

Committee Agenda



**Epping Forest
District Council**

Finance and Performance Management Cabinet Committee Monday, 20th January, 2014

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

**Council Chamber, Civic Offices, High Street, Epping
on Monday, 20th January, 2014
at 7.00 pm .**

**Glen Chipp
Chief Executive**

**Democratic Services
Officer**

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Members:

Councillors Ms S Stavrou (Chairman), R Bassett, D Stallan, G Waller and C Whitbread

PLEASE NOTE THE START TIME OF THIS MEETING

WEBCASTING/FILMING NOTICE

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1. WEBCASTING INTRODUCTION

1. This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking.

2. The Chief Executive will read the following announcement:

“This meeting will be webcast live to the Internet and will be archived for later viewing. Copies of recordings may be made available on request.

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2. APOLOGIES FOR ABSENCE**3. DECLARATIONS OF INTEREST**

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

4. MINUTES (Pages 5 - 14)

To confirm the minutes of the last meeting of the Cabinet Committee.

5. RECHARGE OF SUPPORT SERVICES (Pages 15 - 26)

Assistant Director (Accountancy) To consider the attached report (FPM-019-2013/14).

6. ICT FACILITIES FOR COUNCILLORS (Pages 27 - 30)

(Directorate of Finance & ICT) To consider the attached report (FPM-020-2012/13).

7. DETAILED DIRECTORATE BUDGETS (Pages 31 - 130)

(Directorate of Finance & ICT) To consider the attached report (FPM-021-2012/13).

8. CORPORATE RISK UPDATE (Pages 131 - 150)

(Directorate of Finance & ICT) To consider the attached report (FPM-022-2012/13).

9. LOCAL COUNCIL TAX SUPPORT GRANT (Pages 151 - 156)

(Directorate of Finance & ICT) To consider the attached report (FPM-023-2012/13).

10. ANY OTHER BUSINESS

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

of which the statutory period of notice has been given) may be transacted.

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

11. EXCLUSION OF PUBLIC AND PRESS

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

Agenda Item No	Subject	Exempt Paragraph Number	Information
Nil	Nil	Nil	

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

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

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

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

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

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

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance Management Cabinet Committee **Date:** Thursday, 14 November 2013

Place: Committee Room 1, Civic Offices, High Street, Epping **Time:** 7.00 - 8.55 pm

Members Present: Councillors Ms S Stavrou (Chairman), R Bassett, D Stallan, G Waller and C Whitbread

Other Councillors: Councillors J M Whitehouse

Apologies:

Officers Present: R Palmer (Director of Finance and ICT), D Macnab (Deputy Chief Executive), J Gilbert (Director of Environment and Street Scene), A Hall (Director of Housing), P Maddock (Assistant Director (Accountancy)), S Alford (Principal Accountant) and R Perrin (Democratic Services Assistant)

18. Declarations of Interest

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

19. Minutes

RESOLVED:

That the minutes of the meeting held on 19 September 2013 be taken as a correct record and signed by the Chairman.

20. Key Performance Indicators 2013/14 - Quarter 2 Performance

The Deputy Chief Executive presented a progress report on the Quarter 2, Key Performance Indicators 2013/14.

The Deputy Chief Executive reminded the Cabinet Committee that, pursuant to the Local Government Act 1999, the Council was required to make arrangements to secure continuous improvement, in the way in which its functions and services were exercised, having regard to a combination of economy, efficiency and effectiveness. As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's services and key objectives, were adopted each year. Performance against all of the KPIs was reviewed by Management Board and the Finance and Performance Management Scrutiny Panel on a quarterly basis, and had previously been a focus of inspection in external assessments and judgements of the overall progress of the authority.

The position with regard to the achievement of target performance for KPIs at the end of the second quarter from 30 June to 30 September 2013, were that 26 indicators achieved the first quarter target, 9 indicators did not although 5 of the KPIs were within the agreed tolerance.

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The Deputy Chief Executive advised that the Finance Performance Management Scrutiny Panel on 11 November 2013 had requested further information on KPI 11 (Commercial rent arrears) and how the economic recovery was affecting the KPI.

The Cabinet Committee were concerned about KPI 40 (Housing Rents) with the effect of the Spare room subsidy and KPI 41 (Void re-lets), why there were a number of properties being continuously refused and what the cause may be. The Director of Housing informed the Cabinet committee that funding had been allocated for debt advisors in relation to the spare room subsidy and a new housing allocation system had been introduced, so the KPI figures should improve with time and they were still awaiting the introduction of universal credit. Residents affected by the spare room subsidy had been contacted and offered the chance to meet with a debt advisor and 50% of the tenants had taken this opportunity. Out of the 390 tenants with a spare bedroom, 303 of these tenants had been affected by the changes. The Director of Housing advised that a number of the tenants were paying the additional rent, some residents were paying nothing but the majority were paying something and a number had down sized their properties.

The Cabinet Committee raised concerns regarding the CAB and how they were helping out residents, with the additional funding for debt advisors and financial support from the Council, as repeated requests for information on the service had not been forthcoming. The Cabinet Committee felt that the funding for the CAB received from the Council should be conditioned through a service level agreement.

Recommended:

- (1) That the six-month performance for the Key Performance Indicators adopted for 2013/14 be noted; and
- (2) That the service level agreement for the CAB be reviewed.

Reasons for Decision:

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement would be addressed, and how opportunities would be exploited and better outcomes delivered.

A number of KPIs were used as performance measures for the Council's key objectives for each year. It was important that relevant performance management processes were in place to review and monitor performance against the key objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

Other Options for Considered and Rejected:

No other options were appropriate in this respect. Failure to review KPI performance in a timely manner and to consider corrective action where necessary could have had negative implications for judgements made about the Council's progress, and might mean that opportunities for improvement were lost. The Council had previously agreed arrangements for monitoring performance against the KPIs by Management Board and the Scrutiny Panel.

21. Annual Audit Letter

The Director of Finance and ICT presented a report on the Annual Audit Letter, which would be presented to the Audit and Governance Committee on 28 November 2013.

The Director of Finance and ICT stated that the Annual Audit Letter had confirmed the Council's Financial Statements gave a true and fair view of the Council's financial affairs, and that the Financial Statements were not misleading or inconsistent with other information. The external auditors concluded that the significant financial systems were adequate for preparing the Financial Statements and that the work of Internal Audit could also be relied upon. The Council's return for the Whole of Government Accounts to the Department for Communities and Local Government consolidates required some amendments but all of the corrections were done in the final return. The external auditors were able to satisfy themselves that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in the Council's use of resources, enabling them to issue an unqualified value for money conclusion.

Resolved:

- (1) That the External Auditor's Annual Audit Letter be noted.

Reasons for Decisions:

To ensure that Members were informed of any significant issues arising from the annual audit.

Other Options for Action:

The report was for noting, no specific actions were proposed.

22. Council Tax Freeze Grant

The Director of Finance and ICT presented a report on the Council Tax Freeze Grant, including comments from the Finance Scrutiny Panel and considerations on increasing the Council Tax.

The Director of Finance and ICT reported at the last meeting of the Finance Scrutiny Panel a comparison had been requested to show the contrast in the Council's financial position if an increase to the Council Tax was made instead of accepting the Freeze Grant. The Finance Scrutiny Panel considered the comparisons at their meeting on the 12 November 2013 and it had been decided to recommend a further freeze in the Council Tax to Cabinet.

The last time the Council Tax had increased had been in the 2010/11 financial year and since then the Department for Communities and Local Government (DCLG) had made grants available to support authorities choosing to freeze the Council Tax. These grants had been the equivalent of a 1% increase in Council Tax, approximately £75,000, and had been accepted for the three financial years from 2011/12 to 2013/14. The draft grant figures for 2014/15 and 2015/16 issued as part of the recent DCLG consultation protected authorities who had previously accepted freeze grants by including the freeze grant in the baseline for these authorities.

The arguments for increasing the Council Tax were that increasing the Council Tax by 2% for 2014/15 and 2015/16 would provide additional funds above the freeze grant of £75,000 in 2014/15 and £152,000 in 2015/16. This would be a continuing source of income and would ease some of the financial pressure on the Council and the net savings requirement could be adjusted down. He advised if the system of allocating funds to local authorities altered after the next election it would be possible that the freeze grants received would not be included as part of the baseline

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calculations for authorities and this could mean that authorities, that had previously accepted freeze grants could suffer greater funding reductions and had to make correspondingly larger savings in the future. The Council had not increased the Council Tax for three years and it could be argued that to increase now by only 2% for two years was not unreasonable. The annual increases of only £2.97 and £3.06 equate to less than 6p per week which would not be seen as significant by most people.

The arguments for not increasing the Council Tax would go against both the medium term aims in the Corporate Plan and the Cabinet's current Key Objectives. The Corporate Plan 2011/15 included five medium term aims, one of which was to "Have the lowest district Council Tax in Essex and maintain that position". The Council had a tough target for achieving net savings and it could be difficult to justify increasing the Council Tax while the General Fund reserve still exceeded £9.5 million. The decision on the level of Council Tax was a finely balanced one that needed to weigh up the various financial and political implications.

Resolved:

(1) That the Cabinet Committee adheres to their previous decision to freeze the Council Tax for 2014/15 be noted.

Reasons for Decisions:

To ensure that Members had evaluated the option of increasing the Council Tax and in doing so had considered the views of the Finance Scrutiny Panel.

Other Options Considered and Rejected:

Members could decide that they wanted to increase the Council Tax by more than 2%, although this would require public support through a referendum.

23. Mid-Year Report on Treasury Management and Prudential Indicators 2013/14

The Principal Accountant presented the mid-year report for Treasury Management and the Prudential Indicators in 2013/14.

The Principal Accountant reported that the mid-year treasury report was a requirement of the CIPFA Code of Practice on Treasury Management and covered the treasury activity for the first half of the financial year 2013/14. During the first half of the year the Council had continued to finance all capital expenditure from within internal resources and the average net investment position had been approximately £57.5m with no breaches on any of the prudential indicators.

The prudential indicator assisted the Council in controlling and monitoring the level of usable capital receipts that would be available at the end of a five-year period, which for the five years to 2016/17 totalled £83.3m and was fully funded. It was predicted that at the end of 2016/17 there would still be £7.8m available in usable Capital Receipts and £0.3m in the Major Repairs Reserve. Therefore it could be concluded that adequate resources exist for the Capital Programme in the medium term. The Principal Accountant had confirmed that there were no breaches of the Authorised Limit, the Operational Boundary and the Maturity Structure of Fixed Rate Borrowing during the period to 30 September 2013.

The risks for the Council were associated with affordability, interest rates and refinancing. The affordability risk had been evidenced through the Council producing

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a viable thirty-year financial plan for the HRA. The plan was reviewed quarterly by officers and half yearly reports were presented to Housing Scrutiny Panel. Only 17% of the amount borrowed was at a variable rate, the remainder was fixed and any upward movement in interest rates would be 'hedged' by a corresponding increase in interest earned on Council investments. The refinancing risk was that maturing borrowings, capital project or partnership financing could not be refinanced on suitable terms. Within the financial plan it had been anticipated that all borrowing would be repaid on maturity and all future capital expenditure would be financed through internal resources, therefore no risk currently existed for refinancing.

During the first half of the financial year 2013, the Council had received a further dividend from the administrators of the Heritable Bank which had taken total dividends so far to 94% of the value of deposits. No additional dividends were expected until all of the outstanding litigation had been settled and the administration process completed.

Resolved:

(1) That the management of the risks associated with the Council's Treasury Management function during the first half of 2013/2014 be noted.

Reasons for Decision:

The report was presented for noting as scrutiny was provided by the Audit and Governance Committee who made recommendations to the Committee when necessary.

Other Options Considered and Rejected:

Members could ask for additional information about the CIPFA Codes or the Prudential Indicators.

24. Quarter Financial Monitoring

The Assistant Director (Accountancy) presented the quarterly Financial Monitoring report for April to September 2013, which provided a comparison between the original profiled budgets for the period ended 30 September 2013, and the actual expenditure or income as applicable. The report provided details of the revenue budgets, the Continuing Services Budget, District Development Fund as well as the capital budgets including Major Capital Scheme.

The Cabinet Committee noted that the salaries budget showed an underspend of £44,000 or 0.4%. Investment income levels were slightly below expectation and significantly below the prior year. The Council had received £2.360m of the original £2.5m investment placed with Heritable Bank which brought the recovery up to 94.02%. A letter from the administrators had been received during September saying there would not be any further dividends until the end of the administration process and related litigation.

Within the Planning & Economic Development Directorate, income for pre-applications was £32,000 higher than the 6 month budget of £3,750 and Development Control income had also recovered to a £13,000 with future months looking encouraging. Building Control account was expected to return a deficit of over £30,000 unless there was a drastic improvement in income. Although as the account operated on a three year cycle it could continue to operate in deficit but there may come a time when the deficit had to be taken to the General Fund.

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Within Corporate Support Services Directorate Hackney, Carriage and other licensing income were both below expectations by £7,000 and £6,000 respectively and with fewer renewals within the year which it looked unlikely to make shortfall. Income from MOT's carried out by Fleet Operations was £18,000 below expectations, with MOT income now expected to fall short by around £30,000.

Within the Housing Directorate, the Housing Repairs Fund showed an underspend of £364,000, but a larger proportion of the expenditure was seasonal falling in the winter months. This budget would be revised shortly, and there could be a saving realised.

From 1 April 2013 the Council had been entitled to a share of business rates collected and so monitoring of these amounts collected were now more important. The NNDR1 form set out the non-domestic rate estimated for the year and started with a gross yield of £40,208,899 which was then reduced by the various reliefs for charities and small businesses and an allowance for appeals to get to a net rate yield of £31,897,379. At the end of September the net rate yield had reduced by £198,841 and as the Council retains 40% of gains and losses this would mean a reduction in funding of £79,536. The cash collection were important to the Council, as they were required to make payments to the Government and other authorities based on their share of the rating list. These payments were fixed and had to be made even if no money was collected. Therefore, effective collection was important as this could generate a cash flow advantage to the Council. At the end of September the total collected was £20,161,989 and payments out were £15,946,900, meaning the Council was holding £4,215,089 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates. In summary, at the end of September the reduction in the overall value of the rating list was a cause for concern, but cash collection is going well

Within the Major Capital Schemes the Council was embarking on a House building programme primarily aimed at the development of difficult to let Garage sites. The first phase was due to commence in Waltham Abbey early 2014 subject to detailed planning approval being obtained. In conclusion, income was a little down on expectations but expenditure was too and at this point it was expected that actual expenditure would be rather closer to the originally budget than in recent years. The Committee was requested to note the Council's financial position as of 30 September.

Resolved:

(1) That the Quarterly Financial Monitoring Report for the period April to September 2013 be noted.

Reasons for Decision

To note the second quarter financial monitoring report for 2013/14.

Other options Considered and Rejected:

No other options were available.

25. Fees and Charges 2014/15

The Assistant Director (Accountancy) presented a report on the fees and charges to be levied by the Council in 2014/15 and what, if any, scope there was to increase particular charges.

The Assistant Director reported that, the Medium Term Financial Strategy highlighted the need to identify £2.3m savings as a result of the significant reductions expected in funding from central government and £700,000 was required in 2014/15. The September Consumer Prices Index (CPI) and Retail Prices Index (RPI) had recently been published at 2.7% and 3.2% respectively and this had been used as a guide for any proposed increase in fees and charges.

The Assistant Director stated that it was proposed to increase the fees and charges within the Office of the Deputy Chief Executive for services such as New Horizons, Sports Development, Museums and Arts and Lifewalks by 3.2%. Within Corporate Supports Services Directorate, Land Charge income was still very uncertain following the introduction of the Local Land Charges (Amendment) Rules 2010. The current costs were broadly in line with the fee charged, although the account itself was in deficit due to non-chargeable activities and the fact that personal searches were free but there was a cost attached to dealing with enquiries. The MOT income was subject to a maximum charge set by the Vehicle Operating Service Agency (VOSA) and although the Council's fee had been set below this level, income had been dwindling for some time now and there may well be a deficit recorded. It was felt that some forms of licensing fees were generally below the prescribed level and did not recover the cost of provision, in some cases quite significantly, so it was therefore felt that these should be increased where appropriate.

The Cabinet Committee noted that the Development Control fee levels were controlled by Central Government and the levels of income were somewhat dependant on the economic climate and the number and size of planning applications. With regard to pre-application charges that apply to major applications, income was buoyant at the moment and the budget had been exceeded substantially. The fee could of been increased but there was a fear that if the fee was set too high pre-application advice might be forgone leading to more difficulties later in the planning process. Building Control Fees were felt to be reasonable but income was well short of expectations and the account was likely to fall into deficit this year. A review of Building Control was to be undertaken and the level of fees and charges would need to form part of the review.

Within Environment and Street Scene Directorate, it was proposed that pay and display charges in the Council's off-street car parks were revisited, as the charges had not been increased for five years and the study by Price Waterhouse Coopers in 2011/12 predicted that modest changes in the fee structure could boost income by more than £300,000. Pay and display car parking fees form the largest discretionary income stream to the General Fund and the current income estimate had been set at £747,000 and further work was being done on some proposals for a revised tariff structure. The bulk waste fee varied depending on the number of items being collected and given that the contract price increases annually it seemed reasonable that the fee itself should also be increased. The Council also needed to ensure that a trade waste service was available if required and SITA had proposed to increase the fees by 50p for both businesses and schools.

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Finally, for the Housing Directorate, the Assistant Director informed the Cabinet Committee that the majority of fees and charges had been increased by RPI at 3.2%. However, in view of the current economic conditions, the Housing Portfolio Holder had proposed that a number of Housing-Related Fees and Charges be retained at their current levels and these had been highlighted in the attached schedule. The only proposed exception to a general increase of 3.2% was in respect of the charges for hardstandings on housing estates, which would be increased from £29.10 per annum to £82.00 per annum, representing around 20% of the Council garage rent.

The Cabinet Committee felt that the carpark tariff needed to be dealt with carefully as it would be unknown how the public would react to the changes in the tariff if they were increased

Recommended:

- (1) That the Cabinet Committee proposed that £150,000 General Fund savings target for the 2014/15 budget should come from additional income through an increase to fees and charges;
- (2) That officers could investigate options to increase the 10p charge of the Pay and Display car parks within the District to 20 p, be agreed;
- (3) That the proposed fees and charges for 2014/15, as set out in the Appendices attached, be approved; and
- (4) That the proposed schedule of Housing Revenue Account fees and charges for 2014/15 be approved.

Reasons for Decision

As part of the annual budget process changes to fees and charges need to be agreed.

Other options Considered and Rejected:

Where the Council had discretion on the level of fees and charges that it sets there were many possible options open to the Council ranging between no increases up to applying quite large increases where possible.

26. Any Other Business

That, as agreed by the Chairman of the Committee and in accordance with Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules, the following item of urgent business be considered following the publication of the agenda:

- (a) Triennial Valuation of Pension Scheme
- (b) Draft General Fund CSB and DDF Lists and Savings Update.

27. Triennial Valuation of Pension Scheme

The Director Finance & ICT presented a report on the triennial valuation of pension scheme.

The Director of Finance & ICT reported that the Essex County Council had provided a number of different options for the Council's pension contributions for the next three years. The ongoing contribution was the same under each scenario but the deficit contributions varied and then a further choice had to be made about the timing of the payments. The option of 22.5 years was recommended as the reduction in CSB

growth was felt to offer good value relative to the small extension in timescale for repaying the deficit and recovery period was still ahead of the schedule set at the previous valuation. Furthermore if the 22.5 year recovery period was assumed then five options were available to the Council set out in the report. Option B was recommended as it allowed for the increase in deficit payments to be phased over the three years and took advantage of the discount allowed for earlier payment without compromising the Council's cashflow position.

In previous years it had been possible to obtain capitalisation directions, in part or whole for the pension deficit payments but the qualification criteria for the capitalisation direction had tightened and there was no realistic prospect of being able to obtain a direction at this time.

Recommended:

- (1) That the option to fund the deficit over 22.5 years be recommended to Cabinet; and
- (2) That Option B as set out in the Essex County Council consultation be recommended to Cabinet.

Reasons for Proposed Decision:

Essex County Council had set a deadline of mid-January for responses to their consultation and so it was necessary to evaluate and decide on one of the options.

Other Options for Action:

The shorter deficit recovery period could be adopted or Members could choose to either take full advantage of the front loaded payment option or not to front load at all.

Shortening the recovery period would increase CSB growth at a time when there were already considerable budget pressures. Fully front loading the payments could create difficulties in the management of the Council's cashflows and would limit the ability to fund other demands at short notice without borrowing.

28. Draft General Fund CSB and DDF Lists and Savings Update

The Assistant Director (Accountancy) presented a report on the draft General Fund Lists and Savings for the 2014/15 budget, which provided the first draft of the Continuing Services Budget (CSB) growth and District Development Fund (DDF) Schedules as well as an update on the budget process for 2014/15 and the savings achieved so far.

The Financial Issues Paper that had been presented to the committee on 19 September 2013 highlighted a number of financial uncertainties and risks facing the Authority including the reductions in Central government funding, Retention of Business Rates, Welfare reform and Waste and Leisure Management Contract Renewals. The Medium Term Financial Strategy (MTFS), which formed part of the Financial Issues Paper, identified that further savings of around £2.3 million were required over the forecast period. The savings required in 2014/15 were £0.7 million after savings of £0.094 million already identified had been taken into account and with the recent triennial valuation of the pension fund and resulting additional on-going employer contributions and deficit payments, further reductions in Housing Benefit Admin Grant and reductions in revenue support for Waste management the target was going to be extremely challenging.

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There was again a saving on the revenue budget in 2012/13 and it had been noted that the General Fund budget was underspent by a little under £500,000. The salary savings made up a smaller proportion of overall savings but there was also an underspend on Housing Benefits of around £195,000. The underspend on Supplies and Services was therefore lower than in previous years and suggested that a large proportion of the historical underspends had been extracted from the budget already. The exercise to identify further savings on underspent budget had been carried out again but nothing significant had been identified.

There were some CSB budgets that either had a one off element within them or in some cases were budgets where there was a degree of uncertainty around whether they will be spent or not therefore treating an appropriate element as DDF rather than CSB should make managing the budgets easier and give a degree of flexibility. The full schedules for the Continuing Services Budget and District Development Fund had been attached to the report as annexes, and represented best estimates at the current time. These would be further refined as the budget setting process continued and an updated schedule of annexes was presented at the meeting.

Resolved:

(1) That the draft Continuing Services Budget and District Development Fund (DDF) schedules for 2014/15 be noted.

Reasons for proposed action

To monitor the General Fund schedules and savings achieved at this stage of the budget process for 2014/15.

Other options for action

No other options were considered at this stage of the process.

29. Exclusion of Public and Press

The Sub-committee noted that there were no items of business on the agenda that necessitated the exclusion of the public and press from the meeting.

CHAIRMAN

Report to the Finance & Performance Management Cabinet Committee

Date of meeting: 20 January 2014

Portfolio: Finance & Economic Development

Subject: Recharge of Support Services

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

Democratic Services Officer: Rebecca Perrin (01992 564532)



Recommendations/Decisions Required:

That the Cabinet note the attached report of the Cross Charging Sub Group.

Executive Summary

The report provides some background to the reasons behind recharging Support Services costs to services that benefit from their work.

Reasons for proposed decision

To note the work carried out.

Other options for action

No other options available.

Report:

1. At the meeting of the Finance Cabinet Committee of 21st January 2013, questions were raised by members about the reasons for recharging costs and there was a wish to understand the process and the reasons for it. A Sub Group was appointed to carry out this work.
2. The Chartered Institute of Public Finance and Accountancy (CIPFA) produce a document on an annual basis called the Service Reporting Code of Practice (SeRCOP). This gives guidance on how costs should be reported in an effort to get some degree of consistency across Local Authorities. There are a number of Mandatory Headings and Sub Headings to report on as well as others that are discretionary.
3. The Main General Fund headings applicable to this Council are Central Services, Cultural Related Services, Environmental and Regulatory Services, Highways and Transport Services, Housing Services and Planning Services. The Housing Revenue Account (HRA) has to be accounted for separately by law. These are the headings that appear in the Comprehensive Income and Expenditure Statement within the Statutory Statement of Accounts.
4. SeRCOP also requires a subjective analysis of each Service budget heading. A subjective heading refers to the type of expenditure, for example Salaries, Electricity, Car Allowances, Stationery, Contracted Services and Support Services to name but a few. There is also a requirement to report the 'total cost of a service' and this is defined as including all expenditure attributable to the service/activity. Both direct costs and support

costs must be included and this is the reason for the recharge process that is carried out.

