Council allocation for Disabled Facilities Grants in 2023/24 was £971,213. There is currently no indication of future allocations. It is therefore assumed that the Council will receive the same amount – without uplift – from 2024/25 onwards.
  - **Corporate Services (£5.293 million)** – spending covers the Council’s ICT capital investment needs, which is dominated by the new ICT Strategy of £4.828 million (explained above in paragraph 2.4).
  - **Housing & Property Services (£3.521 million)** – the future capital needs of the Commercial and Operational Property portfolios are currently the subject of a detailed review as the Council develops a new Asset Management Strategy (AMS). The overall provision in the Capital Programme therefore represents a ‘placeholder’ in the Council’s funding plans until the review is complete. One scheme at Debden Broadway (for £2.0 million) to provide urgent major works has been included in 2025/26 (explained above in Paragraph 2.4); and
  - **Qualis (£21.930 million)** – this is the balance on the previously agreed £98.0 million Finance Loans (including the extended loan facility of £35.0 million approved by Cabinet in July 2021). The loans are a key enabler in the delivery of the Council’s regeneration priorities in the district through Qualis; the Council will receive a revenue margin on the loan, which is available to support general spending and minimise Council Tax increases.
- 3.3 A more detailed summary of the draft General Fund Capital Programme 2024/25 to 2028/29, including the Financing profile and analysed by individual **schemes**, is presented at **Annex B1**.

#### 4. Proposed HRA Capital Programme 2024/25 to 2028/29 (*Annex B2*)

- 4.1 An updated 5-year HRA Capital Programme of £140.424 million, including £26.947 million in 2028/29, was presented as part of the initial draft budget proposals in December 2023.
- 4.2 The proposed Programme was further reviewed in January 2024. No further changes are recommended as summarised in the table below.

Draft HRA Capital Programme 2024/25 to 2028/29						
Service	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Housing Development Programme	11,523	15,294	7,113	6,483	-	40,413
Capital Works	19,022	15,244	11,093	19,206	25,582	90,146
Regeneration Schemes	1,000	3,000	-	-	-	4,000
Other Housing Schemes	1,542	1,038	1,014	905	1,365	5,865
<b>Total</b>	<b>33,087</b>	<b>34,576</b>	<b>19,220</b>	<b>26,594</b>	<b>26,947</b>	<b>140,424</b>

- 4.3 The Programme – which is presented in detail in *Annex B2* – is dominated by the Housing Development Programme and routine Capital Works:

- **Housing Development Programme (£40.413 million)** – the capital allocation has reduced by £11.909 million since October 2023, following the reduction in size of one scheme at St Peters Avenue, Shelley. The Housing Development Programme combines (direct) Housebuilding and Acquisitions from Qualis, including:
  - Housebuilding (£28.369 million) – this is expected to deliver 104 affordable rent units by 2027/28, and
  - Qualis Acquisitions (£13.930 million) – the Development Programme also includes the planned acquisition of 60 affordable rent and social housing properties across two different sites.
- **Capital Works (£90.146 million)** – the recently completed Stock Condition Survey has provided updated data on component lives and replacement time scales. The cost of the planned Capital Works (which includes works on Windows, Doors, Roofing, Kitchens, Bathrooms etc.) over the five-year period averages out at £18.029 million annually. This contrasts with annual budgets of £11.752 million and £18.970 million in 2022/23 and 2023/24 respectively. An annual budget of £1.5 million for Net Carbon Zero works has also been included within the revised Capital Programme commencing in 2024/25 and covering a 10-year period.

- 4.4 Members should note that the data in the Fortress (HRA Business Plan) model has been updated for the results of the recently completed Stock Condition Survey (SCS). It has been several years since the Council's housing stock was last surveyed, therefore an independent SCS was commissioned in March 2022 and the report was issued in August 2023. A total of 3,290 dwellings (51.3% of total stock), and 399 out of 456 blocks were surveyed. The data has then been extrapolated (for dwellings) and an allowance made for un-surveyed blocks to provide a whole stock report. The total forecast expenditure over the 30-year period in the report amounted to £329.428 million (based on Q3 2022 prices). This has been inflated by 5.75% to £348.370 million (to ensure the costs are at Q3 2023 prices) and included in the HRA Business Plan.

- 4.5 A more detailed summary of the draft HRA Capital Programme 2024/25 to 2028/29, including the Financing profile, is presented at *Annex B2*.

**Annex B1****Draft General Fund Capital Programme 2024/25 to 2028/29: Summary of Schemes**

<b>General Fund Capital Programme 2024/25 to 2028/29</b>						
<b>Scheme</b>	<b>2024/25 Updated</b>	<b>2025/26 Updated</b>	<b>2026/27 Updated</b>	<b>2027/28 Updated</b>	<b>2028/29 New (Proposed)</b>	<b>Total MTFP 2024/25 to 2028/29</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
<b>Commercial &amp; Technical</b>						
CCTV Replacement Programme	35,000	54,000	34,000	100,000	106,000	329,000
CarPark CCTV Systems	30,000	18,000	-	5,000	19,000	72,000
Disabled Facilities Grants (REFCuS)	971,210	971,210	971,210	971,210	971,210	4,856,050
Home Assist Grants (REFCuS)	30,000	30,000	30,000	30,000	30,000	150,000
Grounds Maintenance	30,000	30,000	30,000	30,000	30,000	150,000
NWA Replacement Control Tower	1,000,000	3,900,000	-	-	-	4,900,000
Epping Leisure Centre (Bakers Lane)	8,800,000	10,487,440	-	-	-	19,287,440
<b>Sub-Totals</b>	<b>10,896,210</b>	<b>15,490,650</b>	<b>1,065,210</b>	<b>1,136,210</b>	<b>1,156,210</b>	<b>29,744,490</b>
<b>Corporate Services</b>						
ICT General Schemes	93,000	93,000	93,000	93,000	93,000	465,000
ICT Strategy	971,000	1,126,000	931,000	900,000	900,000	4,828,000
<b>Sub-Totals</b>	<b>1,064,000</b>	<b>1,219,000</b>	<b>1,024,000</b>	<b>993,000</b>	<b>993,000</b>	<b>5,293,000</b>
<b>Housing (Property Services)</b>						
Investment Properties (Planned Works)	250,000	250,000	250,000	250,000	250,000	1,250,000
Debden Broadway Regeneration Scheme	-	2,000,000	-	-	-	2,000,000
Operational Properties (Planned Works)	68,000	53,000	50,000	50,000	50,000	271,000
<b>Sub-Totals</b>	<b>318,000</b>	<b>2,303,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>3,521,000</b>
<b>Qualis</b>						
Regeneration Finance Loans	19,900,000	2,030,000	-	-	-	21,930,000
<b>Sub-Totals</b>	<b>19,900,000</b>	<b>2,030,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,930,000</b>
<b>Total Expenditure</b>	<b>32,178,210</b>	<b>21,042,650</b>	<b>2,389,210</b>	<b>2,429,210</b>	<b>2,449,210</b>	<b>60,488,490</b>
<b>Capital Financing Analysis:</b>						
Capital Grants	971,210	971,210	971,210	971,210	971,210	4,856,050
Capital Receipts	800,480	831,680	862,850	860,160	857,150	4,212,320
Borrowing	30,406,520	19,239,760	555,150	597,840	620,850	51,420,120
<b>Total Financing</b>	<b>32,178,210</b>	<b>21,042,650</b>	<b>2,389,210</b>	<b>2,429,210</b>	<b>2,449,210</b>	<b>60,488,490</b>

Annex B2

## Draft HRA Capital Programme 2024/25 to 2028/29

HRA Capital Programme 2024/25 to 2028/29 (DRAFT)						
Scheme	2024/25 Updated	2025/26 Updated	2026/27 Updated	2027/28 Updated	2028/29 New (Proposed)	Total 2024/25 to 2028/29
	£'s	£'s	£'s	£'s	£'s	£'s
<b>Housing Development Programme:</b>						
Housebuilding	5,501,000	9,272,000	7,113,000	6,483,000	-	28,369,000
Qualis Acquisitions	6,022,000	6,022,000	-	-	-	12,044,000
<b>Sub-Totals</b>	<b>11,523,000</b>	<b>15,294,000</b>	<b>7,113,000</b>	<b>6,483,000</b>	<b>-</b>	<b>40,413,000</b>
<b>Capital Works:</b>						
Heating	2,552,510	2,190,150	627,070	3,634,410	2,192,270	11,196,410
Windows, Door and Roofing	2,602,890	1,424,930	584,010	2,472,070	4,032,150	11,116,050
Compliance Planned Maintenance	1,803,620	1,830,520	1,602,760	1,630,260	2,609,700	9,476,860
Kitchens & Bathrooms (inc void allocation)	4,192,470	2,916,450	1,539,700	2,501,600	4,002,740	15,152,960
Electrical	1,734,380	1,799,690	1,798,350	3,368,450	2,119,520	10,820,390
Net Zero Carbon Works	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Environmental	884,380	642,520	470,730	941,950	4,467,610	7,407,190
Structural works	1,805,550	1,320,720	1,448,200	1,411,610	2,702,840	8,688,920
Disabled Adaptations	1,081,160	1,082,780	1,084,440	1,086,130	1,087,850	5,422,360
Asbestos Removal	328,380	334,940	341,640	348,470	355,440	1,708,870
Unsurveyed Blocks	536,400	201,410	95,860	310,800	511,740	1,656,210
<b>Sub-Totals</b>	<b>19,021,740</b>	<b>15,244,110</b>	<b>11,092,760</b>	<b>19,205,750</b>	<b>25,581,860</b>	<b>90,146,220</b>
<b>Regeneration Projects:</b>						
Broadway	1,000,000	3,000,000	-	-	-	4,000,000
<b>Sub-Totals</b>	<b>1,000,000</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>
<b>Other Housing Schemes:</b>						
Service Enhancements (General)	500,000	500,000	510,000	520,000	531,000	2,561,000
Service Enhancements (HFFHH)	164,320	167,600	126,550	-	-	458,470
Sheltered Block Refurbishments	363,030	370,290	377,690	385,250	-	1,496,260
Emergency Alarm Upgrades	403,200	-	-	-	-	403,200
Sheltered Housing Works	111,710	-	-	-	834,140	945,850
<b>Sub-Totals</b>	<b>1,542,260</b>	<b>1,037,890</b>	<b>1,014,240</b>	<b>905,250</b>	<b>1,365,140</b>	<b>5,864,780</b>
<b>Total Expenditure</b>	<b>33,087,000</b>	<b>34,576,000</b>	<b>19,220,000</b>	<b>26,594,000</b>	<b>26,947,000</b>	<b>140,424,000</b>
<b>Capital Financing Analysis:</b>						
Grants	80,000	2,173,000	2,113,000	2,113,000	80,000	6,559,000
RTB Receipts	4,526,000	4,461,000	1,272,000	1,020,000	-	11,279,000
Other Contributions	167,000	185,000	197,000	196,000	148,000	893,000
Major Repairs Reserve	10,700,000	10,914,000	11,132,000	11,355,000	11,582,000	55,683,000
Direct Revenue Contributions	2,499,000	2,667,000	3,098,000	3,379,000	3,202,000	14,845,000
Borrowing	15,115,000	14,176,000	1,408,000	8,531,000	11,935,000	51,165,000
<b>Total Financing</b>	<b>33,087,000</b>	<b>34,576,000</b>	<b>19,220,000</b>	<b>26,594,000</b>	<b>26,947,000</b>	<b>140,424,000</b>

## Draft Fees & Charges 2024/25

### 1. Background

- 1.1 Councils can recover the cost of providing certain services through making a charge to service users. For some services, this is a requirement and charges are statutorily determined. In other areas, councils have the discretion to determine whether charging is appropriate, and the level at which charges are set.

### 2. Introduction

- 2.1 This report focuses on discretionary fees and charges for 2024/25, with detailed proposals for both the Council's General Fund and the ring-fenced Housing Revenue Account (HRA).
- 2.2 As with all councils, the use of charging has become an increasingly important feature of Epping Forest District Council's financial strategy, as the pressure on the revenue budget limits the extent to which the subsidisation of discretionary services is feasible. Recovering the costs of these services from users where possible helps to ensure the sustainability of the Council's offer to residents and businesses, beyond the statutory minimum, whilst maintaining the lowest Council Tax possible.
- 2.3 At their December 2023 meeting, Cabinet agreed to an assumed *average* inflationary increase of 6.7% (based on inflationary expectations at the time) in General Fund fees and charges for 2024/25 (excluding Car Park charges) which, given the prevalence of statutory fees and charges, also assumed that some discretionary fees and charges would need an increase beyond that level. The most notable HRA charge is usually driven by inflation in accordance with the Government's Rent Standard (April 2020).

### 3. General Fund Fees & Charges (excluding Car Parking)

- 3.1 Senior officers across the Council's General Fund services have reviewed the discretionary fees and charges within their individual service areas taking account of a range of factors including Council priorities, cost recovery, anticipated inflationary pressure, comparative prices, and service demand. This has resulted in a list of proposed fees and charges for 2024/25 (presented in **Annex C1**), which are set alongside the current fees and charges 2023/24 to aid comparison.
- 3.2 As is normal, no increases are proposed in many fees and charges for 2024/25, which reflects the relatively high proportion of statutorily determined items. However, a range of increases are proposed, with the CPI inflation rate for September 2023 of 6.7% applied as the 'default average' increase, although in some areas, both lower and higher proportionate increases are proposed for a variety of specific factors (especially where full cost recovery is not being achieved based on current prices).

### 4. Car Parking Charges

- 4.1 Off-Street Parking tariffs were increased in the district in 2022/23 for the first time since 2015. There are limited proposals to alter tariffs for 2024/25, which are covered in the general savings proposals covered in **Appendix E**, although not presently listed here. Current (2023/24) Car Parking tariffs are summarised at **Annex C2**.



## 5. Housing Revenue Account (HRA) Fees & Charges

5.1 A summary of miscellaneous fees and charges proposed for the Council's HRA is attached at **Annex C3**. In common with the General Fund, an inflationary increase based on the September 2023 CPI rate of 6.7% is suggested in most cases, although there are some variations around this with some items remaining at 2023/24 prices.

### Housing Rents

5.2 Social housing rents are usually set according to the Government's National Social Rent Policy (NSRP) and the Welfare Reform and Work Act 2016. The NSRP came into effect from 1st April 2020, allowing average rents to increase by up to CPI plus 1.0%, until 1st April 2024. The policy is further confirmed in the Regulator of Social Housing's (RSH) Rent Standard, which applies to all social housing providers, including local authorities.

5.3 In accordance with the Rent Standard, the applicable inflation rate is the September 2023 CPI rate of 6.7%. Therefore, strict application of the 'CPI plus 1.0%' formula would result in an average rent increase of 7.7% ***This draft budget proposal therefore recommends an average rent increase of 7.7% for 2024/25 (equating to a weekly increase of £8.71, which increases the average weekly rent from £113.16 to £121.87)***. This is the current assumption within the Council's HRA Business Plan (with future rent increases also assumed to follow the Rent Standard).

## Annex C1: Draft General Fund Fees &amp; Charges (excluding Car Parks) 2024/25

Description of Charge	2023/24	2024/25						% Change
	Gross	Net	VAT			Gross		
	£'s	£'s	%	Cat	£'s	£'s		
<b>Customer Services</b>								
<b>Customer/Revenues and Benefits</b>								
Summons costs (Council Tax & NDR)	85.00	85.00	0%	O	0.00	85.00	0.0%	
Liability Order costs (Council Tax & NDR)	10.00	10.00	0%	O	0.00	10.00	0.0%	
<b>Commercial &amp; Technical</b>								
<b>Commercial &amp; Regulatory Services / North Weald Airfield</b>								
HGV Training – pay as you go	91.75	82.00	20%	S	16.40	98.40	7.2%	
HGV Training – monthly fee	1,292.80	1,150.00	20%	S	230.00	1,380.00	6.7%	
Driving Schools – full day	371.63	330.50	20%	S	66.10	396.60	6.7%	
Driving Schools – half day	259.25	231.00	20%	S	46.20	277.20	6.9%	
Driving Experience Days	538.67	479.00	20%	S	95.80	574.80	6.7%	
Driving Schools – emergency services	136.56	121.50	20%	S	24.30	145.80	6.8%	
Driving Schools – ATC full day	171.92	153.00	20%	S	30.60	183.60	6.8%	
Driving Schools – ATC ½ day	114.28	102.00	20%	S	20.40	122.40	7.1%	
Motorsport Sprints	1,072.12	953.50	20%	S	190.70	1,144.20	6.7%	
Filming / Photoshoots – static full day	918.77	817.00	20%	S	163.40	980.40	6.7%	
Filming / Photoshoots – static half day	539.76	480.00	20%	S	96.00	576.00	6.7%	
Filming / Photoshoots – moving full day	1,287.28	1,145.00	20%	S	229.00	1,374.00	6.7%	
Filming / Photoshoots – moving half day	735.32	654.00	20%	S	130.80	784.80	6.7%	
<b>Trees</b>								
Tree Maintenance - Tree Donation	300.00	300.00	0%	Z	-	300.00	0.0%	
<b>Land Drainage</b>								
Private Water Supply Regulation - Adhoc		By negotiation	20%	S			N/A	
Sampling	720.00	600.00	20%	S	120.00	720.00	0.0%	
Sampling Visits (Single Domestic Residence)	48.00	44.00	20%	S	8.80	52.80	10.0%	
Sampling Visits (Commercial)	72.00	64.00	20%	S	12.80	76.80	6.7%	
Risk Assessment (Hourly Rate £47 (3 Hours) Set price)	56.00	50.00	20%	S	10.00	60.00	7.1%	
Investigation (Hourly Rate £47 (3 Hours) Set price)	56.00	50.00	20%	S	10.00	60.00	7.1%	
Land Drainage consent (LDA) Fixed	60.00	50.00	20%	S	10.00	60.00	0.0%	
Land Drainage consent (EFDC Bylaw)	60.00	50.00	20%	S	10.00	60.00	0.0%	
EIR	180.00	150.00	20%	S	30.00	180.00	0.0%	
Flood pre app service	360.00	300.00	20%	S	60.00	360.00	0.0%	
<b>Countrycare</b>								
Mow and Rake Meadow (Harlow Baptist Church)	564.40	450.00	20%	S	90.00	540.00	-4.3%	
Thornwood Nature Area (PARISH COUNCIL)	564.40	450.00	20%	S	90.00	540.00	-4.3%	
The Copse (PARISH COUNCIL)	564.40	450.00	20%	S	90.00	540.00	-4.3%	
EG Millenium Garden* (PARISH COUNCIL)	564.40	450.00	20%	S	90.00	540.00	-4.3%	
Willingale Rd Community Orchard (TOWN Council)	564.40	450.00	20%	S	90.00	540.00	-4.3%	
Spring Ponds Wood (Castle Farm Barn)	564.40	450.00	20%	S	90.00	540.00	-4.3%	
<b>Fleet Operations</b>								
MOT (EXTERNAL)	65.82	55.00	20%	S	11.00	66.00	0.3%	
Taxi Test (EXTERNAL)	60.00	50.00	20%	S	10.00	60.00	0.0%	
Labour (EXTERNAL)	90.00	80.00	20%	S	16.00	96.00	6.7%	
<b>Training</b>								
Basic Food Hygiene Course - Basic Food Hygiene Course	75.00	75.00	0%	O	15.00	90.00	20.0%	
Basic Food Hygiene Course - 6 courses, 10 per course	65.00	65.00	0%	O	13.00	78.00	20.0%	
Food Hygiene Re-rating visits	240.00	240.00	0%	O	0.00	240.00	0.0%	
Special Treatments - Premises	200.00	200.00	0%	O	0.00	200.00	0.0%	
Special Treatments - Person	150.00	150.00	0%	O	0.00	150.00	0.0%	
<b>Animal Welfare</b>								
Animal Boarding - Star rated	417.40	445.50	0%	O	0.00	445.50	6.7%	
Dog Breeding – Star rated	417.40	445.50	0%	O	0.00	445.50	6.7%	
Pet Shop – Star rated	417.40	445.50	0%	O	0.00	445.50	6.7%	
Dangerous Wild Animals – Star rated	417.40	445.50	0%	O	0.00	445.50	6.7%	
Riding Establishment – Star rated	417.40	445.50	0%	O	0.00	445.50	6.7%	
Dog Home Boarding Fee – Star rated	289.50	309.00	0%	O	0.00	309.00	6.7%	
Doggy Day Care	289.50	309.00	0%	O	0.00	309.00	6.7%	
Zoos	652.90	697.00	0%	O	0.00	697.00	6.8%	
Variations applicable to all	137.00	146.50	0%	O	0.00	146.50	6.9%	
<b>Hackney Carriage/Private Hire</b>								
New Annual Vehicle Licence - For new vehicles £30 plate deposit	277.00	277.00	0%	O	0.00	277.00	0.0%	
Annual vehicle Licence renewal	277.00	277.00	0%	O	0.00	277.00	0.0%	
Annual Drivers Licence - (3 year licence)	228.00	228.00	0%	O	0.00	228.00	0.0%	
Replacement Vehicle Plate	30.00	30.00	0%	O	0.00	30.00	0.0%	
Replacement Driver Badge	10.00	10.00	0%	O	0.00	10.00	0.0%	
Duplicate Paper Licence	7.00	7.00	0%	O	0.00	7.00	0.0%	
Drivers Test	21.00	21.00	0%	O	0.00	21.00	0.0%	
Drivers Re-sit of Test	21.00	21.00	0%	O	0.00	21.00	0.0%	
<b>Private Hire Operators</b>								
Annual Operator Licence (1 vehicle only)	105.00	105.00	0%	O	0.00	105.00	0.0%	
Annual Operators (> 1 vehicle)	405.00	405.00	0%	O	0.00	405.00	0.0%	
Transfer of Vehicle Licence	66.00	66.00	0%	O	0.00	66.00	0.0%	

