



NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the **EPPING FOREST DISTRICT COUNCIL** to be held in the **COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING** at 7.30 pm on **Tuesday, 26 April 2016** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read 'Glen Chipp'.

Glen Chipp
Chief Executive

**Democratic Services
Officer:**

Council Secretary: Simon Hill
Tel: 01992 564249 Email:
democraticservices@eppingforestdc.gov.uk

WEBCASTING/FILMING NOTICE

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

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

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

If you have any queries regarding this, please contact the Public Relations Officer on 01992 564039.

BUSINESS

1. WEBCASTING INTRODUCTION

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

2. The Assistant Director of Governance and Performance Management will read the following announcement:

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

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

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

2. MINUTES (Pages 7 - 86)

To approve as a correct record and sign the minutes of the meeting held on 18 February 2016. (attached)

3. STANDARDS COMMITTEE INDEPENDENT PERSON - ROGER PRATT AND DISTRICT COUNCILLOR K ANGOLD-STEPHEN

The Council is invited to stand for a minute's silence in tribute to the memory of Standards Committee Independent Person, Roger Pratt who passed away on 15 March 2016 and District Councillor Ken Angold-Stephens who passed away on 8 April 2016.

Roger Pratt served as an Independent Person on the Standards Committee from 27 September 2012.

Ken Angold-Stephen served as a Loughton Residents Association District Councillor representing the Loughton Roding Ward since 2004. In this time he has served as the Chairman and Vice-Chairman of various Council Committee's including Licensing, Overview and Scrutiny, Task and Finish Panel on Register of Development Proposals, The Pitt Review Task and Finish Panel, Senior Recruitment Task and Finish Panel, Overview and Scrutiny Review Task and Finish Panel, Review of Chief Executive Appointment Task and Finish Panel and the Scrutiny Review Task and Finish Panel. He became the Vice Chairman in 2010/11 and the Chairman of the Council 2011/12.

He was also a Loughton Town Councillor for the Roding Ward from 2004 and had been the Mayor of Loughton Town Council in 2009/10.

4. DECLARATIONS OF INTEREST

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

5. ANNOUNCEMENTS

(a) **Apologies for Absence**

(b) Announcements

To consider any announcements by:

- (i) the Chairman of the Council;
- (ii) the Leader of the Council; and
- (iii) any other Cabinet Member.

6. COUNCILLOR S WESTON - RESIGNATION**Recommendation:**

To note that Councillor S Weston resigned as a Councillor on 23 March 2016.

(Returning Officer) Following notification and public notice of the vacancy, a request for an election to fill the vacancy was received, nominations were made, and an election will take place at the same time as other elections on 5 May 2016.

7. PUBLIC QUESTIONS (IF ANY)

To answer questions asked after notice in accordance with the provisions contained in paragraph 11.3 of the Council Procedure Rules of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

- (a) to the Leader of the Council;
- (b) to the Chairman of the Overview and Scrutiny Committee; or
- (c) to any Portfolio Holder.

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

8. QUESTIONS BY MEMBERS UNDER NOTICE

To answer questions asked after notice in accordance with the provisions contained in paragraph 12.3 of the Council Procedure Rules of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

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

Council Procedure rule 12.4 provides that answers to questions under notice may take the form of:

- (a) direct oral answer;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or

(c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

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

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

9. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 87 - 116)

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

- (a) Report of the Leader;
- (b) Report of the Assets and Economic Development Portfolio Holder; (attached)
- (c) Report of the Environment Portfolio Holder; (attached)
- (d) Report of the Finance Portfolio Holder; (attached)
- (e) Report of the Governance and Development Management Portfolio Holder; (attached)
- (f) Report of the Housing Portfolio Holder; (attached)
- (g) Report of the Leisure and Community Services Portfolio Holder; (attached)
- (h) Report of the Planning Policy Portfolio Holder; (attached)
- (i) Report of the Safer, Greener and Transport Portfolio Holder; and
- (j) Report of the Technology and Support Services Portfolio Holder (attached).

10. QUESTIONS BY MEMBERS WITHOUT NOTICE

Council Procedure Rule 12.6 provides for questions by any member of the Council to the Leader or any Portfolio Holder, without notice on:

- (i) reports under item 7 above; or
- (ii) any other matter of a non operational character in relation to the powers and duties of the Council or which affects all or part of the District or some or all of its inhabitants.

Council Procedure Rule 12.7 provides that answers to questions without notice may take the form of:

- (a) direct oral answer from the Leader or, at the request of the Leader, from another member of the Cabinet;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication;

(c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner; or

(d) where the question relates to an operational matter, the Leader or a member of the Cabinet will request that a response be given direct to the questioner by the relevant Chief Officer.

In accordance with the Council Procedure Rule 12.8, a time limit of thirty minutes is set for questions. Any question not dealt with within the time available will receive a written reply. The Chairman may extend this period by up to a further 10 minutes at their discretion.

11. MOTIONS

To consider any motions, notice of which has been given under Council Procedure Rule 13.

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

12. NEW COUNCIL CONSTITUTION AND ASSOCIATED MATTERS (Pages 117 - 126)

(Chairman of Constitutional Working Party) To consider the attached report.

13. OVERVIEW AND SCRUTINY (Pages 127 - 128)

(a) To receive the report of the Chairman of the Overview and Scrutiny Committee and to answer any questions without notice asked in accordance with Council procedure rule 12.7(b) and 12.9 (a).

14. CALL-IN AND URGENCY - TENANTS' DECORATION VOUCHERS (Pages 129 - 130)

To note the attached decision taken by the Chairman of the Council to waive the call-in provisions of the Overview and Scrutiny Rules.

15. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

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

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

16. EXCLUSION OF PUBLIC AND PRESS

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

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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

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

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

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

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

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

EPHING FOREST DISTRICT COUNCIL COUNCIL MINUTES

- Committee:** Council **Date:** 18 February 2016
- Place:** Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 9.50 pm
- Members Present:** Councillors E Webster (Chairman), J Lea (Vice-Chairman), A Boyce, H Brady, W Breare-Hall, G Chambers, K Chana, T Church, D Dorrell, R Gadsby, L Girling, A Grigg, L Hughes, R Jennings, H Kane, S Kane, P Keska, J Knapman, A Lion, M McEwen, G Mohindra, R Morgan, S Murray, S Neville, A Patel, C P Pond, C C Pond, C Roberts, B Rolfe, M Sartin, G Shiell, D Stallan, S Stavrou, B Surtees, L Wagland, G Waller, S Weston, C Whitbread, J H Whitehouse, J M Whitehouse and D Wixley
- Apologies:** Councillors K Angold-Stephens, N Avey, R Bassett, N Bedford, J Hart, S Jones, H Kauffman, Y Knight, H Mann, L Mead, A Mitchell, J Philip, B Sandler, T Thomas, S Watson and N Wright
- Officers Present:** G Chipp (Chief Executive), R Palmer (Director of Resources), A Hall (Director of Communities), C O'Boyle (Director of Governance), S G Hill (Assistant Director (Governance & Performance Management)), R Perrin (Democratic Services Officer), S Kits (Social Media and Customer Services Officer), A Hendry (Senior Democratic Services Officer) and P Seager (Chairman's Secretary)
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90. WEBCASTING INTRODUCTION

The Assistant Director of Governance and Performance Management reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

91. MINUTES

RESOLVED:

That the minutes of the meeting held on 15 December 2015 be taken as read and signed by the Chairman as a correct record.

92. DECLARATIONS OF INTEREST

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

The Monitoring Officer confirmed to the Council that under Section 10.2(iii)(vi) of the Code of Conduct, no interest was created by dual hatted Councillors in the Budget item.

93. ANNOUNCEMENTS**(a) Announcements by the Chairman of the Council****(i) Councillor K Angold-Stephens**

The Chairman advised Members that Councillor K Angold-Stephen was unable to attend this evenings meeting. She would be sending a card and the flowers from this meeting to him and his wife, Jill with the Councils best wishes.

(ii) Civic Awards Dinner

The Chairman asked Members who had not responded to their invitation to the Civic Awards Dinner, to contact the Chairman's Secretary to advise if they were attending the event.

(iii) Chairman's Charity Quiz

The Chairman advised the Chairman's Charity Quiz was taking place on Friday 26 February 2016 at Theydon Bois Village Hall.

94. PUBLIC QUESTIONS (IF ANY)

The Council noted that there were no public questions for this meeting.

95. QUESTIONS BY MEMBERS UNDER NOTICE

The Council noted that there were questions under notice for this meeting.

96. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET**(a) The Leader of the Council**

The Leader advised that he had attended 17 meetings with various bodies since the last Council meeting and the majority of them had concerned Devolution. The Council was participating in discussions with neighbouring authorities about the potential for a Greater Essex Bid and the Department of Communities and Local Government (DCLG) were heavily involved in the engagement with authorities across Essex, to progress details of an Essex deal, although there had been delays because of the practical difficulties of scheduling meetings. This had resulted in the probability that a deal would not be reached before the summer 2016. He advised that the concerns raised by the Council were being considered and remained unresolved and that he was keeping an open mind because the deal had to deliver a real benefit to local residents before joining.

A number of Devolution deals had been announced in Manchester, Cornwall, Liverpool, Sheffield, Tees Valley, West Midlands and West Yorkshire with a directly elected Mayor. He advised that although this was considered appropriate for cities regions, he was in the view that it would not work for the Shire Counties.

There had been a number of amendments to the Devolution Bill, (which had effected the formation of a combined authority requiring the agreement of all local authorities to join) to allow the Secretary of State to direct local authorities to join, which the Council was monitoring, but to date there had been no instances of this power being used.

He had also attended the Epping Society, which held a meeting regarding the Greenbelt with the local MP, Eleanor Laing and Local residents.

(b) Housing Portfolio Holder

Councillor D Stellan advised that on page 28 of the agenda, paragraph 2 the words "children's play area" should be replaced with "open space area".

97. QUESTIONS BY MEMBERS WITHOUT NOTICE

(a) New Homes Bonus

Councillor S Murray asked the Finance Portfolio Holder what importance the Council gave to the New Homes Bonus, which was worth £2.7 million, following the publication from 'Inside Housing, January 2016', which advised that the Government was considering options to withholding some or all of the New Homes Bonus from Local Authorities who had not yet produced a Local Plan by 2017/18 and 50% from Local Authorities who had produced a plan but not submitted it.

Councillor S Stavrou advised that the Council was very conscious of having the Local Plan completed in time and the Cabinet Members were doing all they could to accelerate the process without comprising the integrity of the Plan.

(b) Pensions

Councillor S Neville asked the Finance Portfolio Holder whether she considered the Governments proposed changes to be able to veto the way Local Authorities invested their Members pension's funds and procurement methods, an attack on local democracy and would she write to the Government asking them to reconsider?

Councillor S Stavrou advised that the Government made the policies and the local authority implemented them, which it was the Councils responsibility to do so and would be happy to discuss it outside of the meeting.

(c) Poor Highways Design & Parking Concerns, Broadway, Loughton

Councillor L Girling asked the Safer, Greener and Transport Portfolio Holder whether the posts installed as part of the Broadway Regeneration Project enhancement, which were continuous mounted by traders and shoppers were:

- (i) a design flaw;
- (ii) whether double yellow lines should be installed along the Highway;
- (iii) whether pedestrian's safety was at risk; and
- (iv) whether he would attend a site visit?

Councillor G Waller advised that the regeneration around the Broadway was designed around 7/8 years ago and agreed that pedestrian safety at this location was a concern. He advised that the Loughton Broadway Parking Review was pending and would present an ideal opportunity to resolve some of those problems and he would be happy to visit the site with Councillor L Girling.

(d) Dog Fouling

Councillor J M Whitehouse asked the Environment Portfolio Holder, whether he could update the Council on the arrangements for Dog Fouling, in particular, enforcement and education following the changes to the animal welfare, street cleansing and the waste management contract.

Councillor W Breare-Hall advised that there were already dog control orders and measures in place to deal with this type of problem. He advised that with Biffa taking over the waste contract, there should have been no changes in the service and he would be happy to take these concerns to them.

(e) Off Street Parking Programme, Greensted Ward

Councillor B Surtees asked the Housing Portfolio Holder and the Safer, Greener and Transport Portfolio Holder to accept his thanks for the speed in which the Housing Assets Team had dealt with the application for car parking improvements in Greensted Ward and whether any surplus funds the Council received, could be spent on more improvements like these as residents valued these schemes.

Councillor D Stallan advised that the off-street programmes had been very important for the Council and the programme was reviewed each year by the Cabinet. The schemes relating to the Council's Housebuilding Programme would take priority, which had been agreed by Members previously.

(f) Policing in Loughton

Councillor S Murray asked the Safer, Greener and Transport Portfolio Holder whether he shared his concern about the policing in Loughton and whether Loughton received the same service of care that other urban areas of Essex had received?

Councillor G Waller advised that the Council worked closely with the Police and at the recent Essex Police and Crime Panel, there had been some discussion regarding the policing and demands, which were much greater than before. The Police were dealing with hidden harms such as child sexual exploitation and domestic abuse, which had meant that there was less time available for other types of crimes. Councillor G Waller advised that although the Police had made efforts to respond to residents, he would remind the Police of the concerns Councillor S Murray had in Loughton.

(g) Taxi Drivers Behaviour

Councillor L Girling asked the Safer, Greener and Transport Portfolio Holder whether a letter could be sent to all EFDC Taxi Drivers about their professionalism and driving, following the day to day conduct of taxi drivers, who parked on yellow double lines, carried out U-turns across pedestrian central islands, parked in disabled bays and mounted the pavements between posts on the Broadway in Loughton.