5. This Council, because it is a Democratic organisation, has additional costs to bear because of this and this is referred to as the Corporate and Democratic Core which is a sub heading within Central Services. This is initially a General Fund cost but other accounts such as the HRA or Pension Fund, if applicable, should be required to contribute toward their share of the cost. This needs to be based on a reasonable estimate of the time spent on HRA matters by those involved in the democratic process.
6. The Sub Group have met and examined some of the Support Service budget sheets which show the individual budgets at subjective level. All Revenue budgets are constructed in this manner so that each Service budget is made up of a number of smaller subjective budgets. The budget is monitored at the subjective level as well as the Service total level. All Support Services must be fully allocated to the services that they support including other support services if applicable. The process is a financial accounting process intended to calculate the total cost of each service. However the total cost as defined by the code may or may not be relevant for decision making purposes but this would depend on the type of decision to be made.
7. All Support Services are allocated on the most appropriate basis. For some services there is an obvious method. Office Accommodation – floor area. Payroll – headcount. Telephone Charges – based on handsets. Cashiers – Transactions processed. Others will need to be allocated based on an assessment of the work carried out. For Example Accountancy and Legal. Some allocation processes are relatively straight forward others less so but a balance needs to be struck between getting costs broadly allocated to the correct headings and ensuring complete accuracy.
8. The current system is such that for example the Spending Control Officer for waste management is only responsible for those costs in their control and it is accepted that an element of the total cost of the waste management service will be outside that control. Having said that all costs are ultimately in the control of a Spending Control Officer albeit a different officer and also this may be in the long term rather than short term.
9. The Budget is summarised in a budget book which groups services by directorate and includes a summary subjective analysis. There is a further more detailed analysis referred to as the Spending Control Book which gives the full detail of each budget and the budget codes that can be used. A term 'accountancy use only' is used in the book which determines the budget headings that the spending officer can use to commit expenditure against. It does not necessarily denote whether it is controllable or not.

Issues raised by the Sub Group

10. The setting of the budget is the responsibility of Council. This process is directly linked to the setting of the Council Tax (General Fund) or Housing Rents (HRA) and occurs during February of each year for the financial year commencing on the following 1 April. The budget is monitored at different levels of detail by this panel, Management Board, Spending Control Officers and Finance Officers. Any significant variances that come to light are reported and where possible remedial action taken to address the issue.
11. With regard to Value for Money, work has been done in this area by this panel and the use of Benchmarking does assist up to a point but accounting is not always an exact science and differences in interpretation can distort the outcome somewhat rendering the process of limited value.
12. Business Plans should identify any needs for additional funding to meet objectives contained therein. A decision can then be made as to whether the additional investment is felt to be worthwhile.

Hierarchy of delegation

13. Since members are in overall control of the Authority they are by definition responsible for the Finances. Portfolio holders have responsibility for particular services and again it follows that they have responsibility for the finances of those services as they are inextricably linked. The budget is grouped on a directorate by directorate basis and each Director has responsibility for those budgets in their areas and below that all individual Cost Centres have a named budget holder who might be at Assistant Director level or section head level. The Spending Control Officer has delegated authority given to them by the relevant Director. Their responsibility goes down to the subjective heading level of those budgets in their control. Generally over and underspends are investigated unless they are felt to be insignificant.
14. The scheme of virement is an example of the hierarchy of delegation. A virement is the re-allocation of financial resources from one budget to another that does not increase the budget in total. A Director, in consultation with the Chief Finance Officer, can agree virements up to £20,000, the relevant portfolio holder up to £50,000, Cabinet up to £100,000 and Council over £100,000. Virements between revenue and capital are prohibited as are virements between the General Fund and HRA.

Cost Allocation for Management Purposes

15. All costs are controllable either in the short, medium or long term regardless of whether they are fixed or variable. However a spending control officer will have subjective budgets within their cost centre that are not controllable by them and therefore should not be held to account for any over or underspend in these areas. The use of an imputed interest charge in relation to fixed assets used to be part of the budget however this was discontinued some years ago as being irrelevant for establishing the total cost of a service. There is still a place for this particularly in financial decision making when wishing to compare the costs of lease or buy decisions or calculating returns on particular projects. There are however some costs that do form part of total costs that should not be considered in decision making particularly when considering cost saving exercises.
16. With regard to the costs facing the Authority any change in objectives will affect the level of costs. Some services are mandatory and the authority is only able to vary the level of service provided whereas others are discretionary and the authority has the power to provide the service or not as it sees fit. The Authority could choose to expand services but there is obviously a cost attached to that decision. Costs that are fixed in the short term can often be stepped or variable in the longer term. For example the level of HRA Housing Management costs will depend on the number of properties being managed. One Council House sale will have little effect on management costs whereas 100 might do. But equally 100 tenants that pay their rent on time and cause no nuisance cost less to manage than 10 that are constantly in arrears and troublesome generally. Housing Management costs are probably stepped whereas, maintenance costs are generally variable.
17. The allocation of costs could be market based or negotiated and the use of service level agreements for some Support Service recharges has previously been tested. However it tends to be quite time consuming and previously led to internal disputes around the level of charge or whether there should be charged at all. The end result distorted the total cost of some services and defeated the original objective of the exercise.

Conclusion

18. The charging of Support Services to the Cost Centres that they support is a requirement of SeRCOP in order to establish the total cost. There is discretion on how this is achieved but the most appropriate basis available should be used.
19. The costs that make up total cost for a particular service are not all controllable by the

responsible Spending Control Officer for that service and they should only be held to account for costs within their control. However other costs will be controllable by another officer elsewhere in the Authority.

20. The costs that the Authority faces can be Fixed, Variable or Stepped. However some costs that are fixed in the short term become stepped or variable in the longer term. When making decisions about savings that can be achieved the nature of the costs making up the total budget needs to be understood to assess the level of savings that can be achieved by a particular course of action.

21. For some financial information used in management decisions costs that are part of total cost may need to be excluded. Conversely some costs may need to be included that do not form part of total cost. The type of decision being made will determine this.

Resource Implications

The recharging of costs is an accounting process that forms part of the budget setting process.

Legal and Governance Implications

The setting of a budget ensures that there is a financial plan in place that actual costs can be measured against. This activity assists good governance/

Safer, Cleaner, Greener Implications

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

Background Papers

Budget Book, Spending Control Book and detailed estimate working papers all held in Accountancy.

Impact Assessments

Risk Management

Budget monitoring ensures that the risk of actual expenditure being significantly different from budget can be managed and remedial action taken when necessary.

Equality and Diversity:

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

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

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

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

Report Back to: Finance and Performance Management Scrutiny Panel
Date of Meeting: 12th November 2013

**Sub Group Members: Cllrs Alan Lion, Gagan Mohindra and Sylvia
Watson**

1. BACKGROUND

At the meeting of Finance and Performance Management Cabinet Committee 21st January 2013 a question was raised about the recharge of member's allowances to the housing revenue account. This resulted in a discussion about how the levels of recharges made it difficult to determine if the service was providing Value for Money (VFM). The Finance and Performance Management Scrutiny Panel were asked by the Finance and Performance Management Cabinet Committee to investigate recharges as members found them confusing. Additionally when questioned Directors or Officers have been unable to effectively explain cross charged costs appearing in departmental budgets.

2. METHODOLOGY

A small sub group was set up under the Chairman of Finance and Performance Management Scrutiny Panel to investigate the issues with the view to defining the problem and to understand the methodology for cross charging.

This report is presented back to the Finance and Performance Management Scrutiny Panel for consideration and comment.

3. FINDINGS SO FAR

Working with Peter Maddock Deputy Director (Accountancy) it has been possible to investigate and look below the surface of the high level budget and accounts presented to members. The council use an accounting system which enables budget holders (Budget Spending Control Officers) to assign, approve and manage costs directly attributable to their departments. This information is recorded in the Budget Spending Control and Code Book and is measured against this during the year. However common services i.e. Service Support costs, although controlled through a single budget holder control point e.g. Accommodation, IT, the Telephone system are apportioned by Finance and allocated at year end across all departmental budgets. An example section from the Budget Spending Control book is attached.

Similar calculations are made as part of the budget preparation, allowing the annual financial accounts to be compared with the budget. It is not clear as to the value gained from this for day to day management by the after the event comparison, especially given the significant amount of work involved.

This preliminary investigation has inevitably resulted in more questions.

Q – Is it a Financial Control requirement to prepare budgets that includes allocations (recharges) of costs?

Certainly the allocation of costs on a particular department from other areas have limited if any relevance to spending control officers as they are not in control of those cost items.

The allocations of costs not directly attributable to specific activities are calculated according to CIPFA rules. This is required for the annual accounts and is not necessary for management accounting.

4. THE BUDGET

The budget is a tool used in planning future activities for a particular time period and against what actually happens; this can be compared revealing variances.

Variances must be identified in good time to be able to affect remedial action to remain financially neutral. The reasons why variances have occurred must be determined to ensure that the appropriate action is taken, i.e. additional savings found or underspends justified. Revision of the budget should only happen if the original budget was not valid.

The budget should be part of the management controls to ensure that the strategic objectives of the council are met. As such it should be pro-active planning rather than “cut and see”.

5. SPENDING CONTROL

Spending control officers do not actually spend all the money attributable to them and appear to take responsibility for costs directly signed off by them but not all controllable costs. In the spending control book salaries are for example described as for Accountancy Use Only but arguably these are controllable costs. If the spending control officer is unable to directly influence the magnitude of such a cost or decide whether it should be incurred at all it begs the question “who does?” Every cost must be controllable by someone.

Because of way costs are allocated the spending control officers have items in their budgets over which they have no direct control. However this does make them aware of all their costs and the effect on council’s position.

The term “spending control” reveals an approach that is not designed to control effectiveness and efficiency where a measure of outputs would also have to be applied. Whenever a service could be obtained by outside

contracting e.g. maintenance or running canteen an outside alternative should at least be investigated to provide a benchmark for comparison.

6. CONTEXT FOR NEXT STEPS

The Chief Executive's plans to restructure the council have been presented. Should this provide an opportunity to review the management of costs in the overall context of the setting of objectives through to measuring and controlling outputs and costs?

The council's activities do not yield a readily identifiable monetary value and how much should be spent on these activities becomes a matter of judgment. The most important stage occurs when decisions are made on where to allocate resources and on which projects to undertake. Judgments about efficiency can only be made in the light of both costs and outcome and value of outcome. This is normally a matter of qualitative opinion rather than quantitative measurement. Therefore cost allocations and budgets must be looked at together with KPIs in the context of the strategic plans. Information systems that relentlessly churn out unused information could amount to nothing more than misdirected work.

This raises additional wider issues -

- a) Who is responsible for setting the budget and controlling effectiveness and efficiency;
- b) Local Government does not have a profit or competitive driver, how can the council achieve best in class. VFM, best process and clear responsibility;
- c) Benchmarking against other authorities may not be an effective measure;
- d) How to drive forward through continuous improvement and change management; and
- e) Should business plans have a role in establishing the way forward?

7. NEXT STEPS

The areas identified for further immediate information fall into two broad categories:

- Hierarchy of delegation
- Cost allocation for management purposes

As regards the hierarchy of delegation we need to establish the responsibility and scope of control of:

- a) Portfolio holders
- b) Directors
- c) Other officers

In respect of cost allocation for management purposes we need to establish:

- i) Which costs are controllable within each responsibility centre (controllable costs may include direct fixed costs e.g. depreciation if a directorate controls the fixed asset decisions and imputed interest charge based on opportunity cost of funds.);
- ii) Which fixed costs are committed costs that cannot be eliminated without a change in objectives;
- iii) Which common fixed costs are medium term costs that can be reduced without immediate major disruptions to the objectives;
- iv) Whether there is cross charging should be market based or negotiated rather than cost-based;
- v) Which costs are step costs in nature?

*Alan Lion
Gagan Mahindra
Sylvia Watson.*

BUDGET

Spending Control and Code Book

Cost Centre Code

33065

Cost Centre Name

BANK & AUDIT CHARGES

Spending Control Officer

P Maddock

A: Accountancy Use Only

Class	Type	Code	Job	Job Cost	Budget
Supplies And Services	Professional Fees	3420			149,570
	Banking And Cash Collection	3440			19,130
					168,700
Support Services	Office Accommodation	A			5,420
	Managerial & Professional	A			3,010
	Telephones	A			670
					9,100
Support Service Recharges	Support Service Recharges	9610			(129,370)
					(129,370)
Other Recharges	Other Recharges	9630			(59,560)
					(59,560)
Recharge To Finance Misc	Recharge To Finance Misc	9650			11,130
					11,130
					0
				Total	0

BUDGET

Spending Control and Code Book

Cost Centre Code

33070

Cost Centre Name

DEBT & INSURANCE SERVICES

Spending Control Officer

E Higgins

A: Accountancy Use Only

Class	Type	Code	Job	Job Cost	Budget
Employee Expenses	Salaries	A			126,090
	Committee Attendance	A			350
	P/Fund Current Service Cost	A			18,210
	Frs17 Reversals Super Ers	0341			(11,230)
	Staff Related Insurance	A			470
					133,890
Transport Related Expenses	Leased Car Mileage	A			30
	Leased Car Recharge	A			3,940
					3,970
Supplies And Services	Equipment - New	3010			90
	Equipment - Maintenance	3030			100
	Subsistence Expenses	3610			40
	Legal Expenses	3680			150
	Subscriptions	3730			200
					580
Support Services	Office Accommodation	A			9,020
	Managerial & Professional	A			41,730
	Computers - Central	A			24,890
	Office Services	A			3,840
	Health And Safety	A			340
	Print Operations Internal	A			70
	Telephones	A			2,610
	Corporate Training	A			1,220
					83,720
Fees & Charges	Fees & Charges	9210			(12,000)
					(12,000)
Commission	Commission	9320	FI013	Mortgage Commission	(200)
					(200)
Support Service Recharges	Support Service Recharges	9610			(169,950)
					(169,950)
Recharge To Finance Misc	Recharge To Finance Misc	9650			(40,010)
					(40,010)
					0

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-020-2013/14
Date of meeting: 20 January 2014

Portfolio: Finance & Technology
Subject: ICT Facilities for Councillors
Responsible Officer: David Newton (01992 564580).
Democratic Services Officer: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) To note the responses and conclusions from the questionnaire;**
- (2) To not seek additional funding in 2014/2015 for Member ICT facilities; and**
- (3) To support enhancements from existing resources.**

Executive Summary:

At the request of the Finance and Performance Management Scrutiny Panel (**FPMS**P), the ICT service invited all Councillors to complete a survey regarding their experience using and connecting to the Councils' ICT systems.

The low level of response, and the lack of consensus in the responses, does not support a significant investment in additional facilities for Members at this time. Efforts will be made to address the concerns expressed through existing resources.

Reasons for Proposed Decision:

FPMS P Members requested the questionnaire be distributed and the results fed back.

Other Options for Action:

Council email accounts could be provided for Members at an initial cost of £25,600 and with an annual maintenance cost of £5,480. A case could have been made for this investment if the survey had produced a much higher response rate and consistent results. The fact that only 27% of Members completed the survey and of those only 56% wanted a Council email address would make it difficult to justify the significant investment needed, particularly in the current financial climate.

Report:

- 1) Following a request from the FPMSP on 21 March 2013, a Members workshop was held on the 21 May 2013 to discuss both the development of the website and general ICT facilities for Members. A number of issues arose from this meeting and the potential solutions, along with the costs involved, were presented at the FPMSP on the 17 September 2013. Consequently, the ICT service was asked to distribute a questionnaire to all Members seeking feedback on their priorities and preferred solutions.
- 2) An email with an electronic questionnaire was sent to all Councillors on the 21 October 2013 followed by an email reminder on the 07 November 2013. Before considering the results, it should be remembered that Members do receive additional allowances for their ICT costs and substantial time and effort has been invested by Research and Democratic Services in Member ICT training (e.g. Gold and Platinum Training). By the closing date of 15 November 2013, a total of 16 responses (27%) had been received. These responses were analysed and a summary of the results is listed below;
 - a) 81% still have access to their Virtual Private Network (**VPN**) token.
 - b) Only 43% use VPN to access Council systems, the majority only looking for agenda's.
 - c) 81% have some issue using VPN, most finding the process very unfriendly.
 - d) 60% feel that replacing the key fobs with soft tokens, sent to their mobile phones, will not improve the situation.
 - e) All Members have Broadband,
 - f) 56% have their own iPhone/Android phones,
 - g) 40% have their own iPad/Android tablets.
 - h) 56% would like a Council email address.
 - i) 38% would find access to a smartphone or tablet useful.
 - j) 43% are aware of Mod.Gov app.
 - k) 18% use the Mod.Gov app.
 - l) 80% would like remote access to restricted docs.
- 3) Given the relatively low response it is difficult to establish a definitive approach to address these issues. A summary of the major points are as follows;
 - a) The VPN solution needs improving and this should include both refresher training and a review of the current Gold and Platinum training. The extent of improvement should be monitored through a follow up survey in a year's time.
 - b) The majority of respondents only use remote access to view agendas and 80% would like remote access to restricted documents, so it would seem appropriate to promote the Mod.Gov app as a complementary solution to VPN access. A demonstration of the Mod.Gov app can be arranged if required.
 - c) Members could be provided with a standard Council email address, accessible via VPN and by their own mobile devices, for a capital cost of £25,600 and ongoing annual maintenance of £5,480.

Resource Implications:

The cost of enhancing the VPN system would be dependent on the solution chosen. The Mod.Gov module has already been implemented, so no extra cost is involved. EFDC email addresses for Members will require approval from Cabinet for additional capital funding of £25,600 and the on-going revenue costs of £5,480 would need to be added to the ICT maintenance budget as a growth item.

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

This report summarises a consultation exercise with Members on their ICT facilities.

Background Papers:

Various reports on ICT to FPMSP.

Impact Assessments:

Risk Management

There is a risk that Members will not be as effective as they might be if they are not adequately trained and supported in their use of ICT.

If significant additional costs were incurred on Member's ICT facilities they might not provide good value for money and could result in external criticism.

Equality and Diversity:

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

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

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

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group? **No**

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Report to Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-021-2013/14

Date of meeting: 20 January 2014

Portfolio: Finance and Technology

Subject: Detailed Directorate Budgets 2014/15

Officer contact for further information: Peter Maddock (Ext 4602)

Committee Secretary: Rebecca Perrin (Ext 4532)

Recommendations/Decisions Required:

That the Committee consider the attached General Fund and Housing Revenue Account budgets for 2014/15 and make recommendations as appropriate.

Executive Summary

The report provides the draft General Fund and Housing Revenue Account (HRA) Budgets for the financial year 2014/15. The budgets are presented on a directorate by directorate basis in line with the new directorate structure coming into force from the start of the next Financial year i.e. 1 April 2014. There are accompanying notes highlighting areas where significant changes have occurred. They are presented to the Committee to give an opportunity to comment and make recommendations prior to the budget being formally set during February 2014.

Reasons for Proposed Decision

To give Members an opportunity to review and provide recommendations on the detailed budget prior to adoption by Council.

Other options for action

Other than deciding not to review the budget there are no other options.

Report:

The budget setting process commenced in September 2013 with the presentation of the Financial Issues Paper incorporating the Medium Term Financial Strategy (MTFS). At that time it was identified that a savings target for 2014/15 of £0.7 million should be set. This has now been achieved through £354,000 savings from the Directorate restructure and additional income from the purchase of the lease of 2-18 Torrington Drive, which should bring in additional income of £224,000 in a full year, and a number of more minor items. A full CSB listing is provided elsewhere on the Agenda.

Having said that savings of £0.7 million in 2015/16 and 2016/17 with £0.2 million in 2017/18 are still required and work to identify these is ongoing.

The provisional government support figures were published during December and after allowing for amounts to be paid to Parish Councils as Support Grant amounts to £6.095 million. This is slightly better than that assumed in the Medium Term Financial Strategy. In September 2013. There is a statutory consultation period which does not end until 15 January but it is unlikely that there will be any significant change.

The budgets are presented on a directorate by directorate basis and are shown at Appendix 1 to 5 (General Fund) and Appendix 6 (HRA, to follow). Within each pack there is a commentary on the budgets highlighting areas where either Continuing Services Budget(CSB) or District Development Fund (DDF) savings or growth have occurred and also where allocation changes have affected budgets.

Each budget is to be presented by the relevant Director with Portfolio Holders providing comments as appropriate. There will also be finance staff at the meeting to assist with any questions that members might have.

Resource Implications

Proposed spending levels for the General Fund and HRA for the financial year 2014/15.

Legal and Governance Implications

Agreeing budgets in advance of the financial year represents good financial management practice. The budget is a key element of income and expenditure management and forms the benchmark against which financial performance can be measured.

Safer, Cleaner, Greener Implications

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

Background Papers

Working papers held in Accountancy.

Impact Assessments

Risk Management

Failure to set an acceptable budget in advance of the financial year would expose the Council to unacceptable financial management risks.

Equality and Diversity:

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

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

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

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

**CHIEF EXECUTIVE
ESTIMATES 2014/15**

Chief Executive

Revenue Budget 2014/15

Introduction

The budget has been prepared in line with the revised management structure that comes into effect from 1 April 2014. As a result of the restructure staff savings have been achieved and these have been allocated as far as practically possible to the Directorate where the savings will fall. An assessment has also been made of the effect on the Housing Revenue Account. The exact allocation of the savings between the General Fund and Housing Revenue Account will not be known until the 2014/15 budget is revisited in late 2014.

The Chief Executives Directorate is responsible for the services listed on the summary page, opposite.

Further detail of the services and the related CSB growth and DDF items are shown on the appropriate budget page.

Depreciation

Where a service employs fixed assets in service delivery, depreciation on those assets is charged to the relevant service. This however does not impact on the level of Council Tax, these charges are reversed out in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Pension costs

The budget shows the current service cost element of the pension scheme relating to those employees currently in service. These figures have increased however in calculating the amount to charge against the Council Tax an amount is reversed out in the budget summary to bring the figures back to the Councils contributions to the Fund.

Revenue Expenditure funded from Capital under statute

Some expenditure incurred by the authority is of a capital nature but does not relate to fixed assets of the Authority. In this situation the expenditure is classified as revenue but can be funded from capital resources the funding side of the transaction like the depreciation reversals is shown in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Compliance with accounting guidance

The 2014/15 budget has been prepared in accordance with the latest guidance, in particular the Service Reporting Code of Practice for Local Authorities (SeRCOP). The code of practice replaced the Best Value Accounting Code of Practice and has the status of statutory "proper practice". It is also expected that members of CIPFA will comply with all the requirements of the Code as it defines best professional practice in terms of financial reporting. The only divergence from the code in these budget papers occurs where the Directorate service groupings differ from those required by the Code of Practice. The Directorate groupings are given precedence in these papers.

In order to increase the degree of consistency across all sectors of the economy when presenting financial information, central government has adopted International Financial Reporting Standards (IFRS). Local Authorities have adopted this for financial years beginning on 1 April 2010. IFRS is more concerned with the presentation of financial information in the Statutory Statement, but there is a minor impact on the budget figures.

Budget format

Even though the Directorate Structure has changed, the format of the attached budget papers is the same as that adopted last year. The summary page is split into three groups: Direct Services, Regulatory Services and Support & Trading Services. Not all Directorates will have all three types of service grouping. The additional DDF requirements and the ongoing savings as a result of the restructure are shown as part of the Support and Trading Services and these figures do not come back to zero because of this.

Direct Services –These reflect the headline services provided by the directorate.

Regulatory Services –The Cabinet has no part to play in the exercise of regulatory functions such as planning and licensing. However the Cabinet is responsible for the totality of the Council's budget. The costs of the regulatory functions therefore have been included in the appropriate Directorate budgets.

Chief Executive

General Fund Estimate Summary

2012/13	2013/14			2014/15		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
Direct Services						
1,026	1,070	1,091	Corporate Activities	1,612	419	1,193
1,026	1,070	1,091	Total (Transferred to GF Summary)	1,612	419	1,193
Support and Trading Services						
251	323	341	Chief Executive Policy Group	308	0	308
(251)	(323)	(341)	Recharged to Services	(330)	0	(330)
0	0	0	Total	(22)	0	(22)
1,026	1,070	1,091	Directorate Total	1,590	419	1,171
1,009	1,070	1,016	Continuing Services Budget			1,026
0	0	0	Continuing Services Budget - Growth			0
(23)	(22)	(22)	Continuing Services Budget - Savings			(70)
986	1,048	994	Total Continuing Services Budget			956
17	0	92	District Development Fund - Expenditure			220
0	0	(17)	District Development Fund - Savings			(5)
17	0	75	Total District Development Fund			215
1,026	1,070	1,091	Directorate Total			1,171

Chief Executive

Development Fund & Growth Items

		Original	Probable	Original
		2013/14	2013/14	2014/15
		£000's	£000's	£000's
CSB Growth Items				
Corporate Policy Making	Chief Executive Post- Salary savings	(22)	(22)	
Directorate Restructure	Savings			(70)
		(22)	(22)	(70)

		Original	Probable	Original
		2013/14	2013/14	2014/15
		£000's	£000's	£000's
Development Fund Items				
Corporate Policy Making	Efficiency Challenge Programme (RIEP)		14	
Corporate Policy Making	Transformation Programme			150
Corporate Policy Making	LLPG staffing		78	22
Corporate Policy Making	LLPG staffing HRA Contribution		(17)	(5)
Corporate Policy Making	Restructure - Severance Pay			48
		0	75	215

Chief Executive

Corporate Activities

Corporate Policy Making

This budget is made up mostly by recharges from services for corporate and public accountability activities. Recharges are made from here to the Housing Revenue Account and to the 'ring fenced' account for Building Control. The recharges to the HRA amount to £419,360 for 2014/15 and relate to Debt Management, External Audit, Bank Charges, and other Corporate overhead costs where the recharge has been calculated in accordance with CIPFA accounting guidelines and fairly reflects the HRA element.

The 2013/14 probable outturn includes £13,500 carried forward from 2013/14, this is the amount remaining from the grant awarded by the Regional Improvement and Efficiency Partnership for the East of England as part of the Efficiency Challenge Programme.