Description of Charge	2023/24	2024/25					
	Gross	Net	VAT			Gross	% Change
	£'s	£'s	%	Cat	£'s	£'s	
<b>Gambling Act 2005</b>							
Betting Premises (not tracks) new application	1,220.00	1,220.00	0%	O	0.00	1,220.00	0.0%
Betting Premises (not tracks) annual fee	600.00	600.00	0%	O	0.00	600.00	0.0%
Betting Premises (not tracks) application to vary	1,000.00	1,000.00	0%	O	0.00	1,000.00	0.0%
Betting Premises (not tracks) application to transfer	300.00	300.00	0%	O	0.00	300.00	0.0%
Betting Premises (not tracks) application for re-instatement	600.00	600.00	0%	O	0.00	600.00	0.0%
Betting Premises (not tracks) application for provisional statement	1,220.00	1,200.00	0%	O	0.00	1,220.00	0.0%
Adult Gaming Centre new application	1,000.00	1,000.00	0%	O	0.00	1,000.00	0.0%
Adult Gaming Centre annual fee	500.00	500.00	0%	O	0.00	500.00	0.0%
Adult Gaming Centre application to vary	1,000.00	1,000.00	0%	O	0.00	1,000.00	0.0%
Adult Gaming Centre application to transfer	300.00	300.00	0%	O	0.00	300.00	0.0%
Adult Gaming Centre application for re-instatement	500.00	500.00	0%	O	0.00	500.00	0.0%
Adult Gaming Centre application for provisional statement	1,000.00	1,000.00	0%	O	0.00	1,000.00	0.0%
Bingo Premises Licence	1,250.00	1,250.00	0%	O	0.00	1,250.00	0.0%
Bingo Premises annual fee	630.00	630.00	0%	O	0.00	630.00	0.0%
Bingo Premises application to vary	625.00	625.00	0%	O	0.00	625.00	0.0%
Bingo Premises application to transfer	300.00	300.00	0%	O	0.00	300.00	0.0%
Bingo Premises application for re-instatement	630.00	630.00	0%	O	0.00	630.00	0.0%
Bingo Premises application for provisional statement	1,250.00	1,250.00	0%	O	0.00	1,250.00	0.0%
Betting Premises Track Licence new application	1,300.00	1,300.00	0%	O	0.00	1,300.00	0.0%
Betting Premises Track Licence annual fee	630.00	630.00	0%	O	0.00	630.00	0.0%
Betting Premises Track Licence application to transfer	625.00	625.00	0%	O	0.00	625.00	0.0%
Betting Premises Track Licence application for re-instatement	630.00	630.00	0%	O	0.00	630.00	0.0%
Betting Premises Track Licence application for provisional statement	1,300.00	1,300.00	0%	O	0.00	1,300.00	0.0%
<b>Gambling Act 2005 Permits</b>							
FEC Gaming Machine app. Fee, and renewal fee	300.00	300.00	0%	O	0.00	300.00	0.0%
Price Gaming app fee and renewal fee	300.00	300.00	0%	O	0.00	300.00	0.0%
Alcohol Licences Premises - Notification of 2 or less machines app fee	50.00	50.00	0%	O	0.00	50.00	0.0%
Alcohol Licences Premises - More than 2 machines app fee	150.00	150.00	0%	O	0.00	150.00	0.0%
Alcohol Licences Premises - More than 2 machines: annual fee	50.00	50.00	0%	O	0.00	50.00	0.0%
Club Gaming Permit app fee	200.00	200.00	0%	O	0.00	200.00	0.0%
Club Gaming Permit: annual fee	50.00	50.00	0%	O	0.00	50.00	0.0%
Club Gaming Machine Permit App. Fee and same for renewal	50.00	50.00	0%	O	0.00	50.00	0.0%
Club Fast-track for Gaming Permit or Gaming Machine Permit: App fee	100.00	100.00	0%	O	0.00	100.00	0.0%
Club Fast-track for Gaming Permit or Gaming Machine Permit: annual fee	50.00	50.00	0%	O	0.00	50.00	0.0%
Small Society Lottery Registration: App fee	40.00	40.00	0%	O	0.00	40.00	0.0%
Small Society Lottery Registration: annual fee	20.00	20.00	0%	O	0.00	20.00	0.0%
<b>Permit - Miscellaneous fees</b>							
FEC Permits: name change	25.00	25.00	0%	O	0.00	25.00	0.0%
FEC Permits: permit copy	15.00	15.00	0%	O	0.00	15.00	0.0%
Prize Gaming Permits: name change	25.00	25.00	0%	O	0.00	25.00	0.0%
Prize Gaming Permits: permit copy	15.00	15.00	0%	O	0.00	15.00	0.0%
Alcohol Licences Premises - more than 2 machines: name change	25.00	25.00	0%	O	0.00	25.00	0.0%
Alcohol Licences Premises - more than 2 machines: permit copy	15.00	15.00	0%	O	0.00	15.00	0.0%
Club Gaming Permit: name change	25.00	25.00	0%	O	0.00	25.00	0.0%
Club Gaming Permit: permit copy	15.00	15.00	0%	O	0.00	15.00	0.0%
Club Gaming Machine Permit: name change	50.00	50.00	0%	O	0.00	50.00	0.0%
Club Gaming Machine Permit: permit copy	15.00	15.00	0%	O	0.00	15.00	0.0%
Small Society Lottery Registration: name change	40.00	40.00	0%	O	0.00	40.00	0.0%
Small Society Lottery Registration: permit copy	20.00	20.00	0%	O	0.00	20.00	0.0%
<b>Miscellaneous</b>							
Sex Shops and Cinemas	624.00	624.00	0%	O	0.00	624.00	0.0%
Sexual Entertainment Venues	4,425.00	4,425.00	0%	O	0.00	4,425.00	0.0%
Street Trading Consents	492.15	492.15	0%	O	0.00	492.15	0.0%
Scrap Metal Site 3 yr licence	499.85	499.85	0%	O	0.00	499.85	0.0%
Scrap Metal Dealer 3 yr licence	299.00	299.00	0%	O	0.00	299.00	0.0%
Road Closure Notices	202.00	202.00	0%	O	0.00	202.00	0.0%
Temporary Pavement Licence	100.00	100.00	0%	O	0.00	100.00	0.0%
<b>Community Resilience</b>							
Provision of CCTV for Insurance Purposes/Solicitors	125.00	125.00	0%	Z	0.00	125.00	0.0%

Description of Charge	2023/24	2024/25						% Change
	Gross	Net	VAT			Gross		
	£'s	£'s	%	Cat	£'s	£'s		
<b>Special Waste Collections</b>								
<b>Units</b>								
1 to 3		32.50	29.00	20%	S	5.80	34.80	7.1%
4 to 7		49.00	44.00	20%	S	8.80	52.80	7.8%
8 to 10		64.70	58.00	20%	S	11.60	69.60	7.6%
Over 10 (Contact us for price)				20%	S			
<b>Trade Waste</b>								
<b>Refuse (bin sizes)</b>								
240		11.20	11.95	0%	Z	0.00	11.95	6.7%
120		12.80	13.66	0%	Z	0.00	13.66	6.7%
200		17.00	18.50	0%	Z	0.00	18.50	8.8%
1100		22.00	23.50	0%	Z	0.00	23.50	6.8%
<b>Recycling (bin sizes)</b>								
240		8.60	9.50	0%	Z	0.00	9.50	10.5%
360		9.50	10.50	0%	Z	0.00	10.50	10.5%
660		10.80	12.00	0%	Z	0.00	12.00	11.1%
1100		13.10	14.00	0%	Z	0.00	14.00	6.9%
<b>Food (bin sizes)</b>								
180		9.30	10.00	0%	Z	0.00	10.00	7.5%
360		9.10	10.00	0%	Z	0.00	10.00	9.9%
660		10.70	11.50	0%	Z	0.00	11.50	7.5%
<b>Glass (bin sizes)</b>								
240		8.40	9.00	0%	Z	0.00	9.00	7.1%
<b>Clinical Waste Collection</b>								
Small sharps box		0.90	1.00	20%	S	0.20	1.20	33.3%
Big 1 litre Sharps box		1.60	1.50	20%	S	0.30	1.80	12.8%
Grade A Bags		2.10	2.00	20%	S	0.40	2.40	14.3%
<b>Private Sector Housing Grants</b>								
<b>DFGs and HRA</b>								
Disabled Facilities Grants (paid)		94,890.00	94,890.00	0%	Z	0.00	94,890.00	0.0%
Decent Homes Loans		2,740.00	2,740.00	0%	Z	0.00	2,740.00	0.0%
<b>Private Sector Housing (Tech)</b>								
<b>Licences - HMOs (Initial &amp; Renewal): fee per licence</b>								
HMO with up to 5 units of accommodation		942.00	1,005.50	0%	O	0.00	1,005.50	6.7%
Renewal fee for non-compliant landlords		856.00	913.50	0%	O	0.00	913.50	6.7%
Renewal fee for compliant landlords		511.00	545.50	0%	O	0.00	545.50	6.8%
Additional units of accommodation (includes new app's and renewals)		37.00	39.50	0%	O	0.00	39.50	6.8%
<b>Park Homes Licensing Fees</b>								
Site licence fees - In accordance with EFDC's Fees Policy for Licensing Residential Park Home Sites (On 8 sites)		3,880.00	3,880.00	0%	O	0.00	3,880.00	0.0%
Depositing of site rules		154.90	154.90	0%	O	0.00	154.90	0.0%
<b>Penalty Charges for Private Landlords</b>								
Failing to provide appropriate smoke and carbon monoxide alarms (Smoke and Carbon Monoxide Alarm (England) Regulations 2015)		5,000.00	5,000.00	0%	O	0.00	5,000.00	0.0%
Fine for Lettings Agencies and Property Agencies failing to join a Government-approved Redress Scheme		5,000.00	5,000.00	0%	O	0.00	5,000.00	0.0%
Civil Penalty Notice for certain Housing Act 2004 offences. See charging policy matrix for offences.		30,000.00	30,000.00	0%	O	0.00	30,000.00	0.0%
Energy Efficiency Private Rented Properties Regs		2,000.00	2,000.00	0%	O	0.00	2,000.00	0.0%
Property let with EPC below E for less than 3 months		4,000.00	4,000.00	0%	O	0.00	4,000.00	0.0%
Property let with EPC below E for more than 3 months		1,000.00	1,000.00	0%	O	0.00	1,000.00	0.0%
False or misleading information on exemption register		2,000.00	2,000.00	0%	O	0.00	2,000.00	0.0%
Failure to comply with compliance notice		2,000.00	2,000.00	0%	O	0.00	2,000.00	0.0%
<b>Property Inspections for Immigration Applications</b>								
At 20/21 flat fee charge agreed		224.00	224.00	0%	O	0.00	224.00	0.0%
<b>Enforcement of Private Sector Housing Conditions- Housing Act 2004 and Mobile</b>								
<b>1 – 4 Hazards per enforcement</b>								
1 Bed Property		437.00	437.00	0%	O	0.00	437.00	0.0%
2 Bed Property		474.00	474.00	0%	O	0.00	474.00	0.0%
3 Bed Property		564.00	564.00	0%	O	0.00	564.00	0.0%
4 Bed Property		655.00	655.00	0%	O	0.00	655.00	0.0%
5 or 6 Bed Property		728.00	728.00	0%	O	0.00	728.00	0.0%
> 6 Bed Property or HMO		892.00	892.00	0%	O	0.00	892.00	0.0%
<b>5 or more Hazards</b>								
1 Bed Property		547.00	547.00	0%	O	0.00	547.00	0.0%
2 Bed Property		600.00	600.00	0%	O	0.00	600.00	0.0%
3 Bed Property		655.00	655.00	0%	O	0.00	655.00	0.0%
4 Bed Property		783.00	783.00	0%	O	0.00	783.00	0.0%
5 or 6 Bed Property		838.00	838.00	0%	O	0.00	838.00	0.0%
> 6 Bed Property or HMO		928.00	928.00	0%	O	0.00	928.00	0.0%
Works in default following enforcement (Cost of work + 30%)				0%	O			

Description of Charge	2023/24	2024/25					
	Gross	Net	VAT			Gross	% Change
	£'s	£'s	%	Cat	£'s	£'s	
<b>Community &amp; Wellbeing</b>							
<b>Venue Hire</b>							
Limes Centre Main Hall Mon-Fri 9am-6pm Scale 1	16.50	18.00	20%	S	3.60	21.60	30.9%
Limes Centre Main Hall Mon-Fri 9am-6pm Scale 2 Non EFDC residents	32.50	40.00	20%	S	8.00	48.00	47.7%
Limes Centre Main Hall Mon-Fri 9am-6pm Scale 2 EFDC residents	26.00	28.00	20%	S	5.60	33.60	29.2%
Limes Centre Main Hall Mon-Fri 6pm - 10pm Scale 1	23.00	25.00	20%	S	5.00	30.00	30.4%
Limes Centre Main Hall Mon-Fri 6pm - 10pm Scale 2 Non EFDC residents	45.00	55.00	20%	S	11.00	66.00	46.7%
Limes Centre Main Hall Sat 6pm-11pm Scale 2 EFDC residents	36.00	39.00	20%	S	7.80	46.80	30.0%
Limes Centre Main Hall Sat 10am-6pm Scale 1	23.50	25.00	20%	S	5.00	30.00	27.7%
Limes Centre Main Hall Sat 10am-6pm Scale 2 Non EFDC residents	48.00	58.00	20%	S	11.60	69.60	45.0%
Limes Centre Main Hall Sat 10am-6pm Scale 2 EFDC residents	37.50	40.00	20%	S	8.00	48.00	28.0%
Limes Centre Main Hall Sat 6pm-11pm Scale 1	36.50	39.00	20%	S	7.80	46.80	28.2%
Limes Centre Main Hall Sat 6pm-11pm Scale 2 Non EFDC residents	61.50	74.00	20%	S	14.80	88.80	44.4%
Limes Centre Main Hall Sat 6pm-11pm Scale 2 EFDC residents	49.50	53.00	20%	S	10.60	63.60	28.5%
Limes Centre Main Hall Sun 10am-9pm Scale 1	37.00	40.00	20%	S	8.00	48.00	29.7%
Limes Centre Main Hall Sun 10am-9pm Scale 2 Non EFDC residents	61.50	74.00	20%	S	14.80	88.80	44.4%
Limes Centre Main Hall Sun 10am-9pm Scale 2 EFDC residents	49.50	53.00	20%	S	10.60	63.60	28.5%
Limes Centre Activity Room Mon-Fri 9am-6pm Scale 1	12.00	13.00	20%	S	2.60	15.60	30.0%
Limes Centre Activity Room Mon-Fri 9am-6pm Scale 2 Non EFDC residents	25.50	31.00	20%	S	6.20	37.20	45.9%
Limes Centre Activity Room Mon-Fri 9am-6pm Scale 2 EFDC residents	20.00	22.00	20%	S	4.40	26.40	32.0%
Limes Centre Activity Room Mon-Fri 6pm - 10pm Scale 1	18.00	20.00	20%	S	4.00	24.00	33.3%
Limes Centre Activity Room Mon-Fri 6pm - 10pm Scale 2 Non EFDC residents	31.00	38.00	20%	S	7.60	45.60	47.1%
Limes Centre Activity Room Mon-Fri 6pm - 10pm Scale 2 EFDC residents	25.50	28.00	20%	S	5.60	33.60	31.8%
Limes Centre Activity Room Sat/Sun 10am-6pm Scale 1	19.00	21.00	20%	S	4.20	25.20	32.7%
Limes Centre Activity Room Sat/Sun 10am-6pm Scale 2 Non EFDC residents	32.00	39.00	20%	S	7.80	46.80	46.2%
Limes Centre Activity Room Sat/Sun 10am-6pm Scale 2 EFDC residents	25.50	28.00	20%	S	5.60	33.60	31.8%
Limes Centre Activity Room Sat/Sun 6pm-11pm Scale 1	26.00	28.00	20%	S	5.60	33.60	29.2%
Limes Centre Activity Room Sat/Sun 6pm-11pm Scale 2 Non EFDC residents	37.50	45.00	20%	S	9.00	54.00	44.0%
Limes Centre Activity Room Sat/Sun 6pm-11pm Scale 2 EFDC residents	31.00	33.00	20%	S	6.60	39.60	27.8%
Limes Centre Meeting Room Mon-Fri 9am-6pm Scale 1	8.50	10.00	20%	S	2.00	12.00	41.2%
Limes Centre Meeting Room Mon-Fri 9am-6pm Scale 2 Non EFDC residents	15.00	18.00	20%	S	3.60	21.60	44.0%
Limes Centre Meeting Room Mon-Fri 9am-6pm Scale 2 EFDC residents	12.00	13.00	20%	S	2.60	15.60	30.0%
Limes Centre Meeting Room Mon-Fri 6pm - 10pm Scale 1	15.50	17.00	20%	S	3.40	20.40	31.6%
Limes Centre Meeting Room Mon-Fri 6pm - 10pm Scale 2 Non EFDC residents	29.00	37.00	20%	S	7.40	44.40	53.1%
Limes Centre Meeting Room Mon-Fri 6pm - 10pm Scale 2 EFDC residents	25.00	27.00	20%	S	5.40	32.40	29.6%
Limes Centre Meeting Room Sat/Sun 10am-6pm Scale 1	15.50	17.00	20%	S	3.40	20.40	31.6%
Limes Centre Meeting Room Sat/Sun 10am-6pm Scale 2 Non EFDC residents	30.50	37.00	20%	S	7.40	44.40	45.6%
Limes Centre Meeting Room Sat/Sun 10am-6pm Scale 2 EFDC residents	25.00	27.00	20%	S	5.40	32.40	29.6%
Limes Centre Meeting Room Sat/Sun 6pm-11pm Scale 1	20.50	22.00	20%	S	4.40	26.40	28.8%
Limes Centre Meeting Room Sat/Sun 6pm-11pm Scale 2 Non EFDC residents	41.00	50.00	20%	S	10.00	60.00	46.3%
Limes Centre Meeting Room Sat/Sun 6pm-11pm Scale 2 EFDC residents	32.00	35.00	20%	S	7.00	42.00	31.2%
<b>Community Development</b>							
Full day workshops	25.00	27.00	0%	X	0.00	27.00	8.0%
Play in the Park (Town Councils)	140.00	100.00	0%	X	0.00	100.00	-28.6%
Play in the Park (Parish Councils)	140.00	80.00	0%	X	0.00	80.00	-42.9%
<b>Homelessness (General Fund)</b>							
Bed & Breakfast – Single Room (average per night)	50.00	45.00	0%	O	0.00	45.00	-10.0%
Bed & Breakfast – Double Room (average per night)	60.00	60.00	0%	O	0.00	60.00	0.0%

Description of Charge	2023/24		2024/25					% Change
	Gross	Net	VAT			Gross		
	£'s	£'s	%	Cat	£'s	£'s		
<b>Corporate Services</b>								
<b>Legal</b>								
Property Transactions - Redemption of Mortgages	174.00	186.00	0%	X	0.00	186.00	6.9%	
Property Transactions - Transfers of Equity	336.00	359.00	0%	X	0.00	359.00	6.8%	
Property Transactions - Sale of Land	743.00	793.00	0%	X	0.00	793.00	6.7%	
Property Transactions - Repayment of Discount and Postponement of Legal Charge	494.00	527.50	0%	X	0.00	527.50	6.8%	
Property Transactions - Deed of Release of Covenant	457.00	488.00	0%	X	0.00	488.00	6.8%	
Property Transactions - Deed of Covenant + Application to Cancel Land Charges Entry	343.00	366.00	0%	X	0.00	366.00	6.7%	
Property Transactions - Second Mortgage Questionnaires	137.00	146.50	0%	X	0.00	146.50	6.9%	
Property Transactions - Licence to cross land/occupy land	734.00	653.00	20%	S	130.60	783.60	6.8%	
Property Transactions - Licences to cross housing land	384.00	410.00	0%	X	0.00	410.00	6.8%	
<b>Leases</b>								
Shops	1,371.00	1,463.00	0%	X	0.00	1,463.00	6.7%	
Industrial (e.g. Oakwood Hill and North Weald)	1,371.00	1,463.00	0%	X	0.00	1,463.00	6.7%	
Leases contracted out of Landlord and Tenant Act 1954 provisions	209.00	223.50	0%	X	0.00	223.50	6.9%	
New Lease extending Term (residential)	685.00	731.00	0%	X	0.00	731.00	6.7%	
<b>Licences granted pursuant to a lease</b>								
To Assign (add □£60.77 if surety)	1,301.00	1,157.00	20%	S	231.40	1,388.40	6.7%	
For Alterations	1,301.00	1,157.00	20%	S	231.40	1,388.40	6.7%	
For Change of Use	1,301.00	1,157.00	20%	S	231.40	1,388.40	6.7%	
To Sublet	1,301.00	1,157.00	20%	S	231.40	1,388.40	6.7%	
Deed of Surrender of Lease	1,301.00	1,157.00	20%	S	231.40	1,388.40	6.7%	
Combined Surrender / Licence	1,301.00	1,157.00	20%	S	231.40	1,388.40	6.7%	
Transfer of Lease and Notification of Mortgage (RTB)	95.00	101.50	0%	X	0.00	101.50	6.8%	
For Commercial Leases	102.00	109.00	0%	X	0.00	109.00	6.9%	
Deeds of Variation	514.00	548.50	0%	X	0.00	548.50	6.7%	
Consent for restriction	130.00	116.00	20%	S	23.20	139.20	7.1%	
<b>Planning Agreements</b>								
Section 106 - routine	1,028.00	1,097.00	0%	X	0.00	1,097.00	6.7%	
Section 106 - Complex	0.00	Time recorded	0%	X	0.00	0.00	N/A	
Section 106 - inc minor Highways works	1,485.00	1,584.50	0%	X	0.00	1,584.50	6.7%	
Section 106 - inc major Highways works	1,714.00	1,829.00	0%	X	0.00	1,829.00	6.7%	
Unilateral Undertaking - routine	571.00	609.50	0%	X	0.00	609.50	6.7%	
Unilateral Undertaking - complex	0.00	Time recorded	0%	X	0.00	0.00	N/A	
Variation / Revocation S 106 Agreement or Unilateral Undertaking	571.00	609.50	0%	X	0.00	609.50	6.7%	
<b>Monitoring Officer</b>								
Monitoring Officer - investigations, issues & advice to Town & Parish councillors (per hour)	114.00	101.50	20%	S	20.30	121.80	6.8%	
<b>Business Support</b>								
<b>Conference Suite Room Hire Standard Weekday Rates (selected partners pay 30% of standard rate on weekdays)</b>								
One Room 1st Hour	110.40	98.50	20%	S	19.70	118.20	7.1%	
One Room 2nd Hour	110.40	98.50	20%	S	19.70	118.20	7.1%	
One Room Half Day (4 hours)	288.00	256.50	20%	S	51.30	307.80	6.9%	
One Room Full Day (8 hours)	441.60	393.00	20%	S	78.60	471.60	6.8%	
Two Rooms 1st Hour	187.20	166.50	20%	S	33.30	199.80	6.7%	
Two Rooms 2nd Hour	187.20	166.50	20%	S	33.30	199.80	6.7%	
Two Rooms Half Day (4 hours)	484.80	431.50	20%	S	86.30	517.80	6.8%	
Two Rooms Full Day (8 hours)	744.00	662.00	20%	S	132.40	794.40	6.8%	
Three Rooms 1st Hour	254.40	226.50	20%	S	45.30	271.80	6.8%	
Three Rooms 2nd Hour	254.40	226.50	20%	S	45.30	271.80	6.8%	
Three Rooms Half Day (4 hours)	657.60	585.00	20%	S	117.00	702.00	6.8%	
Three Rooms Full Day (8 hours)	1,012.80	901.00	20%	S	180.20	1,081.20	6.8%	
Whole Conference Suite 1st Hour	441.60	393.00	20%	S	78.60	471.60	6.8%	
Whole Conference Suite 2nd Hour	441.60	393.00	20%	S	78.60	471.60	6.8%	
Whole Conference Suite Half Day (4 hours)	1,152.00	1,024.50	20%	S	204.90	1,229.40	6.7%	
Whole Conference Suite Full Day (8 hours)	1,771.20	1,575.00	20%	S	315.00	1,890.00	6.7%	
Conference suite hire weekend rates		By negotiation	20%	S			N/A	
CON29R Residential	136.50	141.50	20%	S	28.30	169.80	24.4%	
CON29R Residential Extra parcel fee	28.60	37.50	20%	S	7.50	45.00	57.4%	
CON290 Residential Questions 4 - 21	21.79	19.50	20%	S	3.90	23.40	7.4%	
CON290 Residential Questions 22 (on behalf of Essex Legal)	31.32	28.00	20%	S	5.60	33.60	7.3%	
CON290 Residential admin fee	32.69	29.50	20%	S	5.90	35.40	8.3%	
Residential Additional enquiries - per enquiry	44.94	40.00	20%	S	8.00	48.00	6.8%	
CON29R Commercial	220.50	196.50	20%	S	39.30	235.80	6.9%	
CON29R Commercial Extra parcel fee	46.24	48.50	20%	S	9.70	58.20	25.9%	
CON290 Commercial Questions 4 - 21	35.23	31.50	20%	S	6.30	37.80	7.3%	
CON290 Commercial Questions 22 (on behalf of Essex Legal)	50.64	45.50	20%	S	9.10	54.60	7.8%	
CON290 Commercial admin fee	52.85	47.00	20%	S	9.40	56.40	6.7%	
Commercial Additional enquiries - per enquiry	72.66	65.00	20%	S	13.00	78.00	7.3%	
<b>Democratic &amp; Electoral Services</b>								
<b>Sale of Registers (Open register to relevant stated departments and organisations) Including sales of the notices of alterations)</b>								
Data £20.00 admin plus £1.50 per thousand entries (or part of)			20.00	0%	N	0.00	20.00	N/A
Paper £10.00 admin plus £5.00 per thousand entries (or part of)			10.00	0%	N	0.00	10.00	N/A
<b>Sale of marked electoral register</b>								
Data £10.00 admin plus £1.00 per thousand entries (or part of)			10.00	0%	N	0.00	10.00	N/A
Paper £10.00 admin plus £2.00 per thousand entries (or part of)			10.00	0%	N	0.00	10.00	N/A