Councillor G Waller advised that the issues raised and the requested actions by Councillor L Girling were the responsibility of the Chairman of the Licensing Committee.

98. MOTIONS

The Chairman reported that there were no motions to be considered at this meeting.

99. PAY POLICY STATEMENT 2016/17

Mover: Councillor A Lion, Technology and Support Services Portfolio Holder.

Councillor A Lion presented a report on the Council's Pay Policy Statement for 2016/17 which was required by Section 38(1) of the Localism Act 2011 to be published each financial year. Specifically including the Council's approach to its highest and lowest paid employees.

Report as first moved **ADOPTED**

RESOLVED:

That the Council's Pay Policy Statement for 2016/17 attached as Appendix 1 to these minutes be adopted.

100. TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2016/17 - 2018/19

Mover: Councillor S Stavrou, Finance Portfolio Holder

Councillor Stavrou presented a report on the Council's Treasury Management Strategy, Annual Investment Strategy 2016/17 to 2018/19 and prudential indicators.

Report as first moved **ADOPTED**

RESOLVED:

That the following documents attached to these minutes as Appendices 2 and 3 be adopted:

- (a) Treasury Management Strategy Statement and Annual Investment Strategy 2016/17 to 2018/19;
- (b) Minimum Revenue Provision Strategy;
- (c) Treasury Management Prudential Indicators for 2016/17 to 2018/19;
- (d) the rate of interest to be applied to any Inter-Fund Balances; and
- (e) Treasury Management Policy Statement.

101. ADJOURNMENT

Councillor J Knapman advised that the changes in Band D Charges to Chigwell Parish Council on the tabled supplementary 2 – Council Budget appendices - Annex 8 b & c were incorrect. The Director of Resources requested that the meeting be adjourned so that he could obtain the signed copies of the precepts from all of the Town and Parish Councils in the District.

RESOLVED:

That the meeting be adjourned at 8.55 p.m. and re-convened at 9.15 p.m. for the purposes of transacting the remaining items of the agenda.

102. COUNCIL BUDGET 2016/17

Councillor S Stavrou presented a report on the Budget and Council Tax Declaration for 2016/17.

Amendment moved by Councillor J Knapman and Seconded by Councillor C Whitbread

That recommendation (4) read;

“That the medium term financial forecast be approved as set out in Annexes 9 a and 9 b and as result there will be no increase in the District Council Tax for 2016/17;”

Carried

There voted for the recommendations: (35) namely: T Boyce, H Brady, W Breare-Hall, G Chambers, T Church, D Dorrell, R Gadsby, L Girling, A Grigg, L Hughes, B Jennings, H Kane, S Kane, P Keska, J Lea, M McEwen, R Morgan, S Murray, S Neville, A Patel, C C Pond, C P Pond, B Rolfe, M Sartin, G Shiell, D Stallan, S Stavrou, B Surtees, G Waller, E Webster, S Weston, C Whitbread, J H Whitehouse, J M Whitehouse and D Wixley.

There voted to abstain from the recommendations (6) namely: K Chana, J Knapman, A Lion, G Mohindra, C Roberts and L Wagland.

RESOLVED:

- (1) That the list of CSB growth and savings for the 2016/17 budget (set out in Annex 1 to these minutes) be approved;
- (2) That the list of District Development Fund items for the 2016/17 budget (set out in Annex 2) be approved;
- (3) That the revenue estimates for 2016/17 and the draft Capital Programme for 2016/17 be approved as set out in Annex 4, 5 (a-g) and 6 including all contributions to and from reserves as set out in the attached Annexes;
- (4) That the medium term financial forecast be approved as set out in Annexes 9 a and 9 b and as result there will be no increase in the District Council Tax for 2016/17;
- (5) That the 2016/17 HRA budget be approved on the basis that the contribution to the self-financing reserve has been suspended, and that the application of rent decreases resulting in an average decrease of 1% from £97.54 to £96.56, be approved;
- (6) That the Council's policy of retaining revenue balances at no lower than £4.0M or 25% of the net budget requirement whichever is the higher for the four year period to 2018/19 be amended to no lower than £4.0M or 25% of the net budget requirement whichever is the higher during the four year period up to and including 2019/20;
- (7) That the report of the Chief Financial Officer on the robustness of the estimates for the purposes of the Council's 2016/17 budgets and the

adequacy of the reserves (see Annex 10) be noted.

Declaration of Council Tax

(8) That it be noted that under delegated authority the Director of Resources, in consultation with the Finance Portfolio Holder, calculated the Council Tax Base 2016/17:

(a) for the whole Council area as 52,257.8 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended); and

(b) for dwellings in those parts of its area to which a Parish precept relates as set out below and in Annex 7.

	Tax Base
Abbess, Beauchamp & Berners	213.9
Roding	
Buckhurst Hill	5,108.0
Chigwell	5,981.8
Epping Town	5,107.2
Epping Upland	393.2
Fyfield	414.8
High Ongar	544.2
Lambourne	858.3
Loughton Town	12,090.4
Matching	426.3
Moreton, Bobbingworth and The Lavers	571.8
Nazeing	2,024.4
North Weald Bassett	2,484.5
Ongar	2,674.0
Roydon	1,292.4
Sheering	1,309.9
Stanford Rivers	349.6
Stapleford Abbots	512.0
Stapleford Tawney	73.6
Theydon Bois	1,976.0
Theydon Garnon	76.9
Theydon Mount	114.2
Waltham Abbey Town	7,431.1
Willingale	229.3

(9) That the following amounts be calculated for the year 2016/17 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:

(a) £130,231,701 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;

(b) £119,183,219 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;

(c) £11,048,482 being the amount by which the aggregate at 9 (a) above exceeds the aggregate at 9 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);

(d) £211.42 being the amount at 9 (c) above (Item R), all divided by Item T (the amount at 8 (a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);

(e) £3,274,089 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Annex 7);

(f) £148.77 being the amount at 9 (d) above less the result given by dividing the amount at 9 (e) above by Item T (8 (a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

(10) That it be noted that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the category of dwellings in the Council's area as shown in Annex 8 (attached);

(11) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts in Annex 8 Part B (attached) as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

(12) That in accordance with section 52ZB of the Local Government Finance Act 1992, Council determines that the amount of Council Tax shown at (9) (f) of £148.77 for 2016/17, being unchanged from 2015/16 is not excessive and therefore there is no need to hold a local referendum.

103. OVERVIEW AND SCRUTINY

(a) Report of the Chairman of the Overview and Scrutiny Committee

The Council received a written report from Councillor R Morgan, the Chairman of Overview and Scrutiny Committee. He advised that the Barts Health NHS Trust - Whipps Cross Hospital would be attending the next meeting of the Overview and Scrutiny Committee on 23 February 2016, to provide a progress update on the Trust's improvement plan for Whipps Cross, alongside progress on the issues that members raised with the interim Managing Director of the hospital last year.

104. PROPOSED TERMS OF REFERENCE - AUDIT & STANDARDS COMMITTEE

Mover: Councillor J Knapman, Chairman of Audit and Governance Committee.

Councillor J Knapman submitted a report regarding the principle of merger of the Audit and Governance Committee and the Standards Committee.

Amendment moved by Councillor J Knapman and Seconded by Councillor G Chambers

That recommendations (1) – (3) be deleted and substituted with the following words:

“That the Constitution Working Group be asked to consider the following and report to Council on 26 April 2016:

- (a) Whether adjustments could be made to the suggested terms of reference of the proposed Audit and Standards Committee to achieve greater flexibility of membership to allow standards complaints matters to be dealt with more effectively; and
- (b) Whether in light of any suggested wording adjustments any further constitutional matters require change and to make recommendations to the Council accordingly.”

Carried

RESOLVED:

That the Constitution Working Group be asked to consider the following and report to Council on 26 April 2016:

- (a) Whether adjustments could be made to the suggested terms of reference of the proposed Audit and Standards Committee to achieve greater flexibility of membership to allow standards complaints matters to be dealt with more effectively; and
- (b) Whether in light of any suggested wording adjustments any further constitutional matters require change and to make recommendations to the Council accordingly.

105. CALL-IN AND URGENCY - LOCAL LAND CHARGES - APPLICATION OF VAT TO SEARCH ENQUIRIES

The Council noted that the Chairman of the Council had agreed that the following decision be treated as a matter of urgency and not subject to call-in;

- (a) Local Land Charges - Application of Vat to Search Enquiries

That from 1 February 2016, in line with new requirements of HM Revenue & Customs, the standard rate of VAT be added to the Council's fee for Local Land Charges Search Standard Enquiries (Form CON29R) and Optional Enquiries (Form CON29O).

106. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

- (a) No further updates from Council representatives on any other business of joint arrangements and external organisations were advised; and
- (b) No requests were made for written reports to be made by representatives on joint arrangements and external organisations at the next meeting.

CHAIRMAN

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EPPING FOREST DISTRICT COUNCIL

PAY POLICY STATEMENT 2016/17

Introduction

Epping Forest District Council is located adjacent to three outer London boroughs and on the Central Line into the City of London. Also residents have easy access to major motorway routes as both the M11 and M25 run through the district. There is a high incidence of commuting from the district which impacts on the local labour market and levels of pay, particularly for jobs that require skills that are in relatively short supply. Whilst the economic downturn has eased some long standing recruitment difficulties and improved retention rates in key skill areas, the situation is not static and is capable of changing very rapidly.

This Statement reflects the Council's current pay, pension and leave policies and strategies which will be amended over time to deal with changing circumstances. These documents play an important role in attracting and retaining the best people to the Council.

All decisions on pay and reward for Chief Officers will comply with the Council's current Pay Policy Statement. Salaries for Chief Officers will be considered by Full Council.

Glossary. ([Hyperlink to Glossary 1](#))

Hutton Review 2011 ([Hyperlink to Review 2](#))

The Hutton Review looked at the rise in executive pay in the private and public sectors. It suggested that the 'public overestimates how much public sector executives are paid' and that 'chief executive officers of companies with a turnover of between £101 million and £300 million earn more than twice their public sector counterparts'. It also suggested that pay multiples (between the highest and lowest paid employees) were much wider in the private than public sector.

The Review proposed that public bodies should publish information on senior managers pay and pay multiples between the highest and lowest paid employees and to that end some of these recommendations have been taken forward by the Localism Act 2011.

Legislation

Section 38 (1) of the Localism Act 2011 requires English and Welsh Councils to produce a Pay Policy Statement for 2012/2013 and for each financial year thereafter.

The Council's Pay Policy Statement;

- Must be approved formally by the Council;
- Must be approved each year;
- May be amended during the course of the financial year; and
- Must be published on the Council's website.

The Pay Policy Statement must include;

- The level and elements of remuneration for each of the Chief Officers;
- The remuneration of its lowest paid employees (together with its definition of 'lowest paid employees' and the Council's reasons for adopting that definition);
- The relationship between the remuneration of its Chief Officers and other Officers; and

- Other aspects of Chief Officers' remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

Remuneration is defined widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases/enhancements of pension entitlements and termination payments.

All salaries and calculations are based on full time equivalent (fte) figures and where applicable includes Inner Fringe Allowance.

Publication of the Pay Policy Statement

The Policy has been made available on the Council's website and contains hyperlinks to associated documents.

Effect of this Policy Statement

Nothing in this Policy Statement enables unilateral changes to employee's terms and conditions. Changes to terms and conditions of employment must follow consultation and negotiation with individuals and recognised trade unions as set out in other agreements and in line with legislation.

Single Status Agreement

In 1997, the National Joint Council (NJC) for Local Government Services (a body that brings together public sector employers and trade unions) came to an agreement to introduce a new pay and grading structure covering all employees whose terms and conditions are governed by the 'Green Book'. In 2004 the NJC set a timetable that required all pay and grading reviews to be completed by 31 March 2007. Epping Forest District Council met this timetable and implemented Single Status in July 2003.

As a result of this process a new salary structure (*hyperlink to structure 3*) and a Job Evaluation Maintenance Procedure (*hyperlink to procedure 4*) were agreed between the trade unions and the Council. Collective Agreements, which set out a number of terms and conditions and pay arrangements, were also agreed with the trade unions (*hyperlink 5, 6 & 7 to agreements*). The Agreements are applied consistently to all employees.

Pay Awards

Major decisions on pay, such as annual pay awards, are determined for most local authorities in England and Wales by the National Agreement on Pay, arrived at through a system of central collective bargaining mechanisms between representatives of Local Government Employers and representatives of the relevant trades unions on the National Joint Council. It is the Council's policy to implement national agreements.

Overtime and Evening Meeting Allowances

Payments for working outside normal working hours are set out in the Council's Collective Agreements. (*hyperlink to Agreements 5, 6, & 7*).

Annual Leave

The Council's Annual Leave Policy sets out leave entitlements for employees. (*Hyperlink to Policy 8*).

Flexi-Time Scheme

The Council's Scheme applies to all employees with some exemptions due to service delivery needs. The arrangements are set out in the Council's guidance. (*Hyperlink to Policy 9*).

Subsistence Policy

Subsistence Allowances are paid in accordance with the Council's Subsistence Policy. The policy sets out when employees are able to claim, what to claim and how. (*Hyperlink to Policy 10*).

Car and Cycle Allowance Policy

The Council pays Essential and Casual Car User allowances in appropriate circumstances which are in accordance with 'Green Book' rates. The Car and Cycle Allowance Policy sets out when employees are able to claim, what to claim and how. (*Hyperlink to Policy 11*).