The £100,000 DDF for the Local Land and Property Gazetteer has been rephased, with £78,000 expected in 2013/14 and £22,000 in 2014/15, with HRA contributions of £17,000 and £5,000 respectively. Having previously been identified as falling below national standards Epping Forest has achieved a Bronze standard and was the council considered 'most improved' in a recent review.

The Corporate Policy making budget also includes a DDF item in 2014/15 of £150,000 for the Council Transformation Programme.

Subscriptions

This heading relates to the Corporate subscriptions that are paid to various organisations including the Local Government Association, CIPFA Best Value Advisory Service, East of England Local Government Conference, Essex Safeguarding Children Board and Essex Safeguarding Adult Board.

Office of the Chief Executive

Corporate Activities

2012/13	2013/14			2014/15		
<i>Actual</i> £000	<i>Original</i> <i>Estimate</i> £000	<i>Probable</i> <i>Outturn</i> £000		Gross Expend £000	Gross Income £000	Net Expend £000
989	1,040	1,061	Corporate Policy Making	1,582	419	1,163
37	30	30	Subscriptions	30	0	30
1,026	1,070	1,091	Total (Transferred to Summary)	1,612	419	1,193
1,009	1,070	1,016	Continuing Services Budget			1,026
0	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
1,009	1,070	1,016	Total Continuing Services Budget			1,026
17	0	92	District Development Fund - Expenditure			172
0	0	(17)	District Development Fund - Savings			(5)
17	0	75	Total District Development Fund			167
1,026	1,070	1,091	Directorate Total			1,193

Chief Executive

Support Services

Chief Executive Policy Group

This is a support service group comprising the posts of the Chief Executive, Assistant to the Chief Executive and the Executive Assistant. The increase in the probable outturn 2013/14 relates to the increase in Pension costs and a change in support service costs.

The budget for 2014/15 includes a DDF item (severance payment) of £48,000 for the deletion of the Assistant to the Chief Executive post from the establishment list as part of the Councils restructure.

An element of the savings from the corporate restructure are expected to fall here, £70,000 in 2014/15 and a further £20,000 2015/16.

Office of the Chief Executive

Support Services

2012/13	2013/14			2014/15		
<i>Actual</i> £000	<i>Original</i> <i>Estimate</i> £000	<i>Probable</i> <i>Outturn</i> £000		Gross Expend £000	Gross Income £000	Net Expend £000
251	323	341	Chief Executive Policy Group	308	0	308
251	324	341	Total (Transferred to Summary)	308	0	308
274	346	363	Continuing Services Budget			330
0	0	0	Continuing Services Budget - Growth			0
(23)	(22)	(22)	Continuing Services Budget - Savings			(70)
251	324	341	Total Continuing Services Budget			260
0	0	0	District Development Fund - Expenditure			48
0	0	0	District Development Fund - Savings			0
0	0	0	Total District Development Fund			48
251	324	341	Directorate Total			308

**CHIEF EXECUTIVE
SUBJECTIVE ANALYSIS 2014/15 ESTIMATES**

Cost Centre	Employees	Premises	Transport	Supplies	Third Party	Support Services	Depreciation	Gross Expenditure	(Internally Recharged)	Fees & Charges	Rental Income	Government Grant	Other Income	Gross Income	Net Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Corporate															
Corporate Policy Making	60,100		1,530	171,500		1,349,150		1,582,280	(419,360)					-	1,162,920
Subscriptions				29,560		180		29,740						-	29,740
Efficiency Challenge Grant award				-				-						-	-
TOTAL (Transferred to GF Summary)	60,100	-	1,530	201,060	-	1,349,330	-	1,612,020	(419,360)	-	-	-	-	-	1,192,660
Support Services															
Chief Executive Policy Group	243,730		4,800	930		58,110		307,570	(329,570)					-	(22,000)
TOTAL	243,730	-	4,800	930	-	58,110	-	307,570	(329,570)	-	-	-	-	-	(22,000)
DIRECTORATE TOTAL	303,830	-	6,330	201,990	-	1,407,440	-	1,919,590	(748,930)	-	-	-	-	-	1,170,660

**COMMUNITIES
DIRECTORATE
ESTIMATES 2014/15**

Communities Directorate

Revenue Budget 2014/15

Introduction

The budget has been prepared in line with the revised management structure that comes into effect from 1 April 2014. As a result of the restructure staff savings have been achieved and these have been allocated as far as practically possible to the Directorate where the savings will fall. An assessment has also been made of the effect on the Housing Revenue Account. The exact allocation of the savings between the General Fund and Housing Revenue Account will not be known until the 2014/15 budget is revisited in late 2014.

The Communities Directorate is responsible for the services listed on the summary page, opposite.

Further detail of the services and the related CSB growth and DDF items are shown on the appropriate budget page.

Depreciation

Where a service employs fixed assets in service delivery, depreciation on those assets is charged to the relevant service. This however does not impact on the level of Council Tax, these charges are reversed out in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Pension costs

The budget shows the current service cost element of the pension scheme relating to those employees currently in service. These figures have increased however in calculating the amount to charge against the Council Tax an amount is reversed out in the budget summary to bring the figures back to the Councils contributions to the Fund.

Revenue Expenditure funded from Capital under statute

Some expenditure incurred by the authority is of a capital nature but does not relate to fixed assets of the Authority. In this situation the expenditure is classified as revenue but can be funded from capital resources the funding side of the transaction like the depreciation reversals is shown in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Compliance with accounting guidance

The 2014/15 budget has been prepared in accordance with the latest guidance, in particular the Service Reporting Code of Practice for Local Authorities (SeRCOP). The code of practice replaced the Best Value Accounting Code of Practice and has the status of statutory "proper practice". It is also expected that members of CIPFA will comply with all the requirements of the Code as it defines best professional practice in terms of financial reporting. The only divergence from the code in these budget papers occurs where the Directorate service groupings differ from those required by the Code of Practice. The Directorate groupings are given precedence in these papers.

In order to increase the degree of consistency across all sectors of the economy when presenting financial information, central government has adopted International Financial Reporting Standards (IFRS). Local Authorities have adopted this for financial years beginning on 1 April 2010. IFRS is more concerned with the presentation of financial information in the Statutory Statement, but there is a minor impact on the budget figures.

Budget format

Even though the Directorate Structure has changed, the format of the attached budget papers is the same as that adopted last year. The summary page is split into three groups: Direct Services, Regulatory Services and Support & Trading Services. Not all Directorates will have all three types of service grouping. The additional DDF requirements and the ongoing savings as a result of the restructure are shown as part of the Support and Trading Services and these figures do not come back to zero because of this.

Direct Services –These reflect the headline services provided by the directorate.

Regulatory Services –The Cabinet has no part to play in the exercise of regulatory functions such as planning and licensing. However the Cabinet is responsible for the totality of the Council's budget. The costs of the regulatory functions therefore have been included in the appropriate Directorate budgets.

Support and Trading Services -Responsibility for support services and trading type arrangements has been split across a number of Directorates. In order to be transparent about the costs associated with these areas, they have been included in the relevant Directorate. However the net cost of these services is recharged to the direct and regulatory functions, either within the same Directorate or across a number of Directorates. Therefore to avoid double counting the costs are reversed out so as to arrive back at the true net cost of the Directorate.

The summary page then includes the traditional re-analysis of the budget in terms of its' opening Continuing Services Budget, CSB growth and savings, and District Development Fund expenditure and savings.

Communities Directorate

General Fund Estimate Summary

2012/13 Actual £000	2013/14 Original Estimate £000	2013/14 Probable Outturn £000		2014/15 Gross Expend £000	2014/15 Gross Income £000	Net Expend £000
Direct Services						
878	1,287	775	Housing General Fund	1,196	486	710
288	270	385	Homelessness	444	107	337
402	435	409	Voluntary Sector Support	462	11	451
769	759	748	Community Services	1,035	268	767
1,085	1,106	1,141	Sports Development & Other Miscellaneous Amenities	1,535	280	1,255
3,422	3,857	3,458	Total (Transferred to GF Summary)	4,672	1,152	3,520
Support and Trading Services						
552	536	566	Support and Trading Services	912	311	601
(277)	(277)	(284)	Recharged to this Directorate	(599)	(297)	(302)
(275)	(259)	(282)	Recharged to other Directorate	(308)	(14)	(294)
0	0	0	Total	5	0	5
3,422	3,857	3,458	Directorate Total	4,677	1,152	3,525
2,815	3,862	3,464	Continuing Services Budget			3,453
0	12	12	Continuing Services Budget - Growth			5
(136)	(61)	(38)	Continuing Services Budget - Savings			(23)
2,679	3,813	3,438	Total Continuing Services Budget			3,435
863	242	356	District Development Fund - Expenditure			227
(120)	(198)	(336)	District Development Fund - Savings			(137)
743	44	20	Total District Development Fund			90
3,422	3,857	3,458	Directorate Total			3,525

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Communities Directorate

Development Fund and Growth Items

		Original 2013/14 £000's	Probable Outturn 2013/14 £000's	Original 2014/15 £000's
CSB Growth Items				
Sports Development & Other				
Misc. Amenities	All Weather Pitch	(32)	(9)	(23)
	Youth Council	12	12	
Support Services	Transfer replacement cameras to capital	(25)	(25)	
	Grant Finder Subscription Discontinued	(4)	(4)	
	Directorate restructure Increase/(Savings)			5
		<u>(49)</u>	<u>(26)</u>	<u>(18)</u>
Development Fund Items				
Housing General Fund	Essex Rental Loan Scheme	52	52	
	Essex Rental Loan Scheme	(52)	(52)	
	ECC Mobile Homes/Site Improvements	14	14	
Voluntary Services	Furniture Exchange Scheme		15	
	VAEF Transport Scheme	16	(16)	32
Sports Development & Other				
Misc. Amenities	Analysts post	14	27	14
	Contributions to Analyst post		(28)	
	Sports Development - Additional Projects	94	188	137
	Sports Development - Additional Projects	(94)	(188)	(137)
	Safeguarding			44
Support Services	Redundancy		8	
		<u>44</u>	<u>20</u>	<u>90</u>

Communities Directorate

Housing General Fund

Private Sector Grants funded from revenue

There are no major variances on this service.

Private Sector Grants funded from capital

This heading included a number of grants made to assist owner occupiers to maintain the standard of their properties. Apart from Disabled Facilities Grants which are continuing and are funded in part by central government, all other grants have been replaced by repayable loans and as such are not a revenue expense. The net expenditure has reduced as a result.

Care and Repair

Net Expenditure has reduced here due to the decision to levy charges on the users of the Handyman

House Condition Survey

The House Condition Survey has been completed. A further survey will not be required for five years.

Housing Strategy

Regular reviews of the housing strategy in relation to General Fund Housing are carried out by the Housing Policy Group and hence the fluctuations in estimates are generally minimal.

Affordable Housing Support

This budget relates to affordable housing work with private sector landlords. The main initiative currently is the B3 living project in which loans are made to a Housing association to assist with property purchase for first time buyers.

Traveller Matters

This budget relates to amounts of staff time dealing with the statutory twice annual Gypsy Caravan count related to the traveller community.

Communities Directorate

Housing General Fund

2012/13	2013/14			2014/15		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
(142)	182	181	Private Sector Grants (Revenue Funded)	185	0	185
501	250	85	Private Sector Grants (Capital Funded)	366	366	0
290	297	295	Repairs to Private Dwellings	305	1	304
6	13	8	General Improvement Areas	16	0	16
121	116	109	Care & Repair	222	119	102
10	0	0	House Condition Survey	0	0	0
37	41	38	Housing Strategy	39	0	39
36	370	41	Affordable Housing Support	46	0	46
19	18	16	Traveller Matters	17	0	17
878	1,287	775	Total (Transferred to Summary)	1,196	486	710
878	1,273	761	Continuing Services Budget			710
0	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
878	1,273	761	Total Continuing Services Budget			710
0	66	66	District Development Fund - Expenditure			0
0	(52)	(52)	District Development Fund - Savings			0
0	14	14	Total District Development Fund			0
878	1,287	775	Directorate Total			710

Communities Directorate

Homelessness

The Housing Options Service will always seek to prevent homelessness on cases they deal with. However in cases they are unable to prevent homelessness occurring, they will ensure that the Council fulfils its statutory duty under homeless legislation.

Homelessness

The housing options team are now spending more time on homeless duties and hence their allocations reflect this. There is less time therefore being spent on arranging bed and breakfast accommodation. The grants receivable accounted for previously under this heading now form part of the Revenue Support Grant.

Bed and Breakfast Accommodation

Less time is being spent dealing with bed and breakfast placements as fewer are currently necessary.

Communities Directorate

Homelessness

2012/13	2013/14			2014/15		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		Gross	Gross	Net
<i>£000</i>	<i>Estimate</i>	<i>Outturn</i>		Expend	Income	Expend
<i>£000</i>	<i>£000</i>	<i>£000</i>		£000	£000	£000
239	241	369	Homelessness	319	0	319
49	29	16	Bed & Breakfast Accommodation	125	107	18
288	270	385	Total (Transferred to Summary)	444	107	337
298	270	385	Continuing Services Budget			337
0	0	0	Continuing Services Budget - Growth			0
(10)	0	0	Continuing Services Budget - Savings			0
288	270	385	Total Continuing Services Budget			337
5	52	52	District Development Fund - Expenditure			0
(5)	(52)	(52)	District Development Fund - Savings			0
0	0	0	Total District Development Fund			0
288	270	385	Portfolio Total			337

Communities Directorate

Voluntary Sector Support

The following budgets represent the Council's support to outside voluntary and charitable bodies working in the communitiy

Grants to Voluntary Organisations

A sum of money is available for voluntary organisations meeting a set of criteria to submit claims within the year for assistance with their outgoings.

Other Voluntary Sector Support

The Essex Women's Refuge, Citizens Advice Bureau and Voluntary Action Epping Forest (VAEF) receive a set amount of funding to be used for the benefit of local residents. This funding is to remain at its current level over the foreseeable future.

Welfare Transport

A grant is available for the VAEF Community Transport scheme. This has been under utilised in the past until a new independent trust is formalised. The DDF sum available of £16,020 has been carried forward for use when the trust is finally set up.

Communities Directorate

Voluntary Sector Support

2012/13	2013/14			2014/15		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		Gross	Gross	Net
£000	£000	£000		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
189	188	201	Grants to Voluntary Organisations	190	0	190
18	18	18	Grant to Essex Women's Refuge	18	0	18
132	133	130	Grant to Citizens Advice Bureau	130	0	130
60	61	58	Grant to VAEF	74	11	63
3	35	2	Welfare Transport	50	0	50
402	435	409	Total (Transferred to Summary)	462	11	451
412	419	410	Continuing Services Budget			419
0	0	0	Continuing Services Budget - Growth			0
(10)	0	0	Continuing Services Budget - Savings			0
402	419	410	Total Continuing Services Budget			419
5	16	15	District Development Fund - Expenditure			32
(5)	0	(16)	District Development Fund - Savings			0
0	16	(1)	Total District Development Fund			32
402	435	409	Portfolio Total			451

Communities Directorate

Community Services

Community Arts

Epping Forest Arts is the community arts service for the Council. It delivers and develops a wide ranging programme of events, projects and workshops, in a variety of locations, working in partnership with other agencies, and often working with socially excluded and hard to reach groups within the community. Epping Forest Arts aims to enable all sections of the community to have access to high quality arts provision. There are no significant variations between original 2013/14 and original 2014/15. The reduction in the probable

Arts Programme

There are no significant variations to report on this budget.

Museum

The increase in the original 13/14 to original 14/15 is due to amendments in staff allocation.

Regional Touring Exhibitions

There are two projects in this budget for 2013/14 and 2014/15. These are Working with young people and Renaissance Strategic Support.

Lowewood Museum

A five year service level agreement was agreed with Broxbourne Borough Council to manage Lowewood Museum in Hoddeson from 1st February 2012. Expenditure incurred by this Council is reimburse by

Heritage Lottery Fund

This budget includes the major redevelopment of the Epping Forest district museum made possible through a major grant from the Heritage Lottery fund. This project will create a major new heritage and community resource in Waltham Abbey, through expanding and redeveloping the existing museum currently housed in two listed buildings to accommodate the 1st floor of the adjoining premises at 37 Sun Street. The costs here

Communities Directorate

Arts & Museum

2012/13	2013/14			2014/15		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		<i>Gross</i>	<i>Gross</i>	<i>Net</i>
£000	£000	£000		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
319	321	312	Community Arts	320	0	320
9	11	10	Arts Programme	21	11	10
0	0	0	Arts External Funding	11	11	0
434	427	426	Museum	444	7	437
0	0	0	Regional Touring Exhibitions	81	81	0
0	0	0	Lowewood Museum	64	64	0
7	0	0	Heritage Lottery Fund	94	94	0
769	759	748	Total (Transferred to Summary)	1,035	268	767
793	759	748	Continuing Services Budget			767
0	0	0	Continuing Services Budget - Growth			0
(24)	0	0	Continuing Services Budget - Savings			0
769	759	748	Total Continuing Services Budget			767
0	0	0	District Development Fund - Expenditure			0
0	0	0	District Development Fund - Savings			0
0	0	0	Total District Development Fund			0
769	759	748	Directorate Total			767

Communities Directorate

Sports Development and Other Miscellaneous Amenities

Marketing & Promotions

There are no significant variations to report to this budget.

Lifewalks

Lifewalks is a walking for health scheme run by the Council. Walkers have a weekly choice of five health walks around the district. The increase in the probable outturn and 2014/15 is due to staff allocations revisions.

New Horizons

New Horizons is a leisure and social programme for elderly people, which operates across the whole of the district. The programme includes swimming, yoga, dancing and bowls. The reduction in probable outturn and 2014/15 is due to amendments in staff allocations.

Sports Development

The increase in budget from original 2013/14 to original 2014/15 is due to staff allocations revisions, and reduction in income.

Sports Development External Funding

This budget consists of several projects that are match funded, the only charge to the Council are internal recharges for the overheads, such as computers, accomodation and so on. The projects included are Inclusive projects, Disability projects, Community sports network, Health works and Epping Forest bounce.

Community Development

There has been a reduction in budget from original 2013/14 to original 2014/15 due to the removal of the portacabin.

Safer Communities and Crime and Disorder Initiatives

The budget relates to the Council's involvement in community safety within the District by working in partnership with other public services, the private sector and voluntary groups to reduce crime, the fear of crime, offending and criminality in the local community.

The increase in 2014/15 is due to the DDF for two Safeguarding posts to be employed on a fixed contract for two years at a cost of £44,000 for each of the 2014/15 and 2015/16 financial years.

Active Health

This represents match funded initiatives that came to an end in May 2013.

Limes Farm Centre

The increase in Net Expenditure from original 2013/14 to original 2014/15 is due to a decrease in expected income for lettings of the hall.

Youth Strategy/Youth Council

The Youth Strategy budget has increased slightly from original 2013/14 to original 2014/15 due to support services. There are no significant variations to report on the Youth Council budget.

All Weather Pitch

The completion of the new Townmead All Weather Pitch has been delayed until 1st January 2014, therefore the probable outturn reflects only three months income for 2013/14. In 2014/15 onwards gross income is estimated at £35,000.

Communities Directorate

Sports Development & Other Miscellaneous Amenities

2012/13	2013/14			2014/15		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
39	41	41	Marketing & Promotions	42	0	42
25	27	52	Lifewalks	60	6	54
49	48	33	New Horizons	63	28	35
187	188	184	Sports Development	216	14	202
0	0	30	Sports Development External Funding	138	111	27
249	260	249	Community Development	279	28	251
327	372	349	Safer Communities	441	17	424
0	0	0	Active Health	0	0	0
55	42	43	Limes Farm Centre	83	36	47
89	91	91	Youth Strategy	93	0	93
38	40	39	Youth Council	39	0	39
0	0	10	Epping Forest Youth Futures	18	5	13
2	(28)	(7)	All Weather Pitch	37	35	2
25	25	26	North Weald Gym	26	0	26
1,085	1,107	1,141	Total (Transferred to Summary)	1,535	280	1,255
1,064	1,113	1,139	Continuing Services Budget			1,220
0	12	12	Continuing Services Budget - Growth			0
(11)	(32)	(9)	Continuing Services Budget - Savings			(23)
1,053	1,093	1,142	Total Continuing Services Budget			1,197
155	108	215	District Development Fund - Expenditure			195
(123)	(94)	(216)	District Development Fund - Savings			(137)
32	14	(1)	Total District Development Fund			58
1,085	1,107	1,141	Directorate Total			1,255

Communities Directorate
Support and Trading Services

Deputy Chief Executive Policy Group

The increase in probable outturn and 2014/15 estimates is due to revisions in support services.

Deputy Chief Executive Admin Group

The increase in probable outturn and 2014/15 estimates is due to revisions in support services.

Communities Directorate

Support Services

2012/13	2013/14			2014/15		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
357	348	378	Deputy Chief Executive Policy Group	401	0	401
195	188	189	Deputy Chief Executive Admin Group	209	9	200
0	0	0	Leasehold Services Administration	302	302	0
552	536	566	Total (Transferred to Summary)	912	311	601
643	565	587	Continuing Services Budget			596
0	0	0	Continuing Services Budget - Growth			5
(101)	(29)	(29)	Continuing Services Budget - Savings			0
542	536	558	Total Continuing Services Budget			601
17	0	8	District Development Fund - Expenditure			0
(7)	0	0	District Development Fund - Savings			0
10	0	8	Total District Development Fund			0
552	536	566	Directorate Total			601

COMMUNITIES DIRECTORATE

SUBJECTIVE ANALYSIS 2014/15

Cost Centre	Employee	Premises	Transport	Supplies	Other Contracted Services	Support Services	Depreciation	Gross Expenditure	Internally Recharged	Fees and Charges	Government Grants	Other Contributions	Gross Income	Net Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Housing General Fund														
Repairs to Private Dwellings	205,520	0	10,130	4,490	0	84,620	0	304,760	0	650	0	0	650	304,110
Private Sector Housing Grants	106,410	0	4,660	366,030	0	74,170	0	551,270	0	0	366,000	0	366,000	185,270
General Improvement Areas	0	16,290	0	0	0	0	0	16,290	0	0	0	0	0	16,290
Care & Repair	88,130	0	3,860	35,030	30,250	64,600	0	221,870	0	0	0	119,530	119,530	102,340
House Condition Survey	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Affordable Housing Support	11,710	0	640	20,060	0	13,710	0	46,120	0	0	0	0	0	46,120
Housing Strategy	10,910	0	110	10	0	28,170	0	39,200	0	0	0	0	0	39,200
Traveller Matters	10,700	0	530	10	0	5,400	0	16,640	0	0	0	0	0	16,640
Homelessness														
Homelessness	181,310	0	4,280	68,070	0	65,710	0	319,370	0	0	0	0	0	319,370
Bed & Breakfast Accommodation	18,270	95,000	760	20	0	10,930	0	124,980	0	0	0	107,490	107,490	17,490
Voluntary Sector Support														
Grants to Voluntary Organisations	48,570	0	1,870	111,760	0	27,230	0	189,430	0	0	0	0	0	189,430
Grant to Essex Women's Refuge	0	0	0	16,940	0	1,220	0	18,160	0	0	0	0	0	18,160
Grant to Citizens Advice Bureau	11,000	0	380	113,870	0	5,140	0	130,390	0	0	0	0	0	130,390
Grant to VAEF	0	0	0	39,260	0	34,640	0	73,900	0	0	0	11,360	11,360	62,540
Welfare Transport	1,480	0	50	48,060	0	700	0	50,290	0	0	0	0	0	50,290
Arts & Museum														
Community Arts	186,990	0	8,900	5,250	0	119,040	0	320,180	0	0	0	0	0	320,180
Arts Programme	1,170	1,600	150	17,970	0	0	0	20,890	0	10,500	0	0	10,500	10,390
Arts External Funding				10,600				10,600				10,600	10,600	0
Museum	228,860	67,180	8,520	31,600	0	95,730	12,580	444,470	0	6,660	0	1,250	7,910	436,560
Regional Touring Exhibitions	29,170	6,000	2,000	42,500	0	1,150	0	80,820	0	0	0	80,820	80,820	0
Lowewood Museum	42,230	500	2,450	13,660	0	5,130	0	63,970	0	0	0	63,970	63,970	0
Heritage Lottery Fund	51,640	780	0	39,040	0	2,290	0	93,750	0	0	0	93,750	93,750	0
Sports Development & Other Miscellaneous Amenities														
Marketing & Promotions	8,980	2,110	430	11,550	0	19,100	0	42,170	0	0	0	0	0	42,170
Lifewalks	29,360	0	660	2,470	0	27,090	0	59,580	0	5,530	0	0	5,530	54,050
New Horizons	20,100	0	590	15,030	0	27,210	0	62,930	0	27,520	0	0	27,520	35,410
Sports Development	106,250	0	4,660	18,120	0	86,810	0	215,840	0	14,180	0	0	14,180	201,660
Sports Development External Fun	50,160	0	3,110	67,210	0	17,240	0	137,720	0	0	0	110,630	110,630	27,090
Community Development	135,370	1,650	4,970	27,880	0	108,710	430	279,010	0	18,470	0	10,000	28,470	250,540
Safer Communities	226,120	30	11,270	59,480	0	142,100	1,800	440,800	0	0	0	16,770	16,770	424,030
Active Health	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limes Farm Centre	30,260	34,460	210	4,740	0	18,960	36,550	82,930	(42,250)	25,000	0	11,100	36,100	46,830
Youth Strategy	43,030	0	2,050	10,510	0	37,410	0	93,000	0	0	0	0	0	93,000
Epping Forest Youth Futures	12,890	0	620	0	0	4,360	0	17,870	0	0	0	4,960	4,960	12,910
Youth Council	22,630	0	4,420	4,110	0	8,030	0	39,190	0	0	0	0	0	39,190
All Weather Pitch	0	0	0	0	0	0	37,090	37,090	0	35,000	0	0	35,000	2,090
North Weald Gym	1,040	940	50	0	0	380	23,840	26,250	0	0	0	0	0	26,250
TOTAL (Trans to GF summary)	1,920,260	226,540	82,330	1,205,330	30,250	1,136,980	112,290	4,671,730	(42,250)	143,510	366,000	642,230	1,151,740	3,519,990
Support and Trading Services														
Deputy Chief Executive Policy Gr	278,260	0	11,140	610	0	110,930	0	400,940	(395,930)	0	0	0	0	5,010
Deputy Chief Executive Admin Gr	100,690	0	250	25,700	0	82,190	0	208,830	(199,830)	0	0	9,000	9,000	0
Community & Culture	597,620	0	26,980	160	0	215,030	0	839,790	(839,790)	0	0	0	0	0
Leasehold Services Administration	110,250	63,220	2,570	3,580	0	122,360	0	301,980	0	0	0	301,980	301,980	0
CCTV Cameras	80,500	480	4,980	35,640	0	56,020	26,590	204,210	(203,350)	360	0	500	860	0
Total Support & Trading Service	976,570	0	38,370	26,470	0	408,150	0	1,449,560	(1,435,550)	0	0	310,980	310,980	5,010
TOTAL	2,896,830	226,540	120,700	1,231,800	30,250	1,545,130	112,290	6,121,290	(1,477,800)	143,510	366,000	953,210	1,462,720	3,525,000

**GOVERNANCE DIRECTORATE
ESTIMATES 2014/15**

Governance Directorate

Revenue Budget 2014/15

Introduction

The budget has been prepared in line with the revised management structure that comes into effect from 1 April 2014. As a result of the restructure staff savings have been achieved and these have been allocated as far as practically possible to the Directorate where the savings will fall. An assessment has also been made of the effect on the Housing Revenue Account. The exact allocation of the savings between the General Fund and Housing Revenue Account will not be known until the 2014/15 budget is revisited in late 2014.