Description of Charge	2023/24		2024/25					% Change
	Gross	Net	VAT			Gross		
	£'s	£'s	%	Cat	£'s	£'s		
<b>Planning &amp; Development</b>								
<b>Commercial/Building Control</b>								
1 Plot (New-build houses)	880.00	791.67	20%	S	158.33	950.00	8.0%	
2 Plots (houses)	1,310.00	1,175.00	20%	S	235.00	1,410.00	7.6%	
3 Plots (houses)	1,810.00	1,625.00	20%	S	325.00	1,950.00	7.7%	
4 Plots (houses)	2,290.00	2,054.17	20%	S	410.83	2,465.00	7.6%	
5 Plots (houses)	2,755.00	2,475.00	20%	S	495.00	2,970.00	7.8%	
1 Plot (flats)	880.00	791.67	20%	S	158.33	950.00	8.0%	
2 Plots (flats)	1,310.00	1,175.00	20%	S	235.00	1,410.00	7.6%	
3 Plots (flats)	1,810.00	1,625.00	20%	S	325.00	1,950.00	7.7%	
4 Plots (flats)	2,290.00	2,054.17	20%	S	410.83	2,465.00	7.6%	
5 Plots (flats)	2,755.00	2,475.00	20%	S	495.00	2,970.00	7.8%	
Conversion to house	0.00	766.67	20%	S	153.33	920.00	N/A	
Conversion to flat	705.00	633.33	20%	S	126.67	760.00	7.8%	
Single storey extension to dwelling not exceeding 40m <sup>2</sup>	745.00	666.67	20%	S	133.33	800.00	7.4%	
Single storey extension to dwelling 40-100m <sup>2</sup>	1,175.00	1,050.00	20%	S	210.00	1,260.00	7.2%	
2 or 3 storey extension to dwelling not exceeding 40m <sup>2</sup>	745.00	666.67	20%	S	133.33	800.00	7.4%	
2 or 3 storey extension to dwelling 40-100m <sup>2</sup>	1,175.00	1,050.00	20%	S	210.00	1,260.00	7.2%	
Garage/carport/store not exceeding 100m <sup>2</sup>	580.00	520.83	20%	S	104.17	625.00	7.8%	
Detached non-habitable outbuilding not exceeding 50m <sup>2</sup>	715.00	641.67	20%	S	128.33	770.00	7.7%	
Loft conversion to dwelling under 40m <sup>2</sup>	790.00	708.33	20%	S	141.67	850.00	7.6%	
Loft conversion to dwelling 40m <sup>2</sup> - 100m <sup>2</sup>	0.00	1,050.00	20%	S	210.00	1,260.00	N/A	
Garage conversion to dwelling	430.00	387.50	20%	S	77.50	465.00	8.1%	
Renovation of thermal element on a dwelling	335.00	300.00	20%	S	60.00	360.00	7.5%	
Replacement windows/rooflights on a dwelling	335.00	300.00	20%	S	60.00	360.00	7.5%	
Alterations to a dwelling under £5,000 in value	335.00	300.00	20%	S	60.00	360.00	7.5%	
Alterations to a dwelling £5,000-£25,000 in value	565.00	508.33	20%	S	101.67	610.00	8.0%	
Alterations to a dwelling £25,000 - £100,000 in value	845.00	758.33	20%	S	151.67	910.00	7.7%	
Non-domestic single storey extension up to 40m <sup>2</sup>	745.00	666.67	20%	S	133.33	800.00	7.4%	
Non-domestic single storey extension 40 – 100m <sup>2</sup>	1,150.00	1,041.67	20%	S	208.33	1,250.00	8.7%	
Non-domestic 2 or 3 storey extension under 40m <sup>2</sup>	745.00	662.50	20%	S	132.50	795.00	6.7%	
Non-domestic 2 or 3 storey extension 40-100m <sup>2</sup>	1,150.00	1,041.67	20%	S	208.33	1,250.00	8.7%	
Alterations to a commercial building up to £5,000 in value	330.00	304.17	20%	S	60.83	365.00	10.6%	
Replacement windows/doors/rooflights to a commercial building <20 units	330.00	304.17	20%	S	60.83	365.00	10.6%	
Renewable Energy Systems	330.00	304.17	20%	S	60.83	365.00	10.6%	
Replacement shop front	330.00	304.17	20%	S	60.83	365.00	10.6%	
Alterations to a commercial building £5,000 - £25,000 in value	585.00	529.17	20%	S	105.83	635.00	8.5%	
Replacement windows/doors/rooflights to a commercial building >20 units	385.00	350.00	20%	S	70.00	420.00	9.1%	
Renovation of thermal elements to a commercial building	330.00	304.17	20%	S	60.83	365.00	10.6%	
Raised storage platform installation	285.00	350.00	20%	S	70.00	420.00	47.4%	
Alterations to a commercial building £25,000 - £100,000 in value	860.00	770.83	20%	S	154.17	925.00	7.6%	
Fit-out of a commercial building up to 100m <sup>2</sup> floor area	330.00	350.00	20%	S	70.00	420.00	27.3%	
Testing and certification of Electrical work where Part P installer not used	385.00	333.33	20%	S	66.67	400.00	3.9%	
Retrieval of archived files (+3years old), research and reinspection	250.00	208.33	20%	S	41.67	250.00	0.0%	
Research, retrieval and issue of copy decision notices and certificates - emailed	55.00	50.00	20%	S	10.00	60.00	9.1%	
Research, retrieval and issue of copy decision notices and certificates - posted	60.00	54.17	20%	S	10.83	65.00	8.3%	
Letter confirming exemption from Building Regulations - emailed	55.00	50.00	20%	S	10.00	60.00	9.1%	
Letter confirming exemption from Building Regulations - posted	60.00	54.17	20%	S	10.83	65.00	8.3%	
Hourly Rate For Supporting The Building Safety Regulator	95.66	85.06	20%	S	17.01	102.07	6.7%	
Dangerous Structures - admin charge (by negotiation) & cost recovery		By negotiation	20%	S			N/A	
<b>Planning</b>								
PPA's (£166.67/hour excl. vat - 1 hour minimum)	180.00	166.67	20%	S	33.33	200.00	11.1%	
Documents requests/research (2 hour minimum charge)	360.00	333.33	20%	S	66.67	400.00	11.1%	
Urgent requests (Within 48 hrs) (4 hour minimum charge)	720.00	666.67	20%	S	133.33	800.00	11.1%	
Scanning Fees – Paper Applications	28.80	30.00	20%	S	6.00	36.00	25.0%	
Admin Charge for Section 106 Legal Agreements with requirement for financial contribution (By negotiation)	0.00	By negotiation	0%	N			N/A	
Admin Charge for Section 106 Legal Agreements with no requirement for financial contribution	500.00	550.00	0%	N	0.00	550.00	10.0%	
Admin Charge for Section 106 Legal Agreements - confirmation of compliance	125.00	200.00	0%	N	0.00	200.00	60.0%	
<b>Planning - Development Management</b>								
<b>Pre-Planning Applications</b>								
Written Advice Meetings: Minor 1-2 Units	540.00	516.67	20%	S	103.33	620.00	14.8%	
Written Advice Meetings: Minor 3-9 Units	1,620.00	1,550.00	20%	S	310.00	1,860.00	14.8%	
Written Advice Meetings: Major 10-19 Units	3,240.00	3,100.00	20%	S	620.00	3,720.00	14.8%	
Written Advice Meetings: Major 20-49 Units	6,480.00	6,200.00	20%	S	1,240.00	7,440.00	14.8%	
Written Advice Meetings: Major 50+ Units (By negotiation)	0.00	By negotiation	20%	S			N/A	
Planning Advice Meetings: All other cases (including Listed Buildings)	180.00	166.67	20%	S	33.33	200.00	11.1%	
Planning Written Advice or Meeting: Discussions for a way forward following refusal of PA (minor)	180.00	166.67	20%	S	33.33	200.00	11.1%	
Planning Nature and Form of Meetings by Negotiation: Discussions for a way forward following refusal of PA (major) (By negotiation)	0.00	By negotiation	20%	S			N/A	
<b>Planning Application Fee</b>								
Various based on set national fees & charges			0%	N	0.00		N/A	
<b>Enforcement</b>								
High Hedge - Initial complaint application fee for consideration	500.00	550.00	0%	N	0.00	550.00	10.0%	
High Hedge - Repeat complaint application fee for consideration	200.00	220.00	0%	N	0.00	220.00	10.0%	
<b>ICT &amp; Transformation</b>								
<b>Street Naming &amp; Numbering</b>								
House name change (£100 per property)	55.65	100.00	0%	N	0.00	100.00	79.7%	
Development of 1+ properties (£100 per property)	19.57	100.00	0%	N	0.00	100.00	411.0%	
Changes in initial development after initial notification (£100 per property)	19.57	100.00	0%	N	0.00	100.00	411.0%	
Naming/renaming a street	0.00	420.00	0%	N	0.00	420.00	N/A	

**Annex C2: Draft Car Parking Charges 2024/25**  
(excluding proposed tariff alterations covered in Appendix E)

Description of Charge		2023/24	2024/25					
		Gross	Net	VAT			Gross	% Change
		£'s	£'s	%	Cat	£'s	£'s	
<b>Car Parking</b>								
<b>Tariff One (Monday - Saturday)</b>								
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Civic Offices, EFDC, CM16 4BZ	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
The Drive, Loughton, IG10 1HW	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	0.30	0.25	20%	S	0.05	0.30	0.0%
High Beech, Loughton, IG10 4HH	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Clifton Road, Loughton, IG10 1EA	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	0.30	0.25	20%	S	0.05	0.30	0.0%
Vere Road, Debden, IG10 3SW	08:30 - 17:30	0.30	0.25	20%	S	0.05	0.30	0.0%
Burton Road South, Debden, IG10	08:30 - 17:30	0.30	0.25	20%	S	0.05	0.30	0.0%
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	0.30	0.25	20%	S	0.05	0.30	0.0%
<b>Tariff Two (Monday - Saturday)</b>								
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Civic Offices, EFDC, CM16 4Bz	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
The Drive, Loughton, IG10 1HW	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	1.00	0.83	20%	S	0.17	1.00	0.0%
High Beech, Loughton, IG10 4HH	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Clifton Road, Loughton, IG10 1EA	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	1.00	0.83	20%	S	0.17	1.00	0.0%
Vere Road, Debden, IG10 3SW	08:30 - 17:30	1.00	0.83	20%	S	0.17	1.00	0.0%
Burton Road South, Debden, IG10	08:30 - 17:30	1.00	0.83	20%	S	0.17	1.00	0.0%
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	1.00	0.83	20%	S	0.17	1.00	0.0%
<b>Tariff Three (Monday - Saturday)</b>								
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Civic Offices, EFDC, CM16 4BZ	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
The Drive, Loughton, IG10 1HW	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	2.00	1.67	20%	S	0.33	2.00	0.0%
High Beech, Loughton, IG10 4HH	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Clifton Road, Loughton, IG10 1EA	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	2.00	1.67	20%	S	0.33	2.00	0.0%
Vere Road, Debden, IG10 3SW	08:30 - 17:30	2.00	1.67	20%	S	0.33	2.00	0.0%
Burton Road South, Debden, IG10	08:30 - 17:30	2.00	1.67	20%	S	0.33	2.00	0.0%
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	2.00	1.67	20%	S	0.33	2.00	0.0%
<b>Tariff Four (Monday - Saturday)</b>								
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Civic Offices, EFDC, CM16 4BZ	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
The Drive, Loughton, IG10 1HW	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	3.00	2.50	20%	S	0.50	3.00	0.0%
High Beech, Loughton, IG10 4HH	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Clifton Road, Loughton, IG10 1EA	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	3.00	2.50	20%	S	0.50	3.00	0.0%
Vere Road, Debden, IG10 3SW	08:30 - 17:30	3.00	2.50	20%	S	0.50	3.00	0.0%
Burton Road South, Debden, IG10	08:30 - 17:30	3.00	2.50	20%	S	0.50	3.00	0.0%
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	3.00	2.50	20%	S	0.50	3.00	0.0%



Description of Charge		2023/24		2024/25					% Change
		Gross	Net	VAT			Gross		
		£'s	£'s	%	Cat	£'s	£'s		
<b>Tariff Five (Monday - Saturday)</b>									
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Civic Offices, EFDC, CM16 4BZ	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
The Drive, Loughton, IG10 1HW	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	4.00	3.33	20%	S	0.67	4.00	0.0%	
High Beech, Loughton, IG10 4HH	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Clifton Road, Loughton, IG10 1EA	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	4.00	3.33	20%	S	0.67	4.00	0.0%	
Vere Road, Debden, IG10 3SW	08:30 - 17:30	4.00	3.33	20%	S	0.67	4.00	0.0%	
Burton Road South, Debden, IG10	08:30 - 17:30	4.00	3.33	20%	S	0.67	4.00	0.0%	
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	4.00	3.33	20%	S	0.67	4.00	0.0%	
<b>Tariff Six (Monday - Saturday)</b>									
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Civic Offices, EFDC, CM16 4BZ	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
The Drive, Loughton, IG10 1HW	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	5.00	4.17	20%	S	0.83	5.00	0.0%	
High Beech, Loughton, IG10 4HH	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Clifton Road, Loughton, IG10 1EA	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	5.00	4.17	20%	S	0.83	5.00	0.0%	
Vere Road, Debden, IG10 3SW	08:30 - 17:30	5.00	4.17	20%	S	0.83	5.00	0.0%	
Burton Road South, Debden, IG10	08:30 - 17:30	5.00	4.17	20%	S	0.83	5.00	0.0%	
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	5.00	4.17	20%	S	0.83	5.00	0.0%	
<b>Tariff Seven (Monday - Saturday)</b>									
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
Civic Offices, EFDC, CM16 4BZ	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	6.00	5.00	20%	S	1.00	6.00	0.0%	
The Drive, Loughton, IG10 1HW	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	10.00	8.33	20%	S	1.67	10.00	0.0%	
High Beech, Loughton, IG10 4HH	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	6.00	5.00	20%	S	1.00	6.00	0.0%	
Clifton Road, Loughton, IG10 1EA	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	6.00	5.00	20%	S	1.00	6.00	0.0%	
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
Commill, Waltham Abbey, EN9 1RB	08:00 - 18:00	6.00	5.00	20%	S	1.00	6.00	0.0%	
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	6.00	5.00	20%	S	1.00	6.00	0.0%	
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	6.00	5.00	20%	S	1.00	6.00	0.0%	
Vere Road, Debden, IG10 3SW	08:30 - 17:30	10.00	8.33	20%	S	1.67	10.00	0.0%	
Burton Road South, Debden, IG10	08:30 - 17:30	6.00	5.00	20%	S	1.00	6.00	0.0%	
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	6.00	5.00	20%	S	1.00	6.00	0.0%	
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	10.00	8.33	20%	S	1.67	10.00	0.0%	
<b>Sundays (Up to 2 hours free)</b>									
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Civic Offices, EFDC, CM16 4BZ	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
The Drive, Loughton, IG10 1HW	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	2.00	1.67	0%	S	0.33	2.00	0.0%	
High Beech, Loughton, IG10 4HH	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Commill, Waltham Abbey, EN9 1RB	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	2.00	1.67	0%	S	0.33	2.00	0.0%	
Vere Road, Debden, IG10 3SW	08:30 - 17:30	2.00	1.67	0%	S	0.33	2.00	0.0%	
Burton Road South, Debden, IG10	08:30 - 17:30	2.00	1.67	0%	S	0.33	2.00	0.0%	
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	2.00	1.67	0%	S	0.33	2.00	0.0%	

## Annex C3: Draft Housing Revenue Account (HRA) Fees &amp; Charges 2024/25

Proposed Fees and Charges 2024/25 - HOUSING REVENUE ACCOUNT							
Description	2023/24	2024/25					Change
	Gross	Net	VAT			Gross	%
	£'s	£'s	%	Cat	£'s	£'s	
<b>Older People's Housing</b>							
<b>Communal Halls:</b>							
Brookways Hall, Roundhills	13.00	15.00	N/A	X	0.00	15.00	15.4%
Pelly Court Hall, Epping	13.00	15.00	N/A	X	0.00	15.00	15.4%
Barrington Hall, Loughton	10.61	15.00	N/A	X	0.00	15.00	41.4%
Hire of Halls for Elections	118.75	150.00	N/A	X	0.00	150.00	26.3%
<b>Independent Living:</b>							
Guest Rooms - Independent Living	24.00	20.83	20.00	S	4.17	25.00	4.1%
Guest Rooms - Independent Living (Single Occupant)	0.00	12.50	20.00	S	2.50	15.00	-
Emergency Alarm - Pendants	60.00	60.00	N/A	O	0.00	60.00	0.0%
<b>Scooter Stores:</b>							
Electricity	2.69	2.87	N/A	O	0.00	2.87	6.7%
<b>Home Ownership and Sales</b>							
Leasehold Vendors' Enquiries	229.21	203.81	20%	S	40.76	244.57	6.7%
Certificates of Buildings Insurance - Leaseholders	72.94	64.85	20%	S	12.97	77.82	6.7%
Lease Extension Housing Admin Fees and Charges	88.08	93.98	N/A	O	0.00	93.98	6.7%
<b>Housing Management</b>							
Hardstandings	113.20	121.00	N/A	O	0.00	121.00	6.9%
Lockable parking spaces	9.40	15.00	N/A	O	0.00	15.00	59.6%
Mortgage references	66.94	59.52	20%	S	11.90	71.42	6.7%
Request for covenant and leasehold approvals	106.76	94.93	20%	S	18.99	113.92	6.7%
Licences for vehicular access across housing land	147.99	160.00	N/A	O	0.00	160.00	8.1%
Dishonoured cheques	34.54	36.85	N/A	O	0.00	36.85	6.7%
<b>Repairs and Maintenance</b>							
Rechargeable repairs (actual cost plus Admin fee of)	15%	15%	-	-	-	15%	0%
Replacement Door Entry and Suited Keys / Fobs	20.00	18.33	20%	S	3.67	22.00	10%
Sewerage charges for individual sewerage systems (Actual Costs plus Admin Fee of)	15%	15%	-	-	-	15%	0%
<b>Land and Estates</b>							
Legal Fee to a devolution of dealing	114.00	101.37	20%	S	20.27	121.64	6.7%
Garage rents private	12.74	11.44	20%	S	2.29	13.73	7.7%
Front garden parking permissions	104.15	100.00	20%	S	20.00	120.00	15.2%
Skip licence	90.17	100.00	20%	S	20.00	120.00	33.1%
Cycle stores per cycle hoop first year: £10 refundable on return of key	34.50	35.00	N/A	O	0.00	35.00	1%
Annual charge for cycle hoops	20.00	20.00	N/A	O	0.00	20.00	0%
Replacement keys for cycle hoop	20.00	20.00	N/A	O	0.00	20.00	0%

## Medium-Term Financial Plan (MTFP) 2024/25 to 2028/29

*Updated February 2024*

### 1. Background

1.1 The preparation of a Medium-Term Financial Plan (MTFP) provides the cornerstone on which the Council can build and deliver services in accordance with the aims and objectives outlined in the Corporate Plan 2023-2027 (“Your Epping Forest”), which are grouped under the three corporate ambitions:

- Stronger Communities
- Stronger Place; and
- Stronger Council.

1.2 Through ‘horizon scanning’ and anticipating necessary change at the earliest opportunity, resilience, and the ability to react to and withstand ‘major shocks,’ is achieved.

### 2 Introduction

2.1 This is the third (and final) iteration of the MTFP within the 2024/25 budget cycle and covers both the General Fund and the ring-fenced Housing Revenue Account (HRA). It is a forward-looking document which provides a tentative look at the Council’s General Fund financial picture over the next five years (2024/25 through to 2028/29) and re-evaluates the position in the light of the development and completion of the draft 2024/25 budget.

### 3 General Fund MTFP

3.1 The October 2023 MTFP revealed a projected General Fund deficit of £3.720 million for 2024/25, reflecting a range of inflationary pressures and the impact of new Waste Management arrangements, compared to 2023/24. Estimated net expenditure was £21.365 million, compared to funding of just £17.645 million.

3.2 The initial draft budget proposals presented to Cabinet on 28th December 2023 addressed the original deficit identified in October 2023, to achieve an early balanced position. However, as is normal for that stage in the budget development process, the *provisional* Local Government Finance Settlement for 2024/25 had not been incorporated (only estimated assumptions) and – on this occasion, and more significantly – a capital receipt received by the Council (immediately before Christmas 2023) as part of a land disposal at North Weald Airfield, had not been incorporated.

3.3 The December 2023 **General Fund** MTFP projections can be summarised as follows:

<b>General Fund MTFP (@ December 2023)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2024/25	0	Assumed Government grant of £1.514 million + Contribution to Reserves of £0.263 million. New Waste Management arrangements assumed with effect from November 2024.
2025/26	1,152	
2026/27	784	
2027/28	493	
2028/29	492	

3.4 The Government announced the provisional Local Government Finance Settlement for 2024/25 on 18th December 2023, and further work has been done by Finance officers on a range of issues, including incorporating the impact of the North Weald Airfield capital receipt (discussed in detail in **Appendix A**). This has enabled the initial draft budget to be refined and 're-balanced' for final consideration by Cabinet at this meeting. The updated MTFP (2024/25 through to 2028/29), reflecting the final draft General Fund budget for 2024/25, is illustrated in the table below.