The general principles of both policies are to ensure that employees only claim for additional expenses when undertaking work for the Council.

These policies are applied consistently to all employees.

Car Leasing

Cabinet, at its meeting on 3 December 2012 agreed the following changes to the Council's Car Lease Scheme, following a lengthy review and robust consultation process;

- Employees on the current scheme will be allowed one further lease of 3 years, after which the scheme will close
- The Council will make its contribution based on a maximum of £4,000 per annum including insurance with all costs over the maximum to be met in full by the employee
- The Council's contributions are capped as follows:
 - Year 1 – 70%
 - Year 2 - 60%
 - Year 3 – 50%
- These reducing contribution rates are the upper limits. Employees who currently qualify for the lower rates of Council contribution will retain their current rate and will be unaffected until the cap falls below their current rate.

Currently there 28 employees on the Scheme; 2 Chief Officers; 6 Assistant Directors and 20 employees, a decrease of 3.

As a comparison at 2014/2015 there were 31 employees on the Scheme; 2 Chief Officers; 6 Assistant Directors and 23 employees.

As a comparison at 2013/14 there were 43 employees on the Scheme; 4 Chief Officers; 7 Assistant Directors and 32 employees on the Scheme. At 2012/13 there were 60 employees on the Scheme; 4 Chief Officers; 13 Assistant Directors and 43 employees.

The Cabinet also agreed to implement a Green Car Salary Sacrifice Scheme for all eligible staff to access with no Council contribution towards the cost of an employee's lease payments. **Currently there are 16 employees on this Scheme an increase of 4 employees on last year.**

Professional Fees and Subscriptions

The Council will meet the cost of a legal practising certificate for all those employees where it is a requirement of their employment, in addition the professional fees for the statutory roles of the s151 Officer and Deputy

s151 Officer. No other professional fee or subscription is paid. The Council does not differentiate between Chief Officers and other staff.

Pensions and Termination Payments

On ceasing to be employed by the Council, individuals will only receive compensation:

- in circumstances that are relevant (e.g. redundancy), and
- that is in accordance with our published Pension Policy on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
- that complies with the specific term(s) of a compromise agreement.

All employees with contracts of 3 months or more are automatically enrolled into the Local Government Pension Scheme (LGPS), which is administered by Essex County Council. Details of the contribution rates are set out below. In addition, the Council will automatically enrol employees into the LGPS if they meet the relevant criteria in accordance with the automatic enrolment provisions.

The Council has the option to adopt a number of statutory discretions under the;

- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
- The Local Government Pension Scheme (Administration) Regulations 2008.
- The Local Government (Discretionary Payments) Regulations 1996 (as amended).
- The Local Government Pension Scheme (LGPS) April 2014.

In general the Council has chosen not to exercise a range of discretions relating to the LGPS due to additional costs. The Council's Pension Policy ([hyperlink to Policy 12](#)) contains information regarding all its discretions and includes information regarding Flexible Retirement arrangements.

Payments on grounds of Redundancy are covered by the Council's Redundancy and Efficiency Payments Policy. ([hyperlink to policy 13](#))

All employees are treated in the same way with regard to the calculation of severance payments in situations of redundancy.

Pension Contributions

Employee contribution rates wef 1 April **2015**;

Salary	Contribution
Up to £13,600	5.5%
£13,601 to £21,200	5.8%
£21,201 to £34,400	6.5%
£34,401 to £43,500	6.8%
£43,501 to £60,700	8.5%
£60,701 to £86,000	9.9%
£86,001 TO £101,200	10.5%
£100,201 to £151,800	11.4%
£150,801 and above	12.5%

Election Fees

Council employees engaged by the Returning Officer for election duties received payments under the relevant schedule of fees (i.e. polling and counting duties).

Remuneration of Employees, Grades 2-12

Pay Scale

For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council (NJC) for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine that commences at national Spinal Column Point (SCP) **6** and ends at local SCP 58. This pay spine is divided into **11** pay grades; **2** – 10 contain five incremental points and grades 11 and 12 contain 4 incremental points. Grade **2** is the lowest and grade 12 is the highest of these pay grades. Posts are allocated to a pay band through a process of job evaluation.

As part of the latest national pay award, with effect from 1 October 2015 scp 5 **was deleted from the pay spine, therefore grade 1 was deleted.**

The Council uses the NJC Job Evaluation Scheme to evaluate all posts on grades **2** – 12. This also includes Craft Workers who are subject to the Joint Negotiating Committee (JNC) for Local Authority Craft and Associated Employees National Agreement on Pay and Conditions (commonly known as the 'Red Book').

The Council does not operate overlapping pay grades therefore, the minimum point of a pay grade is not lower than the maximum point of the preceding pay grade. ([Hyperlink to pay scale 3](#)).

Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. For grades **2** – 10 the 5th point each grade will only be awarded if the employee has at least 5 years continuous service with the Council.

An Inner Fringe Allowance of £824 per annum is paid to employees (this does not apply to Apprentices).

Assistant Directors

Assistant Directors are paid on grades 11 or 12 and are also subject to the NJC Job Evaluation Scheme. The salary ranges for these grades wef 1 January 2015 are;

Grade	Scale Column Points	Salary Range
Grade 11	SCP 51 – 54	£47,393 - £51,050
Grade 12	SCP 55 - 58	£53,102 - £57,225

The salary shown is inclusive of the Inner Fringe Allowance of £824 per annum.

Definition of Lowest Paid Employees

For the purpose of this Policy Statement, employees on grade 2 are defined as our lowest-paid employees. This is because no employee of the Council is paid lower than SCP **6** which is contained in grade **2**. With effect from 1 October 2015 SCP 5 and grade **1 was** deleted from the pay spine.

Employees on scp 5 automatically progressed to SCP 6, which is currently the bottom of grade 2. These employees will not be subject to incremental progression and will remain on scp 6. At 1 January 2016, the fte annual value of this SCP **6** will be **£14,438** which includes an Inner Fringe Allowance of £824 per annum.

The exceptions to the lowest grade are Apprentices who are paid £120.00 per week.

General

The values of the SCPs in grades 2 – 12 are increased by pay awards notified from time to time by the National Joint Council for Local Government Services. A national pay award was implemented to these grades effective from 1 January 2015 covering the period 1 April 2014 to 2016 of 2.2%. There was no back pay awarded but a sliding scale of 'non-consolidated' payments was agreed.

An Inner Fringe Allowance of £824 per annum is paid to employees (this does not apply to Apprentices).

Annual salaries are paid pro-rata to part-time employees based on the hours contracted to work.

Remuneration of Chief Officers

The Council will not agree any pay arrangement which does not reflect the correct employment and/or tax/NI status of a Chief Officer or employee.

It will be the responsibility of Council to agree the initial salaries for Chief Officers following external advice/evaluation/benchmarking.

Chief Executive

The Chief Executive role was recruited to on a permanent and full-time basis in 2012. During the recruitment process the Council took external advice to set the appropriate salary for the role which took account of current economic circumstances and the recruitment market.

As at 1 April 2016 the salary for the Chief Executive role will be a spot salary of £112,000 per annum which includes the Inner Fringe Allowance of £824 per annum and evening meeting allowances. The postholder is entitled to claim essential car allowance in accordance with the Council's policy. The salary and pay arrangements for the Chief Executive were agreed at Full Council on 18 June 2012.

The Chief Executive is also the Council's Head of Paid Service and from 16 June 2014 the Chief Executive took on the responsibility of the Returning Officer.

Returning Officer

The Returning Officer role attracts payment of fees and expenses, depending on the elections held in any year. The amount for such payments varies according to the particular elections held from year to year. These fees are taxable and subject to National Insurance and pension deductions.

The amount for such payments varies according to the particular elections held from year to year. These fees are taxable and subject to National Insurance and pension deductions.

Only a proportion of the fees were retained by the Returning Officer. The remainder were paid to employees who provide specific support in the organisation of elections which are outside the scope of the ordinary scale of election fees.

Returning Officer – Chief Executive

May 2015

Parliamentary election £3939

District and Parish local elections: £7779.37

October 2015

Town Council by-election £435.15

Directors

The pay scale for Directors consists of 3 incremental points. The level of pay is locally determined following benchmarking with other public sector organisations and agreement by Council.

All Directors report to the Chief Executive. As at **1 January 2016**, the annual FTE salary range for the four Director posts will be £84,121 - £90,130 which includes the Inner Fringe Allowance of £824 per annum. The postholders are entitled to claim essential car allowance in accordance with the Council's Policy and can claim evening meeting allowances. There are three incremental points in this grade.

Any pay awards to Directors' salaries will be agreed at a national level as notified from time to time by the JNC for Chief Officers of Local Authorities. A recent pay award has been agreed for the period 2014 to end of March 2016 whereby Directors' salaries increased by 2% from 1 January 2015. There was no back pay. This is the first pay award applied to Directors since 1 April 2008.

The statutory roles of Monitoring Officer and 'Section 151' Officer will be carried out by the Director of Governance and the Director of Resources respectively. The postholders do not receive additional payments for these duties.

Assistant to the Chief Executive

From 16 June 2014 this role no longer exists in the Council's structure.

General Principles Applying to Remuneration of All Employees

On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Usually new starters will be placed on the bottom of the pay grade unless their current salary is higher. In these circumstances their starting scale point will match their previous salary at least.

Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.

The Council does not apply performance-related pay or bonuses.

Market Supplements will be paid in accordance with the Council's Policy for Payment of Market Supplements. (*Hyperlink to Policy 14*)

Honorarium or ex-gratia payments will be paid in accordance with our Additional Payments Policy. (*Hyperlink to Policy 15*)

These policies are applied consistently to all employees.

Pay Multiples

The Hutton Review raised concerns about multiples in the order of 20 or higher between the lowest and the highest paid employees in local authorities. However the Interim Report noted that the most top to bottom pay multiples in the public sector are in the region of 8:1 to 12:1. The Council is therefore content that having due regard for the level of responsibilities and personal accountability between the lowest and highest paid roles, the current multiple of 7.8 seems to be both justifiable and equitable.

The council does not set the remuneration of any individual or group of posts by reference to a multiple. However, as suggest by the Hutton Review the Council will monitor multiples over time to ensure they are appropriate and fair and will explain significant changes in pay multiples. The multiples are as following;

Role	2013/14		2014/2015		2015/2016		2016/2017	
	Multiple	Salary	Multiple	Salary	Multiple	Salary	Multiple	Salary
Chief Executive compared to lowest salary	x 8.6	£112,000	x8.5	£112,000	x7.8	£112,000	x7.8	£112,000
Directors compared to lowest salary	x 6	£76,838	x6.8	£88,363	x6.3	£90,130	x6.3	£90,130
Assistant Directors compared to lowest salary	x 4	£52,837	x4.2	£55,993	x4	£57,225	x4	£57,225
Average salary compared to Chief Executive	x4.3	£26,300	x4.2	£27,000	x4.1	£27,500	x4.1	£27,500
Average salary compared to lowest salary	x2	£26,300	x2	£27,000	x1.9	£27,500	x1.9	£27,500

- The Director salary used is the top point of the Director range
- The Assistant Director used is the top point of grade 12
- The average salary is based on fte and has not been pro rata'd for part-time employees
- The lowest fte salary in the Council is **£14,438**

Remuneration Panel

The Council is not at this time considering forming a separate Remuneration Panel to set pay rates for Council employees. The Council will continue to use an external body to evaluate Chief Officer roles when required and/or to provide benchmark pay information for these roles. It will also continue to use an internal job evaluation panel to evaluate those posts graded **2 – 12**.

Annual pay awards will continue to be determined at a national level and implemented by the Council.

It will be the responsibility of Council to agree the initial salaries for Chief Officers following external advice/evaluation/benchmarking.

Review

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for **2017/18** and will be submitted to Council for approval as reasonably practical before 31 March **2017**.

If it should be necessary to amend this **2016/17** Statement during the year that it applies, an appropriate decision will be made by the relevant Committee, however, Council will agree the Pay Policy Statement.

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Treasury Management Strategy Statement and Investment Strategy 2016/17 to 2018/19

Introduction

In April 2002 the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice (now the 2011 Edition)* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

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

External Context

Economic background: Domestic demand has grown robustly, supported by sustained real income growth and a gradual decline in private sector savings. Low oil and commodity prices were a notable feature of 2015, and contributed to annual CPI inflation falling to 0.1% in October. Wages are growing at 3% a year, and the unemployment rate has dropped to 5.4%. Mortgage approvals have risen to over 70,000 a month and annual house price growth is around 3.5%. These factors have boosted consumer confidence, helping to underpin retail spending and hence GDP growth, which was an encouraging 2.3% a year in the third quarter of 2015. Although speeches by the Bank of England's Monetary Policy Committee (MPC) members sent signals that some were willing to countenance higher interest rates, the MPC held policy rates at 0.5% at its meeting on 14th January 2016. Quantitative easing (QE) has been maintained at £375bn since July 2012.

The outcome of the UK general election, which was largely fought over the parties' approach to dealing with the deficit in the public finances, saw some big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics. Uncertainty over the outcome of the forthcoming referendum could put downward pressure on UK GDP growth and interest rates.

China's growth has slowed and its economy is performing below expectations, reducing global demand for commodities and contributing to emerging market weakness. US domestic growth has accelerated but the globally sensitive sectors of the US economy have slowed. Strong US labour market data and other economic indicators however suggest recent global turbulence has not knocked the American recovery off course. The Federal Reserve did raise rates at its meetings in December. In contrast, the European Central Bank finally embarked on QE in 2015 to counter the perils of deflation.