The Governance Directorate is responsible for the services listed on the summary page, opposite.

Further detail of the services and the related CSB growth and DDF items are shown on the appropriate budget page.

Depreciation

Where a service employs fixed assets in service delivery, depreciation on those assets is charged to the relevant service. This however does not impact on the level of Council Tax, these charges are reversed out in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Pension costs

The budget shows the current service cost element of the pension scheme relating to those employees currently in service. These figures have increased however in calculating the amount to charge against the Council Tax an amount is reversed out in the budget summary to bring the figures back to the Councils contributions to the Fund.

Revenue Expenditure funded from Capital under statute

Some expenditure incurred by the authority is of a capital nature but does not relate to fixed assets of the Authority. In this situation the expenditure is classified as revenue but can be funded from capital resources the funding side of the transaction like the depreciation reversals is shown in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Compliance with accounting guidance

The 2014/15 budget has been prepared in accordance with the latest guidance, in particular the Service Reporting Code of Practice for Local Authorities (SeRCOP). The code of practice replaced the Best Value Accounting Code of Practice and has the status of statutory "proper practice". It is also expected that members of CIPFA will comply with all the requirements of the Code as it defines best professional practice in terms of financial reporting. The only divergence from the code in these budget papers occurs where the Directorate service groupings differ from those required by the Code of Practice. The Directorate groupings are given precedence in these papers.

In order to increase the degree of consistency across all sectors of the economy when presenting financial information, central government has adopted International Financial Reporting Standards (IFRS). Local Authorities have adopted this for financial years beginning on 1 April 2010. IFRS is more concerned with the presentation of financial information in the Statutory Statement, but there is a minor impact on the budget figures.

Budget format

Even though the Directorate Structure has changed, the format of the attached budget papers is the same as that adopted last year. The summary page is split into three groups: Direct Services, Regulatory Services and Support & Trading Services. Not all Directorates will have all three types of service grouping. The additional DDF requirements and the ongoing savings as a result of the restructure are shown as part of the Support and Trading Services and these figures do not come back to zero because of this.

Direct Services –These reflect the headline services provided by the directorate.

Regulatory Services –The Cabinet has no part to play in the exercise of regulatory functions such as planning and licensing. However the Cabinet is responsible for the totality of the Council's budget. The costs of the regulatory functions therefore have been included in the appropriate Directorate budgets.

Support and Trading Services -Responsibility for support services and trading type arrangements has been split across a number of Directorates. In order to be transparent about the costs associated with these areas, they have been included in the relevant Directorate. However the net cost of these services is recharged to the direct and regulatory functions, either within the same Directorate or across a number of Directorates. Therefore to avoid double counting the costs are reversed out so as to arrive back at the true net cost of the Directorate.

Governance Directorate

General Fund Estimate Summary

2012/13	2013/14			2014/15		
Actual £000	Original Estimate £000	Probable Outturn £000		Gross Expend £000	Gross Income £000	Net Expend £000
Direct Services						
398	261	236	Elections	523	110	413
945	1,010	1,019	Member Activities	1,322	283	1,039
1,529	1,564	1,484	Planning	2,522	964	1,558
231	253	222	Other Activities	511	195	316
3,103	3,088	2,961	Total (Transferred to GF Summary)	4,878	1,552	3,326
Support and Trading Services						
385	389	410	Corporate Support Policy	450	0	450
472	488	492	Democratic Services	517	0	517
233	243	255	Internal Audit	265	0	265
692	746	755	Legal Services	834	51	783
183	198	180	Performance Management Unit	205	0	205
438	459	454	Public Relations & Information	480	0	480
694	677	625	Planning Administration	709	0	709
145	153	213	Planning Policy Group	122	0	122
(3,242)	(3,353)	(3,327)	Recharged to Services	(3,610)	(51)	(3,559)
0	0	58	Total	(27)	0	(27)
3,103	3,088	3,019	Directorate Total	4,851	1,552	3,299
3,072	3,274	3,233	Continuing Services Budget			3,137
152	19	104	Continuing Services Budget - Growth			24
(204)	(101)	(190)	Continuing Services Budget - Savings			(73)
3,020	3,192	3,147	Total Continuing Services Budget			3,088
286	90	220	District Development Fund - Expenditure			333
(203)	(194)	(348)	District Development Fund - Savings			(122)
83	(104)	(128)	Total District Development Fund			211
3,103	3,088	3,019	Directorate Total			3,299

Governance Directorate

Development Fund & Growth Items

		Original 2013/14 £000's	Probable Outturn 2013/14 £000's	Original 2014/15 £000's
CSB Growth Items				
Building Control Ring Fenced Acc	Savings from removal Vacant Posts	(29)	(29)	
Building Control Ring Fenced Acc	Savings from removal Vacant Posts	19	19	
Building Control Ring Fenced Acc	Reduction in Fee Income		73	
Building Control Ring Fenced Acc	Reduction in Fee Income		(73)	
Development Control	Planning Fees increase	(50)	(24)	
Development Control	Pre Application Fees Increase		(32)	
Development Control	Publicity savings		(8)	
Conservation Policy	Conservation Advice SLA		12	2
Local Land Charges	ECC Charge for highways LLC search	(9)	(9)	
Democratic Services	Democratic Services Assistant (Premises Licences)			22
Performance Management	Staff Suggestion scheme		(2)	
Directorate Restructure	Savings			(73)
Directorate Savings	General	(5)	(5)	
Governance Directorate	Savings from removal Vacant Posts	(8)	(8)	
		(82)	(86)	(49)

		Original 2013/14 £000's	Probable Outturn 2013/14 £000's	Original 2014/15 £000's
Development Fund Items				
Elections	No District Elections May 2013	(110)	(110)	
Electoral Registration	Individual Registration Grant		(7)	(33)
Electoral Registration	Individual Registration Costs		7	33
Civic & Member	Electronic Delivery of Agendas	5	5	
Members Allowances	Members Mileage Tax 2009-2013		7	
Building Control Group	Salary saving re vacant posts (net of Consultants)	(36)	(79)	(89)
Building Control Group	Salary saving re vacant posts Ring Fenced Element	24	62	69
Development Control	Contingency for Appeals	50	48	
Development Control	Fees & Charges-additional large applications		(55)	
Development Control	Pre Application Consultants Fees - saving	(10)	(10)	
Development Control	Pre Application Fees Increase	(4)	(5)	
Planning Services	Technical Assistant - Conservation			7
Local Land Charges	Increased Income	(20)	(30)	
Local Land Charges	Claims for Personal Search charges		5	88
Democratic Services	Committee Officer - Licensing		17	
Planning Admin	Document Scanning		(20)	55
Planning Policy	Temporary Assistant Director Post (Economic Development)			24
Performance Management	Salary saving Economic Development secondment		(18)	
Public Relations & Information	Website Officer	11	11	11
Public Relations & Information	Contribution from Uttlesford toward post DPR/02	(14)	(14)	
Governance	Restructure - Severance Pay		58	46
		(104)	(128)	211

Governance Directorate

Elections

Electoral Registration

This budget incorporates the cost of maintaining an accurate Electoral Roll for the Epping Forest District area. Included in the 2013/14 and 2014/15 budgets is grant income and associated expenditure of £7,000 and £33,000 to fund the move to Individual Registration of Electors.

Elections

The 2013/14 Probable Outturn includes the cost of Essex County Council Elections held in May 2013 which have been fully reimbursed. Also included in the 2013/14 Probable Outturn is a DDF saving of £110,000 as no District elections were scheduled for 2013.

The 2014/15 budget includes the cost of running Elections in May 2014 for 1/3 of the District as well as the European Elections which will be 75% reimbursable. An amount of £5,500 is included to cover the cost of any by elections that may arise.

Governance Directorate

Elections

2012/13	2013/14			2014/15		
<i>Actual</i> £000	<i>Original</i> <i>Estimate</i> £000	<i>Probable</i> <i>Outturn</i> £000		Gross Expend £000	Gross Income £000	Net Expend £000
159	163	164	Electoral Registration	205	35	170
239	98	72	Elections	318	75	243
398	261	236	Total (Transferred to Summary)	523	110	413
377	371	346	Continuing Services Budget			413
3	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
380	371	346	Total Continuing Services Budget			413
221	0	7	District Development Fund - Expenditure			33
(203)	(110)	(117)	District Development Fund - Savings			(33)
18	(110)	(110)	Total District Development Fund			0
398	261	236	Directorate Total			413

Governance Directorate

Member Activities

Members Activities

Income shown on these budgets relate to recharges to the Housing Revenue Account which is assessed in accordance with CIPFA Accounting guidelines.

Civic Ceremonial

This budget includes the allowances payable to the Chairman and Vice-Chairman of the Council and related ceremonial expenditure including the Chairman's Awards. There is a change to the support service recharge to this budget which relates to the reallocation of costs of Democratic Services.

Civic and Member

This budget includes costs of members services and support, including training and accommodation costs of the council chamber and members room. The charges for support services have been allocated in accordance with CIPFA Accounting guidelines, as a result reductions are reflected in the 2013/14 Probable Outturn and 2014/15 Support Service recharge from Democratic Services.

Members Allowances

This budget consists of the payments of members allowances and Connect scheme payments to members. There is no significant change in this budget.

Overview and Scrutiny

This budget incorporates the operational costs of the Overview and Scrutiny Committee. The increased cost in the probable outturn 2013/14 and 2014/15 is as a result of higher recharges from the Democratic Services Group.

Standards Committee

This budget was approved to meet any costs incurred by the Standards Committee in respect of local adjudication on complaints against councillors. The increase on this budget relates to a change in the amount of time spent on these activities.

Governance Directorate

Member Activities

2012/13	2013/14			2014/15		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		Gross	Gross	Net
<i>£000</i>	<i>Estimate</i>	<i>Outturn</i>		Expend	Income	Expend
<i>£000</i>	<i>£000</i>	<i>£000</i>		£000	£000	£000
41	48	74	Civic Ceremonial	96	21	75
643	698	642	Civic & Member	857	191	666
241	242	253	Members Allowances	319	71	248
1	2	11	Overview & Scrutiny	11	0	11
19	20	39	Standards Committee	39	0	39
945	1,010	1,019	Total (Transferred to Summary)	1,322	283	1,039
948	1,005	1,007	Continuing Services Budget			1,039
0	0	0	Continuing Services Budget - Growth			0
(3)	0	0	Continuing Services Budget - Savings			0
945	1,005	1,007	Total Continuing Services Budget			1,039
0	5	12	District Development Fund - Expenditure			0
0	0	0	District Development Fund - Savings			0
0	5	12	Total District Development Fund			0
945	1,010	1,019	Directorate Total			1,039

Governance Directorate

Planning Services

Building Control Fee Earning

The Building Control chargeable activities relate mainly to checking of plans in accordance with work deposited under section 16 of the Building Act 1984, and site inspections in accordance with the regulations 2010.

Building Control income has been suffering from the downturn in the economy and competition from the commercial sector and the CSB reduction in income has been further reduced by £73,000. The balance on the Building Control Ring Fenced account at 31 March 2013 was a surplus £21,000, which will be eliminated by 31 March 2014. Cost savings on salaries and a proactive marketing strategy have been introduced in an attempt to minimise the impact of the anticipated deficits.

A review of the service is currently underway with a view to reversing the recent downward trend in activity and income.

Building Control Non Fee Earning

The Building Control non fee earning budget relates to aspects of the service which are not chargeable activities. Non-chargeable activities include liaison with statutory authorities, enforcement of national and local acts relating to building regulations, general advice, work relating to health, safety and welfare, and all other non chargeable services listed in the 2010 regulations.

Conservation Policy

The role of the Conservation team is to protect and enhance the appearance of the District, including those areas that require further protection due to their landscape quality, architectural or historical interest.

The Council has a service level agreement with Essex County Council for the provision of specialist advice on Conservation issues which has been renewed at a higher cost than previously agreed, as a result CSB growth of £12,000 and £2,000 is included in 2013/14 and 2014/15 respectively. An existing DDF carried forward from 2012/13 has been rephased and £7,000 will now be spent in 2014/15.

Development Control

The 2013/14 probable outturn includes a CSB reduction of £7,500 in publicity costs, other reductions in expenditure are due to decreases in support service recharges. The increase in Planning Application Fees originally estimated at £50,000 has been revised to £24,000 with a DDF amount of £55,000 included in 2013/14 as a number of large applications have been received. Further increases in income are included for pre application fees of £32,000 CSB and £5,000 DDF in 2013/14.

Development Control - Enforcement

This budget contains the costs of carrying out planning enforcement action on properties in the District. The reduction in the 2013/14 outturn is a result of reductions in Support Service allocations to the Development Control Group.

Planning Appeals

The 2013/14 budget included £48,000 DDF for Appeals Contingency which is now available for Direct Enforcement action costs. Any amounts unused will be carried forward to 2014/15.

Governance Directorate

Planning Services

2012/13 Actual £000	2013/14 Original Estimate Probable Outturn £000			2014/15 Gross Expend £000	2014/15 Gross Income £000	Net Expend £000
0	0	0	Building Control Fee Earning	386	386	0
153	163	126	Building Control Non Fee Earning	128	0	128
276	249	303	Conservation Policy	336	18	318
381	459	386	Development Control	1,010	555	455
495	476	461	Development Control Enforcement	479	0	479
224	217	208	Planning Appeals	183	5	178
1,529	1,564	1,484	Total (Transferred to Summary)	2,522	964	1,558

1,592	1,600	1,585	Continuing Services Budget	1,569
149	19	104	Continuing Services Budget - Growth	2
(185)	(79)	(166)	Continuing Services Budget - Savings	0
1,556	1,540	1,523	Total Continuing Services Budget	1,571
68	74	110	District Development Fund - Expenditure	76
(95)	(50)	(149)	District Development Fund - Savings	(89)
(27)	24	(39)	Total District Development Fund	(13)
1,529	1,564	1,484	Directorate Total	1,558

Governance Directorate

Other Activities

Local Council Liaison

This budget includes the operational costs which are support services of the Local Council Liaison Committee. The increase in costs is a result of an increased level of legal advice to the town and parish councils.

Local Land Charges

Local Land charges income has seen an increase in 2013/14, due to the recent upturn in the housing market, the DDF item for increased income has therefore been adjusted from £20,000 to £30,000.

The DDF item for £100,000 for claims by Personal search companies relating to reclaiming fees previously paid has been rephased to reflect those claims already settled (£7,000) and those outstanding to £5,000 in 2013/14 and £88,000 in 2014/15.

National Assistance Act Burials

It is the duty of the Council to bury or cremate the body of any person who has died in the Epping Forest District area, where no other suitable arrangements for the disposal of the body have been made. Direct costs are recovered where possible from the estate of the deceased person, and the costs shown for this budget relate to support service charges for work undertaken by the Corporate Support Services Administration group.

Compliments and Complaints

This budget relates to the operation of the compliments and complaints procedures. Increases in Support Service charges account for the change in 2013/14 and 2014/15.

Customer Services

This budget relates to the general liaison with the public. There is no significant change in this budget.

Governance Directorate

Other Activities

2012/13	2013/14			2014/15		
<i>Actual</i> £000	<i>Original Estimate</i> £000	<i>Probable Outturn</i> £000		Gross Expend £000	Gross Income £000	Net Expend £000
2	3	7	Local Council Liaison	7	0	7
108	119	84	Local Land Charges	365	195	170
14	11	8	National Assistance Act Burials	9	0	9
64	75	83	Compliments & Complaints	88	0	88
43	45	40	Customer Services	42	0	42
231	253	222	Total (Transferred to Summary)	511	195	316
231	282	256	Continuing Services Budget			228
0	0	0	Continuing Services Budget - Growth			0
0	(9)	(9)	Continuing Services Budget - Savings			0
231	273	247	Total Continuing Services Budget			228
0	0	5	District Development Fund - Expenditure			88
0	(20)	(30)	District Development Fund - Savings			0
0	(20)	(25)	Total District Development Fund			88
231	253	222	Directorate Total			316

Governance Directorate

Support Services

Corporate Support Policy Group

This is a support service group comprising the posts of Director and Assistant Directors of Corporate Support Services. The increase in this budget relates to the increase in Pension costs and a reallocation of support services.

One of the Assistant Directors post accounted for here has been removed from the establishment list as part of the Council restructure reducing the budget for 2014/15.

Democratic Services

This budget includes a DDF item of £17,000 in 2013/14 to fund a Committee officer to support the new arrangements for Premises Licences, this has been converted to a CSB growth item in 2014/15 of £22,000.

Internal Audit

The small change to this budget relates to incremental increases on salaries, and the increase in Pension costs.

Legal Services

The increase in this budget from the 2013/14 original relate to the increase in salaries and Pension costs.

Performance Management Unit

The increase in this budget relate to the increase in pension costs and support service recharges, offset by a CSB saving of £2,000 for the staff suggestion scheme. The 2013/14 probable outturn includes a DDF salary saving of £18,000 for a post seconded to Economic Development.

Public Relations & Information

The increase in this budget relates to the increase in pension costs and support service recharges. Included in the budgets are DDF amounts of £11,000 in 2013/14 and 2014/15 for a Website officer, a DDF contribution of £14,000 from Uttlesford District Council is included in 2013/14 towards a shared information and PR officer.

Planning Administration

The decrease in the probable outturn 2013/14 is as a result of a DDF saving of £20,000 for document scanning and a reduction in computer costs allocation to the planning admin group.

The DDF saving in the probable outturn 2013/14 will be used in 2014/15 in conjunction with £35,000 DDF fund subject to the approval of a cabinet report for this request. These monies will be used to fund the project of converting historical planning microfiche records containing four million images to electronic format.

Planning Policy Group

This is a support service group comprising the posts of Director and Assistant Directors of Planning Services. The increase in this budget for the probable outturn 2013/14 is due to a severance payment for the Director of Planning whose post has been removed from the establishment list as a result of the Council restructure. Thus this results in a saving and a lower budget for 2014/15.

Governance Directorate

Support Services

2012/13	2013/14			2014/15		
<i>Actual</i> £000	<i>Original Estimate</i> £000	<i>Probable Outturn</i> £000		Gross Expend £000	Gross Income £000	Net Expend £000
385	389	410	Corporate Support Policy	450	0	450
472	488	492	Democratic Services	517	0	517
233	243	255	Internal Audit	265	0	265
692	746	755	Legal Services	834	51	783
183	198	180	Performance Management Unit	205	0	205
438	459	454	Public Relations & Information	480	0	480
694	677	625	Planning Administration	709	0	709
145	153	213	Panning Policy Group	122	0	122
3,242	3,353	3,384	Total (Transferred to Summary)	3,583	51	3,532
3,261	3,369	3,365	Continuing Services Budget			3,447
0	0	0	Continuing Services Budget - Growth			22
(16)	(13)	(15)	Continuing Services Budget - Savings			(73)
3,245	3,356	3,350	Total Continuing Services Budget			3,396
(3)	11	86	District Development Fund - Expenditure			136
0	(14)	(52)	District Development Fund - Savings			0
(3)	(3)	34	Total District Development Fund			136
3,242	3,353	3,384	Directorate Total			3,532

**GOVERNANCE DIRECTORATE
SUBJECTIVE ANALYSIS 2014/15 ESTIMATES**

Cost Centre	Employees	Premises	Transport	Supplies	Third Party	Support Services	Depreciation	Gross Expenditure	(Internally Recharged)	Fees & Charges	Rental Income	Government Grant	Other Income	Gross Income	Net Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Elections															
Electoral Registration	68,920		1,630	82,140		52,630		205,320		2,000		33,000		35,000	170,320
Elections	36,110		1,250	217,880		62,870		318,110		-			75,000	75,000	243,110
Members															
Civic Ceremonial	-		4,000	29,690		62,030		95,720	(21,300)					-	74,420
Civic and Member	2,020		50	17,600		837,000		856,670	(190,610)					-	666,060
Members Allowances	1,750			309,300		8,170		319,220	(71,030)					-	248,190
Overview & Scrutiny Operational Budget				1,250		9,910		11,160						-	11,160
Standards Committee Operational Budget				5,000		34,100		39,100						-	39,100
Local Council Liaison						6,980		6,980						-	6,980
Planning															
Building Control Fee Earning	189,370		11,960	(30,320)		214,760	230	386,000		386,000				386,000	0
Building Control Non Fee Earning	56,630		3,570	4,010		63,580		127,790						0	127,790
Conservation Policy	187,520		4,890	48,420		94,680		335,510						17,520	317,990
Development Control	468,930		20,410	31,320		488,670	1,150	1,010,480		555,000				555,000	455,480
Enforcement	250,330		10,340	2,600		215,440		478,710		350				350	478,360
Planning Appeals	63,650		2,450	24,780		91,650		182,530		4,500				4,500	178,030
Other Activities															
Local Land Charges	147,420		260	122,450		94,690	150	364,970		194,940				194,940	170,030
National Assistance Burials				-		9,150		9,150		-				-	9,150
Compliments and Complaints				3,710		83,820		87,530							87,530
Customer Services				330		42,050		42,380							42,380
TOTAL (Transferred to GF Summary)	1,472,650	-	60,810	870,160	-	2,472,180	1,530	4,877,330	(282,940)	1,142,790	-	33,000	92,520	1,268,310	3,326,080
Support Services															
Corporate Support Policy Group	385,330		5,450	820		58,730		450,330	(423,420)					-	26,910
Democratic Services	348,030	1,250	2,310	7,820		157,770		517,180	(517,180)					-	-
Internal Audit	214,220		3,940	740		46,190		265,090	(265,090)					-	-
Legal Services	429,840		1,590	94,030		309,020		834,480	(783,180)	51,300				51,300	-
Performance Management Unit	136,760		300	6,930		60,600		204,590	(204,590)					-	-
Public Relations & Information	259,090		4,690	81,570	20,400	113,960		479,710	(479,710)					-	-
Planning Administration	339,280	0	1,080	108,910		255,470	3,860	708,600	(708,600)	0				-	-
Planning Policy Group	89,747		1,449	91		30,856		122,143	(175,993)					-	(53,850)
TOTAL	2,202,297	1,250	20,809	300,911	20,400	1,032,596	3,860	3,582,123	(3,557,763)	51,300	-	-	-	51,300	(26,940)
DIRECTORATE TOTAL	3,674,947	1,250	81,619	1,171,071	20,400	3,504,776	5,390	8,459,453	(3,840,703)	1,194,090	-	33,000	92,520	1,319,610	3,299,140
Policy Unit Group	75,955		2,160	205		37,335		115,655	(115,655)					-	-
Building Control Group	294,310		18,210	40		316,090		628,650	(628,650)					-	-
Development Control Group	676,550		27,640	1,900		556,030		1,262,120	(1,262,040)				80	80	-
TOTAL	1,046,815	-	48,010	2,145	-	909,455	-	2,006,425	(2,006,345)	-	-	-	80	80	-

**NEIGHBOURHOODS
DIRECTORATE
ESTIMATES 2014/15**

Neighbourhoods

Revenue Budget 2014/15

Introduction

The budget has been prepared in line with the revised management structure that comes into effect from 1 April 2014. As a result of the restructure staff savings have been achieved and these have been allocated as far as practically possible to the Directorate where the savings will fall. An assessment has also been made of the effect on the Housing Revenue Account. The exact allocation of the savings between the General Fund and Housing Revenue Account will not be known until the 2014/15 budget is revisited in late 2014.