Epping Forest District Council: Medium-Term Financial Plan (MTFP) - February 2024					
Subjective Description	Draft Budget 2024/25	Estimated Budget Requirement 2025/26	Estimated Budget Requirement 2026/27	Estimated Budget Requirement 2027/28	Estimated Budget Requirement 2028/29
	£'s	£'s	£'s	£'s	£'s
Employees	21,680,740	22,101,350	22,523,380	22,953,850	23,392,930
Premises	3,529,640	3,800,230	3,876,240	3,953,760	4,032,840
Transport	232,630	237,280	242,030	246,870	251,810
Supplies & Services	10,056,100	10,124,620	10,327,110	10,533,660	10,744,330
Support Services	700	710	730	740	760
Contracted Services	11,605,610	11,721,670	11,838,880	11,957,270	12,076,840
Transfer Payments (exclusively HB)	21,698,600	21,698,600	20,613,700	19,583,050	18,603,920
Financing Costs	363,160	2,031,880	2,939,900	2,928,880	2,923,480
Service Contingency (Waste)	200,000	-	-	-	-
<b>Gross Expenditure</b>	<b>69,367,180</b>	<b>71,716,340</b>	<b>72,361,970</b>	<b>72,158,080</b>	<b>72,026,910</b>
Fees & Charges	- 17,956,400	- 18,416,610	- 18,658,310	- 18,903,310	- 19,151,680
Government Contributions (90%+ HB Subsidy)	- 23,284,520	- 23,272,870	- 22,176,890	- 21,135,720	- 20,146,600
Miscellaneous Income (including Qualis)	- 3,536,940	- 3,648,590	- 3,399,450	- 3,138,260	- 2,888,260
Other Contributions	- 4,193,750	- 4,193,750	- 4,193,750	- 4,193,750	- 4,193,750
HRA Recharges	- 4,542,140	- 4,632,980	- 4,725,640	- 4,820,150	- 4,916,550
<b>Net Expenditure</b>	<b>15,853,430</b>	<b>17,551,540</b>	<b>19,207,930</b>	<b>19,966,890</b>	<b>20,730,070</b>
<b>Funding:</b>					
Council Tax	- 9,288,410	- 9,404,520	- 9,498,560	- 9,593,550	- 9,689,480
Business Rates	- 6,359,000	- 6,549,770	- 6,680,760	- 6,814,380	- 6,950,670
Collection Fund Adjustments	- 394,980	-	-	-	-
Council Tax Sharing Agreement (CTSA)	- 435,110	- 535,110	- 585,110	- 585,110	- 585,110
<b>Non-Specific Grants:</b>					
Revenue Support Grant (RSG)	- 137,320	- 137,320	- 137,320	- 137,320	- 137,320
New Homes Bonus	- 5,880	-	-	-	-
Other/FGA	- 1,385,400	- 1,385,400	- 1,385,400	- 1,385,400	- 1,385,400
Contribution to/(from) Reserves	2,152,670	460,580	-	-	-
<b>Total Funding</b>	<b>- 15,853,430</b>	<b>- 17,551,540</b>	<b>- 18,287,150</b>	<b>- 18,515,760</b>	<b>- 18,747,980</b>
<b>In-Year (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>920,780</b>	<b>530,350</b>	<b>530,960</b>
<b>Cumulative (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>920,780</b>	<b>1,451,130</b>	<b>1,982,090</b>

3.5 As presented in **Appendix A**, the initially balanced General Fund budget for 2024/25 presented in the December 2023 MTFP has now been 're-balanced'. It is a complex exercise to draw detailed comparisons between the different iterations of the MTFP; there are multiple variables that 'roll up' cumulatively as the years progress. However, on this occasion, there is a clear distinction between the MTFP produced in December 2023, and the updated version presented above with net Capital Financing costs being the recurring theme. The major headlines in Years 2 (2025/26) and 3 (2026/27) are as follows:

- **2025/26 (£0 surplus/deficit)** – the 2025/26 budget has been assumed as balanced at this stage, although this is a tentative projection based on available intelligence at the time of reporting (February 2024). In particular, the Council will need to give detailed consideration as to the future application of the North Weald Airfield capital receipt, carefully balancing its strategic priorities and ambitions with the overriding need to maintain financial sustainability. In the table above in Paragraph 3.4, financial balance in 2025/26 is achieved through reducing the contribution to Reserves from £2.152 million in 2024/25 to £0.461 million (i.e. down £1.691 million), which primarily reflects an expected increase in Capital Financing costs, which are assumed to increase by £1.669 million, partly reflecting an expected reduction in interest rates, but also additional MRP costs (circa £450,000) in respect of ICT investment; and

- **2026/27 (£0.921 deficit)** – the Council’s structural deficit begins to emerge again in 2026/27. It is no longer possible to contribute to Reserves and there is a further expectation of increased Capital Financing costs (up by a further £0.908 million) with further reductions in interest rates expected and additional MRP costs too, notably in respect of the new Epping Leisure Centre (circa £324,000).

3.6 Embedded in the overall forecasts are a range of net spending and funding issues and assumptions. Key **net spending** highlights and assumptions include the following:

- **Inflation** – the published CPI rate for December 2023 was 4.0% (marginally up from 3.9% in November 2023, but well below the recent peak of 11.1% in October 2022). As reported to Cabinet in December 2023, the falls in CPI experienced in the Autumn of 2023 were beneficial to the cost of the existing Waste Management contract with Biffa. However, (especially) in the light of the uptick in inflation in December 2023, all other inflationary assumptions remain constant compared to those originally assumed back in October 2023. This includes assumed general inflation of 3.5% in 2024/25, with 2.0% assumed thereafter. Similarly, a pay award of 3.0% has been assumed in 2024/25, with 2.0% assumed thereafter. Average increases in Fees and Charges assumed for 2024/25 remain unaltered at the August 2023 CPI rate of 6.7%, reducing to 2.0% thereafter.
- **Growth** – there were no discretionary budget growth items included in the projections presented in December 2023, although one-off budgets introduced for 2024/25 in respect of “Fit for the Future” (£180,000) and “Place-Based Initiatives” (£150,000) covered in **Appendix A**, have been ‘reversed out’ in 2025/26.
- **Financing Costs** – overall (net) Financing costs have changed significantly since December 2023. But substantial growth is again expected from 2025/26 onwards (e.g. in 2025/26, MRP up £520,000, Interest Payable up £308,720, and Interest Receivable down £840,000), although any future decisions with regard to the North Weald capital receipt would be likely to have a material impact on current assumptions; and
- **HRA Recharges** – recharges to the HRA continue to be assumed as relatively stable from 2025/26 onwards with just inflationary increases only applied. However, further Transformation work on General Fund services (through the “Fit for the Future” Programme) can be expected to yield savings that can be shared with the HRA; this will be reflected in future iterations of this MTFP.

3.7 Key **funding** highlights and assumptions include the following:

- **Council Tax** – as reported in **Appendix A**, there is now a clear assumption that the Council will increase the Council Tax by 2.99% (within the 2024/25 Referendum Principles) in 2024/25; Council Tax freezes are assumed from 2025/26 onwards.
- **Business Rates** – in light of the outcome of the April 2023 Business Rates Revaluation, a stepped increase of £0.593 million is assumed in 2024/25, followed by inflationary increases thereafter. It should be noted that gains from the Essex Business Rates Pool are no longer assumed (as in previous years), which removes the Council’s vulnerability to fluctuations in the Business Rates Retention (BRR) system whereby any additional funding received by Epping Forest District Council is partly dependent in Business Rates growth in other Essex districts.

- **Collection Fund Adjustments** – assumed Collection Fund adjustments are extremely difficult to forecast beyond the immediately forthcoming financial year. On that basis a prudent ‘neutral’ assumption is included in this iteration of the MTFP from 2025/26 onwards. However, as with Business Rates, this is an area that officers keep under constant review.
- **Council Tax Sharing Agreement (CTSA)** – gradually improving collection rates are expected to drive some steady improvement in funding receivable from the Essex CTSA in 2025/26 and 2026/27 and flattening out at £585,000 thereafter.
- **Grants** – as explained in **Appendix A**, the overall Settlement for 2024/25 is now assumed to represent “Core Spending Power + 4.0%”. Future Settlements (from 2025/26 onwards) are assumed frozen at this stage, with the exception of NHB, which is assumed to cease with effect from 2025/26.
- **Use of Reserves** – it is assumed at this stage that all Contributions to Reserves will be made to the new Transformation Revenue Reserve, which has a target balance of £3.0 million, although this will be the subject to an annual review at each Balance Sheet date by the Section 151 Officer, who will make detailed recommendations to Cabinet as to the prudent and effective Use of Reserves.

#### 4 Housing Revenue Account (HRA) MTFP

4.1 The December 2023 MTFP reflected a *planned* HRA deficit of £0.465 million for 2024/25, followed by declining deficits from 2025/26 thorough to 2028/29. The table below summarises the forecast.

Housing Revenue Account MTFP (@ December 2023)		
Financial Year	(Surplus)/Deficit	Comment
	£000's	
2024/25	465	
2025/26	296	
2026/27	104	
2027/28	18	
2028/29	6	

4.2 Members should note that the planned deficits reflected in the table above represent a deliberate strategy to utilise *surplus* reserves only. The opening HRA reserve balance for 2023/24 was £4.515 million and, as at Quarter 3, the forecast closing balance for 31st March 2024 is £4.255 million (i.e., potentially £2.3 million above the minimum balance; the December 2023 MTFP planned to utilise £0.889 million).

4.3 The updated HRA MTFP (2024/25 through to 2028/29), reflecting the final draft HRA budget for 2024/25, is illustrated in the table below (being almost identical to the December 2023 projections).

HRA MTFP Illustration (@February 2024)					
Description	2024/25 Draft Budget (February 2024)	2025/26	2026/27	2027/28	2028/29
	£'s	£'s	£'s	£'s	£'s
Employees	5,295,800	5,402,260	5,510,310	5,620,520	5,732,930
Premises	6,690,830	6,823,160	7,033,750	7,173,700	7,314,870
Transport	80,790	82,410	84,060	85,740	87,450
Supplies & Services	1,281,290	1,298,810	1,120,790	1,143,210	1,370,070
Contracted Services	8,296,155	7,903,385	8,061,455	8,222,685	8,384,135
Support Services (GF Recharges)	4,542,135	4,632,975	4,725,635	4,820,145	4,916,545
Debt Management Expenses	68,000	69,000	70,000	72,000	73,000
Bad Debt Provision	109,000	110,000	113,000	117,000	121,000
Depreciation	10,700,000	10,914,000	11,132,000	11,355,000	11,582,000
<b>Total Expenditure</b>	<b>37,064,000</b>	<b>37,236,000</b>	<b>37,851,000</b>	<b>38,610,000</b>	<b>39,582,000</b>
Rental Income - Dwellings	(41,143,000)	(41,661,000)	(42,980,000)	(44,097,000)	(45,191,000)
Rental Income - Non-Dwellings	(999,000)	(1,019,000)	(1,039,000)	(1,060,000)	(1,081,000)
Fees and Charges (Charges for Services)	(3,051,000)	(3,124,000)	(3,197,000)	(3,334,000)	(3,388,000)
Other Contributions (Shared Amenities)	(394,000)	(402,000)	(410,000)	(418,000)	(427,000)
<b>Total Income</b>	<b>(45,587,000)</b>	<b>(46,206,000)</b>	<b>(47,626,000)</b>	<b>(48,909,000)</b>	<b>(50,087,000)</b>
<b>Net Cost of Service</b>	<b>(8,523,000)</b>	<b>(8,970,000)</b>	<b>(9,775,000)</b>	<b>(10,299,000)</b>	<b>(10,505,000)</b>
Interest Received	(150,000)	(214,000)	(109,000)	(91,000)	(85,000)
Financing Costs	6,562,000	6,719,000	6,704,000	6,844,000	7,211,000
<b>Net Operating Income</b>	<b>(2,111,000)</b>	<b>(2,465,000)</b>	<b>(3,180,000)</b>	<b>(3,546,000)</b>	<b>(3,379,000)</b>
<b>Appropriations:</b>					
HRA Contribution to Capital	2,576,000	2,761,000	3,285,000	3,564,000	3,384,000
<b>Total Appropriations</b>	<b>2,576,000</b>	<b>2,761,000</b>	<b>3,285,000</b>	<b>3,564,000</b>	<b>3,384,000</b>
<b>In-Year (Surplus)/Deficit</b>	<b>465,000</b>	<b>296,000</b>	<b>105,000</b>	<b>18,000</b>	<b>5,000</b>

- 4.4 Further work on the detailed budget assumptions in the initial draft budget has resulted in some very minor refinements to the 2024/25 figures (covered in **Appendix A**), although this has not altered the *planned* deficit of £0.465 million reported in December 2023.
- 4.5 It should be noted that officers have refined the 30-Year HRA Business Plan using the “Fortress” model, following the completion of the Stock Condition Survey (SCS). This has led to the reprioritisation of a range of previously planned works, whilst at the same time adding £15.0 million (£1.5 million annually for 10 years from 2024/25) for Net Zero Carbon building works.
- 4.6 The changes to the Business Plan triggered by the SCS have been introduced with financial sustainability being an absolute priority, including minimising the need to borrow and maintaining a minimum HRA balance of £2.0 million. The planned deficits reflected in the table above in Paragraph 4.3 represent a deliberate strategy to utilise *surplus* reserves only. As noted above in Paragraph 4.2, the opening HRA reserve balance for 2023/24 was £4.515 million and, as at Quarter 3, the forecast closing balance for 31st March 2024 is £4.255 million (i.e., potentially £2.3 million above the minimum balance; the December 2023 MTFP plan to utilise £0.889 million remains unchanged).



## **Local Government Act 2003: Section 25**

### **Chief Financial Officer's Statutory Report**

#### **1. Introduction**

- 1.1. The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its annual budget and precept, the Council's Section 151 officer must report to it on the following matters:
  - the robustness of the estimates made for the purposes of the calculations; and
  - the adequacy of the proposed financial reserves.
- 1.2. CIPFA's Financial Management (FM) Code, published in October 2019 also makes this report a requirement.
- 1.3. The Council must have due regard to the report when making decisions on the budget and precept.
- 1.4. This document concentrates on the General Fund budget, the Housing Revenue Account and Capital Investment Programme, but in addition it also considers key medium-term issues faced by the Council as set out in the Medium-Term Financial Plan (MTFP).
- 1.5. In expressing this opinion, I have considered the financial management arrangements that are in place, the level of reserves the Council has available, the budget assumptions, the overall financial and economic environment, the financial risks facing the Council and its overall financial standing.

#### **2. Statement by the Council Chief Financial (S151) Officer**

- 2.1. There are always financial challenges facing the Council but those we are currently facing are exceptional by any measure. Interest rates, energy prices and inflation all rose rapidly and are falling much slower than expected. This has placed considerable additional strain of an already stretched Local Government sector and has required the identification of further savings from budgets, following years of similar exercises. The cumulative impact is now manifesting in unprecedented levels of councils warning of, or issuing, Section 114 notices.
- 2.2. Despite this challenge, the Council took a considered, comprehensive, and inclusive approach to addressing the forecast financial gap. The solution has put a priority on maintaining core service delivery, maintaining balances, and developing robust financial plans which incorporate the expected continuing financial uncertainty.
- 2.3. As a result, I am satisfied that a prudent and considered approach has been employed in formulating and developing these budget proposals and therefore I believe the Council is presented with a robust set of estimates for consideration.

- 2.4. With the impact of Covid and recent economic shocks Reserves had fallen in recent years to the point where managing within the existing budget envelope is essential and any release of reserves should be done so sparingly. Using comparative tools produced by CIPFA and OLOG's it is apparent that the Council's level of reserves during 2023/24 fell well below the average of similar councils. This would be cause for elevated focus and concern within this report had the Council not recently completed the sale of a substantial block of employment land at North Weald. The interest on the associated capital receipt is expected to significantly bolster the Council's balances and any planned future application of the Receipt should be cognisant of the need to rebuild general balances in the short-term. With the immediate benefit brought by the interest on the receipt balances are once again increasing and I am satisfied that the Council is both aware and mindful of this position. I am further satisfied that it has both robust mechanisms in place to monitor and manage spending and will return balances to their assessed minimum by the end of 2023/24.
- 2.5. I am aware of the contents of CIPFA's Resilience Index in relation to Epping Forest District Council and am satisfied that the Budget presented here has been developed consistent with data presented therein.
- 2.6. In arriving at this opinion, I have taken due account of the following matters.

### **3. Financial Management Arrangements**

- 3.1. The Council's Accounts for 2020/21 remain unsigned by the Council's Auditors, thereby creating uncertainty as to the exact size of carried forward balances. The delayed conclusion of Audits is a sector wide issue and is associated with both Auditor capacity and the complexity of current Accounting Standards. We believe that the opinion on the Accounts for 2020/21 will be issued imminently with no significant issues identified. We expect the opinion for 2021/22 to follow shortly afterwards.
- 3.2. The delay remains a source of frustration and we continue to push the Auditors and the Government for a conclusion to the backlog. A consultation is expected any day which it is understood will set a long stop date of 30 September 2024 for all Audits prior to 2023/24 to be concluded. Whilst this is unlikely to resolve all historic issues or provide the reassurance sought on the accuracy of accounts, it will at least draw a line under the backlog and allow the sector to move forward. Balances and valuations will need to be determined for accuracy at the current date, rather than on audited brought forward balances and this is expected to have ongoing ramifications.
- 3.3. The Council has a sound system of budget monitoring and control, evidenced by the production of quarterly budget monitoring reports to Scrutiny and Cabinet within a reasonable timeframe from the period end. Where over-spends or under-spends are reported, management actions have been identified to minimise the impact and to enable early corrective action to be put in place where necessary.

- 3.4. The Council has largely balanced its budgets in recent years through the generation of additional income. But over the last two years the size of the budget gap, created by volatile external economic factors, has meant the Council has also needed to identify significant efficiency savings, some services reductions and implement the maximum Council Tax increase for a district council. The Council has developed robust performance and project management arrangements to track the identification, delivery, and capture of efficiency savings from service areas and projects. These arrangements are overseen by the Council's Senior Leadership Team and reported to members. Budget reductions are built into individual service budget allocations and not held centrally, so that there is clarity and ownership over delivery.
- 3.5. The Council's S151 officer sits at a level within the Council to have oversight on the Council's financial decision making and his views are appropriately sought.

#### **4. Budget Process**

- 4.1. The budget planning process for 2024/25 was again iterative but reflected newly identified financial pressures along with income generation and efficiency opportunities. All budget holders and the Cabinet were fully engaged in the process. The financial impacts associated with higher inflation and borrowing costs have, by far, had the largest impact on budget development and in our understanding of the Council's long-term budgetary position. A resulting budget gap in excess of £3.5 million was predicted in September and subsequently closed through a series of activities undertaken over the following 3 months. Acknowledging the size of the financial challenge faced by local authorities, the Government again provided additional support in its December 2023 and then again following a separate announcement in January 2024. Closing a budget gap of this size has represented the largest financial challenge faced by Epping Forest District Council in recent years.
- 4.2. In dealing with the financial challenges faced by the Council, it has recognised the importance of sustainably balancing its budget at a structural level, which equates to ensuring that its regular income and expenditure match. The Council, late in its budget process, received a large capital receipt from the sale of land. This presented an opportunity to build the interest income on this receipt into its budget, negating the need for the majority of savings required to balance 2024/25. However, it chose not to adopt this strategy, recognising that this would only represent a 'stop-gap' solution which did not address the underlying structural challenges identified within the budget.
- 4.3. A range of significant funding pressures and requests were identified. These have been assessed by officers and portfolio holders. Where these pressures are central to continued service delivery or the achievement of corporate objectives, they have been included in the proposals presented here.
- 4.4. The assumptions, calculations and proposals in this budget are the result of challenge and scrutiny by the Leader of the Council, Members of the Cabinet and the Overview and Scrutiny Committee, all guided by advice from the Chief Executive, Chief Operating Officer, and Strategic Director, (the Council's S151 officer). The savings proposals have been developed iteratively over many months and have been considered by Cabinet and Committee at various stages to help formulate the optimum budget solution.

## 5. Key Assumptions

- 5.1. The largest assumptions are all associated with emerging cost pressures and investment income. These are primarily inflationary, pay, interest rates, energy prices and the associated impacts on Council suppliers and contracts.
- 5.2. Energy supply instability associated with the Ukrainian conflict and supply chain issues pushing up inflation to recent record levels created the largest budgetary pressure in 2023/24. The Bank of England believe these drivers have now peaked and inflation has rapidly reduced. It is expected that the cost of borrowing (and interest from investments) will eventually follow, but likely to be fall far more slowly than inflation. Whilst Inflation is now decreasing, it has taken longer than originally predicted and this has created sustained pressure on the budget which was not allowed for last year. The consolidated increase in costs has an ongoing impact on 2024/25 and this has driven much of the budget pressure to be accommodated. Wage inflation is also much lower than it was at the equivalent point last year but whether this is reflects into lower wage settlements remains a key assumption within this budget planning.
- 5.3. The budget includes provision for wage and contract inflationary increases at 3% and 3.5% respectively. Services have been awarded contract inflation in-line with contract conditions and beyond that some indexation has been provided for, but services are still expected to absorb elements of non-wage and non-contract inflationary pressures within existing budgets where they can. Inflationary provisions are based on advice and Bank of England projections that inflation will continue to fall through 2024/25.
- 5.4. The Council's waste contract is due to expire November 2024 and a decision was taken to provide an in-house service from that date. Either contracted out or internalised, it was widely expected that the cost of the new contract will be significantly higher than the existing contract and provision has been made accordingly. The Council is actively procuring some of the infrastructure associated with delivering this contract (Hub and Fleet), giving security, resilience, and certainty over key elements of the cost of the waste contract.
- 5.5. The Government again provided only a one-year Finance Settlement for 2024/25 with additional support to assist councils struggling with inflationary and demand pressures. There remains no clarity over longer term funding prospects with the planned 'Fairer Funding' review having now been delayed for many years and seeming less and less deliverable within the current local government funding landscape. The Government's 2024/25 settlement again includes a range of additional, potentially temporary funding streams and the MTFP assumes these continue (at least in total) but that the amounts do not increase across the MTFP period. This assumption reflects the recent trend of some growth announced by Government, using Core Spending Power as the preferred measure.

- 5.6. The Council received a large capital receipt in return for the sale of employment land released under the Local Plan. The Receipt is significant and the interest on it materially affects the General Fund Budget of the Council, potentially mitigating or reducing the need to identify difficult budget savings. However, as a one-off receipt, its benefit to the Council is limited and will fluctuate with decisions on how the Receipt is used and is expected to reduce with forecast reductions in interest rates. In formulating its budget, the Council has sought not to rely on this receipt so as to avoid making difficult choices and has instead focused on continuing to address the underlying sustainability of the budget. This approach is strongly endorsed in this Section 25 Statement for its forward looking, robust approach to the financial challenges facing the council. No assumptions have been made within the Budget on any planned use of the Receipt beyond budgeted obligations arising from the sale.
- 5.7. Without the Receipt from the partial sale of North Weald airfield General Fund Balances were forecast to end 2023/24 well below the Council's assessed minimum. Responding to this the Council had make provision within the draft budget proposals to return balances up to their assessed minimum via planned contributions. However, the interest generated by the Receipt, together with an improvement in the revenue position at Quarter 3, has reversed the overspend and the General Fund in now forecast to end 2023/24 with balances above the Council's assessed minimum level. The final budget proposals assume no further contributions to General Fund Balances.
- 5.8. The Budget proposals include a significant amount of interest payable by Qualis. The budget assumes that Qualis will draw down the loans the Council has made available in accordance with expected timeframes and their approved 4-year Business Plan. Any significant deviation from these plans is likely to have a material impact on the Budget.
- 5.9. The Council is required to charge repayments of sums borrowed to its General Fund in the form Minimum Revenue Provision (MRP). These sums are budgeted to increase as the Council's borrowing increases. The budget assumes that borrowing will be incurred in accordance with the investment plans set out in the Capital Programme, Capital and Treasury Management strategies. If spending is delayed this will also have a material effect on the MRP charge required in year.
- 5.10. Incorporating the benefit of expected interest generated from the Sale Receipt of North Weald Airfield the Medium-Term Financial Plan projects a balanced position for 2025/26 and then returns to a series of deficits in each of the years thereafter. As previously stated, reliance on interest income derived from the sale receipt fails to deal with the underlying sustainability issues within the budget. To address this the Council has proposed a programme of transformation initiatives entitled 'Fit for the Future' intended to reduce the Council's net expenditure whilst maintaining or improving services. Interest income is assumed in the Budget proposals, but it is expected that the Fit for the Future Programme will deliver savings to replace these in 2025/26 and beyond. Interest income will be used in 2024/25 to create funding to deliver the transformation programme.

## **6. Key Risks**

- 6.1. The Council has a well-developed and robust risk identification and monitoring framework. Together with the budget monitoring arrangements, the risk management processes have ensured that ongoing pressures and risks are explicit, understood and considered within the budget development process.
- 6.2. Throughout the development of the budget those responsible have been made aware of the current and future risks both on service income, expenditure, local taxation receipts and in the wider Local Government funding environment.
- 6.3. Key amongst the current and future risks are:
- The unknown impact of economic factors and pressures, specifically inflation, pay and interest rates.
  - The contribution from the Council's trading company (Qualis).
  - Government Funding - as it has yet to publish its distribution methodology for 2025/26 onwards. The Government has stated it remains committed to a review of the Grant distribution formula and it is speculated that this will see a redistribution at a national level consistent with its 'Levelling-Up' agenda should this happen. Whilst it is indicated that transitional (one-year) arrangements will continue to apply through 2025/26, this still represents a key risk to the MTFP.
  - The Council's planned borrowing commitments and retrospective changes to the accounting framework which surrounds this.
  - Delivery of the Council's transformation programme, 'Fit for the Future.'
- 6.4. It is in this context that the budget contains additional contingencies, reserves, and balances to ensure that the Council is adequately planning for and mitigating the impact of any such risks which may become real. Risks associated with borrowing are hedged by ensuring repayment profiles are realistic and interest rates are fixed, thereby giving certainty over future affordability.