Credit outlook: The varying fortunes of different parts of the global economy are reflected in market indicators of credit risk. UK Banks operating in the Far East and parts of mainland Europe have seen their perceived risk increase, while those with a more domestic focus continue to show improvement. The sale of most of the government's stake in Lloyds and the first sale of its shares in RBS have generally been seen as credit positive.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and Germany. The rest of the European Union will follow suit in January 2016, while Australia, Canada and Switzerland are well advanced with their own plans. Meanwhile, changes to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however remain stubbornly low.

Interest rate forecast: The Council's treasury advisor Arlingclose projects the first 0.25% increase in UK Bank Rate in the third quarter of 2016, rising by 0.5% a year thereafter, finally settling between 2% and 3% in several years' time. Persistently low inflation, subdued global growth and potential concerns over the UK's position in Europe mean that the risks to this forecast are weighted towards the downside.

A shallow upward path for medium term gilt yields is forecast, as are continuing concerns about the Eurozone, emerging markets and other geo-political events weigh on the risk appetite, while inflation expectations remain subdued. Arlingclose projects the 10 year gilt yield to rise from its current 2.0% level by around 0.3% a year. The uncertainties surrounding the timing of UK and US interest rate rises are likely to prompt short-term volatility in gilt yields.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.89%, and that new long-term loans will be borrowed at an average rate of 2%.

Local Context

The Council currently has £185m of borrowing and £54m of investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.15 Actual £m	31.3.16 Estimate £m	31.3.17 Forecast £m	31.3.18 Forecast £m	31.3.19 Forecast £m
General Fund CFR	29.6	43.5	55.0	63.9	62.2
HRA CFR	155.1	155.1	155.1	155.1	155.1
Total CFR	184.7	198.6	210.1	219.0	217.3
Less: Other debt liabilities *	0	0	0	0	0
Borrowing CFR	184.7	198.6	210.1	219.0	217.3
Less: External borrowing **	-185.5	-185.5	-185.5	-185.5	-185.5
Internal (Over) borrowing	-0.8	13.1	24.6	33.5	31.8
Less: Usable reserves	-59.9	-45.1	-36.4	-22.8	-21.1
Less: Working capital surplus	-9.2	-5.0	-5.0	-5.0	-5.0
Resources available for Investment	68.3	37.0	16.8	-5.7	-5.7

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, subject to holding a minimum investment balance of £10m.

The Council has an increasing CFR due to the capital programme, but reducing investments and will therefore be required to borrow up to £16m over the forecast period. It is proposed to source this from other Local Authorities for the approximately 10 year period required.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2016/17.

Borrowing Strategy

The Council currently holds £185 million of loans, the same as the previous year, as part of its strategy for funding Housing Self-Financing. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £16m in 2017/18 but does not expect to need to borrow in 2016/17. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £230 million.

Due to the availability of capital receipts, it has previously been possible to undertake some capital schemes which did not have positive revenue consequences. Going forward, borrowing will not be undertaken for any capital schemes that do not have positive revenue consequences.

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

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income - which is at very low levels) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2016/17 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2016/17, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

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

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except the Essex Pension Fund)
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- Other UK Local Authorities

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

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Council has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

Short-term and Variable Rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

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

Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has fallen from £65.5 to £54.4 million, and reduced levels are expected in the forthcoming year.

Objectives: Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Strategy: Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2016/17. We do not anticipate funds will be available for longer-term investment. The majority of the Council's surplus cash remains invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This diversification will represent a continuation of the strategy adopted in 2015/16.

Approved Counterparties: The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£5m 5 years	£5m 20 years	£5m 50 years	£5m 20 years	£1m 20 years
AA+	£5m 5 years	£5m 10 years	£5m 25 years	£5m 10 years	£1m 10 years
AA	£5m 4 years	£5m 5 years	£5m 15 years	£5m 5 years	£1m 10 years
AA-	£5m 3 years	£5m 4 years	£5m 10 years	£5m 4 years	£1m 10 years
A+	£2.5m 2 years	£5m 3 years	£5m 5 years	£2.5m 3 years	£1m 5 years
A	£2.5m 13 months	£5m 2 years	£5m 5 years	£2.5m 2 years	£1m 5 years
A-	£2.5m 6 months	£5m 13 months	£2.5m 5 years	£2.5m 13 months	£1m 5 years
BBB+	£2.5m 100 days	£2.5m 6 months	£1m 2 years	£1m 6 months	£1m 2 years
BBB	£1m next day only	£2.5m 100 days	n/a	n/a	n/a
None	n/a	n/a	n/a	n/a	n/a
Pooled funds	£5m per fund				

This table must be read in conjunction with the notes below

Credit Rating: Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB are restricted to overnight deposits at the Council's current account bank, NatWest PLC.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

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

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

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

Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£15m
Total investments without credit ratings or rated below A-	£5m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£5m
Total non-specified investments	£30m

Balances held overnight in the Council's bank are not included in these limits.

Investment Limits: The Council's revenue reserves available to cover investment losses are forecast to be £15million on 31st March 2016. In order that no more than 33% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£15m per broker
Foreign countries	£5m per country
Registered Providers	£5m in total
Unsecured investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Money Market Funds	£15m in total

Liquidity Management: The Council uses its own cash flow forecasting techniques to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

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

	Target	Q2 Rating
Portfolio average credit rating	A-	A+

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

	Target
Total cash available within 3 months	£15m

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	75%	75%	75%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

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

	Lower	Upper
Under 12 months	0%	100%
12 months and within 24 months	0%	100%
24 months and within 5 years	0%	100%
5 years and within 10 years	0%	100%
10 years and within 20 years	0%	100%
20 years and within 30 years	0%	100%
30 years and within 40 years	0%	100%
40 years and within 50 years	0%	100%
50 years and above	0%	100%

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

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£15m	£5m	£5m

Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

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

Investment Training: The needs of the Council's treasury management staff for training in investment management are assessed every month on average as part of the staff appraisal and Treasury Meetings process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers: The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by Officers experienced in these matters.

Investment of Money Borrowed in Advance of Need: The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £230 million. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2016/17 is £587,000, based on an average investment portfolio of £41million at an interest rate of 1.43%. The budget for debt interest paid in 2016/17 is £5.6million, based on an average debt portfolio of £185million at an average interest rate of 3%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Resources, having consulted the Portfolio Holder, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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

Appendix A - Arlingclose Economic & Interest Rate Forecast November 2015

Underlying assumptions:

- UK economic growth softened in Q3 2015 but remained reasonably robust; the first estimate for the quarter was 0.5% and year-on-year growth fell slightly to 2.3%. Negative construction output growth offset fairly strong services output, however survey estimates suggest upwards revisions to construction may be in the pipeline.
- Household spending has been the main driver of GDP growth through 2014 and 2015 and remains key to growth. Consumption will continue to be supported by real wage and disposable income growth.
- Annual average earnings growth was 3.0% (including bonuses) in the three months to August. Given low inflation, real earnings and income growth continue to run at relatively strong levels and could feed directly into unit labour costs and households' disposable income. Improving productivity growth should support pay growth in the medium term. The development of wage growth is one of the factors being closely monitored by the MPC.
- Business investment indicators continue to signal strong growth. However the outlook for business investment may be tempered by the looming EU referendum, increasing uncertainties surrounding global growth and recent financial market shocks.
- Inflation is currently very low and, with a further fall in commodity prices, will likely remain so over the next 12 months. The CPI rate is likely to rise towards the end of 2016.
- China's growth has slowed and its economy is performing below expectations, which in turn will dampen activity in countries with which it has close economic ties; its slowdown and emerging market weakness will reduce demand for commodities. Other possible currency interventions following China's recent devaluation will keep sterling strong against many global currencies and depress imported inflation.
- Strong US labour market data and other economic indicators suggest recent global turbulence has not knocked the American recovery off course. Although the timing of the first rise in official interest rates remains uncertain, a rate rise by the Federal Reserve seems significantly more likely in December given recent data and rhetoric by committee members.
- Longer term rates will be tempered by international uncertainties and weaker global inflation pressure.

Forecast:

- **Arlingclose forecasts the first rise in UK Bank Rate in Q3 2016.** Further weakness in inflation, and the MPC's expectations for its path, suggest policy tightening will be pushed back into the second half of the year. Risks remain weighted to the downside. Arlingclose projects a slow rise in Bank Rate, the appropriate level of which will be lower than the previous norm and will be between 2 and 3%.
- The projection is for a shallow upward path for medium term gilt yields, with continuing concerns about the Eurozone, emerging markets and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued.
- The uncertainties surrounding the timing of UK and US monetary policy tightening, and global growth weakness, are likely to prompt short term volatility in gilt yields.

Appendix 2

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00	-1.25	-1.25
3-month LIBID rate													
Upside risk	0.20	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	0.55	0.60	0.70	0.80	0.95	1.05	1.15	1.30	1.40	1.55	1.65	1.80	1.85
Downside risk		-0.20	-0.30	-0.45	-0.55	-0.65	-0.80	-0.90	-1.05	-1.10	-1.20	-1.20	-1.20
1-yr LIBID rate													
Upside risk	0.25	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45	0.45
Arlingclose Central Case	1.10	1.20	1.35	1.45	1.55	1.70	1.80	1.95	2.00	2.10	2.15	2.15	2.15
Downside risk	-0.15	-0.25	-0.35	-0.50	-0.60	-0.70	-0.85	-0.95	-1.10	-1.15	-1.25	-1.25	-1.25
5-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	1.50	1.55	1.60	1.70	1.80	1.90	2.00	2.10	2.20	2.25	2.30	2.35	2.35
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
10-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.00	2.05	2.10	2.20	2.30	2.40	2.50	2.60	2.65	2.70	2.75	2.80	2.80
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
20-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.45	2.50	2.55	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	2.95
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.65	-0.75	-0.85	-0.95	-1.05	-1.10	-1.15	-1.20	-1.20
50-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.45	2.50	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	3.00	3.00
Downside risk	-0.25	-0.35	-0.45	-0.50	-0.60	-0.70	-0.80	-0.90	-1.00	-1.05	-1.10	-1.15	-1.15

Appendix B - Existing Investment & Debt Portfolio Position

	31.12.15 Actual Portfolio £m	31.12.15 Average Rate %
External Borrowing:		
PWLB - Fixed Rate	153.656	3.000
PWLB - Variable Rate	31.800	0.78
Local Authorities	0	0
LOBO Loans	0	0
Total External Borrowing	185.456	
Other Long Term Liabilities:		
PFI	0	
Finance Leases	0	
Total Gross External Debt	185.456	
Investments:		
<i>Managed in-house</i>		
Short-term investments	39.6	0.62
Long-term investments	5.0	1.30
<i>Managed externally</i>		
Fund Managers	0	
Pooled Funds	10	0.49
Total Investments	54.6	
Net Debt	130.856	

Appendix C -

Prudential Indicators 2016/17 to 2018/19**1. Background:**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross Debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with **gross** external debt.

The Director of Resources reports that the Council had no difficulty meeting this requirement in 2015/16, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2015/16 Revised £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Non-HRA	32.012	19.470	1.591	0.963	1.000
HRA*	17.905	28.127	26.561	25.436	17.942
Total	49.917	47.597	28.152	26.399	18.942

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£m	£m	£m	£m	£m
Capital receipts	16.373	8.192	5.048	4.492	2.294
Grants	3.393	1.015	0.565	0.565	0.565
Borrowing	12.454	12.621	0	0	0
Revenue contributions	17.597	25.769	22.539	21.342	16.083
Total Financing	49.917	47.597	28.152	26.399	18.942

Table 1 shows that the capital expenditure plans of the Authority can be funded from a variety of sources, including external borrowing.

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
	%	%	%	%	%
Non-HRA	0.08	-0.06	-0.83	-1.22	-4.00
HRA	15.16	15.81	15.03	14.47	14.15

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Capital Financing Requirement	2014/15 Actual £m	2015/16 Revised £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
HRA	155.1	155.1	155.1	155.1	155.1
Non-HRA	29.6	43.5	55.0	63.9	62.2
Total CFR	184.7	198.6	210.1	219.0	217.3

5.2 The Council has embarked on a house building programme. The preliminary work started during 2012/13 with the works themselves starting in 2013/14. Given the need to borrow for any additional house building the Council took advantage of the competitive borrowing rates whilst it could, rather than borrowing in a few years' time when rates were predicted to increase. In the meantime this has allowed the General Fund to continue (as it has done for a number of years) to internally borrow from the Housing Revenue Account at an appropriate rate. This results in no detrimental impact on the General Fund from self-financing and is fair to the HRA as it will still broadly receive the same level of income that it would have had if it had invested the money, rather than loaned internally to the GF.