The Resources Directorate is responsible for the services listed on the summary page, opposite.

Further detail of the services and the related CSB growth and DDF items are shown on the appropriate budget page.

Depreciation

Where a service employs fixed assets in service delivery, depreciation on those assets is charged to the relevant service. This however does not impact on the level of Council Tax, these charges are reversed out in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Pension costs

The budget shows the current service cost element of the pension scheme relating to those employees currently in service. These figures have increased however in calculating the amount to charge against the Council Tax an amount is reversed out in the budget summary to bring the figures back to the Councils contributions to the Fund.

Revenue Expenditure funded from Capital under statute

Some expenditure incurred by the authority is of a capital nature but does not relate to fixed assets of the Authority. In this situation the expenditure is classified as revenue but can be funded from capital resources the funding side of the transaction like the depreciation reversals is shown in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Compliance with accounting guidance

The 2014/15 budget has been prepared in accordance with the latest guidance, in particular the Service Reporting Code of Practice for Local Authorities (SeRCOP). The code of practice replaced the Best Value Accounting Code of Practice and has the status of statutory "proper practice". It is also expected that members of CIPFA will comply with all the requirements of the Code as it defines best professional practice in terms of financial reporting. The only divergence from the code in these budget papers occurs where the Directorate service groupings differ from those required by the Code of Practice. The Directorate groupings are given precedence in these papers.

In order to increase the degree of consistency across all sectors of the economy when presenting financial information, central government has adopted International Financial Reporting Standards (IFRS). Local Authorities have adopted this for financial years beginning on 1 April 2010. IFRS is more concerned with the presentation of financial information in the Statutory Statement, but there is a minor impact on the budget figures.

Budget format

Even though the Directorate Structure has changed, the format of the attached budget papers is the same as that adopted last year. The summary page is split into three groups: Direct Services, Regulatory Services and Support & Trading Services. Not all Directorates will have all three types of service grouping. The additional DDF requirements and the ongoing savings as a result of the restructure are shown as part of the Support and Trading Services and these figures do not come back to zero because of this.

Direct Services –These reflect the headline services provided by the directorate.

Regulatory Services –The Cabinet has no part to play in the exercise of regulatory functions such as planning and licensing. However the Cabinet is responsible for the totality of the Council's budget. The costs of the regulatory functions therefore have been included in the appropriate Directorate budgets.

Support and Trading Services -Responsibility for support services and trading type arrangements has been split across a number of Directorates. In order to be transparent about the costs associated with these areas, they have been included in the relevant Directorate. However the net cost of these services is recharged to the direct and regulatory functions, either within the same Directorate or across a number of Directorates. Therefore to avoid double counting the costs are reversed out so as to arrive back at the true net cost of the Directorate.

The summary page then includes the traditional re-analysis of the budget in terms of its' opening Continuing Services Budget, CSB growth and savings, and District Development Fund expenditure and savings.

Neighbourhoods Directorate

General Fund Estimate Summary

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	Net Expend £000's
Direct Services						
1,325	1,385	1,353	Environmental Health	1,464	31	1,433
(14)	(24)	67	Licensing	382	296	86
2,043	2,014	1,960	Leisure Management	2,012	1	2,011
(400)	(75)	62	North Weald Airfield Operations	969	1,069	(100)
175	190	197	Emergency Planning	205	0	205
4,721	5,052	4,862	Waste Management	7,626	2,719	4,907
741	759	740	Land Drainage & Sewerage	756	15	741
915	961	1,021	Parks and Grounds	1,080	9	1,071
78	129	157	Tech. Services Other Activities	1,573	1,524	49
1,262	1,254	1,414	Forward Planning & Economic Development	1,367	5	1,362
(2,672)	(2,318)	(2,455)	Land & Property	697	3,151	(2,454)
8,174	9,327	9,378	Directorate Total	18,131	8,820	9,311
Support and Trading Services						
4,119	4,384	4,252	Support and Trading Services	4,502	166	4,336
(4,119)	(4,384)	(4,122)	Recharges	(4,585)	(166)	(4,419)
0	0	130	Total	(83)	0	(83)
8,174	9,327	9,508	Directorate Total	18,048	8,820	9,228
8,944	8,711	8,394	Continuing Services Budget			8,880
204	174	463	Continuing Services Budget - Growth			99
(744)	(378)	(537)	Continuing Services Budget - Savings			(517)
8,404	8,507	8,320	Total Continuing Services Budget			8,462
230	843	1,262	Development Fund - Expenditure			784
(460)	(23)	(74)	Development Fund - Savings			(18)
(230)	820	1,188	Total District Development Fund			766
8,174	9,327	9,508	Directorate Total			9,228

Neighbourhoods Directorate
Development Fund & Growth Items

		Original 2013/14 £000's	Probable Outturn 2013/14 £000's	Original 2014/15 £000's
CSB Growth Items				
Licensing	Licensing Officer (Premises Licences)			26
Leisure Management	Loughton Leisure Centre management fee reduction	(66)	(66)	
North Weald Centre	Loss of income market rents	174	348	
Waste Management	Gate fee saving		(42)	
	Existing Contract indices saving		(31)	
	Recycling credits reduction		7	
	Avoided Disposal Payment	(176)	(179)	
	Inter Authority Agreement - reduced ECC income			40
Land Drainage & Sewerage	Flood Defence Income from ECC			(6)
Technical Other	Car Parking - Change of Contractor	(23)	(23)	
	Car Parking - Loss of penalty notice income		52	
	Car Parking - NPASJ levy saving		(6)	
	HRA car parks transferred to General Fund			(10)
	Car park fee increases			(107)
	Fleet Ops - Reduced income		20	
Land & Property	Increased rental income - Brooker Road	(70)	(136)	
	Increased rental income - David Lloyd Centre		(11)	
	Increased rental income - Bridgeman House			(20)
	Increased rental income - 2 - 18 Torrington Drive			(224)
	Reduced Rental Income - Oakwood Hill Workshop Units		25	
Support Services	Estates & Valuations - Senior Surveyor		11	33
	Directorate re-structure savings			(150)
	Environmental Services salary savings	(33)	(33)	
	Grounds Maint. - Leasing cost Ransome mowers	(10)	(10)	
		<u>(204)</u>	<u>(74)</u>	<u>(418)</u>

Neighbourhoods Directorate
Development Fund & Growth Items

Development Fund Items	Original 2013/14 £000's	Probable Outturn 2013/14 £000's	Original 2014/15 £000's
Environmental Health			
Food Safety Inspections	4	5	4
Expenditure of government grant	10	16	
Eton Manor Prosecution costs		8	
Eton Manor Prosecution awarded costs		(70)	
Relocation of Superloo	21	21	
Licensing			
Additional Staff Premises Licences		19	4
North Weald Airfield Operations			
Loss of Income - Hangar 5	14	14	4
Loss of Income - Market Rents	125	11	
Safety of Bund	2	3	3
NWA consultancy exercise	76	152	
Waste Management			
Waste contract procurement consultants	100	60	40
Wheeled bin replacement	9	9	
Abandoned Vehicle Contract	4	4	4
Publicity		10	
Street cleansing arisings		(4)	(18)
Land Drainage and Sewers			
Contaminated Land Investigations	14	40	25
Parks & Grounds			
Roding Valley Lake - Disabled Projects	10		
Roding Valley Lake - Disabled Projects	(10)		
BRIE - SLA	5	4	4
Protected species\habitat related consultation	9	9	9
Tech. Services Other Activities			
Car Parks - Loss of pay and display income		43	
Forward Planning & Economic Development			
Town Centres Support\Portas funding	35	41	39
Local Plan	282	400	321
Business promotion and support			10
Project assistant		10	
Waltham Abbey Regeneration Projects	21	45	
Land & Property			
Council Asset Rationalisation	91	112	160
Council Asset Rationalisation HRA Contribution	(13)		
Reduced rental income - Oakwood Hill Ind. Unit		35	
Reduced rental income - Greenyard WA	11	11	
Support Services			
Restructure severance pay		130	66
Maternity cover		39	13
Temporary Assistant Director (Economic Development)			45
Additional staff - Surveyor		11	33
	820	1,188	766

Neighbourhoods Directorate

Environmental Health

Inspection of Workplaces

The decrease in 2013/14 is due to DDF income of £70,000 for court costs relating to the Eton Manor case. This offsets costs previously incurred and charged to the DDF in bringing the case to trial. There is also DDF expenditure related to unspent government grant of £16,000 received in a previous year.

Food Safety, Pollution Control & Monitoring and Neighbourhoods

There is an increase in costs for 2014/15 due to a budgeted staff pay rise of 1% and an increase in the employers contribution to pension costs.

Public Conveniences

The Council provides various Automatic Public Conveniences on a leased basis at various locations throughout the District, and two permanent building conveniences. One of the APC's is to be re-sited during 2013/14 which accounts for the decrease in expenditure for Original 2014/15.

Neighbourhoods Directorate

Environmental Health

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	2014/15 Net Expend £000's
188	225	235	Food Inspection	248	5	243
151	159	160	Pollution Control & Monitoring	176	0	176
4	6	7	Industrial Activities - Regulated	19	12	7
30	31	31	Pest Control	32	0	32
169	176	164	Animal Welfare Service	181	12	169
419	444	461	Neighbourhoods & Rapid Response	483	1	482
173	205	206	Public Conveniences	186	1	185
191	139	89	Inspection of Workplaces	139	0	139
1,325	1,385	1,353	Total	1,464	31	1,433
1,319	1,350	1,373	Continuing Services Budget			1,429
0	0	0	Continuing Services Budget - Growth			0
(32)	0	0	Continuing Services Budget - Savings			0
1,287	1,350	1,373	Total Continuing Services Budget			1,429
38	35	50	Development Fund - Expenditure			4
0	0	(70)	Development Fund - Savings			0
38	35	(20)	Total District Development Fund			4
1,325	1,385	1,353	Total			1,433

Neighbourhoods Directorate

Regulatory Services

Licensing Policy (Premises and Hackney Carriages)

The service for Hackney Carriages relates to the various aspects of regulatory licensing for public hire vehicles, and drivers, including taxi and hire cars (mini cabs). The Council has adopted powers to enable it to undertake this responsibility and as such there is now a statutory requirement. Fees are set by the Council, but Home Office guidance directs that the Council should not make a surplus.

The service for Licensing and Registration relates to a range of premises. Licensing applications (including renewal, variation, cancellation, transfer or imposition of conditions) are for public entertainment including music and dancing, sporting entertainment, theatres and cinemas, pet shops, animal breeding and boarding establishments, and riding establishments. Fees are set by the Council, but Home Office guidance suggests that they should be set at a level which covers the Councils costs of enforcement and administration. These responsibilities are statutory.

The Licensing Act 2003 governs the sale and supply of alcohol and control of public entertainment. Responsibility for licensing personnel and premises is the responsibility of District Councils who are the designated Licensing Authorities for the purposes of the Act.

The Gambling Act 2005 governs gambling by creating a single regulatory body, the Gambling Commission, and giving responsibility for licensing premises where gambling takes place to local authorities.

Licensing and Registration

Additional staff resources have been included, initially DDF in 2013/14 but then CSB growth in 2014/15 to cope with the increase in Licensing Panel meetings that are now taking place.

Hackney Carriages

Both 2013/14 and 2014/15 have seen an increase in staff time allocated here related to the driver knowledge tests. There has also been a reduction in fee income.

Neighbourhoods Directorate

Regulatory Services

2011/12	2012/13			2013/14		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		Gross	Gross	Net
£000	£000	£000		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
45	40	118	Licensing & Registration	241	115	126
(59)	(64)	(51)	Hackney Carriage Licensing	141	181	(40)
(14)	(24)	67	Total (Transferred to Summary)	382	296	86
(14)	(24)	48	Continuing Services Budget			56
0	0	0	Continuing Services Budget - Growth			26
0	0	0	Continuing Services Budget - Savings			0
(14)	(24)	48	Total Continuing Services Budget			82
0	0	19	District Development Fund - Expenditure			4
0	0	0	District Development Fund - Savings			0
0	0	19	Total District Development Fund			4
(14)	(24)	67	Directorate Total			86

Neighbourhoods Directorate

Leisure Management

General

The Council has four leisure facilities across the District, they have been run by Sports and Leisure Management Ltd. (SLM) on a seven year contract starting in January 2006. Due to the level of investment over the last couple of years this has been extended for a further 3 years. There has been an increase to the management fee in 2014/15 due to the annual uplift in the management contract which affects all the centres below.

Loughton Leisure Centre

The increase in budget from original 13/14 to probable outturn then again for original 14/15 is due to repairs and maintenance that are the responsibility of the Council.

Waltham Abbey Swimming Pool, Epping Sports Centre and Ongar Sports Centre

The budget has decreased from Original to Probable Outturn 2013/14 due to reallocation of some support services and a slight reduction in depreciation.

Olympic Support

This was a one off item in 2012/13 only.

Neighbourhoods Directorate

Leisure Management

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	2014/15 Net Expend £000's
572	494	503	Loughton Leisure Centre	520	1	519
613	641	613	Waltham Abbey Swimming Pool	626	0	626
416	425	407	Epping Sports Centre	414	0	414
424	454	437	Ongar Sports Centre	452	0	452
18	0	0	Olympic Support	0	0	0
2,043	2,014	1,960	Total	2,012	1	2,011
2,156	2,080	2,026	Continuing Services Budget			2,011
0	0	0	Continuing Services Budget - Growth			0
(96)	(66)	(66)	Continuing Services Budget - Savings			0
2,060	2,014	1,960	Total Continuing Services Budget			2,011
12	0	0	Development Fund - Expenditure			0
(29)	0	0	Development Fund - Savings			0
(17)	0	0	Total District Development Fund			0
2,043	2,014	1,960	Total			2,011

Neighbourhoods Directorate

North Weald Airfield Operations

North Weald Airfield

North Weald Airfield is owned by the Council and is used as a mixed aviation, recreational and employment site.

The popularity of the Saturday and Bank Holiday market has reduced somewhat and there are fewer traders attending and as a result public attendance is down. The operator asked for a reduction in the market rent from 1st January 2013 and this has continued throughout 2013/14 and expected to continue in 2014/15.

North Weald Airfield Strategy

A DDF amount of £76,000 was carried forward from the 2012/13 accounts and added to the £76,000 in the original 2013/14 estimate. Much of the work has now been completed.

Neighbourhoods Directorate

North Weald Airfield

2012/13 Actual £000's	2013/14 Original Estimate £000's	Probable Outturn £000's		2014/15 Gross Expend £000's	Gross Income £000's	Net Expend £000's
(444)	(151)	(90)	North Weald Airfield Operations	969	1,069	(100)
44	76	152	North Weald Airfield Strategy	0	0	0
(400)	(75)	62	Total	969	1,069	(100)
(461)	(466)	(466)	Continuing Services Budget			(107)
46	174	348	Continuing Services Budget - Growth			0
(27)	0	0	Continuing Services Budget - Savings			0
(442)	(292)	(118)	Total Continuing Services Budget			(107)
63	217	180	Development Fund - Expenditure			7
(21)	0	0	Development Fund - Savings			0
42	217	180	Total District Development Fund			7
(400)	(75)	62	Total			(100)

Neighbourhoods Directorate

Emergency Planning

Emergency Planning

The Council contributes 50% of the funding, in partnership with ECC, for the services of the Emergency Planning Officer. This officer is a requirement under the Civil Contingencies Act 2004, whereby the Council has a duty to provide emergency response services in the event of a local or national civil disaster, or emergency response in the event of a war.

Neighbourhoods Directorate

Emergency Planning

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	2014/15 Net Expend £000's
175	190	197	Emergency Planning	205	0	205
175	190	197	Total	205	0	205
166	190	197	Continuing Services Budget			205
0	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
166	190	197	Total Continuing Services Budget			205
18	0	0	Development Fund - Expenditure			0
(9)	0	0	Development Fund - Savings			0
9	0	0	Total District Development Fund			0
175	190	197	Total			205

Neighbourhoods Directorate

Waste Management

General

The estimates for the Waste Management Service have been compiled on the same basis as the current contract as the negotiations for a new contract are on going at this moment in time

The Waste Contract Procurement Consultant costs have been split across the Street Cleansing, Refuse Collection and Recycling services. The indices used for the uplift to the contract sum were slightly lower than expected leading to a small saving on all three services.

Below is an explanation of the main variances between original 2013/14, probable outturn and original 2014/15.

Street Cleansing

Variances have arisen due to timing differences for depreciation and the inflationary increase on the contract being lower than expected. Arisings from street sweeping collected by operatives are now being sent for recycling which attract income from ECC, additional net income of £4,000 and £18,000 has been included in the DDF for 2013/14 and 2014/15 respectively.

Refuse Collection

Some of the depreciation charges originally allocated here relate to recycling vehicles and are now accounted for under that heading. There is a reduction of £103,000 between the 2013/14 original and probable outturn, The reduction in 2014/15 is lower at £83,000.

As depreciation is reversed in the overall accounts it has no impact on the Council Tax.

Recycling

The depreciation charges here have been increased by £92,000 between 2013/14 original and probable outturn and £98,000 in 2014/15. These increased costs are off-set by a decrease of £42,000 in gate fees for recyclates.

Neighbourhoods Directorate

Waste Management

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	2014/15 Net Expend £000's
1,544	1,643	1,572	Street Cleansing	1,786	208	1,578
1,780	1,916	1,791	Refuse Collection	1,871	79	1,792
51	62	60	Abandoned Vehicles	60	0	60
1,346	1,431	1,439	Recycling	3,909	2,432	1,477
4,721	5,052	4,862	Total	7,626	2,719	4,907
5,224	5,115	5,028	Continuing Services Budget			4,841
9	0	7	Continuing Services Budget - Growth			40
(367)	(176)	(252)	Continuing Services Budget - Savings			0
4,866	4,939	4,783	Total Continuing Services Budget			4,881
10	113	83	Development Fund - Expenditure			44
(155)	0	(4)	Development Fund - Savings			(18)
(145)	113	79	Total District Development Fund			26
4,721	5,052	4,862	Total			4,907

Neighbourhoods Directorate

Land Drainage & Sewerage

Contaminated Land & Water Quality

Under Part 2a of the Environmental Protection Act 1990 the Council identifies, risk assesses and examines land to identify if it meets the criteria of Contaminated Land. The Council also has a duty to perform sampling and risk assessments on water quality under the Private Water Supplies Regulations 2009 and the Water Supply (Water Quality) Regulations 2000.

DDF allocations of £40,000 in 2013/14 and £25,000 in 2014/15 have been included for contaminated land investigations. This has increased the overall budget from the original 2013/14 figure.

Drainage Clearance Enforcement and Flood Defence & Land Drainage

There has been a decrease in estimates due to staff spending less time on these activities.

Neighbourhoods Directorate

Land Drainage & Sewerage

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	2014/15 Net Expend £000's
233	234	253	Contaminated Land & Water Quality	246	0	246
10	9	9	Sewerage	10	0	10
42	40	33	Drainage Clearance Enforcement	33	0	33
456	476	445	Flood Defence & Land Drainage	467	15	452
741	759	740	Total	756	15	741
779	745	700	Continuing Services Budget			722
0	0	0	Continuing Services Budget - Growth			0
(26)	0	0	Continuing Services Budget - Savings			(6)
753	745	700	Total Continuing Services Budget			716
0	14	40	Development Fund - Expenditure			25
(12)	0	0	Development Fund - Savings			0
(12)	14	40	Total District Development Fund			25
741	759	740	Total			741

Neighbourhoods Directorate

Parks and Grounds

Countrycare

The Countrycare Team provides a service to the Local Nature Reserves and other similar areas of land. The budgets for 2013/14 and 2014/15 include a DDF contribution of £4,000 (years 3 & 4 of 6 years) towards the development of a Biological Records Centre in Essex, and an amount of £8,840 for other protected species and habitat related consultation. Both of these are funded from the Habitats Regulations and Climate Change Planning Policy Grant received in a previous year. The increase in estimates from Probable Outturn to Original 2014/15 is due to re-allocations of staff time.

Chigwell Row (Charity Accounts)

This relates to open space at Chigwell Row; Lindersfield and Roebuck Lane; these are owned by charities, of which this Council is the sole trustee. The only financial transaction between the General Fund and the charities is a grant to finance ongoing expenditure. There are no major variations to this budget.

Roding Valley Development

There is a slight decrease between years due to a reduction in ditches maintenance.

Tree Maintenance

Commutated sums are accounted for differently and do not show as income to this budget, which has the effect of showing an increase in net cost. This also accounts for part of the increase shown under Playgrounds and Open Spaces.

Playgrounds & Open Spaces

The further increase is due to amendments in salary allocations for grounds maintenance and support services.

Contribution to the HRA

This is the contribution made towards ground maintenance costs on housing land in relation to properties that have been sold under the housing Right to Buy legislation. The recharge from the HRA has increased in line with grounds maintenance allocations to that service.

Neighbourhoods Directorate

Parks & Grounds

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		Gross Expend £000's	2014/15 Gross Income £000's	Net Expend £000's
226	258	257	Countrycare	268	0	268
51	55	51	Chigwell Row	55	0	55
16	18	15	Roding Valley Development	16	0	16
62	55	66	Tree Maintenance	68	0	68
246	229	265	Playgrounds & Open Spaces	290	9	281
314	346	367	Contribution to the HRA	383	0	383
915	961	1,021	Total	1,080	9	1,071
906	947	1,008	Continuing Services Budget			1,058
0	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
906	947	1,008	Total Continuing Services Budget			1,058
18	24	13	Development Fund - Expenditure			13
(9)	(10)	0	Development Fund - Savings			0
9	14	13	Total District Development Fund			13
915	961	1,021	Total			1,071

Neighbourhoods Directorate

Technical Services Other Activities

Off Street Car Parking

Increased staff allocations for 2013/14, and a general fall in income, especially Penalty Charge Notices, account for the decrease in net income for this service. An increase in parking fees is included in the 2015/15 budget. The tariff structure is to be amended and is expected to produce additional income of £150,000 excluding VAT.

Highways General Fund

This service includes the following activities: street naming and numbering; seats, features and litter bins adjacent to the highway; highways trees, verge maintenance and bus shelters.

There have been reductions in the estimates due to changes in support service allocations.

Fleet Operations

This facility, based at the Langston Road Depot, is responsible for the upkeep of the Council's fleet of vehicles, taxi and private hire vehicle inspections, and is a registered MOT testing station with the Vehicle and Operator Services Agency (VOSA).

The loss of income from MOT services of £20,000 is the main reason for variances between Original 2013/14, probable outturn and Original 2014/15.

Neighbourhoods Directorate

Technical Services Other Activities

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	2014/15 Net Expend £000's
(297)	(297)	(254)	Off Street Parking	747	1,134	(387)
388	431	381	Highways General Fund	567	159	408
(13)	(5)	30	Fleet Operations	259	231	28
78	129	157	Total	1,573	1,524	49
41	152	71	Continuing Services Budget			166
134	0	72	Continuing Services Budget - Growth			0
(33)	(23)	(29)	Continuing Services Budget - Savings			(117)
142	129	114	Total Continuing Services Budget			49
0	0	43	Development Fund - Expenditure			0
(64)	0	0	Development Fund - Savings			0
(64)	0	43	Total District Development Fund			0
78	129	157	Total			49

Neighbourhoods Directorate

Forward Planning & Economic Development

Economic Development

This budget includes annual grants to the Town Centre Partnerships in Buckhurst Hill, Epping, Loughton High Road, Loughton Broadway, Waltham Abbey and Ongar Town Forum and other local business support activities. DDF funding of £35,000 for the Economic Development Grant Initiative is included in both 2013/14 and 2014/15. £30,000 is also included in 2014/15 for the economic development strategy. The probable outturn has increased due to the additional resources being deployed in this area whilst the Economic Development Officer is on maternity leave. There is also DDF provision of £69,000 for a one year Temporary Assistant Director (Economic Development and Asset Management) from 1 April 2014. This was part of the recent restructure report.

Economic Development - Tourism

The Tourism budget includes an annual contribution to Waltham Abbey Tourist Information Centre of £15,000. There are no significant changes to this budget.

Environmental Co-Ordination

This budget makes up the costs of measuring the Councils performance on National Indicators relating to carbon footprint and other environmental issues. There are no significant changes to this budget in 2013/14 but a slight increase in support services in 2014/15.

Forward Planning

Forward Planning is responsible for the work on the Local Plan, and have recently completed Issues and Options consultation. The DDF budget for the local plan stands at £417,000 in 2013/14 and £304,000 in 2014/15. There has historically been significant delays in the local plan process and some slippage is likely as the process continues.

Highway Infrastructure

This mainly relates to depreciation charges of £197,000, resulting from the completion of various Town Centre Enhancement schemes, most recently Loughton Broadway. Included in the 2013/14 budget is a DDF amount of £45,000 for various regeneration projects in Waltham Abbey. Also included in the budgets is an amount of £27,000 in the probable outturn for regeneration items that are of a capital nature but charged to revenue as no council asset is created.