## **7. Level of Reserves and Balances**

- 7.1. Reserves are defined in Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992. This requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.
- 7.2. Reserves are an essential part of the Council's financial strategy and provide protection against the significant risks the Council faces and represent a funding resource for Council backed initiatives. The continued provision of adequate reserves is essential. Without these, the Council might need to reduce current spending to accommodate unexpected event.
- 7.3. Council reserves fall into two categories: Earmarked and Un-allocated. Earmarked are held aside for a specific purpose or against a general area of risk or opportunity. Un-allocated have no specific purpose other than general contingency, such as the General Fund Balance.

- 7.4. The latest Quarter 3 budget monitoring position for 2023/24, forecasts an underspend compared with significant forecast overspends in the preceding 2 reported quarters. The reversal in the position is predominately associated with forecast interest earned on the sale receipt in the final quarter, together with some improvement in underlying services budget. Whilst the negative factors which has resulted in the underlying overspending during 2023/24 have been factored into the budget for 2024/25, without the benefit of the sale receipt, the General Fund Balance position would have fallen far below the minimum set by the Council. The draft budget proposals included provision to redress this deficit, but the interest from the sale receipt has now remedied the position and returned Un-allocated balances to a satisfactory level. Given the unprecedented financial pressures facing local government at the moment and the number of councils at risk of issuing S114 notices, it is important that the Council protects its minimum levels of Unallocated Balances against financial risks and shocks.

## **8. Capital Plans and the Prudential Code**

- 8.1. The Council complies with the requirements of the Prudential Code for Capital Finance in Local Authorities. The Prudential Indicators are considered by the Audit and Governance Committee prior to being adopted by Council as part of Budget setting.
- 8.2. That Council has an ambitious Capital Programme reflecting its priorities towards new Council House building, town centre regeneration and leisure. These are currently dependent on borrowing and the revenue costs of this proposed borrowing have been factored into the Budget and the Medium-Term Financial Plan. The long-term costs of borrowing are now expected to decrease after the sharp rise experienced in the past couple of years. The Treasury Management Strategy seeks to fix borrowing costs at low levels, and borrowing will predominantly be taken short term until rates are deemed to have fallen to their expected short-term minimum, as opportunity allows.

## **9. Financial Standing**

- 9.1. CIPFA's Financial Resilience Index is a comparative analytical tool that may be used by Chief Financial Officers to support good financial management and provide a common understanding of their financial position against those of others.
- 9.2. The Index shows a council's position on a range of measures associated with financial risk. The selection of indicators has been informed by extensive financial resilience work undertaken by CIPFA over the past seven years, public consultation, and technical stakeholder engagement.
- 9.3. The CIPFA Financial Resilience Index for Epping Forest (using 2022/23 data) shows the Council to have higher than average borrowing amongst district councils and lower than average unallocated reserves. As set out within this report, unallocated balances are now expected to return to their minimum levels as at the end of 2023/24 and borrowing costs are being addressed with reduced assumptions contained within the Capital Programme and increased availability of Capital Receipts which potentially reduces dependency on borrowing.

**Andrew Small CPFA**  
**Strategic Director & Section 151 Officer**  
**February 2024**

## Report to the Audit & Governance Committee



**Epping Forest  
District Council**

**Date of meeting:** 15th February 2024

**Portfolio:** Finance and Economic Development

**Subject:** Treasury Management Strategy (including Investment Strategy) 2024/25

**Responsible Officer:** Andrew Small (01992 564278)

**Democratic Services:** Laura Kirman (01992 564243)

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### Recommendations/Decisions Required

- (1) To consider and recommend for approval by full Council, the draft Treasury Management Strategy 2024/25 (attached at **Appendix A**); and
- (2) To consider and recommend for approval by full Council, the draft Investment Strategy 2024/25 (attached at **Appendix B**).

### Executive Summary

The preparation of an annual Treasury Management Strategy is a requirement of CIPFA's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) and generally accepted good practice. It covers planned treasury activity for the financial year 2024/25 and is attached at **Appendix A**.

In addition, following the issue of (MHCLG) statutory guidance on Local Government Investments in 2018, the Council is also recommended to produce an annual Investment Strategy, covering the Council's wider investment activities. The 2024/25 Strategy is attached at **Appendix B**.

This report presents a slightly different picture to more recent iterations of the Treasury Management Strategy, with the most notable feature being the availability of resources to Invest following the recent land disposal at North Weald Airfield, which resulted in a material capital receipt. This also helps the Council minimise its need to Borrow, with a number of short-term loans also being repaid from available cash balances.

Both borrowing and investing is taking place against a backdrop of significantly higher interest rates than have been seen for many years; although there are strong indications that interest rates have now peaked, with rate reductions anticipated in the medium-term.

The purpose of this report is to allow the Audit and Governance Committee to consider and comment on both strategies, before making appropriate recommendations to full Council on 20th February 2024.



## **Reasons for Proposed Decision**

To provide assurance to full Council that the risks associated with treasury management and investments are being appropriately managed.

## **Legal and Governance Implications**

The Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) requires the Council to prepare for approval by full Council, an annual Treasury Management Strategy. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The Government (MHCLG) issued Investment Guidance in 2018, recommending the preparation (at least annually) of an Investment Strategy for approval by full Council.

The role of the Audit and Governance Committee is to consider this report – covering both the Treasury Management and Investment strategies – and make recommendations to full Council.

## **Safer, Cleaner and Greener (SCG) Implications**

None.

## **Background Papers**

Treasury Management in the Public Services: Code of Practice (2021 Edition) published by CIPFA December 2021.

(MHCLG) Statutory Guidance on Local Government Investments (3rd Edition). Issued under section 15(1)(a) of the Local Government Act 2003 and effective for financial years commencing on or after 1st April 2018.

Arlingclose Technical Update (revised Prudential and Treasury Management Codes) issued 22nd December 2021.

## **Risk Management**

There are a range of inherent financial risks associated with Treasury Management activity; not least the potential for loss of interest and/or deposits. The Council therefore engages the services of external Treasury Management advisors, Arlingclose Ltd.

Borrowing and Investment decisions are made in accordance with the Council's formally adopted Treasury Management Strategy. The Strategy includes several Risk Management features, including – for example – the overriding priority that security of deposit takes precedence over return on investment.

## Appendix A

# Treasury Management Strategy 2024/25 (DRAFT)

### Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy (**Appendix B**).

### External Context

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming General Election, together with war in Ukraine and the Middle East, will be major influences on the Council's Treasury Management Strategy for 2024/25.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the Bank of England (BoE) expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures also show that the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget and also affirmed the "Aa3" rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to "stable" from "negative" and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

However, the institutions on the Arlingclose Counterparty List remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

The BoE decided to hold the Bank Rate at 5.25% at its February 2024 meeting. They are expected to cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering 'second-round effects'. Arlingclose are forecasting cuts in the Bank Rate from around July to September 2024, reducing thereafter to a low of around 3.0% by late 2025.

### **Local Context**

At close of business on 31st December 2023, the Council held £293.5 million Borrowing and £93.4 million in Treasury Investments (excluding Qualis Working Capital Loan). This is set out in further detail in Table 5 below. Forecast changes in these sums are shown in the Balance Sheet analysis in Table 1 below.

**Table 1: Balance Sheet Summary and Forecast**

	<b>31/03/23 Actual £m's</b>	<b>31/03/24 Estimate £m's</b>	<b>31/03/25 Forecast £m's</b>	<b>31/03/26 Forecast £m's</b>	<b>31/03/27 Forecast £m's</b>
General Fund CFR	159.1	200.9	227.1	240.2	236.1
HRA CFR	154.5	161.9	177.0	191.2	192.6
<b>Total CFR</b>	<b>313.6</b>	<b>362.8</b>	<b>404.1</b>	<b>431.4</b>	<b>428.7</b>
Less: Other debt liabilities*	0	0	0	0	0
<b>Less: External borrowing</b>	<b>(282.7)**</b>	<b>(270.8)</b>	<b>(266.2)</b>	<b>(261.5)</b>	<b>(256.9)</b>
<b>Internal borrowing</b>	<b>30.9</b>	<b>92.1</b>	<b>137.9</b>	<b>169.9</b>	<b>171.8</b>
Less: Balance Sheet Resources	(43.7)	(143.4)	(143.4)	(143.4)	(143.4)
<b>(Investments)/ New Borrowing</b>	<b>(12.8)</b>	<b>(51.3)</b>	<b>(5.5)</b>	<b>26.5</b>	<b>28.4</b>

\* Leases and PFI liabilities that form part of the Council's total debt

\*\*Includes accrued interest of £1.1 million (principal element = £281.6 million)

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while Balance Sheet resources are the underlying sums available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Council has an increasing CFR due to the Capital Programme (including Qualis Investments) and will therefore be required to take out further (new) borrowing up to £28.4 million over the forecast period (2024/25 to 2026/27). In the short-term (up to 31st March 2025), external borrowing is assumed to decline following a capital receipt of £88.215 million, received following a land disposal at North Weald Airfield in December 2023.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2024/25.

### Liability Benchmark

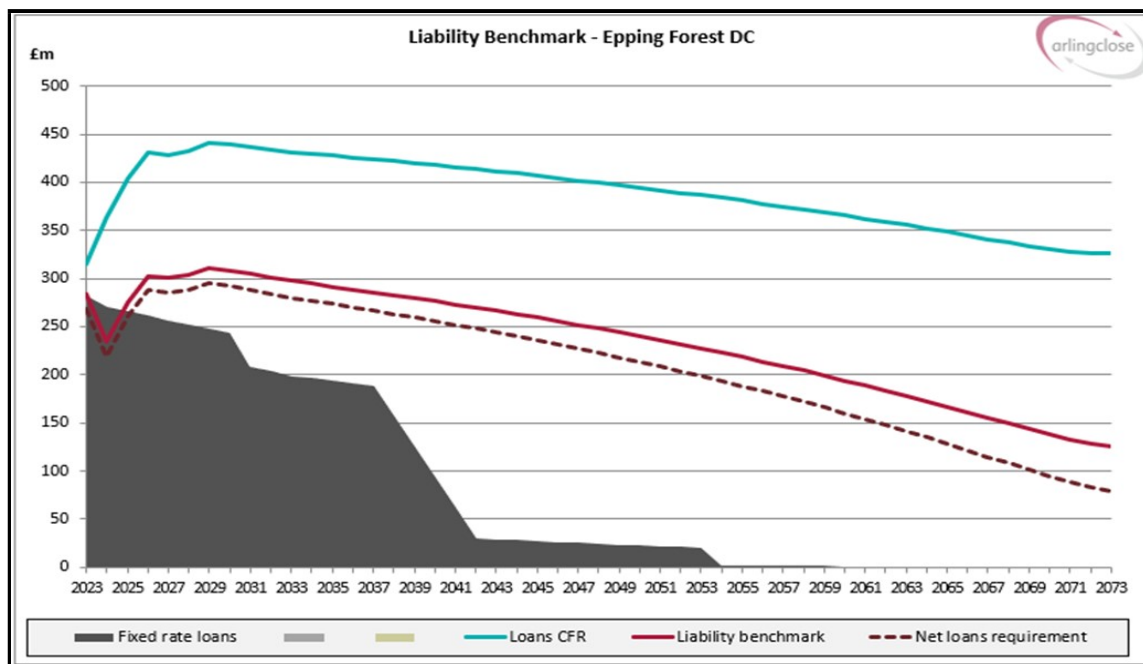
To compare the Council's actual borrowing against an alternative strategy, a Liability Benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of £15.0 million at each year-end to maintain adequate liquidity but minimise credit risk.

The Liability Benchmark is an important tool to help establish whether the Council is likely to be a Long-Term Borrower or Long-Term Investor in the future, and so shape its strategic focus and decision making. The Liability Benchmark itself represents an estimate of the cumulative amount of External Borrowing the Council must hold to fund its current Capital and Revenue plans while keeping Treasury Investments at the minimum level required to manage day-to-day cash flow.

**Table 2: Prudential Indicator: Liability Benchmark**

	31/03/23 Actual £m's	31/03/24 Estimate £m's	31/03/25 Forecast £m's	31/03/26 Forecast £m's	31/03/27 Forecast £m's
Loans CFR	313.6	362.9	404.1	431.4	428.7
Less: Balance Sheet Resources	(43.7)	(143.4)	(143.4)	(143.4)	(143.4)
<b>Net Loans Requirement</b>	<b>269.9</b>	<b>219.5</b>	<b>260.7</b>	<b>288.0</b>	<b>285.3</b>
Liquidity Allowance	15.0	15.0	15.0	15.0	15.0
<b>Liability benchmark</b>	<b>284.9</b>	<b>234.5</b>	<b>275.7</b>	<b>303.0</b>	<b>300.3</b>

Following on from the medium-term forecasts in table 2 above, the long-term Liability Benchmark assumes capital expenditure funded by borrowing of up to £300.3 million by 31st March 2027. Tailored Minimum Revenue Provision (MRP) contributions based on asset lives – ranging from 10 years on Equipment up to 50 years on Buildings – on new capital expenditure have been applied with an underlying inflation rate of 2.5% per annum assumed on income, expenditure, and reserves. This is shown in the Chart below, together with the Council's existing borrowing.



The Chart presented above spans 30-years and illustrates how the Council's borrowing is significantly below the Liability Benchmark.

### **Borrowing Strategy**

The Council currently (@ 31st December 2023) holds £293.5 million in loans, an increase of £11.9 million compared to 31st March 2023, as part of its strategy for funding previous years' capital programmes. The Council's current lenders are the PWLB and other local authorities. There are total loans of £259.7 million outstanding with the PWLB as summarised in Table 3 below.

**Table 3: PWLB Borrowing**

<b>PWLB Loans (@ 31st December 2023)</b>			
<b>Description</b>	<b>Amount (£m's)</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
<b><i>Long-Term Maturities</i></b>			
Fixed-Rate Maturity	30.000	2.06%	21/09/30
Fixed-Rate EIP	9.000	3.96%	15/12/32
Fixed-Rate EIP	4.750	4.23%	28/02/33
Fixed-Rate EIP	4.750	3.84%	31/03/33
Fixed-Rate EIP	3.833	4.46%	06/03/35
Fixed-Rate EIP	9.000	1.92%	28/01/37
Fixed-Rate EIP	10.633	4.02%	24/03/38
Fixed-Rate Maturity	30.000	3.46%	28/03/38
Fixed-Rate Maturity	30.000	3.47%	28/03/39
Fixed-Rate Maturity	30.000	3.48%	28/03/40
Fixed-Rate Maturity	30.000	3.49%	28/03/41
Fixed-Rate Maturity	33.656	3.50%	28/03/42
Fixed-Rate EIP	5.500	1.98%	25/03/51
Fixed-Rate EIP	5.700	2.17%	28/01/52
Fixed-Rate EIP	1.721	5.36%	26/06/53
Fixed-Rate EIP	2.000	5.32%	24/07/53
Fixed-Rate EIP	2.500	5.44%	18/08/53
Fixed-Rate EIP	1.750	5.26%	22/11/53
Fixed-Rate EIP	9.000	2.99%	03/12/59
Fixed-Rate Maturity	0.900	4.76%	18/07/73
<b><i>Short-Term Maturities</i></b>			
Fixed-Rate Maturity	5.00	4.39%	31/03/24
<b>Total PWLB</b>	<b>259.693</b>		

Local authorities are able to access preferential interest rates on PWLB loans (known as the “Certainty Rate”; currently a 0.2% discount on published rates) provided they submit a high-level description of their capital spending and financing plans (whether it is financed through PWLB borrowing or another source) for the following three years (meaning any capital spending and financing for the whole current financial year and subsequent two financial years), including their expected use of the PWLB.

The PWLB lending terms are contained in *Circular 163* (issued 21st October 2021). The updated terms now explicitly forbid borrowing for the purposes of purchasing investment assets primarily for yield. Thus Paragraph 41 requires that – before a loan can be granted – the Council’s Section 151 Officer must confirm that the Council does not plan to:

- Use the PWLB to refinance any prior investment asset primarily for yield transactions which concluded after 25th November 2020; and/or
- Buy investment assets primarily for yield in the next three years.

The Council also has further outstanding loans of £33.8 million with other local authorities as summarised in Table 4 below.

**Table 4: Local Authority Borrowing**

Local Authority Short-Term Loans (@ 31st December 2023)*			
Lender	Amount (£m's)	Interest Rate	Maturity Date
Caerphilly County BC	5.0	5.50%	31/01/24
Cyngor Gwynedd	5.0	5.60%	25/01/24
Derry City & Strabane DC	2.0	5.40%	31/01/24
East Suffolk Council	2.0	5.50%	01/02/24
East Suffolk Council	2.0	5.50%	16/02/24
Fermanagh & Omagh DC	2.0	5.50%	25/01/24
Horsham DC	1.75	5.60%	25/01/24
Knowsley Metropolitan BC	3.0	5.40%	31/01/24
Northern Ireland Housing Executive	5.0	5.60%	26/01/24
Northern Ireland Housing Executive	5.0	5.60%	31/01/24
Salford City	1.0	5.60%	25/01/24
<b>Total Local Authority</b>	<b>33.75</b>		

\*Exclusively fixed rate Maturity Loans

The Council expects to borrow up to £275.7 million in 2024/25 (if the minimum Investment balance of £15.0 million illustrated in Table 2 is achieved). The Council may also borrow additional sums to pre-fund future years’ requirements, providing the Authorised Limit for Borrowing of £425.621 million is not exceeded.

### Objectives

The Council’s chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council’s long-term plans change is a secondary objective.

Strategy

Given the significant cuts to local government funding in recent years, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to (preferably) use internal resources, or to borrow short-term loans instead.

By doing so, the Council reduces its net borrowing costs (despite foregone investment income) and reduces overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may take out further short-term loans to cover unplanned cash flow shortages.

Sources of Borrowing

The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK
- Any other UK public sector body
- UK public and private sector pension funds (except Essex County Pension Fund)
- Capital market bond investors; and
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

Other sources of Debt Finance

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase; and
- Sale and leaseback.

Municipal Bonds Agency

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency would therefore be the subject of a separate report to full Council.

Short-Term and Variable Rate Loans

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the Treasury Management indicators below.

Debt Rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

**Treasury Investment Strategy**

The Council holds significant invested funds, representing income received in advance of expenditure, plus balances and reserves held. The Council's 'Cash and Cash Equivalent' balance in 2023/24 has increased significantly since December 2023 as a consequence of the North Weald Airfield capital receipt (value £88.215 million). The Strategy to include a "Liquidity Allowance" of £15.0 million is therefore easily met.

The Council currently (@ 31st December 2023) holds £88.4 million in Cash and Cash Equivalents, an increase of £74.3 million compared to 31st March 2023 (excluding an outstanding balance of £6.0 million owed by Qualis to the Council in respect of an original Cash Flow Loan). The overall position is summarised in Table 5 below.



**Table 5: Treasury Management Investments**

Treasury Management Investments (@ 31st December 2023)		
Counterparty	Amount (£m's)	Interest Rate
<i>Long-Term Investments (maturity &gt; 12 months)</i>		
None	N/A	N/A
<i>Short-Term Investments (maturity &lt; 12 months)</i>		
Local Authorities	5.0	5.70%
<i>Cash and Cash Equivalents (instant access)</i>		
NatWest Bank (bank deposits)	2.4	3.25%
DMADF (Government)	61.5	5.19%
Deutsche Managed (MMF)	10.0	5.24%
Goldman Sachs (MMF)	10.0	5.23%
JP Morgan (MMF)	4.5	5.19%
<b>Total Investments</b>	<b>93.4</b>	

Objectives

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council also aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy

As demonstrated by the Liability Benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments.

ESG Policy

Environmental, Social and Governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level.

Nevertheless, the Council is mindful of its ESG responsibilities and only invests in banks and funds that have Arlingclose approval. This ensures (through an annual check) – for example – that approved banks remain signatories to the UN Principles for Responsible Banking and approved Money Market Fund managers remain signatories to the UN Principles for Responsible Investment.

Approved Counterparties

The Council may invest its surplus funds with any of the counterparty types in Table 6 below, subject to the limits shown.

**Table 6: Treasury Investment Counterparties and Limits**

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	N/A
Local authorities & other Government entities	25 years	£10 million	Unlimited
Banks (unsecured)*	13 months	£3.0 million	£20.0 million
Building Societies* (unsecured)	13 months	£2.0 million	£2.0 million
Registered Providers* (unsecured)	5 years	£3.0 million	£3.0 million
Money Market Funds*	N/A	£10.0 million	Maximum of 3 Funds (see below)

Note - this table must be read in conjunction with the notes below.

#### \* Minimum Credit Rating

Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken account of.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £10 million per counterparty as part of a diversified pool (e.g., via a peer-to-peer platform).

#### Government

Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

#### Banks and Building societies (unsecured)

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

#### Registered providers (unsecured)

Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving Government support if needed.

#### Money Market Funds

Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee.

If operational need requires the use of more than three funds, the S151 officer can authorise this in consultation with the Portfolio Holder for Finance, Qualis Client and Economic Development, provided this is reported to the Chair of the Audit and Governance Committee, and a report is submitted to the next available meeting of the Audit and Governance Committee.

#### Operational Bank Accounts

The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £3.0 million per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25.0 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

#### Risk Assessment and Credit Ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made
- Any existing investments that can be recalled or sold at no cost, will be; and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

#### Other Information on the Security of Investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment Limits

The Council had £11.591 million in (General Fund + HRA) revenue reserves on its (draft) Balance Sheet as at 31st March 2023 to cover unexpected credit losses in an emergency. A reasonable level of risk to carry in a single institution would be (say) 25%. An Investment Limit for a single institution (excluding Government and Money Market Funds) of £3.0 million has therefore been applied.

Liquidity Management

The Council uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's Medium-Term Financial Plan and Cash Flow Forecast.

The Council will usually spread its liquid cash over at least three providers (e.g., Bank, DMADF and Money Market Funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

The Council measures and manages its exposures to Treasury Management risks using the following indicators.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	Target
Portfolio average credit rating	A-

Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling [three] month period, without additional borrowing.

Liquidity Risk Indicator	Target
Total cash available within 3 months	£15.0 million

Interest Rate Exposure

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest Rate Risk Indicator	Limit £'s
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	(500,000)
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	500,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates. However, following the receipt of the North Weald Airfield capital receipt, and the utilisation of the cash generated for the repayment of short-term loans, there are currently no anticipated loan maturities in 2024/25. The risk in this case is therefore based solely on investments i.e. if interest rates rise, the Council benefits and vice versa.

Based on an overall assumed investment balance of circa £50.0 million during 2024/25, the potential one-year revenue impact of a 1% change in interest rates would not exceed £500,000.

### **Maturity Structure of Borrowing**

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the Maturity Structure of Borrowing will be:

<b>Refinancing Rate Risk Indicator</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and within 15 years	50%	0%
15 years and within 20 years	50%	0%
20 years and within 25 years	50%	0%
25 years and above	50%	0%

It should be noted that – based on Arlinclose advice – the proposed limits presented above are deliberately wide in range. This is because the indicator is only designed to cover the risk of replacement loans being unavailable, rather than interest rate risk.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

### **Long-Term Treasury Management Investments**

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on long-term treasury management investments will be:

<b>Price Risk Indicator</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Limit on principal invested beyond year end	£15.0 million	£10.0 million	£5.0 million

## **Related Matters**

### **Housing Revenue Account**

On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g., premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured, with interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.

### **Markets in Financial Instruments Directive (MIFID)**

The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers, and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

### **Financial Implications**

In 2024/25, overall investment income (General Fund and HRA) is budgeted at £2,730,000.

The budgets for General Fund and HRA debt interest payable in 2024/25 are £1,637,160 (including interest payable on Qualis-related loans for on-lending) and £5,616,000 respectively.