6. Incremental Impact of Capital Investment Decisions:

6.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £
Increase in Band D Council Tax	-0.28	0.15	-0.06	-1.01
Increase in Average Weekly Housing Rents	0.02	0.01	-16.80	-25.91

7. Authorised Limit and Operational Boundary for External Debt:

7.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

- 7.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 7.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- 7.4 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 7.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2015/16 Approved £m	2015/16 Revised £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Authorised Limit for Borrowing	230.00	230.00	240.00	250.00	250.00
Authorised Limit for External Debt	230.00	230.00	240.00	250.00	250.00
Operational Boundary for Borrowing	204.00	218.00	230.00	239.00	237.00
Operational Boundary for External Debt	204.00	218.00	230.00	239.00	237.00

8. Adoption of the CIPFA Treasury Management Code:

- 8.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 22 April 2002.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

9. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

- 9.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- 9.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	2015/16 Approved %	2015/16 Revised %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %
<u>Fixed</u>					
Upper Limit for Fixed Interest Rate Exposure on Debt	100	100	100	100	100
Upper limit for Fixed Interest Rate Exposure on Investments	(100)	(100)	(100)	(100)	(100)
<u>Variable</u>					
Upper Limit for Variable Interest Rate Exposure on Debt	25	25	25	25	25
Upper Limit for Variable Interest Rate Exposure on Investments	(75)	(75)	(75)	(75)	(75)

9.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

10. Credit Risk:

10.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

10.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

10.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

10.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

Appendix D -

Appendix D - Current Recommended Sovereign and Counterparty List as at 30/10/2015
(Section 8)

Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m	Maximum Maturity Limit
UK	Santander UK Plc (Banco Santander Group)	5.0		6 months
UK	Bank of Scotland (Lloyds Banking Group)	5.0	5.0	13 months
UK	Lloyds TSB (Lloyds Banking Group)	5.0		13 months
UK	Barclays Bank Plc	5.0		100 days
UK	HSBC Bank Plc	5.0		13 months
UK	Nationwide Building Society	5.0		6 months
UK	NatWest (RBS Group)	2.5	2.5	35 days
UK	Royal Bank of Scotland (RBS Group)	2.5		35 days
UK	Standard Chartered Bank	5.0		6 months
Australia	Australia and NZ Banking Group	5.0		6 months
Australia	Commonwealth Bank of Australia	5.0		6 months
Australia	National Australia Bank Ltd (National Australia Bank Group)	5.0		6 months
Australia	Westpac Banking Corp	5.0		6 months
Canada	Bank of Montreal	5.0		13 months
Canada	Bank of Nova Scotia	5.0		13 months
Canada	Canadian Imperial Bank of Commerce	5.0		13 months
Canada	Royal Bank of Canada	5.0		13 months
Canada	Toronto-Dominion Bank	5.0		13 months
Finland	Nordea Bank Finland	5.0		13 months
France	BNP Paribas	Suspended		Suspended
France	Credit Agricole CIB (Credit Agricole Group)	Suspended		Suspended
France	Credit Agricole SA (Credit Agricole Group)	Suspended		Suspended

France	Société Générale	Suspended		Suspended
Germany	Deutsche Bank AG	2.5		35 days
Netherlands	ING Bank NV	5.0		100 days
Netherlands	Rabobank	5.0		13 months
Netherlands	Bank Nederlandse Gemeenten	5.0		13 months
Sweden	Svenska Handelsbanken	5.0		13 months
Switzerland	Credit Suisse	5.0		100 days
US	JP Morgan	5.0		13 months

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools or a new suitable counterparty comes into the market. Alternatively, if a counterparty is downgraded, this list may be shortened.*

Group Limits - For institutions within a banking group, the authority executes a limit of that of an individual limit of a single bank within that group.

Appendix E - Non-Specified Investments

Instrument	Maximum maturity	Maximum £M	Capital expenditure?	Example
Call accounts, term deposits & CDs with banks, building societies & local authorities which do not meet the specified investment criteria (on advice from TM Adviser)	5 years	10	No	
Deposits with registered providers	5 years	1	No	
Gilts	5 years	10	No	
Bonds issued by multilateral development banks	5 years	5	No	<i>EIB Bonds, Council of Europe Bonds etc.</i>
Sterling denominated bonds by non-UK sovereign governments	5 years	5	No	
Money Market Funds and Collective Investment Schemes	5 years	15	No	<i>Investec Target Return Fund; Elite Charteris Premium Income Fund; LAMIT; M&G Global Dividend Growth Fund</i>
Corporate loans and debt instruments issued by corporate bodies	5 years	10	No	
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573	These funds do not have a defined maturity date	10	Yes	<i>Way Charteris Gold Portfolio Fund; Lime Fund</i>

Appendix F - MRP Statement 2016/17

CLG's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

MRP in 2016/17: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.

The MRP Statement will be submitted to Council before the start of the 2016/17 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to the Council at that time.

The Council's CFR at 31st March 2012 became positive as a result of the Housing Subsidy reform settlement. This would normally require the Council to charge MRP to the General Fund in respect of Non-HRA capital expenditure funded from borrowing. CLG has produced regulations which mitigate this impact, and as such under Option 2 (the CFR method) there is no requirement to charge MRP in 2013/14 and subsequently for HRA Self-Financing.

If, as is likely, the Council undertakes General Fund borrowing in 2016/17 then in the following financial year, 2017/18, there will be a requirement to charge MRP.

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Finance & Performance Cabinet Committee and for the execution and administration of treasury management decisions to the Director of Resources who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates the Audit & Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the

principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”

2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council’s investments followed by the yield earned on investments remain important but are secondary considerations.

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Estimate 2015/16 £000's	Revised 2015/16 £000's	Estimate 2016/17 £000's	Estimate 2017/18 £000's	Estimate 2018/19 £000's	Estimate 2019/20 £000's
Chief Executive	Corporate Policy Making	Flexible Working and Accomodation Review			(100)			
	Corporate Policy Making	Supplies & Services - Other Misc		(5)				
	Directorate Restructure	Savings	(20)	(20)				
	Total Chief Executive		(20)	(25)	(100)	0	0	0
Communitites	Affordable Housing	Senior Housing Development Officer - Additional Hours	5	5				
	Affordable Housing	Legal fees B3Living		(10)	(5)			
	All Weather Pitch	Townmead Project	(5)	8				
	Community Arts Programme	Additional Income	(10)	(6)	(4)			
	Grants to Vol. Organisations	Budget Reduction	(17)	(12)				
	Safer Communities	Recharged to HRA for Anti Social Behaviour Work	(5)	(5)				
	Safeguarding	Safeguarding Officers			50			
	Safeguarding	Recharge to HRA			(31)			
	Total Communities		(32)	(20)	10	0	0	0
Governance	Building Control	Fees & Charges		(39)				
	Building Control	Ring Fenced Account		39				
	Development Control	Publicity Savings	(6)	(6)				
	Development Control	Fees & Charges		(55)	(75)			
	Development Control	Pre Application Consultation Fees			(10)			
	Development Control Group	Senior Planning Officer	1	15				
	Directorate Restructure	Savings	(19)	(19)				
	Governance Admin	Training			9			
	Governance & Performance Management	Restructure	(10)	(10)				
	Internal Audit	Corporate Fraud Team	66	46	10			
	Legal Services	Restructure	(10)	(10)				
	Legal Services	Fees & Charges		(5)				
	Local Land Charges	Professional Fees - ECC Highways		(4)				
	Local Land Charges	Reduction Re Fees & Charges		39				
	Members Allowances	Increase in Basic Allowances			50			
Public Relations & Information	Discontinuance of the Forester	(39)	(44)					
Total Governance		(17)	(53)	(16)	0	0	0	

48	Neighbourhoods	Animal Welfare	Cleansing Contract	(7)	(7)				
	Animal Welfare	Animal Welfare	Budget Savings		(15)	(16)			
	Countrycare	Countrycare	Additional Income	(15)	(3)	(12)			
	Economic Development	Economic Development	Increased staff time		30				
	Emergency Planning	Emergency Planning	Leased vehicle	4	4				
	Emergency Planning	Emergency Planning	Essex Fire contribution		(15)				
	Engineering, Drainage & Water	Engineering, Drainage & Water	New Post		10	27			
	Estates & Economic Development	Estates & Economic Development	Estates & Economic Development Restructure	92	92				
	Fleet Operations	Fleet Operations	Removal of Deficit	(29)	(24)				
	Land and Property	Land and Property	Rental Income - Shops	(13)	6				
	Land and Property	Land and Property	Industrial Estates	(21)	(16)				
	Land and Property	Land and Property	Oakwood Hill Units	(24)	(31)	(8)			
	Land and Property	Land and Property	Greenyards	(3)	(3)	(2)			
	Land and Property	Land and Property	Epping Forest Shopping Park				(260)	(1,390)	(360)
	Leisure Management	Leisure Management	Savings from New Contract			(75)	(175)		
	Licensing	Licensing	Licencing Officer (Premises Licences)	6	6				
	Off Street Parking	Off Street Parking	Parking Fee Increases	(95)	(189)	(31)			
	Off Street Parking	Off Street Parking	Cleansing Contract	8	8				
	Off Street Parking	Off Street Parking	Machine Maintenance and collections	27	27	5	8		
	Planning Policy Group	Planning Policy Group	Increase in Staffing		25	75			
Waste Management	Waste Management	Inter Authority Agreement, reduced ECC Income	8	8	19				
Waste Management	Waste Management	New contract	(88)	(66)					
Waste Management	Waste Management	Additional Staffing			31				
Directorate Restructure	Directorate Restructure	Savings	(24)	(24)					
	Total Neighbourhoods			(174)	(177)	13	(427)	(1,390)	(360)

Resources	Bank & Audit Charges	Audit Fees	(12)				
	Building Maintenance - Non HRA	Planned Maintenance Programme	(28)	(28)			
	Cashiers	Closure of Epping Cash Desk			(15)	(5)	
	Cashiers	Electronic Payments		35			
	Cashiers	Income		(5)			
	Civic Offices	Solar Panel Energy Saving	(10)	(9)	(3)		
	Civic Offices	NDR re-assessment	22	(17)			
	Corporate Training	Consultant Fees	(11)	(11)			
	Corporate Improvement	Improvement budget savings	(20)	(20)			
	Council Tax Collection	Court Costs		(25)			
	Duty Officers	Out of Hours Service	(36)	(36)			
	Facilities Management	Casual Staff	(8)	(8)			
	Finance Miscellaneous	Car Leasing (excluding HRA)	(20)	(26)	(15)	(24)	
	Housing Benefits Administration	Admin Reductions	22	23	73		
	Housing Benefits	Benefits restructure/SFIS transfer	(67)	(67)			
	Housing Benefits	Docs On Line		(19)			
	Housing Benefits	Non Hra Rent Rebates		29	7		
	ICT	Essex on line Partnership Subscription	6	6			
	Insurance Services	Savings from new contract (GF element)		(26)			
	Procurement	Essex Procurement Hub		(8)			
	Revenues	Restructure			(9)		
	Total Resources		(150)	(224)	38	(29)	0
							0
Other Items	Investment Interest	Reduction due to shops transfer/use of balances	45	100	100		
	New Homes Bonus		(242)	(252)			515
	All Directorates	Additional Employers National Insurance			450		
	Pensions	Deficit Payments	17	17	43		
	Total CSB		(573)	(634)	538	(456)	(875)
							(360)

DISTRICT DEVELOPMENT FUND

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Directorate	Service	Description	Estimate	B/F from 2014/15	Revised	Estimate	Estimate	Estimate	Estimate
			2015/16 £000's	2015/16 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Chief Executive	Chief Executive Policy Group	Transformation Programme	75	75	33	77			
	Corporate Policy Making	LLPG staffing	16		17				
	Corporate Policy Making	LLPG staffing HRA Contribution	(4)		(4)				
	Total Chief Executive		87	75	46	77	0	0	0
Communitites	Communities	Externally Funded Projects	153		197	86			
	Communities	Externally Funded Projects	(153)		(197)	(86)			
	Communities	Get Active Epping Forest			10				
	Communities	Museum Store License (Lease)			52	17			
	Grants to Voluntary Orgs	VAEF transport scheme		5	5				
	Homelessness	Legal Fees	20	7	27	20	20		
	Private Sector Housing	Landlord Accreditation Scheme	3	3	1	1			
	Private Sector Housing	Energy Efficiency Works		3	3				
	Private Sector Housing	Works in default	5		5				
	Private Sector Housing	Works in default	(5)		(5)				
	Safeguarding	Safeguarding audit	47		47				
	Safeguarding	Recharge to the HRA	(27)		(31)				
	Safer Communities	Analysts post	27		26	34	4		
	Safer Communities	Analysts post				(30)			
	Safer Communities	CCTV Trainee Assistant post				19	19		
	Youth Council	Enabling Fund				8			
	Total Communitites			70	18	140	69	43	19
Governance	Building Control	Fees & Charges			(45)				
	Building Control	Ringfenced Account			34				
	Building Control Group	Salary saving re vacant posts (net of Consultants)	(57)						
	Building Control Group	Salary saving re vacant posts Ring Fenced Element	41						
	Development Control	Pre Application Consultation Fees			(20)	(10)			
	Development Control	Fees & Charges			(200)	(75)			
	Development Control Group	Trainee Contaminated Land Officer				22	26		
	Development Control Group	Trainee Planning Officer				45	51		
	Development Management	Administrative Assistant		10	8	10	12		
	Development Management	Additional Temporary staffing	25		25	27	23		
	Development Management	Document Scanning		23	34	68			
	Development Management	Savings to fund document scanning project		19	19				
	Electoral Registration	Individual Registration Costs	49	27	72				
	Electoral Registration	Individual Registration Costs	(49)		(37)				
	Enforcement & Planning Appeals	Income			(27)				
	Legal Services	Transformation Programme			13	27			
	Legal Services	Additional Income			(10)				
	Local Land Charges	Additional Income	(20)						
	Local Land Charges	New Burdens Grant			(103)				
Planning Appeals	Professional Fees			(5)					
Planning Appeals	Contingency for Appeals	35	1	36	45	45			
Tree Preservation & Lanscape	Technical Assistant - Conservation	10		2	11	12			
Total Governance			34	80	(204)	170	169	0	0