Neighbourhoods Directorate

Forward Planning & Economic Development

2012/13 Actual £000's	2013/14 Original Estimate Probable Outturn £000's			2014/15 Gross Expend £000's	2014/15 Gross Income £000's	Net Expend £000's
91	134	183	Economic Development	247	0	247
27	28	31	Tourism	29	0	29
36	41	40	Environmental Co-Ordination	47	0	47
875	832	890	Forward Planning	847	5	842
233	219	270	Highways Infrastructure	197	0	197
1,262	1,254	1,414	Total (Transferred to Summary)	1,367	5	1,362
981	916	918	Continuing Services Budget			992
0	0	0	Continuing Services Budget - Growth			0
(92)	0	0	Continuing Services Budget - Savings			0
889	916	918	Total Continuing Services Budget			992
384	338	496	Development Fund - Expenditure			370
(11)	0	0	Development Fund - Savings			0
373	338	496	Total District Development Fund			370
1,262	1,254	1,414	Tourism			1,362

Neighbourhoods Directorate

Land and Property

Industrial Estates

The budget comprises commercial property at Oakwood Hill, Brooker Road, North Weald, and Langston Road industrial estates.

Brooker Road

The original budget for income increased by £70,000 due to a rent review on 1 Cartersfield Road. The Probable Outturn and Original 2014/15 have increased by a further £66,000 due to other rent reviews taking place.

Langston Road

This budget relates to land at Langston Road where the Council receives ground rent for properties which occupy land at Prospect Business Park and the Seedbed Centre. The Council has no direct control over the management of the 42 units which are let by EFL (Loughton) Ltd, with the Council receiving a ground rent of 15% of gross income collected.

Income has been holding up reasonably well despite the difficult trading conditions and this has been assumed to continue.

Oakwood Hill Industrial Estate

The Council receives ground rent for the land on which industrial units were originally erected by tenants on Oakwood Hill Industrial Estate.

Oakwood Hill Workshop Units

The Council receives rent and service charges for units at the Oakwood Hill Workshop unit complex which was originally constructed by this Council.

After a period of quite low void levels there has now been an increase and this has been reflected in the Probable Outturn and Original 2013/14 Budget.

David Lloyd Centre

This budget relates to the Council's share of income from the David Lloyd Centre. The agreement entitles the Council to receive a basic rent and 1.5% commission on turnover. A slight increase in this income is expected.

Other Land and Property

This budget relates to general way-leaves receivable and the property at Greenyard, Waltham Abbey previously used as a doctor's surgery. From 1 July 2014 income of £2,500 per quarter is chargeable, hence the move from a small deficit to a surplus in 2014/15.

Business Premises - Shops

This budget relates to Non Housing assets transferred from the Housing Revenue Account on 31 March 2011 comprising shops, public houses, and a petrol station.

From April 2014 the Council will become the long leaseholder of 2 - 18 Torrington Drive currently occupied by Sainsbury's and let to Stobart Properties. Once the purchase has been made the Council will receive additional income of around £224,000 per annum. The Council is also in the process of acquiring the lease of the second floor of Bridgman House as part of the new building for the Museum service. This area is to be refurbished and then let with an anticipated income of £40,000 per annum from 1 October 2014.

Council Asset Rationalisation

This is a DDF budget for the engagement of a number of consultants to investigate the development potential or otherwise of a number of the Council's land and property assets. £112,000 is available in 2013/14 with a further £130,000 recently agreed for 2014/15. There are also some support costs from the Estates Management Unit to co-ordinate this process.

Neighbourhoods Directorate

Land and Property

2012/13 Actual £000's	2013/14 Original Estimate £000's	2013/14 Probable Outturn £000's		2014/15 Gross Expend £000's	2014/15 Gross Income £000's	2014/15 Net Expend £000's
Industrial Estates						
(573)	(277)	(368)	Brooker Road Industrial Estate	52	425	(373)
(135)	(130)	(115)	Langston Road Industrial Estate	22	138	(116)
(397)	(393)	(375)	Oakwood Hill Industrial Estate	33	406	(373)
(197)	(197)	(142)	Oakwood Hill Workshop Units	29	178	(149)
4	3	0	North Weald Industrial Estate	0	0	0
(1,298)	(994)	(1,000)	Total Industrial Estates	136	1,147	(1,011)
(124)	(118)	(127)	David Lloyd Centre	2	129	(127)
12	11	10	Other Land and Property	13	10	3
(1,456)	(1,373)	(1,495)	Business Premises	348	1,865	(1,517)
194	156	157	Council Asset Rationalisation	198	0	198
(1,374)	(1,324)	(1,455)	Total Land & Property	561	2,004	(1,443)
(2,672)	(2,318)	(2,455)	Total (Transferred to Summary)	697	3,151	(2,454)
(2,399)	(2,337)	(2,491)	Continuing Services Budget			(2,370)
0	0	25	Continuing Services Budget - Growth			0
(114)	(70)	(147)	Continuing Services Budget - Savings			(244)
(2,513)	(2,407)	(2,613)	Total Continuing Services Budget			(2,614)
136	102	158	District Development Fund - Expenditure			160
(295)	(13)	0	District Development Fund - Savings			0
(159)	89	158	Total District Development Fund			160
(2,672)	(2,318)	(2,455)	Directorate Total			(2,454)

Neighbourhoods Directorate

Support and Trading Services

Environmental Policy

The reduction in probable outturn 2013/14 is due to savings on the Assistant Director (Performance & Operations) post which has been kept vacant all year pending the corporate restructure. The 2014/15 budget includes severance costs of £66,000 DDF and ongoing savings of £50,000 relating to the corporate restructure.

Environmental Administration

The Reduction here is due to support service allocation changes.

Engineering, Drainage and Water

There have been reductions in the estimates due to changes in support service allocations and also deletion of the temporary trainee engineer's post.

Grounds Maintenance

The reduction in the probable outturn is due to staff vacancies, in 2014/15 a full establishment is budgeted for.

Depots

There has been little change to these budgets.

Planning Policy

This budget has been split between this and the Governance directorate as going forward the staff in question will fall into these two areas. The budget in 2013/14 has increased due to DDF for severance payments but reduced in 2014/15 as the CSB savings from the restructure take effect.

Estates & Valuation

The main variation here relates to an additional Surveyor to assist with the Asset Rationalisation work being undertaken. A DDF amount of £44,000 spread over the two years is included for this.

Neighbourhoods Directorate
Support and Trading Services

<i>2012/13</i> <i>Actual</i> <i>£000's</i>	<i>2013/14</i> <i>Original</i> <i>Estimate</i> <i>£000's</i>	<i>Probable</i> <i>Outturn</i> <i>£000's</i>		<i>2014/15</i> <i>Gross</i> <i>Expend</i> <i>£000's</i>	<i>Gross</i> <i>Income</i> <i>£000's</i>	<i>Net</i> <i>Expend</i> <i>£000's</i>
443	482	418	Environmental Policy Group	488	0	488
629	656	611	Environmental Administration	650	0	650
267	281	272	Environmental Finance	274	0	274
536	544	483	Engineering, Drainage and Water	505	0	505
1,258	1,364	1,290	Grounds Maintenance	1,540	150	1,390
404	437	435	Depots	433	1	432
270	283	396	Planning Policy	227	0	227
312	337	347	Estates & Valuations	387	15	372
4,119	4,384	4,252	Total	4,502	165	4,337
4,116	4,427	4,104	Continuing Services Budget			4,297
15	0	11	Continuing Services Budget - Growth			33
(12)	(43)	(43)	Continuing Services Budget - Savings			(150)
4,119	4,384	4,072	Total Continuing Services Budget			4,180
0	0	180	Development Fund - Expenditure			157
0	0	0	Development Fund - Savings			0
0	0	180	Total District Development Fund			157
4,119	4,384	4,252	Total			4,337

**NEIGHBOURHOODS DIRECTORATE
SUBJECTIVE ANALYSIS 2014/15**

Cost Centre	Employee	Premises	Transport	Supplies	Other Contracted Services	Support Services	Depreciation Charges	Gross Expenditure	(Internally Recharged)	Fees & Charges	Rental Income	Government Grants	Other Contributions	Gross Income	Net Revenue Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
ENVIRONMENTAL HEALTH															
Food Inspection	148,010	0	8,120	3,560	0	88,070	0	247,760	0	4,520	0	0	0	4,520	243,240
Pollution Control & Monitoring	106,700	0	5,000	3,570	0	60,060	0	175,330	0	0	0	0	0	0	175,330
Industrial Activities - Regulated	11,260	0	640	80	0	7,280	0	19,260	0	12,000	0	0	0	12,000	7,260
Pest Control	18,880	0	1,070	130	0	12,000	0	32,080	0	0	0	0	0	0	32,080
Animal Welfare Service	71,670	250	8,870	4,420	47,620	48,660	0	181,490	0	12,080	0	0	0	12,080	169,410
Neighbourhoods & Rapid Response	282,920	0	20,600	6,470	0	168,970	3,880	482,840	0	1,100	0	0	0	1,100	481,740
Public Conveniences	0	173,200	0	3,440	0	3,050	5,720	185,410	0	780	0	0	0	780	184,630
Inspection of Workplaces	82,330	0	4,660	590	0	51,810	0	139,390	0	0	0	0	0	0	139,390
LICENSING															
Hackney Carriage Licensing	89,830	0	2,360	7,490	0	41,720	0	141,400	0	180,870	0	0	0	180,870	(39,470)
Licensing & Registration	121,370	0	3,370	1,080	0	114,880	0	240,700	0	114,740	0	0	0	114,740	125,960
LEISURE FACILITIES															
Loughton Leisure Centre	0	66,530	0	13,260	(187,730)	44,230	583,340	519,630	0	0	0	0	880	880	518,750
Waltham Abbey Swimming Pool	0	27,090	0	2,640	512,300	19,680	64,380	626,090	0	0	0	0	0	0	626,090
Epping Sports Centre	0	12,480	0	4,850	310,150	27,930	58,970	414,380	0	0	0	0	650	650	413,730
Ongar Sports Centre	0	31,080	0	2,350	294,140	20,310	104,180	452,060	0	0	0	0	0	0	452,060
Olympic Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NORTH WEALD AIRFIELD															
North Weald Airfield Operations	377,600	280,990	18,010	47,700	0	214,270	30,780	969,350	0	60,000	1,009,600	0	0	1,069,600	(100,250)
North Weald Airfield Strategy	0	0	0	0	0	70	0	70	0	0	0	0	0	0	70
EMERGENCY PLANNING															
Emergency Planning	48,840	0	2,190	29,080	0	125,200	0	205,310	0	0	0	0	0	0	205,310
WASTE MANAGEMENT															
Street Cleansing	68,460	18,620	8,680	10,710	1,528,610	120,760	30,430	1,786,270	0	3,500	0	0	204,390	207,890	1,578,380
Refuse Collection	84,350	28,120	10,690	128,440	1,293,540	177,650	148,620	1,871,410	0	41,000	0	0	38,370	79,370	1,792,040
Abandoned Vehicles	16,610	4,680	2,110	220	7,450	29,210	0	60,280	0	0	0	0	0	0	60,280
Recycling	89,890	25,170	11,390	210,620	2,967,560	176,670	428,030	3,909,330	0	24,110	0	0	2,407,870	2,431,980	1,477,350
LAND DRAINAGE & SEWERAGE															
Contaminated Land & Water Quality	0	36,000	0	53,910	0	156,400	0	246,310	0	0	0	0	0	0	246,310
Sewerage	0	0	0	130	0	9,240	0	9,370	0	0	0	0	0	0	9,370
Drainage Clearance Enforcement	0	0	0	0	0	33,160	0	33,160	0	0	0	0	0	0	33,160
Flood Defence & Land Drainage	11,700	790	190	4,690	53,030	287,200	108,760	466,360	0	2,000	0	0	12,700	14,700	451,660
PARKS & GROUNDS															
Countryside	134,630	11,090	8,130	61,690	0	51,030	1,570	268,140	0	0	0	0	0	0	268,140
Chigwell Row	0	49,140	0	1,500	0	4,120	0	54,760	0	0	0	0	0	0	54,760
Roding Valley Development	0	8,400	0	1,200	0	6,430	0	16,030	0	0	0	0	0	0	16,030
Tree Maintenance	0	59,760	0	990	0	7,180	0	67,930	0	0	0	0	80	80	67,850
Playgrounds & Open Spaces	0	100,500	0	173,780	0	15,420	0	289,700	0	0	0	0	8,710	8,710	280,990
Contribution To The HRA	0	0	0	383,270	0	0	0	383,270	0	0	0	0	0	0	383,270

Cost Centre	Employee	Premises	Transport	Supplies	Other Contracted Services	Support Services	Depreciation Charges	Gross Expenditure	(Internally Recharged)	Fees & Charges	Rental Income	Government Grants	Other Contributions	Gross Income	Net Revenue Expenditure
TECHNICAL SERVICES OTHER ACTIVITIES															
Off Street Parking	67,950	205,950	6,190	43,280	273,700	114,830	34,730	746,630	0	1,081,020	24,800	0	27,900	1,133,720	(387,090)
Highways General Fund	19,820	380,380	1,880	400	0	64,600	100,070	567,150	0	7,000	0	0	152,000	159,000	408,150
Fleet Operations	256,970	43,150	89,033	28,140	0	28,392	0	445,685	(186,640)	231,050	0	0	0	231,050	27,995
FORWARD PLANNING & ECONOMIC DEVELOPMENT															
Economic Development	39,790	0	1,200	86,770	0	119,380	0	247,140	0	0	0	0	0	0	247,140
Tourism	9,950	0	300	15,000	0	3,310	0	28,560	0	0	0	0	0	0	28,560
Environmental Co-Ordination	30,420	0	910	4,310	0	11,260	0	46,900	0	0	0	0	0	0	46,900
Forward Planning	339,390	0	10,240	245,780	0	251,130	0	846,540	0	0	0	5,000	0	5,000	841,540
Highways Infrastructure	0	0	0	0	0	0	197,340	197,340	0	0	0	0	0	0	197,340
LAND & PROPERTY															
David Lloyd Centre	0	0	0	0	0	2,370	0	2,370	0	0	129,150	0	0	129,150	(126,780)
Brooker Road Industrial Estate	0	17,710	0	0	0	33,970	0	51,680	0	0	425,000	0	0	425,000	(373,320)
Oakwood Hill Industrial Estate	0	860	0	5,000	0	27,070	0	32,930	0	0	405,660	0	0	405,660	(372,730)
Oakwood Hill Workshop Units	0	18,850	0	2,000	0	7,880	0	28,730	0	0	178,000	0	0	178,000	(149,270)
Langston Road Industrial Estate	0	0	0	5,000	0	17,490	0	22,490	0	0	138,000	0	0	138,000	(115,510)
North Weald Industrial Estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
All Saints Churchyard	-	10,090	-	-	-	110	-	10,200	-	-	-	-	-	-	10,200
Greenyards	-	-	-	-	-	2,080	-	2,080	-	-	7,500	-	-	7,500	(5,420)
Wayleaves	-	-	-	-	-	140	-	140	-	-	2,400	-	-	2,400	(2,260)
Other Land and Property	0	10,090	0	0	0	2,330	0	12,420	0	0	9,900	0	0	9,900	2,520
Council Asset Rationalisation	0	0	0	130,000	0	67,720	0	197,720	0	0	0	0	0	0	197,720
Business Premises	28,020	101,110	1,740	20,390	0	187,380	9,510	348,150	0	0	1,864,580	0	600	1,865,180	(1,517,030)
TOTAL (Transferred to GF Summary)	2,557,360	1,711,990	227,573	1,747,930	7,100,370	3,061,772	1,910,310	18,317,305	(186,640)	1,775,770	4,184,690	5,000	2,854,150	8,819,610	9,311,055
SUPPORT & TRADING SERVICES															
Environmental Policy Group	354,790	0	5,730	170	0	126,890	0	487,580	(470,740)	0	0	0	50	50	16,790
Environmental Administration	347,740	0	1,370	27,780	0	272,850	0	649,740	(649,740)	0	0	0	0	0	0
Environmental Finance	196,120	0	4,550	6,770	0	66,390	0	273,830	(273,800)	0	0	0	30	30	0
Engineering, Drainage and Water	299,820	0	20,680	4,700	0	179,920	0	505,120	(504,940)	0	0	0	180	180	0
Grounds Maintenance	910,520	88,270	172,180	87,160	0	204,480	77,160	1,539,770	(1,390,040)	0	0	0	149,730	149,730	0
Depots	4,260	322,060	470	6,380	0	45,820	53,600	432,590	(431,690)	0	0	0	900	900	0
Planning Policy	166,670	0	2,690	170	0	57,300	0	226,830	(326,600)	0	0	0	0	0	(99,760)
Estates & Valuations	259,880	0	6,940	17,990	0	94,670	7,000	386,480	(371,910)	14,570	0	0	0	14,570	0
TOTAL	2,539,800	410,330	214,610	151,120	0	1,048,320	137,760	4,501,940	(4,419,460)	14,570	0	0	150,890	165,460	(82,970)
DIRECTORATE TOTAL	5,097,160	2,122,320	442,183	1,899,050	7,100,370	4,110,092	2,048,070	22,819,245	(4,606,100)	1,790,340	4,184,690	5,000	3,005,040	8,985,070	9,228,085

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**RESOURCES DIRECTORATE
ESTIMATES 2014/15**

Resources

Revenue Budget 2014/15

Introduction

The budget has been prepared in line with the revised management structure that comes into effect from 1 April 2014. As a result of the restructure staff savings have been achieved and these have been allocated as far as practically possible to the Directorate where the savings will fall. An assessment has also been made of the effect on the Housing Revenue Account. The exact allocation of the savings between the General Fund and Housing Revenue Account will not be known until the 2014/15 budget is revisited in late 2014.

The Resources Directorate is responsible for the services listed on the summary page, opposite.

Further detail of the services and the related CSB growth and DDF items are shown on the appropriate budget page.

Depreciation

Where a service employs fixed assets in service delivery, depreciation on those assets is charged to the relevant service. This however does not impact on the level of Council Tax, these charges are reversed out in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Pension costs

The budget shows the current service cost element of the pension scheme relating to those employees currently in service. These figures have increased however in calculating the amount to charge against the Council Tax an amount is reversed out in the budget summary to bring the figures back to the Councils contributions to the Fund.

Revenue Expenditure funded from Capital under statute

Some expenditure incurred by the authority is of a capital nature but does not relate to fixed assets of the Authority. In this situation the expenditure is classified as revenue but can be funded from capital resources the funding side of the transaction like the depreciation reversals is shown in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Compliance with accounting guidance

The 2014/15 budget has been prepared in accordance with the latest guidance, in particular the Service Reporting Code of Practice for Local Authorities (SeRCOP). The code of practice replaced the Best Value Accounting Code of Practice and has the status of statutory "proper practice". It is also expected that members of CIPFA will comply with all the requirements of the Code as it defines best professional practice in terms of financial reporting. The only divergence from the code in these budget papers occurs where the Directorate service groupings differ from those required by the Code of Practice. The Directorate groupings are given precedence in these papers.

In order to increase the degree of consistency across all sectors of the economy when presenting financial information, central government has adopted International Financial Reporting Standards (IFRS). Local Authorities have adopted this for financial years beginning on 1 April 2010. IFRS is more concerned with the presentation of financial information in the Statutory Statement, but there is a minor impact on the budget figures.

Budget format

Even though the Directorate Structure has changed, the format of the attached budget papers is the same as that adopted last year. The summary page is split into three groups: Direct Services, Regulatory Services and Support & Trading Services. Not all Directorates will have all three types of service grouping. The additional DDF requirements and the ongoing savings as a result of the restructure are shown as part of the Support and Trading Services and these figures do not come back to zero because of this.

Direct Services –These reflect the headline services provided by the directorate.

Regulatory Services –The Cabinet has no part to play in the exercise of regulatory functions such as planning and licensing. However the Cabinet is responsible for the totality of the Council's budget. The costs of the regulatory functions therefore have been included in the appropriate Directorate budgets.

Resources

General Fund Estimate Summary

2012/13		2013/14		2014/15		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
	£000	£000		£000	£000	£000
Direct Services						
471	1,045	733	Housing Benefits	39,708	38,818	890
1,181	1,185	1,049	Local Taxation	1,828	669	1,159
261	(192)	387	Other Activities	417	27	390
1,913	2,038	2,169	Total (Transferred to GF Summary)	41,953	39,514	2,439
Support and Trading Services						
2,348	2,458	2,359	Finance Support Services	2,514	34	2,480
1,287	1,339	1,398	Other Support Services	1,393	5	1,388
3,073	3,057	2,991	ICT Services	3,106	0	3,106
2,417	2,663	2,610	Accommodation Services	2,941	17	2,924
(9,125)	(9,517)	(9,335)	Recharged to Services	(9,957)	(56)	(9,901)
0	0	23	Total	(3)	0	(3)
1,913	2,038	2,192	Directorate Total	41,950	39,514	2,436
2,027	1,876	2,434	Continuing Services Budget			2,128
98	142	210	Continuing Services Budget - Growth			121
(145)	(151)	(256)	Continuing Services Budget - Savings			(31)
1,980	1,867	2,388	Total Continuing Services Budget			2,218
120	302	399	District Development Fund - Expenditure			405
(187)	(131)	(595)	District Development Fund - Savings			(187)
(67)	171	(196)	Total District Development Fund			218
1,913	2,038	2,192	Directorate Total			2,436

Resources

Development Fund & Growth Items

		Original 2013/14 £000's	Probable 2013/14 £000's	Original 2014/15 £000's
CSB Growth Items				
Housing Benefits	Housing Benefit Admin Subsidy settlement reductions	104	104	26
NNDR	Fees re Enforcement action on Bad Debts	25	31	
Council Tax	Reduction in Court Cost Income		35	
Finance Miscellaneous	Removal of Vacant Posts - Savings	(63)	(63)	
Finance Miscellaneous	Stationery - Procurement Savings	(15)	(16)	
Finance Miscellaneous	Car Leasing review - Excluding HRA	(24)	(41)	(15)
Finance Miscellaneous	Employers Superannuation on Non-Contracted Overtime			38
Finance Miscellaneous	Additional Employers Pension re Auto Enrolment		40	57
External Audit	BDO Fees	(30)	(30)	
Civic Offices	NNDR Re-assessment	13	(87)	
Civic Offices	Out of Hours Service			(13)
Offices Trapps Hill	Area Office Rent	(4)	(4)	
Offices Waltham Abbey	Area Office Rent	(12)	(12)	
Directorate Restructure	Savings			(3)
Directorate Savings	General	(3)	(3)	
		<u>(9)</u>	<u>(46)</u>	<u>90</u>

		Original 2013/14 £000's	Probable 2013/14 £000's	Original 2014/15 £000's
Development Fund Items				
Insurance Services	Additional income re Uttlesford Insurance work	(3)	(3)	
NNDR	New Burdens Small Business Rate Relief Costs	6	9	
Council Tax Collection	Single Person Discount Review net of costs		3	
Council Tax Collection	Temporary Additional Staffing	98	108	49
Council Tax Collection	Technical Agreement Contributions	(98)	(157)	(140)
Council Tax Collection	Bailiffs in Liquidation Income net of costs		(35)	
Council Tax Collection	Collection Investment		(52)	(47)
Council Tax Collection	Local Council Tax Support Expenditure		15	47
Council Tax Collection	Local Council Tax Support New Burdens Grant		(62)	
Housing Benefits	Local Council Tax Support	44	45	
Housing Benefits	Housing Benefit Admin - Additional Admin Subsidy	(30)	(30)	
Housing Benefits	Atlas Project Expenditure		7	
Housing Benefits	Hardship Fund		(5)	
Housing Benefits	Data Sharing Programme		17	
Housing Benefits	Data Sharing Programme		(17)	
Housing Benefits	Transitional Funding		1	31
Housing Benefits	Transitional Funding - Grant		(14)	
Housing Benefits	Welfare Reform Expenditure		16	37
Housing Benefits	Welfare Reform Changes		(34)	
Civic Offices	NNDR Re-assessment		(209)	
Civic Offices	Out of Hours Service - Severance Payments		7	32
Civic Offices	Committee Room Tables			10
Non HRA Building Maintenance Resources	Planned Building Maintenance Programme	154	171	199
	Restructure - Severance Pay		23	
		<u>171</u>	<u>(196)</u>	<u>218</u>

Resources

Housing Benefits

Rent Rebates

This relates to housing benefits paid to tenants of Housing Revenue Account properties. The caseload for Rent Rebate claimants has reduced in 2013/14 as well as a number having their spare room subsidy removed. The increase in costs is therefore due to rents increasing.

The decrease in net cost of rent rebates of £126,000 in the 2013/14 probable outturn and the estimate 2014/15 relates to a lower subsidy to total cost ratio resulting from a change in the level of eligible overpayments and error and administrative delay, where subsidy paid by the DWP has increased since the prior year.

Rent Allowances

This relates to housing benefits paid to claimants in the private rented and housing association sector. The budget for the probable outturn 2014/15 reflects an increase in caseload for rent allowances and related subsidy. Grant entitlement has been assessed on the basis of the latest mid year subsidy claim and information available. The improved net position of £55,000 relates to a higher subsidy to cost ratio resulting from changes in the levels of overpayments identified.