If investment levels and borrowing, or interest rates, differ from expectations, performance against budget will be correspondingly different.

### **Other Options Considered**

The CIPFA Code does not prescribe any specific Treasury Management Strategy for local authorities to adopt. The Section 151 Officer, having consulted the Portfolio Holder for Finance and Economic Development, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on Income and Expenditure	Impact on Risk Management
Invest in a narrower range of counterparties and/or for shorter times.	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater.
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller.
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain.
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain.
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain.

## Annex 1 (Appendix A)

## Existing Investment &amp; Debt Portfolio

	31/12/23 Actual Portfolio £m	31/12/23 Average Rate %
<b>External Borrowing</b>		
Public Works Loan Board	259.7	3.34%
Local authorities	33.8	5.50%
Other loans	-	-
<b>Total External Borrowing</b>	<b>293.5</b>	
<b>Other Long-Term Liabilities:</b>		
Leases	-	-
<b>Total Other Long-Term Liabilities</b>	<b>-</b>	
<b>Total Gross External Debt</b>	<b>293.5</b>	
<b>Treasury Investments</b>		
The UK Government	61.5	5.19%
Local authorities	5.0	5.70%
Banks (unsecured)	2.4	3.25%
Money Market Funds	24.5	5.23%
<b>Total Treasury Investments</b>	<b>93.4</b>	
<b>Net Debt</b>	<b>200.1</b>	



## Investment Strategy 2024/25 (DRAFT)

### Introduction

The Council invests its money for three broad purposes:

- Because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **Treasury Management Investments**)
- To support local public services by lending to or buying shares in other organisations (**Service Investments**); and
- To earn investment income (known as **Commercial Investments** where this is the main purpose).

This Investment Strategy meets the requirements of statutory guidance issued by the Government in January 2018 and focuses on the second and third of these categories.

### Treasury Management Investments

The Council typically receives its income in cash (e.g., from taxes and grants) before it pays for its expenditure in cash (e.g., through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and the Government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of Treasury Management investments is expected to fluctuate in 2024/25, although the aim is to maintain a liquidity balance of £15.0 million.

### Contribution

The contribution that these investments make to the objectives of the Council is to support effective Treasury Management activities.

Full details of the Council's policies and its plan for 2024/25 for Treasury Management investments are covered in a separate document, the Treasury Management Strategy (**Appendix A** of this report).

## Service Investments: Loans

### Contribution

The Council will sometimes make investments to support service delivery objectives where there is a strategic case for doing so. This is an approach that has been adopted by the Council for many years for the delivery of a package of services, including Refuse Collection and Leisure. For example, the Council has previously invested in contractor loans for the procurement of Refuse Vehicles, which has realised a return for the Council in the form of lower contract payments, whilst protecting the local Waste Collection service.

More recently, the Council has invested (and continues to invest) in Service Loans to Qualis in order to help enable the deliver on the creation more jobs, growth in the local economy, and the improvement of housing and public amenities in the district.

The Council also provides “Home Assistance Loans” to eligible homeowners in certain circumstances (e.g., to help achieve the ‘Decent Homes’ standard in private sector housing). The loans are funded from the General Fund Capital Programme; they are secured against the property and are repayable on disposal.

In addition, the Council is committed to providing loans to leaseholders in Council owned blocks of flats for the cost of major works, for which they are liable under Section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002). The loans are funded through the Housing Revenue Account and take the form extended payment periods (subject to interest charges). It is a new scheme, recently approved by the Cabinet, and the first loans are expected to be issued in 2024/25.

### Security

The Qualis Business Plan requires the approval of the Council, and forms part of a wider Governance Framework set-up to protect the interests of the Council (when lending to Qualis).

The main risk when making service loans generally is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit the risk, and ensure that overall exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

**Table 1: Service Investments**

Category of Borrower	31/03/23 Actual			Total Approved Limit
	Balance Owing	Loss Allowance	Net Figure in Accounts	
	£000's	£000's	£000's	£000's
<i>Subsidiaries (Qualis):</i>				
Working Capital Loan	6,000	(142)	5,858	<b>6,000</b>
Asset Purchase Loan	14,138	(465)	13,673	<b>16,782</b>
Development Loans	18,333	(297)	18,036	<b>68,218</b>
Regeneration Loans	0	0	0	<b>35,000</b>
Home Assistance Loans (General Fund)	387	(163)	224	<b>150*</b>
Leaseholder Loans (HRA)	0	0	0	<b>250**</b>
<b>TOTAL</b>	<b>38,858</b>	<b>(1,067)</b>	<b>37,791</b>	<b>126,400</b>

\* Draft Capital Programme allocation 2024/25 to 2028/29 (£30,000 over five-years)

\*\*Based on estimates supplied by Housing officers

Accounting standards require the Council to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's Statement of Accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

#### Risk Assessment

The Council assesses the risk of loss before committing to, and whilst holding, service loans. The approach taken is tailored to individual circumstances and will often include the engagement of professional advisors, the undertaking of credit checks etc. In addition, the Council will – wherever possible – look to securitise loans against physical assets (Property, Plant and Equipment).

### **Service Investments: Shares**

#### Contribution

The Council will sometimes invest in shares to support local public services and stimulate local economic growth. Most notably the Council has 1 Ordinary Share in, and is the sole shareholder of, the Qualis Group, which has been set up to help create more jobs, grow the local economy, and improve housing and public amenities in the district.

#### Security

One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. However, in the case of the Qualis Group, (other than for service purposes) the Council has invested with a view to realising a significant financial return through the receipt of dividends and, despite limited liability status, the Council carries significant risk in the event of the financial failure of Qualis (e.g., through a guarantee to the Pension Fund as part of the transfer of staff from the former in-house Housing Repairs service).

The Qualis Business Plan therefore requires the approval of the Council, and forms part of a wider Governance Framework purposely set-up to protect the interests of the Council.

#### Risk Assessment

The Council assesses the risk of loss before committing to, and whilst holding, shares. The approach taken is tailored to individual circumstances, although in the case of Qualis, extensive use of professional advisors was made.

#### Non-Specified Investments

Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in Government guidance.

### **Commercial Investments: Property**

#### Contribution

The Council invests in the acquisition of commercial property in a range of locations across the district. The value of the overall portfolio declined from £162.006 million to £148.483 million in 2022/23 (due to Balance Sheet valuation losses), with net income of £8.447 million achieved (up £0.957 million compared to 2021/22). Shops and Industrial Units have been two areas of emphasis and the returns achieved have been a key enabler in maintaining a low Council Tax charge in the district (currently the lowest district Council Tax in Essex) as well as helping to shape the district through the protection and promotion of local business and employment opportunities.

**Table 2: Commercial Property Investments**

Portfolio Category	Actuals				Expected		
	Balance Sheet Value 01/04/14	Net Additions/ (Disposals)	Gains/ (Losses)	Balance Sheet Value 31/03/23	Net Additions/ (Disposals)	Gains/ (Losses)	Balance Sheet Value 31/03/24
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Shops	17,201	58,524	17,754	93,479	22	0	93,501
Industrial Units	12,997	11,025	14,092	38,114	(44)	(23)	38,047
Other	9,556	320	7,014	16,890	(87,690)	87,620	16,820
<b>Total Portfolio</b>	<b>39,754</b>	<b>69,869</b>	<b>38,860</b>	<b>148,483</b>	<b>(87,712)</b>	<b>87,597</b>	<b>148,368*</b>

\*31/03/24 valuation estimates not available

### Security

In accordance with Government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs, a fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment.

The Council's Commercial Property Portfolio has been acquired over many years and, within reporting deadlines, it has not been possible to identify the purchase cost of some of the older assets. Instead, the Balance Sheet value as at 1st April 2014 has been used as a proxy for purchase cost. The table above quite clearly shows a substantial gain in the value of the Portfolio over the last decade.

### Risk Assessment

The Council assesses the risk of loss before committing to commercial property acquisitions; the 'strength of covenant' is of primary interest. Thus, checks on tenants, purchasers or sellers are done through Dunn & Bradstreet, with reports reviewed by property and finance teams within Qualis. Where financial strength is low/higher risk, rent deposits or guarantors may be required. For major transactions, Qualis may advise the Council not to engage with the other party if they are deemed to be high risk. Depending on the opportunity, in some instances, Qualis may look at insurance options in order to mitigate risk.

### Liquidity

Compared with other investment types, commercial property is relatively difficult to sell and convert to cash at short notice and can take a considerable period of time to sell in certain market conditions.

However, the Council's liquidity risk is very low, which reflects the financing structure of the portfolio; underlying borrowing is minimal, having been purchased historically during a period when the Council's General Fund was debt free.

## **Commercial Investments: Loans**

### **Contribution**

The Council also provided an Investment Loan of £30.0 million to Qualis in September 2020. This was a key part of the Qualis Business Plan and was important part of helping to establish the company in its infancy.

The loan was utilised for the acquisition of commercial property outside the district, providing a key income stream to Qualis, which in turn enables the company to service the interest payments on a 10-Year maturity loan; the Council makes a margin on the interest payments.

**Table 2: Commercial Loans**

Category of Borrower	31/03/23 Actual			Total Approved Limit
	Balance Owing	Loss Allowance	Net Figure in Accounts	
	£000's	£000's	£000's	£000's
<i>Subsidiaries (Qualis):</i>				
Investment Loan	30,000	(714)	29,286	30,000
<b>TOTAL</b>	<b>30,000</b>	<b>(714)</b>	<b>(29,286)</b>	<b>(30,000)</b>

### **Security**

In order to protect the Council's interests, both "floating" and "fixed" charges were included in the legal agreement for the Investment Loan, which would be activated in the event of a payment default by Qualis.

### **Risk Assessment**

As with Service Loans, the Council assesses the risk of loss before committing to, and whilst holding, Commercial Loans. In this instance, given that Qualis was a fledgling company in September 2020, detailed consideration was also given to the Business Plan before the Council committed to granting the Investment Loan.

## **Loan Commitments and Financial Guarantees**

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

The Council became "self-financing" in respect of its retained housing stock from April 2012. The self-financing regime applied to all authorities and replaced the former Housing Subsidy system whereby the Council made annual payments to the Government funded from its HRA. Its introduction entailed a one-off redistribution of 'debt' between local authorities, and locally this resulted in the Council taking on PWLB loans, which it is required to service (instead of making Housing Subsidy payments).

If the HRA is unable to repay the debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The remaining balance on the HRA debt as 31st March 2023 was £154.475 million.

The Council also provided a guarantee (to the Essex County Pension Fund) on pension costs for 38 'TUPE protected' employees that transferred to Qualis in October 2020, as part of the transfer of the Housing Repairs service. The same guarantee was also provided for a further 25 employees who were transferred to Qualis on 1st May 2023, as part of the transfer of the Grounds Maintenance service. If Qualis is unable to meet its liabilities incurred, through its participation in the Local Government Pension Scheme (LGPS), the Council is obliged to meet those costs on its behalf.

### **Proportionality**

Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the MTFP. Should it fail to achieve the expected net profit, the Council's ongoing financial planning process includes short-term measures such as budget contingencies where required (e.g., a contingency to cover for potential slippage in the forecast drawdown profile for Qualis Service Loans was included in the 2023/24 budget). The rolling MTFP also acts as an early warning sign, which enables the Cabinet and senior officers to be both proactive and reactive as financial circumstances dictate. This includes making suitable adjustments to spending priorities and targeting efficiency savings in order to reduce net expenditure.

**Table 4: Proportionality of Investments**

Description	2022/23 Actual	2023/24 Forecast	2024/25 Budget	2025/26 MTFP	2026/27 MTFP
	£000's	£000's	£000's	£000's	£000's
Investment Income	10,428	11,057	11,921	12,481	12,702
Gross Service Expenditure	74,537	70,179	69,367	71,716	72,362
Proportion	14%	16%	17%	17%	18%

### **Borrowing in Advance of Need**

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the extra sums borrowed. The Council follows this guidance and does not borrow more than or in advance of need.

### **Capacity, Skills, and Culture**

#### **Statutory Officers and Elected Members**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making investment decisions. In particular, the Section 151 Officer, who is the strategic lead on the Council's finances, is a qualified (CIPFA) accountant with many years of experience, whereas the Deputy Section 151 Officer, who leads on operational matters, is also a qualified (ACCA) accountant, also with many years of experience. The Council is committed to the ongoing professional development of the other officers within the Finance function, which includes a commitment towards general professional development (e.g., through CIPFA, ACCA and AAT), as well focussed professional training in specialist areas including Treasury Management.

The Section 151 Officer maintains personal oversight on the negotiation of all major commercial deals and achieves oversight and control of all other commercial deals through the governance process; this extends to personally signing off significant financial commitments.

The Council also acknowledges the importance of ensuring that Members have appropriate capacity, skills, and information to effectively undertake their role on the Audit and Governance Committee and have arranged training in the past from the Council's Treasury Management advisors, Arlingclose.

### **Investment Indicators**

The Council has set the following quantitative indicators to allow Members and the public to assess the Council's total risk exposure as a result of its investment decisions.

#### **Total Risk Exposure**

The first indicator shows the Council's total exposure to potential investment losses. This includes the amounts that the Council is committed to lend but have yet to be drawn down.

**Table 5: Total Investment Exposure**

Total Investment Exposure	31/03/2023 Actual	31/03/2024 Forecast	31/03/2025 Forecast
	£000's	£000's	£000's
Treasury Management Investments	14,100	50,000	20,500
Service Investments: Loans	38,858	69,358	87,079
Service Investments: Shares	0*	0*	0*
Commercial Investments: Property	148,483	148,368	148,368
Commercial Investments: Loans	30,000	30,000	30,000
<b>TOTAL INVESTMENTS</b>	<b>231,441</b>	<b>297,726</b>	<b>285,947</b>
Commitments to Lend	62,110	21,930	2,030
Guarantees Issued on Loans	0	0	0
<b>TOTAL EXPOSURE</b>	<b>293,551</b>	<b>319,656</b>	<b>287,977</b>

*\*De minimis (single share in Qualis) – loss allowances excluded*

#### **How Investments are Funded**

Government guidance is that these indicators should include how these investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

**Table 6: Investments Funded by Borrowing**

Investments Funded by Borrowing	31/03/2023 Actual	31/03/2024 Forecast	31/03/2025 Forecast
	£000's	£000's	£000's
Treasury Management Investments	0	0	0
Service Investments: Loans	38,858	69,358	87,079
Service Investments: Shares	0	0	0
Commercial Investments: Property	29,117	31,712	31,712
Commercial Investments: Loans	30,000	30,000	30,000
<b>TOTAL FUNDED BY BORROWING</b>	<b>97,975</b>	<b>131,070</b>	<b>148,791</b>

**Rate of Return**

This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. It should be noted that, due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

**Table 7: Investment Rate of Return**

Investments Net Rate of Return	31/03/2023 Actual	31/03/2024 Forecast	31/03/2025 Forecast
	£000's	£000's	£000's
Treasury Management Investments	3.85%	5.18%	4.30%
Service Investments: Loans	4.57%	3.63%	3.39%
Service Investments: Shares	0	0	0
Commercial Investments: Property	5.91%	5.76%	5.76%
Commercial Investments: Loans	1.94%	1.94%	1.94%
<b>ALL INVESTMENTS</b>	<b>5.04%</b>	<b>4.78%</b>	<b>4.53%</b>



## Report to the Audit & Governance Committee



**Epping Forest  
District Council**

**Date of meeting:** 15th February 2024

**Portfolio:** Finance, Qualis Client and Economic Development – Cllr J. Philip

**Subject:** Capital Strategy 2024/25 to 2026/27

**Responsible Officer:** Andrew Small (07548 145665)

**Democratic Services:** Laura Kirman (01992 564243)

### Recommendations/Decisions Required

- (1) To consider and recommend for approval to full Council, the Capital Strategy 2024/25 to 2026/27 (**Appendix A**), including reconfirming the draft Minimum Revenue Provision (MRP) Statement 2024/25 (**Annex 1**).

### Executive Summary

The requirement to produce an overarching Capital Strategy was first introduced in CIPFA's Prudential Code for Capital Finance in Local Authorities (updated 2017) ("the Prudential Code"). Epping Forest District Council subsequently introduced its inaugural Capital Strategy in February 2019 (effective from the 2019/20 financial year).

However, a decade of austerity in the public sector, and especially local government, has led to an increasing emphasis on commercialisation in order to protect – rather than cut – public services. Commercial property investments financed by cheap borrowing available to local authorities (through the PWLB) especially has seen a sharp increase; such activity has become increasingly controversial.

In response to a recommendation from the Public Accounts Committee, CIPFA launched an initial (principles-based) consultation in February 2021 on proposals to strengthen the provisions within the 2017 Code (and the Treasury Management Code that complements it). The consultation process eventually led to the publication of CIPFA's updated Prudential Code in December 2021; it is a legal requirement for local authorities to "have regard" – with effect from 2023/24 – to the 2021 Code when carrying out its duties.

This report presents a draft Capital Strategy (2024/25 to 2026/27) (**Appendix A**) –incorporating the updated requirements of the 2021 Code – for consideration and comment by the Audit and Governance Committee, before making appropriate recommendations to full Council on 20th February 2024.

The Strategy sets out the Council's draft Capital Programme for its General Fund and Housing Revenue Account (as recommended by Cabinet on 5th February 2024) and explores the financial implications of that, including its impact on a range of Prudential Indicators, with the Council's Section 151 Officer concluding that the Programme is "prudent, affordable and sustainable" as required by the Code.

Wider topics considered in the Capital Strategy also include the Council's approach to Asset Management, Treasury Management, Service Investments, Commercial Investments, Financial Guarantees, and the way in which professional capacity is maintained through the development and maintenance of knowledge and skills and the selective use of professional advisors.

The Capital Strategy will be regularly updated – usually annually – in accordance with the Prudential Code.

### **Reasons for Proposed Decision**

To enable the robust scrutiny the Council's overarching Capital Strategy, giving special consideration to the approach to ensuring that it is prudent, affordable, and sustainable.

### **Legal and Governance Implications**

Local authorities are required by regulation to have regard to the Prudential Code (the Code) when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003. The requirement for local authorities to produce a Capital Strategy for adoption by full Council was first introduced in the 2017 edition of the Code. The updated 2021 edition includes a number of revisions to the Code and its adoption was required with effect from the 2023/24 financial year.

### **Safer, Cleaner and Greener (SCG) Implications**

None.

### **Background Papers**

CIPFA's Prudential Code for Capital Finance in Local Authorities (2021 Edition).

(MHCLG) Statutory Guidance on Local Government Investments (3rd Edition). Issued under section 15(1)(a) of the Local Government Act 2003 and effective for financial years commencing on or after 1st April 2018.

Arlingclose Technical Update (revised Prudential and Treasury Management Codes) issued 22nd December 2021.

### **Risk Management**

There are a range of financial risks associated with Capital Financing. Wide-ranging risk mitigation measures are therefore put in place, which are explained in detail in the report. The overall aim is to ensure that the Capital Strategy is always prudent, affordable, and sustainable.

## EPPING FOREST DISTRICT COUNCIL

### Capital Strategy 2024/25 to 2026/27 (DRAFT)

#### 1. Introduction

- 1.1 This Capital Strategy report gives a high-level overview of how Capital Expenditure, Capital Financing and Treasury Management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance Members' understanding of these – sometimes technical – areas.
- 1.2 Decisions made this year on Capital and Treasury Management will have financial consequences for the Council for many years into the future. Such decisions are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

#### 2. Capital Expenditure and Financing

##### 2.1 Expenditure

2.1.1 Capital expenditure occurs when the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

2.1.2 In 2024/25, Epping Forest District Council is planning capital expenditure of £65.265 million (and £142.493 million over the next three years) as summarised in Table 1 below.

**Table 1: Prudential Indicator: Estimates of Capital Expenditure**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's	£000's
General Fund Services	3,949	<b>12,164</b>	12,278	19,013	2,389
Qualis Investments (GF)	8,000	<b>31,625</b>	19,900	2,030	0
Housing Revenue Account	14,975	<b>29,883</b>	33,087	34,576	19,220
<b>TOTALS</b>	<b>26,924</b>	<b>73,672</b>	<b>65,265</b>	<b>55,619</b>	<b>21,609</b>

2.1.3 The most significant General Fund capital scheme in the Programme is the development of the new Epping Leisure Facility (£33.1 million). The wider scheme will see the development of a replacement leisure facility for the existing (and aging) leisure facility as well as the construction of a multi-story car park. Cabinet approved the addition of this scheme to the draft Capital Programme at its meeting on 21st January 2021.

2.1.4 As noted above in Table 1, the Council also has a £19.900 million draft budget allocated to Qualis Investments in 2024/25, with a further allocation of £2.030 million in 2025/26. See Section 5 of this report below for further detail.

2.1.5 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that the Council's housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes £40.413 million allocated to the Housing Development Programme over a five-year period commencing 2024/25 through to 2028/29.

### Governance

2.1.6 The evaluation, prioritisation, and acceptance of capital schemes onto the Capital Programme is carried out within a new governance framework that is being progressively rolled out by the Council at the time of preparing this Strategy. The approach ensures that Council priorities are reflected in schemes accepted onto the Programme, and that deliverability is also given due consideration in terms of available capacity and capability. Proposals are shaped by senior managers in consultation with councillors.

2.1.7 The draft Capital Programme is then subjected to formal Scrutiny prior to setting the budget (followed by Cabinet and full Council approval). The draft Capital Programme for 2024/25 to 2028/29 was considered by Cabinet on 5th February 2024.

## 2.2 Financing

2.2.1 All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves, and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is presented in Table 2 below.

**Table 2: Capital Financing**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's	£000's
Internal: Capital Resources	15,914	19,709	16,026	16,207	13,267
Internal: Revenue Resources	0	1,364	2,499	2,667	3,098
External Sources	1,377	3,301	1,218	3,329	3,281
Debt	9,633	49,298	45,522	33,416	1,963
<b>TOTALS</b>	<b>26,924</b>	<b>73,672</b>	<b>65,265</b>	<b>55,619</b>	<b>21,609</b>

2.2.2 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as “Minimum Revenue Provision” (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and the use of capital receipts are presented in Table 3 below.

**Table 3: Replacement of Debt Finance**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's	£000's
Capital Resources	4,614	2,223	5,326	5,293	2,135
Revenue Resources (MRP)	1,125	1,164	1,306	1,900	2,426
<b>TOTALS</b>	<b>5,739</b>	<b>3,387</b>	<b>6,632</b>	<b>7,193</b>	<b>4,561</b>

2.2.3 The Council’s adopted MRP statement (considered by the Audit & Governance Committee in November 2022 and approved by full Council in February 2023), which can be found at **Annex 1** below, has been reviewed by the Section 151 Officer and is recommended for re-adoption for 2024/25 without amendment.

2.2.4 The Council’s cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £41.3 million in 2024/25. Based on the above figures for expenditure and financing, the Council’s estimated CFR is presented in Table 4 below.

**Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (CFR)**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£m's	£m's	£m's	£m's	£m's
General Fund	159.1	200.9	227.1	240.2	236.1
Housing Revenue Account	154.5	161.9	177.0	191.2	192.6
<b>TOTALS</b>	<b>313.6</b>	<b>362.8</b>	<b>404.1</b>	<b>431.4</b>	<b>428.7</b>

### 3. Asset Management

#### 3.1 Asset Management Strategy

3.1.1 The Council recognises the importance of ensuring that capital assets continue to be of long-term use and, especially in a post pandemic world, where there has been a step change increase in the speed of legislative (especially Building Control regulations), technological and operational change. Consequently, at the time of preparing this Capital Strategy, a new Asset Management Strategy (AMS) for General Fund assets is under development. Backed by a comprehensive review of Council assets, the AMS takes a longer-term view comprising:

- ‘Good’ information about existing assets
- The optimal asset base for the efficient delivery of Council objectives
- The gap between existing assets and optimal assets
- Strategies for purchasing and constructing new assets, investments in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- Plans for individual assets.