Neighbourhoods	Contaminated Land & Water Quality	Contaminated land investigations	64			64		
	Countrycare	Protected species/habitat related consultation	10		10			
	Countrycare	Staffing	7		7			
	Countrycare	BRIE - SLA	4		4	4		4
	Economic Development	Economic Development Strategy	5	4	1	4		4
	Economic Development	Tourism Task Force	15		18	35		
	Economic Development	Town Centres Support	0	28	48	50		
	Economic Development	Portas Funding	9			9		
	Estates & Valuations	Property Valuations			20			
	Asset Rationalisation	Council Asset Rationalisation	188	111	273	27		
	Asset Rationalisation	New Development Project Officer	90	(8)	82	16		
	Food Safety	Inspections	3	1	4			
	Forward Planning	Local Plan	250	(34)	435	552	232	254
	Forward Planning	Neighbourhood Planning		9	9			
	Highways General Fund	Roundabout maintenance		7				
	Highways General Fund	Contribution to ECC				50		
	Land and Property	Rental Income - Shops			10			
	Leisure Management	Contract set up costs	46		46			
	Leisure Management	Contribution from SLM	(23)		(23)			
	Licensing	Additional Staff Premises Licences	4		4			
	North Weald Airfield	Safety of Bund	3	1	4			
	North Weald Airfield	Consultancy Exercise		20	20			
	North Weald Airfield	Loss of Market rent			73			
	Off street parking	Payment to NEPP for redundancies		31	31			
	Off street parking	Traffic orders and information boards	15		15			
	Off street parking	Sale of old pay and display machines			(6)			
	Parks & Grounds	Roding Valley Lake - Disabled Projects		5	5			
	Parks & Grounds	Open Spaces - Tree Planting		10		10		
	Parks & Grounds	Survey of River Roding erosion	15		15			
	Town Centre Regeneration	Waltham Abbey Regeneration Projects	45		45			
	Waste Management	Replacement Bins			53	53		
	Waste Management	Waste Contract mobilisation		5				
	Waste Management	SHWM Ltd Dividend			(100)			
	Total Neighbourhoods		750	190	1,103	874	240	254
							0	

Resources

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Accounts Payable	Implementation of E-Invoicing	3	4	5	2			
Building Maintenance - Non HRA	Planned Building Maintenance Programme	129	58	74	110	74	156	76
Civic Offices	Vending Machine Rental saving	(5)						
Council Tax Benefits	Previous Year Clawback	(35)		(50)	(15)			
Council Tax Collection	Professional Fees			4				
Council Tax Collection	Collection Investment	(47)		(47)	(47)	(47)		
Council Tax Collection	Local Council Tax New Burdens Expenditure	32	13					
Council Tax Collection	Local Council Tax New Burdens Expenditure - Mobile Working			20				
Council Tax Collection	Local Council Tax New Burdens Expenditure - E-Services			15	108			
Council Tax Collection	Local Council Tax New Burdens Expenditure - Single Persons Discount Review			4				
Council Tax Collection	Technical Agreement Contributions	(197)		(316)	(316)	(316)		
Council Tax Collection	New Burdens Grant			(23)				
Housing Benefits Administration	Hardship & Compliance	(5)		(82)	(82)	(82)		
Housing Benefits Administration	Benefits Grants	55	43					
Housing Benefits Administration	Benefits Specific Grants - Online Forms			30				
Housing Benefits Administration	Benefits Specific Grants - Data Matching					60		
Housing Benefits Administration	Benefits Specific Grants - Unallocated					18	20	
Housing Benefits Administration	Benefits Specific Grants			(20)				
Housing Benefits	Hardship & Compliance - Benefits Officers					62	62	62
Housing Benefits	Benefits Specific Grants - Furniture			5				
Human Resources	Savings to fund redundancy		14	14				
ICT	Savings to fund Social Media Management Application (PR)		10	10				
Revenues	Temporary Additional Staffing	190	1	125	234		211	
Sundry Non Distributable Costs	Emergency Premises Works	18	(1)	9	8			
Total Resources		138	142	(223)	143	(78)	218	76
Total Service Specific District Development Fund		1,079	505	862	1,333	374	491	76
Capital Expenditure Charged to Revenue		12	50	49				
Council Tax Freeze		(83)		(83)				
Transitional Grant					(54)	(53)		
Lost Investment Interest		115		115				
New Homes Bonus					(581)	(62)	148	
Parish Council's	Support Grants	6		6				
		1,129	555	949	698	259	639	76

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INVEST TO SAVE

			<i>Estimate</i>	<i>Revised</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
			2015/16	2015/16	2016/17	2017/18	2018/19	2019/20
			£000's	£000's	£000's	£000's	£000's	£000's
Communities	Homelessness	Rental Loans Scheme (R)			30	30	30	
			0	0	30	30	30	0
Neighbourhoods	Car Parking	Replacement LED lighting (C)			50	50		
	Car Parking	Termination of contract with NEPP (R)		15				
	Grounds Maintenance	New Tractor & Flails (C)		67				
	Grounds Maintenance	Training (R)			2			
			0	82	52	50	0	0
Resources	Civic Offices	Alterations to cashiers hall (R)			10			
	Cashiers	Two payment kiosks (C)			20			
	ICT	Ariel Camera System (R)		5				
			0	5	30	0	0	0
			0	87	112	80	30	0

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REVENUE EXPENDITURE, INCOME AND FINANCING

2015/16 ORIGINAL ALL REVENUE ITEMS £	2015/16 REVISED ALL REVENUE ITEMS £		GENERAL FUND ACCOUNT £	2016/17 ORIGINAL HOUSING REVENUE ACCOUNT £	ALL REVENUE ITEMS £
Gross Expenditure					
1,171,590	1,123,650	Office of the Chief Executive	5(a) 1,174,360	0	1,174,360
5,850,130	4,783,720	Governance	5(b) 4,858,260	0	4,858,260
15,231,810	17,213,070	Neighbourhoods	5(c) 17,300,450	0	17,300,450
42,704,410	41,510,490	Resources	5(d) 41,136,250	0	41,136,250
32,567,550	32,625,820	Communities	5(e) 5,214,250	28,065,650	33,279,900
233,550	242,640	Internal Trading Organisations	5(f) 240,990	0	240,990
97,759,040	97,499,390	Total Expenditure on Services	69,924,560	28,065,650	97,990,210
5,601,000	5,630,750	Interest Payable (Inc HRA)	204,000	5,452,150	5,656,150
16,881,000	17,597,000	Revenue Contribution to Capital	70,000	23,040,000	23,110,000
245,984	245,984	Parish Support Grants	201,252		201,252
3,159,675	3,159,675	Precepts Paid to Parish Councils	3,274,089	0	3,274,089
123,646,699	124,132,799	Total Gross Expenditure	73,673,901	56,557,800	130,231,701
Gross Income					
39,902,390	38,109,540	Government Subsidies	37,491,180	0	37,491,180
32,177,460	32,291,420	Rents from Dwellings	0	32,031,530	32,031,530
5,150,260	5,047,140	Miscellaneous Rents, Trading Operations etc.	4,576,680	886,250	5,462,930
5,018,950	6,617,600	Fees and Charges	4,406,800	1,661,290	6,068,090
470,250	528,200	Interest on Mortgages and Investments	378,000	250	378,250
6,023,050	6,093,060	Grants and Reimbursements by other Bodies	6,333,710	0	6,333,710
88,742,360	88,686,960	Total Operational Income	53,186,370	34,579,320	87,765,690
(10,512)	1,757,105	Contribution from/(to) Revenue Reserves	35,708	450,480	486,188
(154,000)	291,000	FRS 17 Adjustment	291,000	0	291,000
1,129,000	949,000	Contribution from/(to) District Development Fund	698,000	0	698,000
(3,102,000)	(2,818,000)	Contribution from/(to) Other Reserves	171,000	0	171,000
50,000	(41,561)	Contribution from/(to) Collection Fund	(269,336)		(269,336)
20,337,000	17,772,000	Contribution from/(to) Capital Reserves	2,599,000	21,528,000	24,127,000
5,878,702	6,760,146	Exchequer Support	5,913,677		5,913,677
112,870,550	113,356,650	Total Gross Income	62,625,419	56,557,800	119,183,219
10,776,149	10,776,149	To be met from Local Taxation	11,048,482	0	11,048,482
Financed by:					
7,616,474	7,616,474	District Precept			7,774,393
3,159,675	3,159,675	Parish Council Precepts	9e		3,274,089
10,776,149	10,776,149	Total Financing			11,048,482

Office of the Chief Executive

Programme 2016/17

2015/16 Original		2015/16 Probable		Revenue Expenditure	2016/17 Original	
£	£	£	£		£	£
1,819,170		1,797,620		Corporate Activities	1,899,750	
	1,819,170		1,797,620	Total Expenditure		1,899,750
	647,580		673,970	Income from Internal Charges		725,390
	1,171,590		1,123,650	Net Expenditure (see Annex 4)		1,174,360
	1,171,590		1,123,650	To be met from Government Grant and Local Taxation		1,174,360
	-		-	Capital Expenditure (see Annex 6)		-

Governance

Programme 2016/17

2015/16 Original		2015/16 Probable		Revenue Expenditure	2016/17 Original	
£	£	£	£		£	£
563,670		597,690		Elections	570,570	
1,159,440		1,336,880		Member Activities	1,391,020	
2,699,960		2,786,520		Planning Services	2,847,020	
848,200		-		Land & Property	-	
309,190		-		Economic Development	-	
439,140		255,730		Land Charges	266,590	
4,354,630		3,647,340		Support Services	3,813,570	
	10,374,230		8,624,160	Total Expenditure		8,888,770
	4,524,100		3,840,440	Income from Internal Charges		4,030,510
	5,850,130		4,783,720	Net Expenditure (see Annex 4)		4,858,260
				Service Generated Income		
3,460,200		-		Miscellaneous Rents, Trading Operations etc		
1,353,440		1,789,540		Fees and Charges	1,597,750	
194,100		183,560		Grants and Reimbursements by other Bodies	145,000	
	5,007,740		1,973,100	Total Income		1,742,750
	842,390		2,810,620	To be met from Government Grant and Local Taxation		3,115,510
	3,496,000		-	Capital Expenditure (see Annex 6)		-

Neighbourhoods

Programme 2016/17

2015/16 Original		2015/16 Probable		Revenue Expenditure	2016/17 Original	
£	£	£	£		£	£
1,257,500		1,375,940		Environmental Health	1,379,990	
408,990		373,250		Licensing	390,830	
2,021,650		1,988,280		Leisure Management	1,918,520	
978,120		1,072,040		North Weald	1,072,690	
154,720		123,830		Emergency Planning	124,660	
6,067,380		6,275,000		Waste Management	6,325,040	
774,330		733,650		Land Drainage & Sewerage	818,780	
		1,000,590		Land and Property	740,200	
1,091,960		1,045,570		Parks and Grounds	1,078,350	
1,381,550		1,389,780		Technical Services	1,432,820	
943,780		1,717,170		Forward Planning & Economic Development	1,908,000	
4,408,740		4,341,280		Support Services	4,486,340	
	19,488,720		21,436,380	Total Expenditure		21,676,220
	4,256,910		4,223,310	Income from Internal Charges		4,375,770
	15,231,810		17,213,070	Net Expenditure (see Annex 4)		17,300,450
Service Generated Income						
797,890		4,143,620		Miscellaneous Rents, Trading Operations etc	4,533,220	
1,619,620		1,863,540		Fees and Charges	1,465,040	
1,993,510		2,053,690		Grants and Reimbursements by other Bodies	2,032,040	
	4,411,020		8,060,850	Total Income		8,030,300
	10,820,790		9,152,220	To be met from Government Grant and Local Taxation		9,270,150
	512,000		23,460,000	Capital Expenditure (see Annex 6)		16,511,000

Resources

Programme 2016/17

2015/16 Original		2015/16 Probable		Revenue Expenditure	2016/17 Original	
£	£	£	£		£	£
40,253,920		39,115,150		Housing Benefits	38,772,290	
1,950,370		1,929,110		Local Taxation	2,041,290	
584,040		294,580		Other Activities	177,750	
2,798,660		2,850,960		Accommodation Services	2,942,730	
2,868,570		2,908,370		ICT Services	2,916,110	
2,810,610		2,895,360		Financial Services	2,875,790	
1,441,560		1,549,530		Other Support Services	1,592,150	
	52,707,730		51,543,060	Total Expenditure		51,318,110
	10,003,320		10,032,570	Income from Internal Charges		10,181,860
	42,704,410		41,510,490	Net Expenditure (see Annex 4)		41,136,250
				Service Generated Income		
39,522,390		38,109,540		Government Subsidies	37,491,180	
34,000		42,270		Miscellaneous Rents, Trading Operations etc	43,460	
23,710		339,700		Fees and Charges	322,750	
617,620		650,270		Grants and Reimbursements by other Bodies	629,750	
	40,197,720		39,141,780	Total Income		38,487,140
	2,506,690		2,368,710	To be met from Government Grant and Local Taxation		2,649,110
	933,000		1,628,000	Capital Expenditure (see Annex 6)		1,024,000