Non HRA Rent Rebates

This relates to homeless people placed in Bed and Breakfast accommodation. Expenditure has been kept relatively low as the Housing Options team have generally been able to avoid its use unless absolutely necessary.

Benefits Administration

The budget relates to the cost of administration for all the benefits above, and is partly offset by subsidy from the Government. In 2014/15 Housing Benefit and Local Council Tax Support Administration Subsidy now comes from two sources, the Department for Worked Pensions and the Department for Communities and Local Government. There has been an overall reduction of £56,000 but only £26,000 of this is CSB as 2013/14 had included £30,000 of additional DDF monies.

Fraud Investigation

This budget includes the cost and overheads of investigating fraudulent benefit claims. The slight increased cost in the probable outturn 2013/14 and 2014/15 budget is a result of higher recharges from the Housing Benefits Group.

Resources

Housing Benefits

2012/13	2013/14			2014/15		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
(202)	33	(93)	Rent Rebates	17,048	17,146	(98)
10	0	0	Council Tax Benefit	0	0	0
(411)	(318)	(372)	Rent Allowances	20,664	21,037	(373)
41	22	28	Non-HRA Rent Rebates	75	47	28
(562)	(263)	(437)	Total Benefits	37,787	38,230	(443)
895	1,089	940	Benefit Administration	1,613	508	1,105
138	219	230	Fraud Investigation	308	80	228
1,033	1,308	1,170	Total Administration	1,921	588	1,333
471	1,045	733	Total (Transferred to Summary)	39,708	38,818	890
522	927	643	Continuing Services Budget			796
45	104	104	Continuing Services Budget - Growth			26
(28)	0	0	Continuing Services Budget - Savings			0
539	1,031	747	Total Continuing Services Budget			822
53	44	86	District Development Fund - Expenditure			68
(121)	(30)	(100)	District Development Fund - Savings			0
(68)	14	(14)	Total District Development Fund			68
471	1,045	733	Directorate Total			890

Resources

Local Taxation

Council Tax & NNDR Collection

The budget comprises the administration costs relating to the collection of Council Tax and Non-Domestic Rates.

Council Tax

The probable outturn for 2013/14 includes a reimbursement of £35,000 for costs and interest relating to a company which previously provided bailiff services to the council but went into liquidation. A CSB item of £35,000 relating to a reduction in court cost income is also included in the probable outturn.

DDF of £62,000 for the Local Council Tax New Burdens Grant is phased to be spent £15,000 probable outturn 2013/14 and £47,000 estimate 2014/15.

The agreed technical changes to council tax will bring in additional income to the collection fund and in order to manage these changes some additional resources have been brought in. This is funded proportionally by the major preceptors and the Council.

NNDR

The probable outturn 2013/14 includes CSB growth of £31,000 for professional fees for enforcement action on bad debts and a DDF of £9,000 for new burdens small business rate relief.

There is also a reduction in the cost of collection allowances from central government received by the council in relation to NNDR.

Resources

Local Taxation

2012/13	2013/14			2014/15		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
	£000	£000		£000	£000	£000
1,127	1,109	949	Council Tax Collection	1,547	483	1,064
54	76	100	NNDR Collection	281	186	95
1,181	1,185	1,049	Total (Transferred to Summary)	1,828	669	1,159
1,156	1,154	1,154	Continuing Services Budget			1,250
0	25	66	Continuing Services Budget - Growth			0
(15)	0	0	Continuing Services Budget - Savings			0
1,141	1,179	1,220	Total Continuing Services Budget			1,250
40	104	135	District Development Fund - Expenditure			96
0	(98)	(306)	District Development Fund - Savings			(187)
40	6	(171)	Total District Development Fund			(91)
1,181	1,185	1,049	Directorate Total			1,159

Resources

Other Activities

Concessionary Fares

The ongoing budget relates to rail passes and London Transport blind passes where the Council has a responsibility for the costs until the pass holders retire or move out of the District.

Finance Miscellaneous

This budget comprises various miscellaneous finance activities, provisions and contingencies which are identified independently within this budget for information.

The reason for the main changes in the 2013/14 probable outturn and 2014/15 estimate relate to additions arising on Support Service and Cost Centre holding accounts. The recharges to services are ascertained based on an initial estimate of costs quite early in the budget process. As the budget progresses figures are confirmed and various changes occur, with the overhead account totals invariably changing, because the Support Service allocation system is quite involved it is impractical to re-run the allocations so any differences that occur are shown here.

New legislation means that every employer must automatically enrol workers into a workplace pension scheme if they are aged between 22 and State Pension age, earn more than £9,440 a year and work in the UK. The Council carried out this process from November and growth of £40,000 has been included in the probable outturn and £57,000 in the estimated outturn for 2014/15, for the General Fund element of these costs.

From April 2014 non contracted overtime is subject to employers pension contributions, therefore 15.9% of the estimated General Fund non contractual overtime has been included here as it is not known which budget headings this will actually fall on.

NNDR Discretionary Relief

This budget relates to the National Non Domestic Rate relief for charities and organisations not established or conducted for profit. The relief under section 47 of the Local Government Finance Act gives the Council power to grant up to a further 20% discretionary relief to those receiving mandatory relief. This has increased slightly in recent years.

Non Distributed Costs

Non distributed costs comprise the elements of cost which are excluded from the definition of total cost of a service. The budget in this case relates to charges for unused shares of depot and office accommodation space, which cannot be identified to a service. The costs vary from year to year depending upon the unallocated revenue element of those fixed assets.

Vacancy Allowance

A credit is included here for a vacancy allowance of £224,030 in 2014/15, which is equivalent to 1.5% of Non-HRA salaries. This is a reduction of 1% when compared to the vacancy allowance for 2013/14 original estimate which was 2.5%. This is because a number of long term vacancies were deleted from the establishment in January 2013, which had previously been part of the vacancy allowance.

Provision for Bad and Doubtful Debts

Taking into consideration the current economic climate and the actual write-offs for 2012/13, the provision is set at £50,000 for both 2013/14 and 2014/15.

Resources

Other Activities

2012/13	2013/14			2014/15		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
	£000	£000		£000	£000	£000
(18)	11	9	Concessionary Fares	9	0	9
82	6	152	Finance Miscellaneous	376	0	376
27	20	28	NNDR Discretionary Relief	28	0	28
121	131	148	Non-Distributed Costs	178	27	151
212	168	337	Total Other Activities	591	27	564
0	(360)	0	Vacancy Allowance	(224)	0	(224)
49	0	50	Provision for Bad & Doubtful Debts	50	0	50
49	(360)	50	Total Contingency Items	(174)	0	(174)
261	(192)	387	Total (Transferred to Summary)	417	27	390
332	(90)	467	Continuing Services Budget			310
0	0	40	Continuing Services Budget - Growth			95
(48)	(102)	(120)	Continuing Services Budget - Savings			(15)
284	(192)	387	Total Continuing Services Budget			390
0	0	0	District Development Fund - Expenditure			0
(23)	0	0	District Development Fund - Savings			0
(23)	0	0	Total District Development Fund			0
261	(192)	387	Directorate Total			390

Resources

Finance Support Services

The Support Services for the directorate are now shown independently in order to give a fair view of all directly related resources.

Financial Policy Group

This budget relates to the salary and overheads for the Director and Assistant Directors of Finance and ICT. The reduction in the budget for the 2013/14 probable outturn and 2014/15 relates to the transfer of the Executive Assistant's salary and overhead costs to the Chief Executive group.

Accountancy

The reduction in the probable outturn for 2013/14 relates to vacant posts during the year and a change in the allocation of central overhead support services.

The budget for 2014/15 covers the cost of a full establishment for accountancy and an increase in pension costs.

Accounts Payable

There are no significant changes to this budget.

Insurance and Credit control

The reduction in the costs for the probable outturn for 2013/14 relates to flexible retirement and part time working arrangements within the department.

Treasury Management

There are no significant changes to this budget.

Cashiers

The reduction in the budget is as a result of closing the cash desk at Waltham Abbey Town Hall and a reallocation of central overhead charges for cash collection and control activities.

Audit and Bank Charges

The costs here relate to charges made by BDO for external audit of the annual accounts, grant claims and statutory returns. The budget also includes the cost of maintaining the Council's bank accounts.

There are no significant changes to this budget.

Finance Administration & Procurement

The reduction in the probable outturn for 2013/14 relates to the vacancy of the Senior Finance Officer responsible for finance administration and procurement.

Resources

Finance Support Services

2012/13 Actual £000	2013/14 Original Estimate £000	2013/14 Probable Outturn £000		Gross Expend £000	2014/15 Gross Income £000	Net Expend £000
473	490	481	Finance Policy Group	465	0	465
600	659	646	Accountancy	685	0	685
165	177	171	Accounts Payable	175	0	175
198	210	194	Insurance and Credit Control	230	19	211
71	76	72	Treasury Management	74	0	74
406	378	361	Cashiers	390	15	375
182	178	176	Audit / Bank Charges	177	0	177
253	290	258	Finance Admin & Procurement	318	0	318
2,348	2,458	2,359	Total (Transferred to Summary)	2,514	34	2,480
2,404	2,491	2,392	Continuing Services Budget			2,483
0	0	0	Continuing Services Budget - Growth			0
(26)	(30)	(30)	Continuing Services Budget - Savings			(3)
2,378	2,461	2,362	Total Continuing Services Budget			2,480
0	0	0	District Development Fund - Expenditure			0
(30)	(3)	(3)	District Development Fund - Savings			0
(30)	(3)	(3)	Total District Development Fund			0
2,348	2,458	2,359	Directorate Total			2,480

Resources

Other Support Services

Human Resources

The new apprenticeship scheme which the council is running for school leavers has led to an increase in the costs of the corporate improvement budget which forms part of the overall budget.

Payroll

The increase in the probable outturn includes £16,000 of overtime monies for the payroll staff due to the implementation of a new payroll system.

Administrative and Secretarial

The increase in this budget relates to increases in Pension costs and increases in the cost of supplies and services, particularly postage, toner cartridges and new equipment.

Reprographics

This budget incorporates the costs and overheads of maintaining the print section which provides a comprehensive reprographics service to all Directorates of the Council.

The reduction in the budget between the original budget 2013/14 and 2014/15 budget is due to salary savings by the deletion of the reprographics supervisor post on their retirement.

Resources

Other Support Services

2012/13 Actual £000	2013/14 Original Estimate £000	2013/14 Probable Outturn £000		Gross Expend £000	2014/15 Gross Income £000	Net Expend £000
432	516	548	Human Resources	553	0	553
145	132	144	Payroll	137	1	136
423	407	422	Administrative & Secretarial	446	1	445
287	284	284	Reprographics	257	3	254
1,287	1,339	1,398	Total (Transferred to Summary)	1,393	5	1,388
1,302	1,339	1,398	Continuing Services Budget			1,388
0	0	0	Continuing Services Budget - Growth			0
(6)	0	0	Continuing Services Budget - Savings			0
1,296	1,339	1,398	Total Continuing Services Budget			1,388
0	0	0	District Development Fund - Expenditure			0
(9)	0	0	District Development Fund - Savings			0
(9)	0	0	Total District Development Fund			0
1,287	1,339	1,398	Directorate Total			1,388

Resources

ICT Support Services

The Support Services for the Directorate are now shown independently in order to give a fair view of all directly related resources.

ICT

The reduction in the probable outturn for 2013/14 relates to a reallocation of central overheads. The budget for 2014/15 includes additional asset charges of £44,000 relating to capital equipment and software purchases for system upgrades. The assets are depreciated over their useful life, in this case assessed at five years.

Telephones

This budget relates to the Council's main telephone systems and related networks, and includes all support staff and telephonists. The reduction in the probable outturn relates to lower call and internet charges and a reallocation of central overheads .

Website

The costs relating to the Website are almost entirely support service costs comprising recharges from the central computer budget and managerial and professional charges for Public Relations and Democratic Services. The budget includes the full costs of operating the Website, with the total cost allocated to services based on time allocations for the PR officers, and website activity for the other overheads.

The increase in the budget relates to a re-allocation of charges from the central computer budget due to the redevelopment and increased functionality of the corporate website.

GIS

There has been minimal staff related reduction to the budget in both years.

Resources

ICT Support Services

2012/13	2013/14			2014/15		
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		Gross	Gross	Net
£000	£000	£000		Expend	Income	Expend
				£000	£000	£000
2,237	2,190	2,135	ICT	2,215	0	2,215
532	568	547	Telephones	576	0	576
171	158	173	Website	178	0	178
133	141	136	GIS	137	0	137
3,073	3,057	2,991	Total (Transferred to Summary)	3,106	0	3,106
3,077	3,057	2,991	Continuing Services Budget			3,106
0	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
3,077	3,057	2,991	Total Continuing Services Budget			3,106
0	0	0	District Development Fund - Expenditure			0
(4)	0	0	District Development Fund - Savings			0
(4)	0	0	Total District Development Fund			0
3,073	3,057	2,991	Directorate Total			3,106

Resources

Accommodation Services

Building Maintenance

The increase in funding for the maintenance costs for this budget includes a DDF Carry forward of £76,000 from the original 2013/14 budget and a change in the reallocation of central overhead support services.

Office Accommodation

Office Accommodation includes all of the Council's offices which are located at Epping High Street, Epping Hemnall Street, and Debden Broadway.

A DDF saving of £209,000 is included in 2013/14 probable outturn and an ongoing CSB saving of £87,000 for non domestic rates after a recent reassessment was undertaken.

Superintendents / Duty Officers

The small increase in the budget for superintendents relates to pay inflation and an increase in pension costs.

The 2014/15 original estimate includes one off severance payments of £32,000 for the duty officers. From early 2014/15 a new civic offices security contract and an out of hours service provided by Mears will replace the current service. Net savings of £18,000 to the Council will be achieved.

Catering (Civic Offices)

The budget relates to the cost of vending machine provision. There are no significant variances in comparison to historic budgets.

Resources

Accommodation Services

2012/13 Actual £000	2013/14 Original Estimate £000	2013/14 Probable Outturn £000		Gross Expend £000	2014/15 Gross Income £000	Net Expend £000
560	736	892	Building Maintenance	925	0	925
1,587	1,660	1,446	Office Accommodation	1,738	17	1,721
122	123	125	Superintendents	129	0	129
126	123	126	Duty Officers	128	0	128
22	21	21	Catering (Civic Offices)	21	0	21
2,417	2,663	2,610	Total (Transferred to Summary)	2,941	17	2,924
2,337	2,512	2,744	Continuing Services Budget			2,696
53	13	0	Continuing Services Budget - Growth			0
0	(16)	(103)	Continuing Services Budget - Savings			(13)
2,390	2,509	2,641	Total Continuing Services Budget			2,683
27	154	178	District Development Fund - Expenditure			241
0	0	(209)	District Development Fund - Savings			0
27	154	(31)	Total District Development Fund			241
2,417	2,663	2,610	Directorate Total			2,924

RESOURCES

SUBJECTIVE ANALYSIS 2014/2015 ESTIMATED OUTTURN

Cost Centre	Employees	Premises	Transport	Supplies	Benefit Payments	Support Services	Depreciation	Gross Expenditure	(Internally Recharged)	Fees & Charges	Rental Income	Government Grant	Other Income	Gross Income	Net Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<u>Housing Benefits</u>															
Rent Rebates					17,047,880			17,047,880				17,145,860		17,145,860	(97,980)
Council Tax Benefit								-						-	-
Rent Allowances					20,664,000	70		20,664,070				21,036,500		21,036,500	(372,430)
Non-HRA Rent Rebates					75,000			75,000				47,400		47,400	27,600
Benefit Administration	978,840		18,550	126,200		484,280	5,040	1,612,910				508,030	0	508,030	1,104,880
Fraud Investigation	192,120		3,640	13,530		97,430	990	307,710				80,000		80,000	227,710
														-	
<u>Local Taxation</u>															
Council Tax Collection	807,570	150	12,840	154,450		567,270	5,130	1,547,410				11,600	471,180	482,780	1,064,630
NNDR Collection	142,040		2,270	43,590		92,320	910	281,130				171,000	15,000	186,000	95,130
														-	
<u>Other Activities</u>															
Concessionary Fares				4,850		4,030		8,880						-	8,880
Sundry Non-distributable Costs		147,340				68,940		216,280	(38,280)		27,000			27,000	151,000
														-	
Finance Miscellaneous	135,000		8,000	460		234,060		377,520	(1,760)				100	100	375,660
NNDR Discretionary Relief		28,340						28,340						-	28,340
Vacancy Allowance	(224,030)							(224,030)						-	(224,030)
Provision for Bad Debts				50,000				50,000						-	50,000
TOTAL	2,031,540	175,830	45,300	393,080	37,786,880	1,548,400	12,070	41,993,100	(40,040)	-	27,000	39,000,390	486,280	39,513,670	2,439,390

<u>Finance Support Services</u>															
Financial Policy Group	381,640		22,890	100		60,360		464,990	(468,170)					-	(3,180)
Accountancy	542,400		40	850		141,350		684,640	(684,640)					-	-
Accounts Payable	81,020			300		93,590		174,910	(174,910)					-	-
Insurance and Financial Control	142,750		3,860	310		83,490		230,410	(211,870)	18,000			540	18,540	-
Treasury Management				26,160		47,990		74,150	(74,150)					-	-
Cashiers	180,240	-	1,140	50,710		140,230	17,410	389,730	(374,730)				15,000	15,000	-
Bank & Audit Charges				168,570		8,500		177,070	(177,070)					-	-
Finance General Admin & Procurement	141,030		2,190	67,390		107,470		318,080	(318,080)					-	-
														-	-
<u>Other Support Services (HR)</u>															
Human Resources	380,350		400	1,560		170,760		553,070	(553,070)					-	-
Payroll	90,510		50	650		45,830		137,040	(136,110)				930	930	-
Admin & Secretarial CSS	268,020		5,560	29,860		131,450	2,100	436,990	(436,220)	770				770	-
Corporate Filing Facility	-	1,650		-		7,610		9,260	(9,260)					-	-
Reprographics	104,000		50	106,690		46,520		257,260	(254,640)	2,620				2,620	-

RESOURCES

SUBJECTIVE ANALYSIS 2014/2015 ESTIMATED OUTTURN

Cost Centre	Employees	Premises	Transport	Supplies	Benefit Payments	Support Services	Depreciation	Gross Expenditure	(Internally Recharged)	Fees & Charges	Rental Income	Government Grant	Other Income	Gross Income	Net Expenditure
ICT															
Information Technology	933,800		9,590	775,500		224,250	271,620	2,214,760	(2,214,690)				70	70	-
Telephones	6,800	-	-	170,700	-	398,260	-	575,760	(575,760)	-	-	-	-	-	-
Website						178,390		178,390	(178,390)					-	-
GIS	98,070		2,280	3,390		33,180		136,920	(136,920)					-	-
Accommodation															
Building Maintenance		625,610				298,920		924,530	(924,530)					-	-
Office Accommodation	6,580	1,115,090	230	41,210	-	425,340	149,560	1,738,010	(1,721,080)	7,810	-	-	9,120	16,930	-
Superintendents	108,780			310		19,970		129,060	(129,060)					-	-
Duty Officers	80,770		-	35,800		11,070		127,640	(127,640)					-	-
Catering				13,950		7,360		21,310	(21,310)					-	-
								-						-	-
TOTAL	3,546,760	1,742,350	48,280	1,494,010	-	2,681,890	440,690	9,953,980	(9,902,300)	29,200	-	-	25,660	54,860	(3,180)
DIRECTORATE TOTAL	5,578,300	1,918,180	93,580	1,887,090	37,786,880	4,230,290	452,760	51,947,080	(9,942,340)	29,200	27,000	39,000,390	511,940	39,568,530	2,436,210
Revenue Group	937,010		13,370	61,020		368,610	5,840	1,385,850	(1,385,850)					-	-
Housing Benefit Group	1,162,850		20,260	49,370		510,690	5,830	1,749,000	(1,749,000)					-	-
Facilities Management	410,910		17,030	3,530		101,250		532,720	(532,720)					-	-
HR Corporate Improvement	120,220	-	2,500	45,970		19,660		188,350	(186,360)				1,990	1,990	-
Health & Safety	46,300		1,890	100		15,350		63,640	(63,640)					-	-
								-						-	-
TOTAL	2,677,290	-	55,050	159,990	-	1,015,560	11,670	3,919,560	(3,917,570)	-	-	-	1,990	1,990	-

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-020-2013/14

Date of meeting: 20 January 2014

Portfolio: Finance & Technology

Subject: Risk Management – Corporate Risk Register

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

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

Recommendations/Decisions Required:

- 1. To note the updating of the Corporate Risk Register;**
- 2. To consider whether there are any new risks that are not on the current Corporate Risk Register;**

Executive Summary:

The Corporate Risk Register has been considered by both the Risk Management Group on 3 December and the Corporate Governance Group on 18 December 2013. These reviews identified amendments to the Corporate Risk Register and an additional risk for inclusion.

Reasons for Proposed Decisions:

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

Other Options for Action:

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

Report:

1. The Corporate Risk Register was reviewed by the Risk Management Group on 3 December and the Corporate Governance Group on 18 December. A number of amendments have been identified and incorporated into the register (Appendix 1).
2. Following feedback from users of the Corporate Risk Register the Risk and associated Action Plan are now presented together rather than in two sections.
3. Risk 1 Local Plan – The risk and supporting Action Plan has been redefined to provide a more comprehensive overview. The score remains A1 Very High Likelihood/Major Impact.
4. Risk 6 Information/Data – Work has been carried out to improve awareness of data protection requirements. It is therefore felt that the risk score should be changed from C1 Medium Likelihood/Major Impact to C2 Medium Likelihood/Moderate Impact.
5. Risk 9 Safeguarding – New Risk. The Risk Management Group and the Corporate Governance Group considered a new risk which highlights a number of areas where the Council must achieve a more widespread awareness of the responsibilities for safeguarding children and vulnerable adults. The detail of the risk can be seen within Appendix 1. Both groups agreed that the risk should be scored at B2 High Likelihood/Moderate Impact.

6. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

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

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

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

Background Papers:

None.

Impact Assessments:

Risk Management

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

Equality and Diversity:

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

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

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

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

Epping Forest District Council Corporate Risk Register

Date: 20 January 2014

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Appendix 2	Corporate Risk Register /Action Plans	7 - 18

1. Introduction

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

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

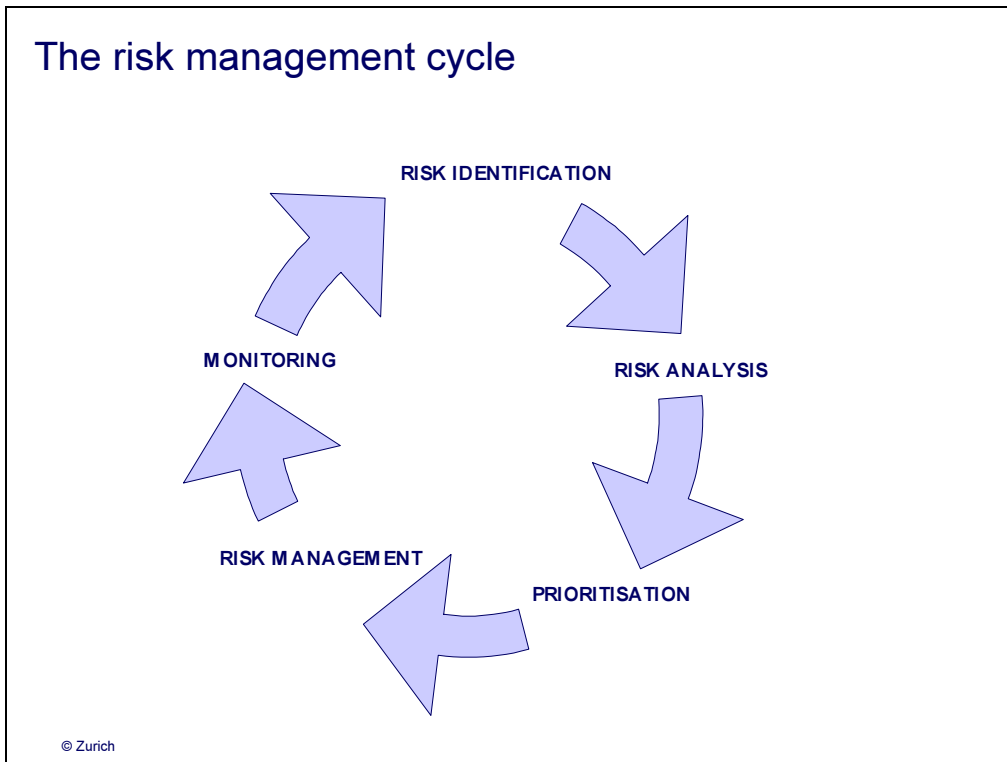
In total 8 strategic risks were profiled at the workshop and during the workshop, each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. The risk matrix measured each risk for its likelihood and its impact in terms of its potential for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

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

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

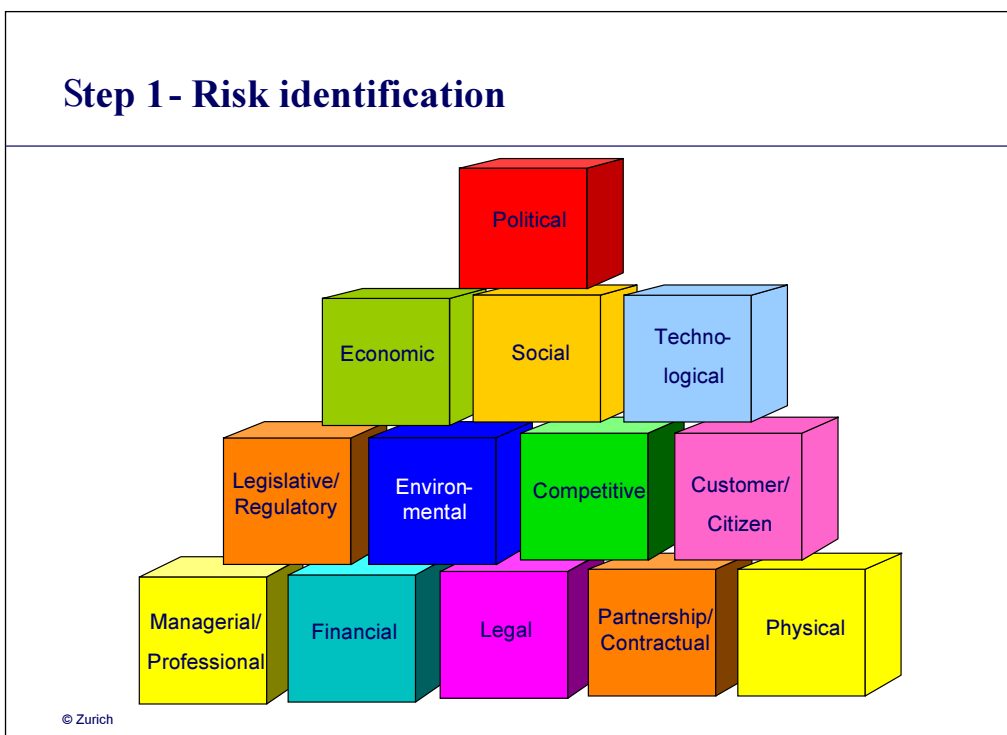
The following report outlines the process utilised by Zurich Risk Engineering and the results achieved.