3.1.2 The Council is also committed to rapidly achieving Zero Carbon status for all its buildings; it is an ambition that will be embedded within the new Asset Management Strategy.

3.1.3 The Council’s housing assets are managed as part of a separate strategy based on professionally prepared rolling stock condition surveys (with effect from 2024) and evolving housing demand (by type), with routine repairs and maintenance funded through the annual Housing Revenue Account and major works phased within the HRA Capital Programme.

#### 3.2 Asset Disposals

3.2.1 When a capital asset is no longer needed, it may be sold so that the proceeds – known as capital receipts – can be spent on new assets or used to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. Table 5 below summarises the overall projections for capital receipts.

**Table 5: Capital Receipts**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£000’s	£000’s	£000’s	£000’s	£000’s
Asset Sales	4,122	1,711	4,744	4,673	1,481
Loans Repaid	492	512	582	620	654
<b>TOTALS</b>	<b>4,614</b>	<b>2,223</b>	<b>5,326</b>	<b>5,293</b>	<b>2,135</b>

- 3.2.2 The sale (at market value) of a number of key regeneration sites within the district to Qualis occurred in October 2021, which included the Cottis Lane site (valued at £3.470 million) as part of the development of the new Leisure Facility and Multi-Storey Car Park in Epping (overall scheme scheduled for completion in 2025/26). A further sale (at market value) took place in November 2023 of the Cartersfield Road site (valued at £2.375 million). Loans were granted by the Council to Qualis to enable the purchases. In accordance with the capital accounting rules, the associated capital receipt is recognised by the Council gradually over the period of the loan (categorised as “Loans Repaid” in Table 5 above).
- 3.2.3 Asset sales include receipts from Council tenants for the purchase of their properties under the “Right to Buy” (RTB) scheme; an average of 12 disposals per annum are assumed within current projections. A proportion of the capital receipts must be used to provide additional homes within a five-year time scale or be remitted to the Government.

## **4. Treasury Management**

### **4.1 Introduction**

- 4.1.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 4.1.2 Due to decisions taken in the past, the Council currently (@ 31st December 2023) has borrowing of £293.5 million at an average interest rate of 3.6% and £93.4 million in Treasury Investments at an average interest rate of 5.1%.

### **4.2 Borrowing**

- 4.2.1 The Council’s main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (current local authority rates typically in the range 4.4% to 5.7%) and long-term fixed rate loans where the future cost is known but higher (current PWLB rates typically in the range 4.9% to 5.6%, excluding a 0.2% discount on General Fund loans and currently, a 0.6% discount on HRA loans).
- 4.2.2 The Council no longer borrows to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.
- 4.2.3 Projected levels of the Council’s outstanding/current debt are shown in Table 6 below, compared with the Capital Financing Requirement (Table 4 above).

**Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£M's	£M's	£M's	£M's	£M's
Outstanding Debt (including leases)	281.6	270.8	266.2	261.5	256.9
Capital Financing Requirement (CFR)	313.6	362.9	404.1	431.4	428.7

4.2.4 Statutory guidance requires debt to remain below the Capital Financing Requirement, except in the short-term. As can be seen from Table 6 (which provides a view on how much debt the Council needs to take on to bring it up to the CFR), the Council expects to comply with this in the medium-term.

#### Liability Benchmark

4.2.5 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the minimum amount of borrowing required to keep investments at a minimum liquidity level. This assumes that cash and investment balances are kept to a minimum level of £15.0 million at each year-end. The actual Liability Benchmark was £284.9 million as at 31st March 2023 and is expected to increase to £300.3 million over the four-year period.

**Table 7: Borrowing and the Liability Benchmark**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£M's	£M's	£M's	£M's	£M's
Outstanding Borrowing	281.6	270.8	266.2	261.5	256.9
Liability Benchmark	284.9	234.5	275.7	303.0	300.3

4.2.6 Table 7 above shows that the Council is expected to be above its Liability Benchmark on 31st March 2024; this is a short-term position and latest projections above show that the Council is on course to be increasingly below its Liability Benchmark from 2024/25 onwards.

#### Affordable Borrowing Limit

4.2.7 The Council is legally obliged to set an affordable borrowing limit (also termed the "Authorised Limit" for external debt) each year. In line with statutory guidance, a lower "Operational Boundary" is also set as a warning level should debt approach the limit.



**Table 8: Prudential Indicators: Operational Boundary and Authorised Limit for External Debt**

Description	2023/24 Actual	2024/25 Proposed	2025/26 Estimate	2026/27 Estimate
	£000's	£000's	£000's	£000's
Operational Boundary – borrowing	399,973	415,621	443,512	441,326
Operational Boundary – other long-term liabilities	0	0	0	0
<b>Operational Boundary – total external debt</b>	<b>399,973</b>	<b>415,621</b>	<b>443,512</b>	<b>441,326</b>
Authorised Limit – borrowing	409,973	425,621	453,512	451,326
Authorised Limit – other long-term liabilities	0	0	0	0
<b>Authorised Limit – total external debt</b>	<b>409,973</b>	<b>425,621</b>	<b>453,512</b>	<b>451,326</b>

HRA Borrowing: Local Indicator

- 4.2.8 The requirement to borrow and the risk associated with HRA borrowing can be distinguished from that of the General Fund. The HRA is underpinned by a very large property portfolio (6,442 properties, with a Balance Sheet value of £806.892 million as at 31st March 2023). Accordingly, the different risk profile is reflected within the capital financing rules e.g., the Local Government Act 2003 established the requirement for councils to put aside resources (through making a “Minimum Revenue Provision”) to repay debt in later years; it was (still is) a legal requirement that only applies to General Fund borrowing.
- 4.2.9 Nevertheless, HRA borrowing is not risk free; HRA capital investment plans must be just as prudent, affordable, and sustainable as General Fund capital investment plans. Two local indicators have therefore been developed, which are used to gauge, and provide assurance, around the Council’s HRA borrowing plans:
- ‘Loan to Value’ – LTV is an easy-to-understand Borrowing indicator that is widely used as a measure of default risk by lenders in Housing finance. It is determined by calculating the year-end outstanding debt as a proportion of the total value of assets. Table 9 below shows that the total LTV on the HRA is expected to remain constant at 0.19 in all years apart from 2025/26 when it is expected to briefly rise to 0.20; and
  - HRA Interest Cover – Again a relatively simple indicator that reflects how able the HRA is to meet interest costs from its Net Cost of Services. This is a Financing Indicator (refer to Sections 8.1 and 8.2 below for presentation and discussion).
- 4.2.10 Both indicators form a key part of the Council’s emerging HRA Business Plan with target levels (both minimum and maximum) reflecting generally accepted industry good practice across the wider social housing sector.

**Table 9: Local Indicator: 'Loan to Value' (HRA)**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	Ratio	Ratio	Ratio	Ratio	Ratio
Loan to Value	0.19	0.19	0.19	0.20	0.19
<b>Target Maximum (LTV)</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>

4.2.11 It can be seen from Table 9 above, that – based on current projections – HRA borrowing plans are well within acceptable Loan to Value limits.

4.2.12 Further details on borrowing are contained in the Treasury Management Strategy 2024/25.

### 4.3 Treasury Investment Strategy

4.3.1 Treasury Investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

4.3.2 The Council's policy on Treasury Investments is to prioritise security and liquidity over yield; that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the Government, other local authorities, Money Market Funds or selected high-quality banks, to minimise the risk of loss.

4.3.3 The availability of cash for the purposes of longer-term investment is currently limited by the Council's need to fund the expanding Capital Programme, although there was a significant increase in cash in December 2023 due to a significant capital receipt received following a land disposal at North Weald Airfield, which is currently assumed to be available for short-term investment only.

4.3.4 Table 10 below summarises the Council's current and forecast treasury investments.

**Table 10: Treasury Management Investments**

Description	31/03/23 Actual	31/03/24 Forecast (Q3)	31/03/25 Budget	31/03/26 Budget	31/03/27 Budget
	£M's	£M's	£M's	£M's	£M's
Long-Term Investments	0	0	0	0	0
Short-Term Investments	14.1	50.0	20.5	15.0	15.0
<b>TOTALS</b>	<b>14.1</b>	<b>50.0</b>	<b>20.5</b>	<b>15.0</b>	<b>15.0</b>

### Risk Management

- 4.3.5 The effective management and control of risk are prime objectives of the Council's Treasury Management activities. The Treasury Management Strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses.
- 4.3.6 Further details on the Treasury Management Prudential indicators can be found in the Treasury Management Strategy.

### Governance

- 4.3.7 Treasury Management decisions are made every day and are therefore delegated to the Section 151 Officer, who must act in line with the Treasury Management Strategy approved by the Council. Annual outturn reports on Treasury Management are also approved by the Council (following a recommendation from the Audit and Governance Committee), whereas quarterly updates are reported exclusively to the Audit and Governance Committee (the Committee with responsibility for scrutinising Treasury Management decisions).

## **5. Service Investments**

- 5.1 The Council will sometimes make investments to support service delivery objectives where there is a strategic case for doing so. This is an approach that has been adopted by the Council for many years for the delivery of a package of services, including Refuse Collection and Leisure. For example, the Council has previously invested in contractor loans for the procurement of Refuse Vehicles, which has realised a return for the Council in the form of lower contract payments, whilst protecting the local Waste Collection service.
- 5.2 More recently, the Council has invested (and continues to invest) in Service Loans to Qualis in order to deliver its Housing and Regeneration ambitions for the district.
- 5.3 The Council also provides "Home Assistance Loans" to eligible homeowners in certain circumstances (through the General Fund e.g., to help achieve the 'Decent Homes' standard in private sector housing) and Leaseholder Loans (through the HRA, enabling leaseholders to pay for major works on the communal areas of Council-owned blocks of flats).
- 5.4 The Council will sometimes invest in shares to support local public services and stimulate local economic growth. Most notably the Council has 1 Ordinary Share in, and is the sole shareholder of, the Qualis Group, which has been set up to help create more jobs, grow the local economy, and improve housing and public amenities in the district.
- 5.5 Total Investments for Service Purposes were valued at £38.858 million as at 31st March 2023. The largest category of Service Investments is Development Loans to Qualis (Net Book Value on Balance Sheet of £18.333 million as of 31st March 2023). This is enabling Qualis to develop transferred assets, including the former Conder Building site for Housing provision. The value of this Investment is rising significantly as Qualis progressively draws down further tranches of the loan as the various sites are developed.

Risk Management

- 5.6 In light of the public service objective, the Council is willing to take more risk than with Treasury Investments, however an overriding objective is to ensure that such investments breakeven (and usually) generate a profit after all costs.
- 5.7 The risk of incurring unexpected losses is tailored to individual circumstances, but is often managed by the engagement of professional advisors, the undertaking of credit checks etc. In addition, the Council will – wherever possible – look to securitise loans.

Governance

- 5.8 Decisions on Service Investments are made by the Council's Cabinet and require the support of a full business case. Most loans represent capital expenditure and purchases will therefore also be approved as part of the Capital Programme (which is approved by full Council).
- 5.9 With regard to Qualis specifically, it is important that it has the freedom to act 'commercially,' within the boundaries of its Business Plan (approved by the Council). However, it is also important that this is balanced against the need for the Council to exercise the necessary oversight so that its risk exposure as the sole shareholder is minimised.
- 5.10 The Qualis Board includes two nominated (Epping Forest District Council) councillors and the Council's Chief Executive, although all Board members are required to act in the interests of Qualis. Consequently, additional oversight is exercised through the Council's Section 151 Officer in the role of "Shareholder's Representative", acting as the official conduit from the Council to Qualis.

**6. Commercial Investments**

Commercial Property

- 6.1 The Council invests in the acquisition of commercial property in a range of locations across the district. The value of the overall portfolio declined from £162.006 million to £148.483 million in 2022/23 (due to Balance Sheet revaluation losses), with net income of £8.774 million achieved (up £0.957 million compared to 2021/22). Shops and Industrial Units have been two areas of emphasis and the returns achieved have been a key enabler in maintaining a low Council Tax charge in the district (currently the lowest district Council Tax in Essex) as well as helping to shape the district through the protection and promotion of local business and employment opportunities.

Qualis Investment Loan

- 6.2 Access to affordable finance is a key enabler in the Qualis Business Plan which underpins the Council's ambition to create more jobs, grow the local economy, and improve housing and public amenities in the district. Consequently, most of the loans granted to Qualis are Service Investments (as presented above in Section 5), which are aimed at facilitating the delivery of those objectives (they are all 'district council functions'), whilst also generating a margin; the loans are *not* provided primarily for the purpose of generating a profit.

- 6.3 However, the Council provided an Investment Loan of £30.0 million to Qualis in September 2020. This was a key part of the Qualis Business Plan and an important part of helping to establish the company in its infancy. This was purely a 'debt-for-yield' Commercial Investment, with the loan utilised for the acquisition of commercial property outside the district, providing a key income stream to Qualis; although the Council makes a margin on the loan (and the rental income helps sustain Qualis; a wholly owned subsidiary), there is no direct service benefit, and the primary objective is to generate a financial return (for both Qualis and the Council).
- 6.4 It should be noted that the Prudential Code 2021 (Paragraph 51) now makes clear that "an authority must not borrow to invest primarily for financial return". This is a change to the 2017 edition of the Prudential Code, with the PWLB also making its loans to local authorities conditional on meeting the requirements of Paragraph 51. The Council no longer undertakes debt-for-yield investments and maintains full access to the PWLB borrowing facility.

#### Risk Management

- 6.5 With financial return being the main objective, the Council accepts higher risk on Commercial Investments compared to Treasury Investments. The principal risks include rental losses caused by voids and insolvencies (on Commercial Property) and payment default (on the Qualis Loan). The risks are managed as follows:

- Commercial Property – the Council has appointed Qualis to deliver the property and asset management service to its commercial property portfolio (comprising mostly of retail and industrial units). Qualis employs a team of qualified and experienced property professionals to maximise portfolio performance.

Checks on tenants, purchasers or sellers are done through Dunn & Bradstreet, with reports reviewed by property and finance teams within Qualis. Where financial strength is low/higher risk, rent deposits or guarantors may be required. For major transactions, Qualis may advise the Council not to engage with the other party if they are deemed to be high risk. Depending on the opportunity, in some instances, Qualis may look at insurance options in order to mitigate risk.

- Qualis Investment Loan – the loan agreement was purposely drafted to protect the Council's position, with charges secured against both Qualis assets and the commercial assets acquired with the proceeds. Progress against the Qualis Business Plan is also frequently monitored and reported to Members (see further discussion on Governance arrangements below).

#### Governance

- 6.6 General decisions on Commercial Investments are made by the Council's Cabinet and require a full business case, which is supported by the Section 151 Officer. Most loans represent capital expenditure and purchases will therefore also be approved as part of the Capital Programme (which itself is approved by full Council).
- 6.7 Commercial Property arrangements changed with effect from April 2023, with the transfer of the Council's Asset Management function to Qualis, following completion of a successful development trial of the new arrangements since October 2021. The Council retains ownership of the Asset Portfolio, with day-to-day management passing to Qualis.

- 6.8 The Council benefits from the additional professional expertise and agility available within Qualis, which combine with in-built safeguards to protect the interests of the Council.
- 6.9 Arrangements to ensure that the Council exercises appropriate oversight over Qualis and minimises the associated risks are the same as those described above for Service Investments (see Paragraphs 5.10 and 5.11).

**Table 11: Prudential Indicator: Net Income from Commercial and Service Investments to Net Revenue Stream**

Description	31/03/23 Actual	31/03/24 Forecast (Q3)	31/03/25 Budget	31/03/26 Budget	31/03/27 Budget
	£000's	£000's	£000's	£000's	£000's
Total Net Income from Service and Commercial Investments	10,428	11,058	11,921	12,481	12,702
Proportion of Net Revenue Stream	66%	65%	68%	69%	69%

- 6.10 The relatively high proportion of income from Service and Commercial Investments illustrated in the table above reflects the Council's commercial focus over many years as to means of protecting local public services, whilst maintaining a low Council Tax.

## 7. Other Liabilities

### 7.1 Outstanding Commitments

7.1.1 The Council has the following outstanding commitments:

- A commitment to achieve a fully funded position on the Pension Fund (over a 16-year period from 2020 to 2036). A funding deficit was valued by the actuary at £2.66 million as at 31st March 2022 (with the Epping share of the Essex fund liabilities 98.5% funded at that point). Back-funding payments of £0.193 million are scheduled to be made in 2024/25; and
- The Council has also set aside £1.106 million (as at 31st March 2023) to cover the financial risk associated with Business Rates Appeals lodged with the Valuation Office Agency (VOA).

### 7.2 Guarantees

7.2.1 The Council became "self-financing" in respect of its retained housing stock from April 2012. The self-financing regime applied to all authorities and replaced the former Housing Subsidy system whereby the Council made annual payments to the Government funded from its HRA. Its introduction entailed a one-off redistribution of 'debt' between local authorities, and locally this resulted in the Council taking on PWLB loans, which it is required to service (instead of making Housing Subsidy payments).

- 7.2.2 The Council's original 30-Year Business Plan for the HRA (effective from April 2012) primarily entailed a strategy of debt repayment, with a limited growth strategy based on debt re-financing and upgrading and/or expanding the stock; this comfortably complied with the Government debt cap that was in place at the time. However, the Government removed the debt cap in late 2018, and the Council has since increased its commitment towards building council houses in the district through a more expansive approach to Housing Development.
- 7.2.3 The Council's current HRA Business Plan is designed to ensure adequate rental income is generated each year to run an efficient and effective housing management service (as well as delivering ambitious housing development plans) whilst at the same time servicing the debt. However, if the HRA is unable to repay the debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The remaining balance on the HRA debt as 31st March 2023 was £154.475 million.
- 7.2.4 The Council also provided a guarantee (to the Essex County Pension Fund) on pension costs for 38 'TUPE protected' employees that transferred to Qualis in October 2020, as part of the transfer of the Housing Repairs service. The same guarantee was also provided for a further 25 employees who were transferred to Qualis on 1st May 2023, as part of the transfer of the Grounds Maintenance service. If Qualis is unable to meet its liabilities incurred, through its participation in the Local Government Pension Scheme (LGPS), the Council is obliged to meet those costs on its behalf.

### **7.3 Governance**

- 7.3.1 Decisions on incurring new discretionary liabilities are taken by Service Directors in consultation with the Section 151 Officer. For example, in accordance with the Council's Financial Regulation D6, "leasing agreements or other financial facilities" can only be agreed by the Section 151 Officer or an officer nominated by them.

## **8. Revenue Implications**

### **8.1 Financing Costs**

- 8.1.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as Financing Costs; the 'standard' CIPFA Prudential Indicator compares this to "Net Revenue Stream" (the amount funded from Council Tax, Business Rates, and general Government grants).
- 8.1.2 However, the standard definition of Net Revenue Stream does not adequately take account of the circumstances of Epping Forest District Council, which has had – for many years – a major income stream from Commercial Property and – more recently – an additional income stream from Qualis loan margins. Factoring in those two major sources of income produces a more meaningful Prudential Indicator, tailored to the specific circumstances of this Council. The 'local' Prudential Indicator is presented in the table below, alongside the standard CIPFA Indicator (for comparison purposes only).

**Table 12: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream (General Fund)**

General Fund Financing Costs	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's	£000's
Financing Costs	2,657	2,525	363	2,032	2,940
Proportion of Net Revenue Stream (Standard CIPFA Indicator)	17%	15%	2%	11%	16%
<b>Proportion of Net Revenue Stream (Local Indicator)</b>	<b>10%</b>	<b>9%</b>	<b>1%</b>	<b>7%</b>	<b>9%</b>

*Financing: Local Indicator (HRA)*

8.1.3 As noted above in Section 4.2, the Council also monitors the ability of the HRA to meet interest costs from its Net Cost of Services. Table 13 below shows a stable position whereby HRA Interest Cover is expected to remain above the Target Minimum for the duration of this Strategy.

**Table 13: Local Indicator: Interest Cover (HRA)**

Description	2022/23 Actual	2023/24 Forecast (Q3)	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	Ratio	Ratio	Ratio	Ratio	Ratio
HRA Interest Cover	1.02	1.13	1.24	1.33	1.46
<b>Target Minimum (IC)</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>

8.1.4 It can be seen from Table 13 above that – based on current projections – current HRA borrowing plans are expected to exceed the Interest Cover target from 2025/26 onwards.



## 8.2 “Prudence, Affordability and Sustainability”

8.2.1 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many (occasionally up to 50) years into the future. The Section 151 Officer is satisfied that the proposed Capital Programme (Section 2) is prudent, affordable, and sustainable based on the following:

### **Prudence**

- *Prudential Indicator 13 (General Fund) (Paragraph 8.1.2) – Proportion of Financing Costs to Net Revenue Stream (Local Indicator)* – following a spell of recent increases in Financing Costs as a consequence of the Council’s ambitions for capital investment in its strategic priorities over the medium-term, including its ambitions for Qualis, combining with a sharp increase in global interest rates, the North Weald Airfield capital receipt has a major impact on the profile of this indicator, especially in the short-term. This has caused anticipated Financing Costs to plummet from a forecast of £2.525 million in 2023/24 to just £0.363 million in 2024/25 with a commensurate decrease in the indicator, although as the table demonstrates, the Proportion of Financing Costs to Net Revenue Stream is expected to begin rising again from 2025/26 onwards.

The standard CIPFA indicator shows the impact on taxpayers should the Council lose both its income from Commercial Property and suffer a default by Qualis on its loans. The local indicator therefore recognises income from Commercial Property and interest received from Qualis loans. Importantly, both indicators remain under 20% for the duration of the forecast, which is within expected and controllable parameters. It should also be noted that:

- The Council’s Commercial Property Portfolio (Balance Sheet value £148.483 million as at 31st March 2023) overwhelmingly debt free and not backed by Council borrowing. This gives the Council flexibility to realise substantial capital receipts through asset sales without the need to repay underlying borrowing, should the need arise.
  - The above forecast includes all lending contained within the Qualis Business Plan approved by full Council; there are currently no plans to extend Council lending beyond that already contained within the Business Plan.
  - Qualis loans are predominantly secured and ‘asset-backed,’ which greatly enhances the protection afforded to public funds in the event of any potential default.
  - Future Qualis lending (especially) is planned to be predominantly in the form of repayment loans (“Equal Instalments of Principal”) which means that, in the absence of further extended borrowing to Qualis, the level of outstanding debt will reduce in the longer term; and
  - If the Local Indicator should threaten to breach threshold of 20%, the Section 151 Officer would engage with the Council.
- *Local Indicator 14 (HRA) (Paragraph 8.1.3) – HRA Interest Cover* – current estimates indicate that the 1.25 minimum cover threshold is to be exceeded from 2025/26 (i.e. within the lifetime of this Strategy)

- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme (e.g., no future asset disposals that may be identified as part of the updated Asset Management Strategy have been assumed in General Fund projections)
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost-effective manner.

### **Affordability**

- The estimated General Fund revenue consequences of the Capital Programme (£60.488 million over the five years from 2024/25) have been included in the 2024/25 Budget and Medium-Term Financial Plan (MTFP), extending to 2028/29; and
- The MTFP is underpinned by a Reserves Strategy, which includes maintaining contingency funds in the event that projections are not as expected (further supported by Section 151 report to Council under Section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of financial reserves and balances).

### **Sustainability**

- Capital schemes that are expected to deliver long-term revenue savings/generate income are given due priority. For example, the recent investment in Ongar Leisure Centre underpinned an established revenue stream for the Council through its annual Management Fee. The new Leisure Facility for Epping, which includes the recently completed Multi-Storey Car Park as part of the wider scheme, will increase footfall, including a range of associated revenue streams; and
- As explained in Section 3.1 above, the new Asset Management Strategy for General Fund represents an enhancement to the Council approach to asset planning through (especially) taking a longer-term view. This includes providing for future operational need, balancing the requirement to achieve optimal performance, whilst taking account of technological change and managing the risk of obsolescence.