Communities

Programme 2016/17

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General Fund £	2015/16 Original		General Fund £	2015/16 Probable		Revenue Expenditure	2016/17 Original		
	Housing Revenue £	Total £		Housing Revenue £	Total £		General Fund £	Housing Revenue £	Total £
		0			0				
	27,474,860	27,474,860		27,320,640	27,320,640	Council Housing		28,065,650	28,065,650
1,302,280		1,302,280	1,352,630		1,352,630	Private Sector Housing	1,340,340		1,340,340
532,580		532,580	595,300		595,300	Homelessness	595,510		595,510
400,430		400,430	407,390		407,390	Voluntary Sector Support	414,420		414,420
1,067,150		1,067,150	1,142,620		1,142,620	Community services	1,097,070		1,097,070
1,509,100		1,509,100	1,606,830		1,606,830	Sports Development	1,564,070		1,564,070
447,680	1,034,300	1,481,980	545,460	1,310,600	1,856,060	Support Services	563,980	1,352,380	1,916,360
5,259,220	28,509,160	33,768,380	5,650,230	28,631,240	34,281,470	Total Expenditure	5,575,390	29,418,030	34,993,420
166,530	1,034,300	1,200,830	345,050	1,310,600	1,655,650	Income from Internal Charges	361,140	1,352,380	1,713,520
5,092,690	27,474,860	32,567,550	5,305,180	27,320,640	32,625,820	Net Expenditure (see Annex 4)	5,214,250	28,065,650	33,279,900
Service Generated Income									
380,000		380,000	0		0	Government Subsidies			0
	32,177,460	32,177,460		32,291,420	32,291,420	Rents from Dwellings	32,031,530		32,031,530
	858,170	858,170		861,250	861,250	Miscellaneous Rents, Trading Operations etc	886,250		886,250
201,090	1,587,540	1,788,630	748,500	1,639,330	2,387,830	Fees and Charges	784,420	1,661,290	2,445,710
	250	250		200	200	Interest on Mortgages and Investments		250	250
1,041,820		1,041,820	1,026,540		1,026,540	Grants and Reimbursements by other Bodies	795,920		795,920
	(7,096,000)	(7,096,000)		(7,554,750)	(7,554,750)	HRA Interest & Reversal of Depn		(6,964,150)	(6,964,150)
	(52,560)	(52,560)		83,190	83,190	Use of Balances		450,480	450,480
1,622,910	27,474,860	29,097,770	1,775,040	27,320,640	29,095,680	Total Income	1,580,340	28,065,650	29,645,990
3,469,780	-	3,469,780	3,530,140	0	3,530,140	To be met from Government Grant and Local Taxation	3,633,910	0	3,633,910
2,535,000	18,902,000	21,437,000	1,623,000	17,905,000	19,528,000	Capital Expenditure (see Annex 6)	865,000	28,019,000	28,884,000

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Internal Trading Organisations

Programme 2016/17

2015/16 Original		2015/16 Probable			2016/17 Original	
£	£	£	£	Revenue Expenditure	£	£
2,545,570		2,589,480		Housing Maintenance	2,706,240	
444,110		464,450		Fleet Operations	465,310	
	2,989,680		3,053,930	Total Expenditure		3,171,550
	2,756,130		2,811,290	Income from Internal Charges		2,930,560
	233,550		242,640	Net Expenditure (see Annex 4)		240,990
				Service Generated Income		
233,550		236,990		Fees and Charges	236,840	
	233,550		236,990	Total Income		236,840
	-		5,650	To be met from Government Grant and Local Taxation		4,150
	50,000		-	Capital Expenditure (see Annex 6)		108,000

Non Service Budgets

Programme 2016/17

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General Fund £	2015/16 Original Housing Revenue £	Total £	General Fund £	2015/16 Probable Housing Revenue £	Total £	Revenue Expenditure	General Fund £	2016/17 Original Housing Revenue £	Total £
(470,000)		(470,000)	(528,000)		(528,000)	Interest & Investment Income	(378,000)		(378,000)
12,000	16,869,000	16,881,000	3,123,000	14,474,000	17,597,000	Revenue Contribution to Capital	70,000	23,040,000	23,110,000
(2,176,000)		(2,176,000)	(2,179,000)		(2,179,000)	Other Items	(2,731,000)		(2,731,000)
457,000	5,144,000	5,601,000	330,000	5,300,750	5,630,750	Interest Payable (Inc HRA)	204,000	5,452,150	5,656,150
(2,320,000)	(34,000)	(2,354,000)	(2,551,000)	(28,000)	(2,579,000)	Depreciation Reversals & Other Adjs.	(2,599,000)	(25,000)	(2,624,000)
(4,497,000)	21,979,000	17,482,000	(1,805,000)	19,746,750	17,941,750		(5,434,000)	28,467,150	23,033,150
-	18,017,000	18,017,000	-	15,221,000	15,221,000	Transferred to Housing Summary	-	21,528,000	21,528,000
(4,497,000)	39,996,000	35,499,000	(1,805,000)	34,967,750	33,162,750		(5,434,000)	49,995,150	44,561,150
		(42,048)			(1,673,915)	Contribution (from)/to Revenue Reserves			(35,708)
		154,000			(291,000)	FRS 17 Adjustment			(291,000)
		2,000			(183,000)	Contribution (from)/to Other Reserves			(171,000)
		(3,100,000)			(3,001,000)	Transfer (from)/to Housing Revenue Account			-
		(50,000)			41,561	Contribution (from)/to the Collection Fund			269,336
		(1,129,000)			(949,000)	Contribution from District Development Fund			(698,000)
		31,333,952			27,106,396	Reduction in Amount to be met from Government Grant and Local Taxation & other Housing Revenue Account items			43,634,778

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Capital Programme

Programme 2016/17

General Fund £	Housing Revenue £	2015/16 Original	General Fund £	Housing Revenue £	2015/16 Probable	Gross Expenditure	General Fund £	2016/17 Original	Total £
		Total £			Housing Revenue £			Total £	
3,496,000		3,496,000	-		-	Governance	-		-
512,000		512,000	23,460,000		23,460,000	Neighbourhoods	16,511,000		16,511,000
933,000		933,000	1,628,000		1,628,000	Resources	1,024,000		1,024,000
2,535,000	18,902,000	21,437,000	1,623,000	17,905,000	19,528,000	Communities	865,000	28,019,000	28,884,000
-	50,000	50,000	-	-	-	Internal Trading Organisations	-	108,000	108,000
7,476,000	18,952,000	26,428,000	26,711,000	17,905,000	44,616,000	Total Capital Expenditure	18,400,000	28,127,000	46,527,000
12,000	16,869,000	16,881,000	3,123,000	14,474,000	17,597,000	Less: Revenue Contributions to Capital	70,000	25,699,000	25,769,000
7,464,000	2,083,000	9,547,000	23,588,000	3,431,000	27,019,000	To be met from Capital Resources	18,330,000	2,428,000	20,758,000
Financed by:									
6,514,000	1,488,000	8,002,000	10,071,000	1,638,000	11,709,000	Capital Receipts	5,709,000	1,933,000	7,642,000
			12,454,000		12,454,000	Borrowing	12,621,000		12,621,000
858,000		858,000	1,038,000	50,000	1,088,000	Government Grants		450,000	450,000
92,000	595,000	687,000	25,000	1,743,000	1,768,000	Other Grants		45,000	45,000
7,464,000	2,083,000	9,547,000	23,588,000	3,431,000	27,019,000	Total Financing	18,330,000	2,428,000	20,758,000

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COUNCIL TAX RATES FOR DISTRICT & PARISH/TOWN COUNCILS 2016/17

Authorities	Tax Base No.'s	Precept 2016/17	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£	£	£
District Expenses	52,257.8	7,774,393	148.77	99.18	115.71	132.24	148.77	181.83	214.89	247.95	297.54
Abness, Berners and Beauchamp Roding	213.9	5,200	24.31	115.39	134.62	153.85	173.08	211.54	250.00	288.47	346.16
Buckhurst Hill	5,108.0	351,867	68.89	145.11	169.29	193.48	217.66	266.03	314.40	362.77	435.32
Chigwell	5,981.8	285,126	47.67	130.96	152.79	174.61	196.44	240.09	283.75	327.40	392.88
Epping Town	5,107.2	436,751	85.52	156.19	182.23	208.26	234.29	286.35	338.42	390.48	468.58
Epping Upland	393.2	14,487	36.84	123.74	144.36	164.99	185.61	226.86	268.10	309.35	371.22
Fyfield	414.8	11,067	26.68	116.97	136.46	155.96	175.45	214.44	253.43	292.42	350.90
High Ongar	544.2	12,686	23.31	114.72	133.84	152.96	172.08	210.32	248.56	286.80	344.16
Lambourne	858.3	32,695	38.09	124.57	145.34	166.10	186.86	228.38	269.91	311.43	373.72
Loughton Town	12,090.4	594,600	49.18	131.97	153.96	175.96	197.95	241.94	285.93	329.92	395.90
Matching	426.3	14,196	33.30	121.38	141.61	161.84	182.07	222.53	262.99	303.45	364.14
Moreton, Bobbingworth and the Lavers	571.8	14,059	24.59	115.57	134.84	154.10	173.36	211.88	250.41	288.93	346.72
Nazeing	2,024.4	70,613	34.88	122.43	142.84	163.24	183.65	224.46	265.27	306.08	367.30
North Weald Bassett	2,484.5	172,034	69.24	145.34	169.56	193.79	218.01	266.46	314.90	363.35	436.02
Ongar Town	2,674.0	279,604	104.56	168.89	197.03	225.18	253.33	309.63	365.92	422.22	506.66
Roydon	1,292.4	29,327	22.69	114.31	133.36	152.41	171.46	209.56	247.66	285.77	342.92
Sheering	1,309.9	33,958	25.92	116.46	135.87	155.28	174.69	213.51	252.33	291.15	349.38
Stanford Rivers	349.6	20,298	58.06	137.89	160.87	183.85	206.83	252.79	298.75	344.72	413.66
Stapleford Abbotts	512.0	9,447	18.45	111.48	130.06	148.64	167.22	204.38	241.54	278.70	334.44
Stapleford Tawney	73.6	1,537	20.88	113.10	131.95	150.80	169.65	207.35	245.05	282.75	339.30
Theydon Bois	1,976.0	106,190	53.74	135.01	157.51	180.01	202.51	247.51	292.51	337.52	405.02
Theydon Garnon	76.9	1,000	13.00	107.85	125.82	143.80	161.77	197.72	233.67	269.62	323.54
Theydon Mount	114.2	1,400	12.26	107.35	125.25	143.14	161.03	196.81	232.60	268.38	322.06
Waltham Abbey Town	7,431.1	771,765	103.86	168.42	196.49	224.56	252.63	308.77	364.91	421.05	505.26
Willingale	229.3	4,182	18.24	111.34	129.90	148.45	167.01	204.12	241.24	278.35	334.02
Town and Parish Total	52,257.8	3,274,089	62.65	41.77	48.73	55.69	62.65	76.57	90.49	104.42	125.30
District, Town and Parish Total	52,257.8	11,048,482	211.42	140.95	164.44	187.93	211.42	258.40	305.38	352.37	422.84

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PART A : ANALYSIS OF MAJOR PRECEPTING AUTHORITIES 2016/17

Authorities	Tax Base No.'s	Precept 2016/17	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£	£	£
Essex County Council	52,257.8	59,058,108	1,130.13	753.42	878.99	1,004.56	1,130.13	1,381.27	1,632.41	1,883.55	2,260.26
Essex Police Authority	52,257.8	7,948,411	152.10	101.40	118.30	135.20	152.10	185.90	219.70	253.50	304.20
Essex Fire Authority	52,257.8	3,536,808	67.68	45.12	52.64	60.16	67.68	82.72	97.76	112.80	135.36
District Expenses	52,257.8	7,774,393	148.77	99.18	115.71	132.24	148.77	181.83	214.89	247.95	297.54

PART B : SUMMARY - COUNCIL TAX RATES INCLUDING ALL PRECEPTS 2016/17

Abess, Berners and Beauchamp Roding	213.9	5,200	24.31	1,015.33	1,184.55	1,353.77	1,522.99	1,861.43	2,199.87	2,538.32	3,045.98
Buckhurst Hill	5,108.0	351,867	68.89	1,045.05	1,219.22	1,393.40	1,567.57	1,915.92	2,264.27	2,612.62	3,135.14
Chigwell	5,981.8	285,126	47.67	1,030.90	1,202.72	1,374.53	1,546.35	1,889.98	2,233.62	2,577.25	3,092.70
Epping Town	5,107.2	436,751	85.52	1,056.13	1,232.16	1,408.18	1,584.20	1,936.24	2,288.29	2,640.33	3,168.40
Epping Upland	393.2	14,487	36.84	1,023.68	1,194.29	1,364.91	1,535.52	1,876.75	2,217.97	2,559.20	3,071.04
Fyfield	414.8	11,067	26.68	1,016.91	1,186.39	1,355.88	1,525.36	1,864.33	2,203.30	2,542.27	3,050.72
High Ongar	544.2	12,686	23.31	1,014.66	1,183.77	1,352.88	1,521.99	1,860.21	2,198.43	2,536.65	3,043.98
Lambourne	858.3	32,695	38.09	1,024.51	1,195.27	1,366.02	1,536.77	1,878.27	2,219.78	2,561.28	3,073.54
Loughton Town	12,090.4	594,600	49.18	1,031.91	1,203.89	1,375.88	1,547.86	1,891.83	2,235.80	2,579.77	3,095.72
Matching	426.3	14,196	33.30	1,021.32	1,191.54	1,361.76	1,531.98	1,872.42	2,212.86	2,553.30	3,063.96
Moreton, Bobbingworth and the Lavers	571.8	14,059	24.59	1,015.51	1,184.77	1,354.02	1,523.27	1,861.77	2,200.28	2,538.78	3,046.54
Nazeing	2,024.4	70,613	34.88	1,022.37	1,192.77	1,363.16	1,533.56	1,874.35	2,215.14	2,555.93	3,067.12
North Weald Bassett	2,484.5	172,034	69.24	1,045.28	1,219.49	1,393.71	1,567.92	1,916.35	2,264.77	2,613.20	3,135.84
Ongar Town	2,674.0	279,604	104.56	1,068.83	1,246.96	1,425.10	1,603.24	1,959.52	2,315.79	2,672.07	3,206.48
Roydon	1,292.4	29,327	22.69	1,014.25	1,183.29	1,352.33	1,521.37	1,859.45	2,197.53	2,535.62	3,042.74
Sheering	1,309.9	33,958	25.92	1,016.40	1,185.80	1,355.20	1,524.60	1,863.40	2,202.20	2,541.00	3,049.20
Stanford Rivers	349.6	20,298	58.06	1,037.83	1,210.80	1,383.77	1,556.74	1,902.68	2,248.62	2,594.57	3,113.48
Stapleford Abbotts	512.0	9,447	18.45	1,011.42	1,179.99	1,348.56	1,517.13	1,854.27	2,191.41	2,528.55	3,034.26
Stapleford Tawney	73.6	1,537	20.88	1,013.04	1,181.88	1,350.72	1,519.56	1,857.24	2,194.92	2,532.60	3,039.12
Theydon Bois	1,976.0	106,190	53.74	1,034.95	1,207.44	1,379.93	1,552.42	1,897.40	2,242.38	2,587.37	3,104.84
Theydon Garnon	76.9	1,000	13.00	1,007.79	1,175.75	1,343.72	1,511.68	1,847.61	2,183.54	2,519.47	3,023.36
Theydon Mount	114.2	1,400	12.26	1,007.29	1,175.18	1,343.06	1,510.94	1,846.70	2,182.47	2,518.23	3,021.88
Waltham Abbey Town	7,431.1	771,765	103.86	1,068.36	1,246.42	1,424.48	1,602.54	1,958.66	2,314.78	2,670.90	3,205.08
Willingale	229.3	4,182	18.24	1,011.28	1,179.83	1,348.37	1,516.92	1,854.01	2,191.11	2,528.20	3,033.84