2. The Process



Risk identification

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



Risk analysis

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

Risk prioritisation

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

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

Risk management and monitoring

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

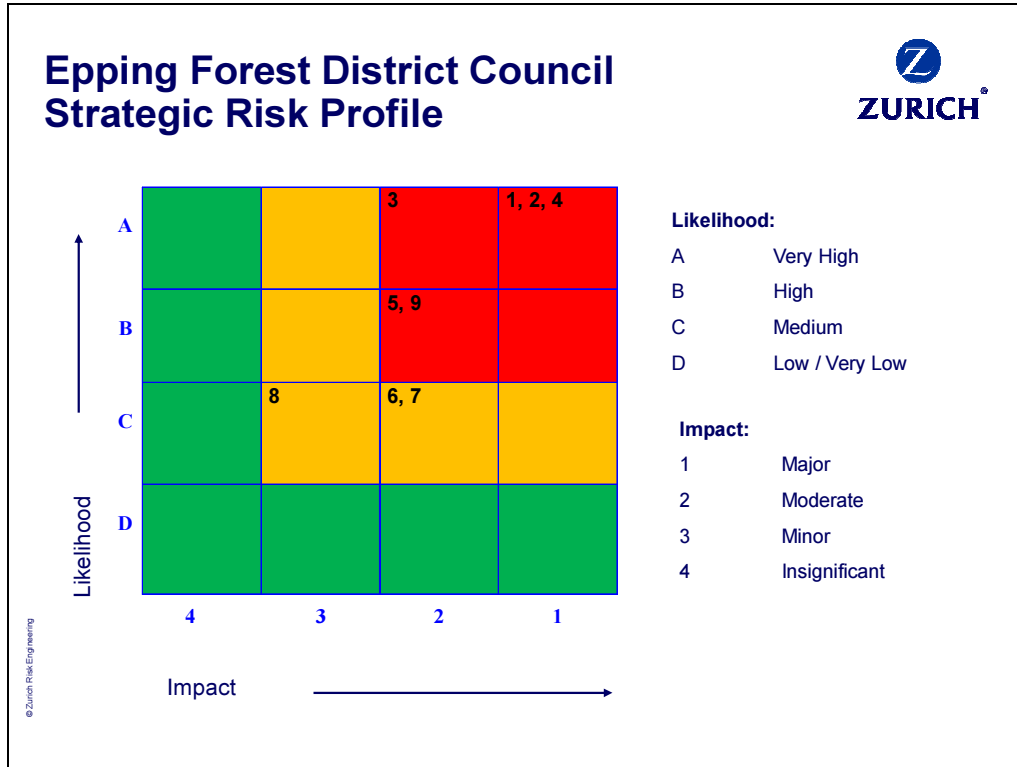
A risk owner has been identified for each risk. It is vital that each risk should be owned by a member of Management Board to ensure that there is high level support, understanding and monitoring of the work that is required as part of the plans. Risks should also be reviewed as part of the business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

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

Appendix 1 – Risk Profile

Risk profile

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



Appendix 2 details all of the above risks.

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

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

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

Appendix 2 – Corporate Risk Register and Action Plans

Risk No 1	Local Plan	A1		
Vulnerability	Trigger	Consequence	Risk Owner	
<p>On-going changes to Planning system increase importance of having up to date Local Plan.</p> <p>Changes in government planning policy require new Local Plan to take approaches significantly different from predecessors eg Duty to Co-operate, release Green Belt.</p> <p>Difficulties in implementing “Duty to Co-operate” may make it difficult or impossible to achieve “sound” Local Plan in timely fashion</p> <p>Failure to make timely progress increases likelihood of “planning by appeal”</p> <p>Loss/sickness of key staff and recruitment difficulties or inappropriate resource provision hold back progress.</p>	<p>Failure to make timely decisions and adhere to Local Development Scheme Project Plan.</p> <p>Failure of Council to approve a draft plan in line with National Planning Policy Framework.</p> <p>Inability to agree, particularly on amount and distribution of objectively assessed development needs.</p> <p>Failure to adhere to Local Development Scheme leads to developers making significant planning applications in advance of new Plan.</p> <p>Loss/long term absence of key staff.</p>	<p>Reduced ability to manage development in line with local priorities. Failure to provide strategic direction for future development, and housing etc for future needs.</p> <p>Plan not “sound”, leading for further delay, wasted resources, and vulnerability to planning appeal decisions.</p> <p>As above</p> <p>Significant diversion of professional resources to appeals. Risk of costs awards against Council. Potential lost opportunity for infrastructure and other provision due to outdated/National Planning Policy Framework non-compliant policies Development which is inappropriate in location/scale/type</p> <p>Delay in progress Potential need for rework due to loss of “corporate memory”.</p>	<p>John Preston</p>	

Risk No 1 Local Plan – Action Plan

Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Project management approach in place including regular updates, resource planning.	Project plan needs to incorporate more time for political engagement at key decision points.	Agree mechanisms and timing with lead members, incorporate in revised project plan	Glen Chipp John Preston Anna Cronin	Future adherence to project plan.	Project plan ongoing. MB review 6 weekly	As per project plan
Local Development Scheme reviewed July 2013.	Local Development Scheme now out of date (Nov 13).	Review Local Development Scheme on basis of new project plan, when agreed (see above)	Anna Cronin Glen Chipp	Local Development Scheme remains robust	As necessary	See above
Workshops for EFDC and Town/Parish councillors on key issues to enhance awareness and understanding of new government requirements.	Workshops popular and helpful but not a mechanism for strategic decision making.	Supplement workshops with other forms of briefing to EFDC members as agreed with leading members.	John Preston Anna Cronin	Timely decision making in line with project plan.	As necessary	See above
Engagement with other key stakeholders eg ad hoc meetings with Town/Parish councils, Resident Associations, use of Forester and website.	Limited, as tends to be reactive, resource intensive, and consistent messages difficult to develop in light of uncertainties over project plan	Develop strategic communications plan and implement See above re project plan	Glen Chipp Anna Cronin	Stakeholders feel well informed about process and decisions (though they may not agree). Informed responses to public consultation. Less need for reactive communications.	As necessary	Establish communications approach by end of 2013.

Risk No 1 Local Plan – Action Plan

Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Systematic approach to Duty to Co-operate, engaging public bodies and developing Memorandum of Understanding with key councils around Harlow.</p>	<p>Difficulties and delay in engaging councils in serious discussion re Memorandum of Understanding, however progress now being made. Initial meetings held with most other key bodies with positive outcomes, issues identified. Constant review of Planning Institute local plan decisions re Duty to Co-operate.</p>	<p>Important that key decisions do not precede Duty to Co-operate ie “fait accompli”- needs to be accommodated in project plan and Local Development Scheme. Progress Memorandum of Understanding, engaging members and using Planning Advisory Service support as necessary. Engage further key bodies eg Lee Valley Regional Park. Discuss informally with Planning Institute as necessary.</p>	<p>John Preston Anna Cronin</p>	<p>Submitted plan passes legal test of Duty to Co-operate.</p>	<p>MB review six weekly</p>	<p>As above.</p>
<p>Consultants in place to support project management, resource planning, Sustainability Assessment, transport modelling, masterplanning. Experienced maternity cover for two key posts in place. Temporary posts resourced. Budget available.</p>	<p>Staff cannot be prevented from leaving. Exit interviews should reveal any specific patterns. Market is picking up, making recruitment more difficult.</p>	<p>Continue to recruit swiftly as issues occur. Keep structure of team and remuneration under review in the light of wider council restructure, using consultancy support as appropriate. Plan appropriate handovers as senior staff move towards retirement etc.</p>	<p>John Preston Anna Cronin</p>	<p>No delays to timetable due to staffing gaps or lack of critical skills</p>	<p>As above</p>	<p>Adherence to project plan</p>

Risk No 2 Strategic Sites A1						
Vulnerability		Trigger		Consequence		Risk Owner
The Council has a number of Strategic sites which it needs to make the right decisions about and then deliver on those decisions.		Not maximising the opportunity of the strategic sites either through decisions or delivery		<ul style="list-style-type: none"> Financial viability of Council harmed Lack of economic development and job creation External criticism 		Colleen O'Boyle
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Work on strategic sites is co-ordinated through a dedicated Cabinet Committee.	Work is progressing on developing a number of sites	Reports to Cabinet Committee and Cabinet to obtain decisions on development options.	Colleen O'Boyle	Development of strategic sites completed in accordance with Cabinet decisions.	Monthly	None

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

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Risk No 4 Finance Income A1						
Vulnerability		Trigger	Consequence			Risk Owner
<p>The Council has a reliance on major income generating contracts and fee earning services that have been adversely affected by the on-going economic difficulties.</p> <p>With changes to central funding based on local retention of NDR the Council is more vulnerable to downturns in the local economy due to business ceasing trading and lack of residential development</p> <p>Welfare reform may require substantial change to the calculation and administration of benefits with a likely reduction in funding received.</p> <p>Potential loss of NHB to fund LEP</p> <p>The medium term financial strategy requires net CSB reductions of £2.3m over four years, which is a challenging target.</p>		<p>Unable to secure required level of income due to recession, reduced economic confidence or adverse change in funding</p>	<ul style="list-style-type: none"> • Council unable to meet budget requirements • Staffing and service level reductions • Increase Council Tax • Increase in charges • Greater use of reserves if required net savings not achieved • Higher level of saving in subsequent years. 			<p>Bob Palmer</p>
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Monitoring of key income streams and NDR tax base. Savings opportunities pursued through service reviews and corporate restructure.</p>	<p>Effective to date as budgets have been achieved that meet the financial targets set by Members.</p>	<p>Update Medium Term Financial Strategy as announcements are made on changes to central funding and welfare.</p> <p>Respond to Government consultation on funding.</p>	<p>Bob Palmer</p>	<p>Savings targets achieved with net expenditure reductions over the medium term as part of a structured plan.</p>	<p>Monthly</p>	<p>18 Feb 2014</p>

Risk No 5 Economic Development B2						
Vulnerability		Trigger	Consequence			Risk Owner
Economic development and employment is very important, particularly in the current economic climate. The Council needs to be able to provide opportunities for economic development and employment (especially youth employment) in the District.		Council performs relatively poorly compared to other authorities.	<ul style="list-style-type: none"> • Unable to secure sufficient opportunities • Local area and people lose out • Insufficient inward investment • Impact on economic vitality of area • Loss of revenue 			Glen Chipp
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Work has commenced on an updated Economic Development Strategy.	Resources in this area have not yet been increased in line with the greater significance it now has.	Completion of Strategy and allocation of appropriate resources.	Glen Chipp	Growth in NDR tax base and employment opportunities. Council to be viewed as punching above its weight.	Monthly	None

Risk No 6 Data / Information C2						
Vulnerability		Trigger	Consequence			Risk Owner
The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.		Data held by the Council ends up in inappropriate hands.	<ul style="list-style-type: none"> • Breach of corporate governance • Increased costs and legal implications • Reputation damaged 			Bob Palmer
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Controls in systems have been strengthened in response to specific occurrences</p> <p>Revised Corporate Data Protection e-learning module being rolled –out for compulsory staff completion.</p>	Generally effective to date, although some lapses still occurred in 2012/13	<p>Maintain GCSx compliance and system controls.</p> <p>Investigation of possible consolidation of Data Protection and Freedom of Information work in one area.</p>	Bob Palmer	<p>No data loss or system downtime due to unauthorised access of EFDC systems or data.</p> <p>Continued security of personal data held by the Council in accordance with the Data Protections Act 1998.</p>	Quarterly	None

Risk No 7 Business Continuity C2						
Vulnerability		Trigger		Consequence		Risk Owner
The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act.		Unable to respond effectively to a business continuity incident (e.g IT virus/flu pandemic)		<ul style="list-style-type: none"> • Services disrupted / Loss of service • Possible loss of income • Staff absence • Hardship for some of the community • Council criticised for not responding effectively 		Derek MacNab
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Most services already have business continuity plans in place and a separate flu pandemic plan has been developed. Page 147	The effectiveness of controls is assessed periodically through test and exercises	Both corporate and service business continuity plans are being updated. Implementation of Cabinet approved measures to enhance the resilience of ICT	Derek MacNab	Having plans in place which are proved fit for purpose either by events or external scrutiny.	Quarterly	None

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

Risk No 9 Safeguarding B2			
Vulnerability	Trigger	Consequence	Risk Owner
<p>The Council needs to demonstrate its ability to meet its duties under Sections 11 and 47 of the Children Act 2004.</p> <p>Although not yet a statutory requirement, the Council also needs to comply with best practise in regard to safeguarding vulnerable adults from harm.</p> <p>This is a Council –wide requirement which includes training and awareness of staff at all levels across the organisation and Elected Members.</p> <p>Effective systems and processes for safeguarding children, young people and vulnerable adults need to be in place</p>	<p>The Council fails to meet its duties in regard to safeguarding and information sharing</p> <p>Elected Member reluctance to undertake training results in the Council failing to meet a ‘whole Council’ approach</p> <p>Staff reluctance to be involved in referring safeguarding concerns due to lack of confidence and awareness.</p>	<ul style="list-style-type: none"> • A child, young person or vulnerable adult suffers significant harm • A child, young person or vulnerable adult suffers from exploitation • Avoidable death of a child, young person or vulnerable adult living in the District • Reputational risk for Council • Censure and special measures applied • Staff stress 	Derek MacNab

Risk No 9 Safeguarding - Action Plan						
Existing Controls/ actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>The Council has a current and comprehensive Safeguarding Policy which is updated annually or in line with any changes within legislation.</p> <p>The policy details what is required of all staff and members, and contains clear instructions for the recording and processing of safeguarding concerns, incidents and allegations.</p> <p>A Corporate Safeguarding Group provides a forum for sharing best practice, disseminating information across Directorates and identifying any weaknesses in the Council's work.</p> <p>All staff are required to undertake safeguarding training appropriate to their roles.</p> <p>The Council has a Safe Recruitment Policy.</p> <p>The Council has agreed to the introduction of a dedicated senior safeguarding post for two years to enable the Council to meet all of the required standards.</p>	<p>The Council has reduced the risk of safeguarding issues going unnoticed by staff and members by providing clear procedures and requirements for training and awareness.</p> <p>This group is only partially effective, due to limited commitment by some Directorates</p> <p>This will be effective subsequent to a training Plan being developed.</p> <p>Safe Recruitment assists the Council in reducing the risk of employing an unsuitable member of staff.</p>	<p>Leadership Team and Managers to ensure that all staff are aware of the Councils safeguarding policy and procedures</p> <p>The Council needs to ensure timely response to changes in legislation or local procedures.</p> <p>Directorates need to commit time for representatives to attend the Corporate Working Group.</p> <p>Staff require training in Safe Recruitment.</p>	<p>Glen Chipp Directors Leadership team</p> <p>Julie Chandler Paula Maginnis</p>	<p>The Council meets all of its duties under Section 11 and 47.</p> <p>The Council fully meets all aspects of the ESCB/ESAB Safeguarding self - assessment.</p>	<p>Monthly</p>	<p>Monthly</p>

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FPM-023-2013/14

Date of meeting: 20 January 2014

Portfolio: Finance and Technology

Subject: Allocation of Local Council Tax Support Grant

Officer contact for further information: Bob Palmer – (01992 – 56 4279)

Democratic Services Officer: Rebecca Perrin - (01992 - 56 4532)

Recommendations/Decisions Required:

To allocate the Local Council Tax Support Grant available to Town and Parish Councils in proportion to the reduction in their Council Tax income.

Executive Summary:

Last year the Council decided to top up the amount of grant relating to local councils of £312,812 by an additional £7,460 in order to leave local councils no worse off following the introduction of Local Council Tax Support.

From the initial grant figures provided in late July it was clear that the amount of grant relating to local councils would no longer be separately identified and that the overall grant receivable would be substantially reduced. This Committee decided on 19 September that the grant available to local councils should be reduced by the same percentage as the Council's overall grant was reduced. At that time a reduction of 13.6% was anticipated and this was communicated to the local councils immediately by email in September and at the Local Councils Liaison meeting in November. It was assumed that the grant paid to each body in 2013/14 would be reduced by 13.6% for 2014/15.

At the Local Councils Liaison meeting it was suggested that, for the allocation to be as fair as possible, the amount of grant should reflect the loss of income to each body. It was not possible at that time to perform that calculation as the tax base had not been set. Now the tax base has been set and the likely reduction in overall grant has been confirmed as 12.5%. The figures shown in the appendix were shared with the local councils before Christmas but it was made clear that they should not be regarded as final until the issue had been considered by this Committee.

Reasons for Proposed Decisions:

To agree the basis for allocating LCTS Grant and the amounts due to each Town and Parish Council.

Other Options for Action:

Members could decide to allocate the grant by reducing the amount payable to each local council by 12.5%. Alternatively, Members could decide to allocate more than the proposed amount, although this would require additional savings elsewhere in the budget to fund the local councils.

Report:

1. The principle behind this grant is that it should compensate for the reduction in tax base and for 2013/14 Members decided to top up the Government funding of £312,812 by £7,460 to leave local councils no worse off as a result of local council tax support. This meant that if the grant for 2013/14 was deducted from the previous year's precept and the adjusted precept was then divided by the adjusted tax base the new Band D charge produced should be similar to the 2012/13 Band D charge. Help and advice was provided to the local councils and most set their precepts accordingly so there was little increase in most Band D charges. Out of the twenty four local councils only five increased their charge by more than 3.5% and these are shown below -

Local Council	Band D 2012/13 £	Band D 2013/14 £	Increase %
Chigwell	37.34	47.69	27.72
Moreton, Bobbingworth and the Lavers	21.49	24.87	15.73
North Weald Bassett	52.45	57.61	9.84
Ongar Town	82.83	90.80	9.62
Stanford Rivers	32.59	48.42	48.57

2. The tax base has now been set for 2014/15 and this shows a reduction of 5,014.8 Band D equivalents due to LCTS, a reduction of 103.3 on the 2013/14 figure of 5,118.1. This is a reduction of approximately 2%, although within this average the figures for individual authorities show more fluctuation. The five authorities with the greatest Band D reductions and their year on year change are shown below -

Local Council	Reduction in Band D Equivalents 2012/13	Reduction in Band D Equivalents 2013/14	(Decrease) %
Buckhurst Hill	358.7	346.6	(3.37)
Chigwell	389.7	372.9	(4.31)
Epping Town	477.5	467.5	(2.10)
Loughton Town	1,413.7	1,377.2	(2.58)
Waltham Abbey Town	1,188.4	1,185.6	(0.24)

3. The draft grant settlement figures announced just before Christmas were slightly better than expected for 2014/15 and slightly worse than expected for 2015/16. Previously local authorities had been advised of a potential reduction of 13.6% but the latest indicative figures show a reduction in total grant of 12.5%. Applying this reduction to the 2013/14 grant gives an amount to be allocated amongst local councils of £280,236 for 2014/15.

4. Appendix one shows the reduction in Band D equivalents for each local authority and then multiplies this by the Band D charge for 2013/14 to get a figure for the predicted loss of income for 2014/15. The total income lost for all local authorities is £325,245 and the individual amounts are divided by this to show the percentage of the total loss that relates to each authority. The individual percentages are then multiplied by the grant available to give the allocation for each authority.

5. As Waltham Abbey Town Council has the largest reduction in income it is used here as the illustration -

a) Predicted loss of income = Band D charge x reduction in Band D equivalents

$$£114,908.35 = £96.92 \times 1,185.6$$

b) Percentage of overall loss = WATC loss / total loss

35.33% = £114,908.35 / £325,244.70

c) Share of Grant = % of overall loss x total grant

£99,007 = 35.33% x £280,236

6. The change in grant relative to 2013/14 is determined by the relative changes in Band D charges and the reductions in Band D equivalents, with most authorities showing the expected reductions. Three authorities, Chigwell, Moreton, Bobbingworth and the Lavers and Stanford Rivers, show increases in grant due to the size of the increase in their Band D charges in 2013/14. The other authority showing an increase is Abbess, Berners and Beauchamp Roding and this is due to an increase in their number of Band D equivalents, from 8.8 in 2013/14 to 10.9 for 2014/15.

Resource Implications:

The reduction in resource available for the grant to local councils is the same as the overall grant reduction faced by the Council. Members could choose to reduce the total grant by a greater or lesser amount, a greater reduction would reduce the need for savings whilst an increase in the grant would have to be funded by other savings elsewhere in the budget.

Legal and Governance Implications:

The Government has not prescribed a formula or mechanism for calculating or allocating the grant but has said it is for each billing authority to determine.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations in this report for the Council's commitment to the Nottingham Declaration for climate change, the corporate Safer, Cleaner and Greener initiative or any Crime and Disorder issues within the district.

Consultation Undertaken:

Information has been shared with local councils by email and both the Portfolio Holder and the Director of Finance & ICT attended the Local Councils Liaison meeting in November.

Background Papers:

Previous reports on LCTS.

Impact Assessments:

Risk Management

There is a risk that if the allocations are not determined local councils could be late in setting their precepts and this in turn could effects our own budget timetable.

Equality and Diversity:

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

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

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

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

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Local Council	LCTS Grant	Band D Charge	Reduction in Tax Base	Income Lost	% of Total Loss	LCTS Grant	Change in Grant
	2013/14 £	2013/14 £	2014/15 Band D Equivalents	2014/15 £	%	2014/15 £	2014/15 £
Abbess, Berners and Beauchamp Roding	206	23.26	10.90	253.53	0.08	218	12
Buckhurst Hill	24,840	68.90	346.60	23,880.74	7.34	20,576	-4,264
Chigwell	14,551	47.69	372.90	17,783.60	5.47	15,323	772
Epping Town	40,034	83.84	467.50	39,195.20	12.05	33,771	-6,263
Epping Upland	679	28.54	20.00	570.80	0.18	492	-187
Fyfield	505	24.77	21.30	527.60	0.16	455	-50
High Ongar	1,078	23.46	52.60	1,234.00	0.38	1,063	-15
Lambourne	3,614	32.45	103.10	3,345.60	1.03	2,883	-731
Loughton Town	69,526	49.18	1,377.20	67,730.70	20.82	58,358	-11,168
Matching	896	32.50	27.10	880.75	0.27	759	-137
Moreton, Bobbingworth and the Lavers	997	24.87	50.60	1,258.42	0.39	1,084	87
Nazeing	5,233	34.37	149.80	5,148.63	1.58	4,436	-797
North Weald Bassett	13,265	57.61	251.10	14,465.87	4.45	12,464	-801
Ongar Town	22,770	90.80	267.00	24,243.60	7.45	20,889	-1,881
Roydon	1,574	22.26	69.30	1,542.62	0.47	1,329	-245
Sheering	1,923	22.73	79.60	1,809.31	0.56	1,559	-364
Stanford Rivers	886	48.42	27.00	1,307.34	0.40	1,126	240
Stapleford Abbots	313	12.45	25.10	312.50	0.10	269	-44
Stapleford Tawney	41	19.66	2.20	43.25	0.01	37	-4
Theydon Bois	4,715	51.14	86.50	4,423.61	1.36	3,811	-904
Theydon Garnon	30	12.29	2.30	28.27	0.01	24	-6
Theydon Mount	20	13.46	1.10	14.81	0.00	13	-7
Waltham Abbey Town	112,256	96.92	1,185.60	114,908.35	35.33	99,007	-13,249
Willingale	319	18.24	18.40	335.62	0.10	289	-30

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