## **9. Knowledge and Skills**

### **9.1 Officers**

9.1.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Most notably:

- *Finance* – the Section 151 Officer, who is the strategic lead on the Council's finances, is a qualified (CIPFA) accountant with many years of experience, whereas the Deputy Section 151 Officer, who leads on operational matters, is also a qualified (ACCA) accountant, also with many years of experience. The Council is committed to the ongoing professional development of the other officers within the Finance function, which includes a commitment towards general professional development (e.g., through CIPFA, ACCA and AAT), as well as focussed professional training in specialist areas such as Treasury Management and Business Partnering

- *Property* – the Head of Asset Strategy, who is leading on the development of the Asset Management Strategy, is a highly experienced senior property professional. In addition, the Council – through its arms-length arrangements with Qualis – has a dedicated Commercial Property Team, resourced by experienced and senior (“MRICS”) chartered surveyors; and
- *Housing* – the Council has a separate Housing Team that is responsible for overseeing social housing developments within the district.

## 9.2 External Advisors

9.2.1 Where the Council does not have the relevant knowledge and skills required, judicious use is made of external advisors and consultants that are experts/specialists in their field. The Council currently engages Arlingclose Limited as Treasury Management advisers, and the Commercial Property Team will appoint property advisers (e.g., development managers, valuers etc.) to support their work where required. The approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with risk.

## 9.3 Councillors

9.3.1 Newly elected councillors have been required to undertake induction training at the Council for some years. For example, a training events on “Local Authority Finance and the Budget Process” are routinely held.

9.3.2 For specialist training such as Treasury Management, the Council acknowledges the importance of ensuring that Members have appropriate capacity, skills, and information to effectively undertake their role on the Audit and Governance Committee and have arranged training in the past from the Council’s Treasury Management advisers, Arlingclose.

## 10. Section 151 Statement on the Capital Strategy

### 10.1 Prudential Code

10.1.1 Paragraph 25 of the 2021 Prudential Code requires the Section 151 Officer to report explicitly on the affordability and risk associated with the Capital Strategy.

10.1.2 Accordingly, it is the opinion of the Section 151 Officer that the Capital Strategy as presented is affordable, and the associated risk has been identified and is being adequately managed.

### 10.2 Affordability

10.2.1 The Capital Strategy is affordable and there is a range of evidence to support this assertion, including:

- *Capital Programme* – the Programme as presented above (in Section 2) is supported by a robust and resilient General Fund Medium-Term Financial Plan (MTFP) extending through until 2028/29 that contains adequate revenue provision, including adequate reserves, in the event plans and assumptions do not materialise as expected

- Asset Management – as presented above (in Section 3), a new Asset Management Strategy for General Fund assets is under development, which is taking a strategic longer-term view (i.e., beyond 2028/29) of the Council's asset base. A fundamental aim of the Strategy is to achieve the optimum balance between future operational need and affordability, which will be reflected in its component parts including strategies for purchasing and constructing new assets, investment in existing assets, asset transfers to other organisations and the disposal of surplus assets; and
- Commercial Investment – as presented above (in Section 6), building on the success of its in-house Commercial Property Portfolio, the Council is now widening its commercial investment activities on arms-length basis through the creation of Qualis. The company is still at a relatively early stage in its evolution but is already generating financial returns for the Council through interest receipts and other 'inter-company' services and the Qualis Business Plan is progressing positively towards delivering a shareholder return to the Council in the medium-term.

### 10.3 Risk

10.3.1 The risk associated with the Capital Strategy has been identified and is being adequately managed. Evidence to support this assertion includes:

- Treasury Management Strategy – alongside this Capital Strategy, and subject to the recommendation of the Audit and Governance Committee, the Council is set to formally approved a Treasury Management Strategy for 2024/25 in accordance with CIPFA's (updated) "Treasury Management in the Public Services: Code of Practice 2021". That Strategy was developed by a professionally qualified and experienced officer within the Finance Team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance
- Investment Strategy – the Council is also set to formally a approve an Investment Strategy for 2024/25 in accordance with MHCLG's "Statutory Guidance on Local Government Investments (3rd Edition) 2017". As with the Treasury Management Strategy, the Investment Strategy was developed by a professionally qualified and experienced officer within the Finance Team and informed by specialist advisors Arlingclose and other relevant and extant professional guidance; and
- Commercial Activities – as noted above (in Section 6) the Council is committed to significantly expanding its commercial activities through its arms-length delivery vehicle Qualis. It is recognised and accepted that increased commercial activity brings additional risk. The development of the Qualis initiative was therefore guided by the engagement of professional advisors on the commercial, financial, and legal aspects of the project, and the preparation of full supporting business cases, prior to the commencement of trading activities. Now that the company is operational, the Council manages its risk exposure through a formally agreed governance framework, which balances the commercial freedom of Qualis with the need for oversight by the Council.

10.3.2 In addition (pending the completion of the Asset Management Strategy), the Section 151 Officer has sought, and obtained, further assurance in issuing this statement in reviewing the position and arrangements in place for maintaining the Council's current assets. Based on a high-level review (all assets with a Gross Book Value of £0.5 million+ were sampled), the Section 151 Officer is satisfied that there are no major omissions – in terms of financial liabilities – from the Capital Programme in the medium-term. The new Asset Management Strategy will extend beyond the medium-term and will therefore – once completed – provide longer-term assurance with effect from 2024/25.

#### **10.4 Capital Strategy Updates**

10.4.1 The Capital Strategy is a 'living document' and will be periodically – usually annually – updated to reflect changing local circumstances and other significant developments. Progress/performance against relevant Prudential Indicators will be reported Quarterly alongside the Capital Programme.

## Minimum Revenue Provision Statement 2024/25

### DRAFT

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as “Minimum Revenue Provision” (MRP), although there has been no statutory minimum since 2008.

The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government’s (MHCLG) Guidance on MRP (the MHCLG Guidance) updated in 2018.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement and recommends a range of options for calculating a prudent amount of MRP.

#### **MRP Policy**

No MRP is required to be charged for Housing Revenue Account (HRA) assets.

No MRP is required to be charged on any General Fund Capital Financing Requirement, which was in existence prior to the HRA Subsidy Reform exercise of 2012.

For General Fund capital expenditure incurred after the HRA Subsidy Reform exercise of 2012:

- MRP will be determined by charging the expenditure over the expected useful life of the asset, to a maximum of 50 years, on an annuity basis; and
- MRP on purchases of freehold land will be charged over 50 years.

The MRP payment is financed from revenue with an option that part, or all, of the payment could be financed from capital receipts to repay debt.

MRP will commence in the financial year following the asset coming into operational use or after purchase.

#### **External Loans**

For capital expenditure loans to third parties that are repaid in instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement.

#### **Capitalisation Directions**

For capitalisation directions on expenditure incurred after 1st April 2008 MRP will be made using the annuity method over 20 years.

## ***Report to Council***

**Committee:** Cabinet  
**Date:** 20 February 2024  
**Subject:** Council Tax Setting 2024/25  
**Portfolio Holder:** Cllr J Philip

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

- (1) To note that under delegated authority, the Strategic Director and Section 151 Officer, has calculated the Council Tax Base for 2024/25 for the whole Council area as 55,617.6 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended) and for dwellings in those parts of its area to which a Parish Precept relates as set out in Appendix A;**
- (2) That the following amounts be calculated for the year 2024/25 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:**
  - (a) £121,642,398 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act considering all precepts issued to it by Parish Councils;**
  - (b) £107,788,193 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;**
  - (c) £13,854,205 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);**
  - (d) £249.10 being the amount at 2(c) above (Item R), all divided by Item T (the amount at (1) above, the tax base), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);**
  - (e) £4,566,066 being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act;**
  - (f) £167.00 being the amount at 2(c) above less the result given by dividing the amount at 2 (e) above by Item T (1) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates;**
  - (g) That it be noted that Essex County Council, Essex Police, Fire & Crime Commissioner and Essex Fire & Rescue Service have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the category of dwellings in the Council's area;**
  - (h) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts in Appendix C as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings; and**

- (i) That in accordance with section 52ZB of the Local Government Finance Act 1992, the Council determines that the amount of Council Tax shown at 2 (f) of £167.00 for 2024/25, representing an increase of £4.85 (2.99%) compared to 2023/24 is not excessive and therefore there is no requirement to hold a local referendum.

## 1. Executive Summary

- 1.1 The average Council Tax to be charged to taxpayers in Band D is summarised in the table below.

Element	2023/24 Charge	2024/25 Charge	Increase/(Decrease)	
	£'s	£'s	£'s	%
Epping Forest District Council	162.15	167.00	4.85	2.99
<b>District Council Tax</b>	<b>162.15</b>	<b>167.00</b>	<b>4.85</b>	<b>2.99</b>
Parish Councils*	76.19	82.10	5.91	7.76
<b>Average Local Council Tax</b>	<b>238.34</b>	<b>249.10</b>	<b>10.76</b>	<b>4.51</b>
Essex County Council (including Adult Social Care Precept)	1,450.17	1,522.53	72.36	4.99
Essex Police, Fire and Crime Commissioner (Police Authority)	233.46	246.42	12.96	5.55
Essex Police, Fire and Crime Commissioner (Fire and Rescue Authority)	80.28	82.62	2.34	2.91
<b>Total Council Tax</b>	<b>2,002.25</b>	<b>2,100.67</b>	<b>98.42</b>	<b>4.92</b>

\*Parish council charges vary between parishes and are shown as average values in the table for illustration purposes



## **2. Resource Implications**

2.1 There are significant resource implications, which are covered in detail in the report.

## **3. Legal and Governance Implications**

3.1 The procedure for Setting the Council Tax is subject to the detailed requirements of the Local Government Finance Act 1992 (as amended by the Localism Act 2011). This report complies with those requirements, with legislative references made where appropriate throughout the report.

## **4. Safer, Cleaner and Greener Implications**

4.1 None.

## **5. Consultation Undertaken**

5.1 The preparation of the 2024/25 budget proposals, including the recommended Council Tax increase has been the subject of extensive scrutiny and consultation. The Cabinet – at its meeting held on 5th February 2024 – considered comments on the budget proposals, made by the Overview and Scrutiny Committee at its meeting held on 23rd January 2024.

## **6. Background and Introduction**

6.1 As a district council, Epping Forest District Council is responsible for the billing and collection of all Council Tax due from local taxpayers. This means that the Council is required to collect Council Tax to cover not only its own services but also the precepts set by other authorities. The Council Tax levied therefore comprises five separate elements:

- Epping Forest District Council element
- Town and Parish Council precepts
- Essex County Council precept (including Adult Social Care Services)
- Essex Police, Fire and Crime Commissioner (Police Authority) precept; and
- Essex Police, Fire and Crime Commissioner (Fire and Rescue Authority) precept.

6.2 The setting of the Council Tax follows a prescribed timetable, commencing with the setting of the tax base in November, and ending with the formal setting of the Council Tax, which is required to be completed by no later than 11th March prior to the start of the forthcoming financial year.

6.3 The procedure adheres to the requirements of the Local Government Finance Act 1992 (as amended by the Localism Act 2011) and the level of Council Tax is directly related to the net expenditure of the Council after deducting income from Government grants and other sources of income. Council resolutions also adhere to legislative requirements and recommendations are therefore written in very formal language.

## 7. Council Tax Base and Collection Fund Deficit

- 7.1 The Council Tax Base for 2024/25 is 55,617.6 and a breakdown of the calculation by parish can be seen in the first column in **Appendix A**.
- 7.2 After taking account of previous distributions and recoupments, the Council Tax element of the Collection Fund is predicted to have a total deficit of £757,096 at 31st March 2024. The deficit is shared amongst the major precepting authorities i.e., Essex County Council, Essex Police, Fire and Crime Commissioner (both Police and Fire & Rescue authorities) and this Council. The recoupment of the deficit is made in proportion to the level of each authority's precept for the year. The Epping Forest District Council share of the 2023/24 deficit is £90,122.

## 8. Epping Forest District Council Tax

- 8.1 The Cabinet recommended a District Council Tax increase of £4.85 (2.99%) for 2024/25 at its meeting on 5th February 2024. This involved setting a General Fund net expenditure budget of £15,853,430.
- 8.2 The amount of Council Tax that Epping Forest District Council is to levy is £9,288,139 as presented in the table below.

Description	Value
	£'s
Budgeted Net Expenditure 2024/25	15,853,430
Add: Contribution to Reserves	1,972,157
Add: Collection Fund Deficit (Council Tax)	90,122
Subtract: Collection Fund Surplus (Business Rates)	(304,860)
<b>Net Expenditure to be Financed</b>	<b>17,610,849</b>
Less: Retained Business Rates	(6,359,000)
Less: External Financing	(1,963,710)
<b>Council Tax Requirement</b>	<b>9,288,139</b>

- 8.3 The Epping Forest District Council Band D Council Tax is therefore £167.00 for 2024/25 (the Council Tax Requirement divided by the Tax Base of 55,617.6). This represents an increase of £4.85 (2.99%) when compared to the Council Tax levied in 2023/24.

## 9. Parish Precepts

- 9.1 Each parish has notified the Council with its precept requirement for the year. The total required by parishes for 2024/25 is £4,566,066, which produces an average Band D Council Tax of £82.10. The actual amount levied will vary from parish to parish. A detailed breakdown of the precept requirements and the Band D charge for each parish can be seen in the third and fourth columns in **Appendix A**.

## **10. Essex County Council Precept**

10.1 The total precept demand issued by Essex County Council for 2024/25 is £84,679,465 which produces a Band D Council Tax of £1,522.53. This represents an increase of £72.36 (4.99%) when compared to the Council Tax levied in 2023/24.

## **11. Essex Police, Fire and Crime Commissioner (Police Authority) Precept**

11.1 The precept demand issued by Essex Police, Fire and Crime Commissioner (Police Authority) for 2024/25 is £13,705,289, which produces a Band D Council Tax of £246.42. This represents an increase of £12.96 (5.55%) when compared to the Council Tax levied in 2023/24.

## **12. Essex Police, Fire and Crime Commissioner (Fire and Rescue Authority) Precept**

12.1 The precept demand issued by Essex Police, Fire and Crime Commissioner (Fire and Rescue Authority) for 2024/25 is £4,595,126, which produces a Band D Council Tax of £82.62. This represents an increase of £2.34 (2.91%) when compared to the Council Tax levied in 2023/24.

## Appendix A

### Town, Parish & Local Council Tax 2024/25

Town/Parish	2024/25				
	Tax Base	Town/Parish Precept (£'s)	Parish Band D Charge (£'s)	District Band D Charge (£'s)	Local Council Tax Band D Charge (£'s)
Abbess, Berners and Beauchamp Roding	232.3	5,836	25.12	167.00	192.12
Buckhurst Hill	5,243.8	360,403	68.73	167.00	235.73
Chigwell	6,383.5	312,900	49.02	167.00	216.02
Epping Town	5,306.8	621,795	117.17	167.00	284.17
Epping Upland	422.3	38,532	91.25	167.00	258.25
Fyfield	411.8	15,564	37.79	167.00	204.79
High Ongar	618.4	13,362	21.61	167.00	188.61
Lambourne	913.8	45,160	49.42	167.00	216.42
Loughton Town	13,017.5	993,909	76.35	167.00	243.35
Matching	466.1	18,555	39.81	167.00	206.81
Moreton, Bobbingworth and the Lavers	622.9	25,198	40.45	167.00	207.45
Nazeing	2,226.6	205,000	92.07	167.00	259.07
North Weald Bassett	2,627.8	234,852	89.37	167.00	256.37
Ongar Town	2,860.3	312,000	109.08	167.00	276.08
Roydon	1,390.7	75,000	53.93	167.00	220.93
Sheering	1,378.8	49,280	35.74	167.00	202.74
Stanford Rivers	382.3	22,345	58.44	167.00	225.44
Stapleford Abbotts	604.1	13,570	22.46	167.00	189.46
Stapleford Tawney	102.9	1,690	16.43	167.00	183.43
Theydon Bois	2,016.2	149,693	74.25	167.00	241.25
Theydon Garmon	90.2	1,200	11.85	167.00	178.85
Theydon Mount	118.8	6,800	57.23	167.00	224.23
Waltham Abbey Town	7,927.9	1,037,578	130.88	167.00	297.88
Willingale	251.6	5,844	23.23	167.00	190.23
<b>Town, Parish &amp; Local Council Tax Totals</b>	<b>55,617.6</b>	<b>4,566,066</b>	<b>82.10</b>	<b>167.00</b>	<b>249.10</b>

## Appendix B

### Local Council Tax 2024/25: All Bands

Town/Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
Abbess, Berners and Beauchamp Roding	128.08	149.43	170.77	192.12	234.81	277.50	320.20	384.24
Buckhurst Hill	157.15	183.35	209.53	235.73	288.11	340.50	392.88	471.46
Chigwell	144.01	168.02	192.01	216.02	264.02	312.03	360.03	432.04
Epping Town	189.44	221.02	252.59	284.17	347.32	410.47	473.61	568.34
Epping Upland	172.16	200.86	229.55	258.25	315.64	373.03	430.41	516.50
Fyfield	136.52	159.28	182.03	204.79	250.30	295.81	341.31	409.58
High Ongar	125.74	146.70	167.65	188.61	230.52	272.43	314.35	377.22
Lambourne	144.28	168.33	192.37	216.42	264.51	312.60	360.70	432.84
Loughton Town	162.23	189.27	216.31	243.35	297.43	351.50	405.58	486.70
Matching	137.87	160.85	183.83	206.81	252.77	298.72	344.68	413.62
Moreton, Bobbingworth and the Lavers	138.30	161.35	184.40	207.45	253.55	299.65	345.75	414.90
Nazeing	172.71	201.50	230.28	259.07	316.64	374.21	431.78	518.14
North Weald Bassett	170.91	199.40	227.88	256.37	313.34	370.31	427.28	512.74
Ongar Town	184.05	214.73	245.40	276.08	337.43	398.78	460.13	552.16
Roydon	147.28	171.84	196.38	220.93	270.02	319.12	368.21	441.86
Sheering	135.16	157.69	180.21	202.74	247.79	292.84	337.90	405.48
Stanford Rivers	150.29	175.34	200.39	225.44	275.54	325.63	375.73	450.88
Stapleford Abbots	126.30	147.36	168.40	189.46	231.56	273.66	315.76	378.92
Stapleford Tawney	122.28	142.67	163.04	183.43	224.19	264.95	305.71	366.86
Theydon Bois	160.83	187.64	214.44	241.25	294.86	348.47	402.08	482.50
Theydon Garnon	120.20	140.23	160.26	180.30	220.37	260.43	300.50	360.60
Theydon Mount	149.48	174.40	199.31	224.23	274.06	323.89	373.71	448.46
Waltham Abbey Town	198.58	231.69	264.78	297.88	364.07	430.27	496.46	595.76
Willingale	126.82	147.96	169.09	190.23	232.50	274.77	317.05	380.46
<b>Town and Parish Total</b>	<b>54.73</b>	<b>63.86</b>	<b>72.98</b>	<b>82.10</b>	<b>100.34</b>	<b>118.59</b>	<b>136.83</b>	<b>164.20</b>
<b>District, Town and Parish Total</b>	<b>166.07</b>	<b>193.74</b>	<b>221.42</b>	<b>249.10</b>	<b>304.46</b>	<b>359.81</b>	<b>415.17</b>	<b>498.20</b>

## Appendix C

### Total Council Tax 2024/25: All Bands

Town/Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
Abbess, Berners and Beauchamp Roding	1,362.46	1,589.54	1,816.61	2,043.69	2,497.84	2,951.99	3,406.15	4,087.38
Buckhurst Hill	1,391.53	1,623.46	1,855.37	2,087.30	2,551.14	3,014.99	3,478.83	4,174.60
Chigwell	1,378.39	1,608.13	1,837.85	2,067.59	2,527.05	2,986.52	3,445.98	4,135.18
Epping Town	1,423.82	1,661.13	1,898.43	2,135.74	2,610.35	3,084.96	3,559.56	4,271.48
Epping Upland	1,406.54	1,640.97	1,875.39	2,109.82	2,578.67	3,047.52	3,516.36	4,219.64
Fyfield	1,370.90	1,599.39	1,827.87	2,056.36	2,513.33	2,970.30	3,427.26	4,112.72
High Ongar	1,360.12	1,586.81	1,813.49	2,040.18	2,493.55	2,946.92	3,400.30	4,080.36
Lambourne	1,378.66	1,608.44	1,838.21	2,067.99	2,527.54	2,987.09	3,446.65	4,135.98
Loughton Town	1,396.61	1,629.38	1,862.15	2,094.92	2,560.46	3,025.99	3,491.53	4,189.84
Matching	1,372.25	1,600.96	1,829.67	2,058.38	2,515.80	2,973.21	3,430.63	4,116.76
Moreton, Bobbingworth and the Lavers	1,372.68	1,601.46	1,830.24	2,059.02	2,516.58	2,974.14	3,431.70	4,118.04
Nazeing	1,407.09	1,641.61	1,876.12	2,110.64	2,579.67	3,048.70	3,517.73	4,221.28
North Weald Bassett	1,405.29	1,639.51	1,873.72	2,107.94	2,576.37	3,044.80	3,513.23	4,215.88
Ongar Town	1,418.43	1,654.84	1,891.24	2,127.65	2,600.46	3,073.27	3,546.08	4,255.30
Roydon	1,381.66	1,611.95	1,842.22	2,072.50	2,533.05	2,993.61	3,454.16	4,145.00
Sheering	1,369.54	1,597.80	1,826.05	2,054.31	2,510.82	2,967.33	3,423.85	4,108.62
Stanford Rivers	1,384.67	1,615.45	1,846.23	2,077.01	2,538.57	3,000.12	3,461.68	4,154.02
Stapleford Abbotts	1,360.68	1,587.47	1,814.24	2,041.03	2,494.59	2,948.15	3,401.71	4,082.06
Stapleford Tawney	1,356.66	1,582.78	1,808.88	2,035.00	2,487.22	2,939.44	3,391.66	4,070.00
Theydon Bois	1,395.21	1,627.75	1,860.28	2,092.82	2,557.89	3,022.96	3,488.03	4,185.64
Theydon Garnon	1,354.58	1,580.34	1,806.10	2,031.87	2,483.40	2,934.92	3,386.45	4,063.74
Theydon Mount	1,383.86	1,614.51	1,845.15	2,075.80	2,537.09	2,998.38	3,459.66	4,151.60
Waltham Abbey Town	1,432.96	1,671.80	1,910.62	2,149.45	2,627.10	3,104.76	3,582.41	4,298.90
Willingale	1,361.20	1,588.07	1,814.93	2,041.80	2,495.53	2,949.26	3,403.00	4,083.60
<b>Average (all preceptors)</b>	<b>1,400.45</b>	<b>1,633.85</b>	<b>1,867.26</b>	<b>2,100.67</b>	<b>2,567.49</b>	<b>3,034.30</b>	<b>3,501.12</b>	<b>4,201.34</b>

## ***Report to the Council***

**Report of:** Monitoring Officer

**Date:** 20 February 2024

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### **1. CONSTITUTION – SCHEDULE OF DELEGATION**

**Recommending:**

**(1) That the proposed revision to the Council’s Scheme of Delegation (Delegation of Executive Functions) as set out in this report, be noted.**

- 1.1 The Building Safety Act 2022 introduced new powers under the Building Act 1984, enabling Building Control Services to serve Compliance and Stop Notices. As a result, an amendment is required to the Council’s Scheme of delegation contained within the Constitution to add these powers to the Building Control Team Manager and Planning Services Director delegations.
- 1.2 This amendment has been agreed by the Monitoring Officer under their delegated authority to make minor amendments to the Constitution, and is reported to the Council for information. It will be included in the next scheduled update to the Constitution.