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PART C : CHANGES IN BAND D CHARGES

Authorities	Council Tax Requirement		Council Tax Band D		Increase %
	2015/16 £	2016/17 £	2015/16 £	2016/17 £	
Essex County Council	55,637,253	59,058,108	1,086.75	1,130.13	3.99
Police and Crime Commissioner for Essex	7,533,491	7,948,411	147.15	152.10	3.36
Essex Fire Authority	3,400,438	3,536,808	66.42	67.68	1.90
District Expenses	7,616,474	7,774,393	148.77	148.77	0.00
Abbess, Berners and Beauchamp Roding	5,200	5,200	25.04	24.31	-2.92
Buckhurst Hill	346,432	351,867	68.89	68.89	0.00
Chigwell	271,451	285,126	46.21	47.67	3.16
Epping Town	409,609	436,751	83.84	85.52	2.00
Epping Upland	14,777	14,487	36.84	36.84	0.00
Fyfield	10,882	11,067	26.68	26.68	0.00
High Ongar	13,500	12,686	24.95	23.31	-6.57
Lambourne	32,118	32,695	38.71	38.09	-1.60
Loughton Town	586,599	594,600	49.18	49.18	0.00
Matching	13,770	14,196	32.70	33.30	1.83
Moreton, Bobbingworth and the Lavers	13,643	14,059	24.95	24.59	-1.44
Nazeing	68,752	70,613	34.54	34.88	0.98
North Weald Bassett	171,892	172,034	70.41	69.24	-1.66
Ongar Town	268,336	279,604	102.46	104.56	2.05
Roydon	28,900	29,327	22.83	22.69	-0.61
Sheering	31,066	33,958	24.08	25.92	7.64
Stanford Rivers	19,900	20,298	57.18	58.06	1.54
Stapleford Abbotts	5,391	9,447	10.58	18.45	74.39
Stapleford Tawney	1,522	1,537	19.19	20.88	8.81
Theydon Bois	104,986	106,190	53.74	53.74	0.00
Theydon Garnon	1,000	1,000	13.09	13.00	-0.69
Theydon Mount	1,400	1,400	12.53	12.26	-2.15
Waltham Abbey Town	734,407	771,765	101.82	103.86	2.00
Willingale	4,142	4,182	18.24	18.24	0.00

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GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2015/16 - 2019/20

ORIGINAL 2015/16	REVISED FORECAST 2015/16	FORECAST 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20
£'000 NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
13,921 Continuing Services Budget	13,280	12,714	13,813	13,523	12,910
329 CSB - Growth	578	949	8	515	0
-902 CSB - Savings	-1,212	-411	-464	-1,390	-360
0 Additional Savings Target	0	0	-250	-150	-100
13,348 Total C.S.B	12,646	13,252	13,107	12,498	12,450
1,129 One - off Expenditure	1,132	869	259	639	76
14,477 Total Net Operating Expenditure	13,778	14,121	13,366	13,137	12,526
-2 Contribution to/from (-) Other Res	-183	-171	0	0	0
-1,129 Contribution to/from (-) DDF Balances	-949	-698	-259	-639	-76
-42 Contribution to/from (-) Balances	1,449	-36	-345	-31	-3
13,304 Net Budget Requirement	14,095	13,216	12,762	12,467	12,447
FINANCING					
2,204 RSG-Parish Support Grant	2,205	1,329	571	108	-133
3,434 District Non-Domestic Rates Precept	3,616	3,982	4,300	4,350	4,450
0 Section 31 Grant	700	400	0	0	0
7,616 District Council Tax Precept	7,616	7,774	7,891	8,009	8,130
50 Collection Fund Adjustment	-42	-269	0	0	0
To be met from Government 13,304 Grants and Local Tax Payers	14,095	13,216	12,762	12,467	12,447
Band D Council Tax	148.77	148.77	148.77	148.77	148.77
Percentage Increase %		0	0	0	0

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2015/16 - 2019/20

	REVISED FORECAST 2015/16	FORECAST 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20
REVENUE BALANCES	£'000	£'000	£'000	£'000	£'000
Balance B/forward	9,293	7,742	7,706	7,361	7,330
RCCO	-3,000	0	0	0	0
Surplus/Deficit(-) for year	1,449	-36	-345	-31	-3
Balance C/Forward	7,742	7,706	7,361	7,330	7,327
DISTRICT DEVELOPMENT FUND					
Balance B/forward	3,599	2,650	1,952	1,693	1,054
Transfer Out	-949	-698	-259	-639	-76
Balance C/Forward	2,650	1,952	1,693	1,054	978
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	19,534	7,520	7,023	4,708	2,985
New Usable Receipts	4,359	7,695	2,733	2,769	2,806
Use of Capital Receipts	-16,373	-8,192	-5,048	-4,492	-2,294
Balance C/Forward	7,520	7,023	4,708	2,985	3,497
TOTAL BALANCES	17,912	16,681	13,762	11,369	11,802

The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2016/17 budgets and the adequacy of the reserves.

Introduction

1. The Local Government Act 2003 section 25 introduced a specific personal duty on the "Chief Financial Officer" (CFO) to report to the Authority on the robustness of the estimates for the purposes of the budget and the adequacy of reserves. The Act requires Members to have regard to the report when determining the Council's budget requirement for 2016/17. If this advice is not accepted, the reasons must be formally recorded within the minutes of the Council meeting. Council will consider the recommendations of Cabinet on the budget for 2016/17 and determine the planned level of the Council's balances.
2. Sections 32 and 43 of the Local Government Finance Act 1992 also require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the net budget requirement.
3. There are a range of safeguards, which exist to ensure local authorities do not over-commit themselves financially. These include:
 - The CFO's s.114 powers, which require a report to the Cabinet and to all Members of the local authority if there is or is likely to be unlawful expenditure or an unbalanced budget
 - The Prudential Code, which applied to capital financing from 2004/05.

The Robustness of the Recommended Budget

4. A number of reports to the Cabinet in recent years have highlighted the difficulties inherent in setting budgets, not least because of significant changes in the level and complexity of Government funding and continuing pressure to protect and develop services. At the same time major changes have been introduced to the way the Council is structured and managed and the way services like waste and leisure are delivered. These changes and the extended period of low economic growth are still ongoing and represent significant risks to the Council's ability to evaluate all the financial pressures it faces.
5. However the Council's budget process, developed over a number of years, has many features that promote an assurance in its reliability:
 - The rolling four year forecast provides a yardstick against which annual budgets can be measured
 - The early commencement of the budget process and the clear annual timetable for both Members and officers including full integration with the business planning process promotes considered and reasoned decision making
 - The establishment of budget parameters in the summer is designed to create a clear focus before the budget process commences

- The analysis of the budget between the continuing services and one off District Development Fund items smoothes out peaks and troughs and enables CSB trends to be monitored
 - The adoption of a prudent view on the recognition of revenue income and capital receipts
 - The annual bid process whereby new or increased budgets should be reported to Cabinet before inclusion in the draft budget
 - Clear and reasoned assumptions made about unknowns, uncertainties or anticipated changes
6. With a Cabinet system the onus is on Portfolio Holders to work closely with Directors to deliver acceptable and accurate budgets. This role has been taken seriously and has helped enhance the detailed knowledge of the Cabinet. There is an established process that allows the Resources Select Committee to challenge and debate the detailed budgets with the Finance and Performance Management Cabinet Committee.
7. The budget is therefore based on strong and well-developed procedures and an integrated and systematic approach to the preparation of soundly based capital and revenue plans and accurate income and expenditure estimates. The risks or uncertainties inherent in the budget have been identified and managed, as far as is practicable, and assumptions about their impact have been made.
8. **The conclusion is that the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2016/17.**

Factors to be taken into account when undertaking a Risk Assessment into the overall Level of Reserves and Balances

9. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) states that the following factors should be taken into account when the CFO considers the overall level of reserves and balances:
- Assumptions regarding inflation;
 - Estimates of the level and timing of capital receipts;
 - Treatment of demand led pressures;
 - Treatment of savings;
 - Risks inherent in any new partnerships etc;
 - Financial standing of the authority i.e. level of borrowing, debt outstanding etc;
 - The authority's track record in budget management;
 - The authority's capacity to manage in-year budget pressures;
 - The authority's virements and year-end procedures in relation to under and overspends;
 - The adequacy of insurance arrangements.
10. These issues have formed the basis for budget reports in the past and they remain relevant for the current budget.

Factor Assessment

a. Inflationary pressures

11. Every year base budget estimates are produced and then different inflation factors are applied to the resultant figures to take budgets to out-turn prices. It is inevitable that there will be either over or under provision for the full cost of inflation, as prices will vary against the estimates made. Efforts have been made to predict the level of inflation in the coming year, although the difficulty in making these predictions is highlighted by inflation remaining low and below the target for, and predictions of, the Monetary Policy Committee. The most recent figures for the year to December 2015, released on 19 January, have shown inflation at 0.2%. The last time inflation was at the target level of 2% was December 2013 and it has been below that level on a generally declining path since. As it is more than 1% below the target the Governor of the Bank of England will be required to write another letter of explanation to the Chancellor of the Exchequer. This ongoing low inflation makes any increase in the rate of interest unlikely in the near future.
12. The trend of low inflation and even lower increases in pay has been reversed, with the 2% increase in earnings for the year to November 2015 comfortably exceeding the rate of inflation. This means people are now seeing the real value of their earnings increase. Higher pay increases are being driven by labour shortages as the employment rate of 74% is the highest since records began in 1971. Pay rises in the public sector will not match those in the private sector so the Medium Term Financial Strategy (MTFS) includes an allowance of 1% for pay awards for 2016/17 and 2017/18. In the budgets the centrally held vacancy allowance has been increased from 1% to 1.5%. This reflects the higher level of salary underspend currently being seen in 2015/16.

b. Estimates on the level and timing of capital receipts

13. The Council has always adopted a prudent view on the level and timing of capital receipts. Capital receipts are not recognised for budgetary purposes unless they have been received or their receipt is contractually confirmed prior to the budget being ratified. Currently, no significant disposals are anticipated in 2016/17.
14. The exception to this relates to receipts from council house sales. In this instance because sales occur throughout the year assumptions are made about their generation. Following the increase in Right to Buy discounts the number of sales increased significantly. During 2012/13 there were 13 sales but 2013/14 saw the number increase to 53, with a further 46 in 2014/15. Although the first 9 months of 2015/16 have seen only 15 sales so the surge in sales during the last two years now seems to be slowing.
15. Even with the Authority's substantial capital programme, which exceeds £171m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2020 will be just under £3.5m. By this stage the amount in the reserve will consist entirely of one for one receipts to be re-invested in new housing stock. Priority will be given to capital schemes that create future revenue benefit, either through increased income or reduced costs. The Treasury Management Strategy has been amended to state that new borrowing will only be undertaken for capital schemes with positive revenue consequences.

c. Treatment of demand led pressures and savings

16. Demand led pressures are increasing on the benefits and homelessness services and additional resources have been allocated to address this. Locally the economy is improving, with increases in key income streams like development control and parking. The income from both these areas will be greater in 2015/16 than 2014/15.
17. The net savings for the budget have been achieved from three main areas. Firstly, the new leisure management contract is predicted to generate CSB savings of £75,000 in 2016/17 and £175,000 in 2017/18. Secondly, increases in income for Development Control contributing £55,000 in 2015/16 and £75,000 in 2016/17 to the CSB. The third significant item is changing pay and display parking fees, which should provide £189,000 in 2015/16 and £31,000 in 2016/17. A number of other smaller savings have also been identified and together these provide a sound base for the 2016/17 budget. However, there is still a need for further savings in 2017/18 and 2018/19 and work is ongoing on a number of ideas to reduce net costs.

d. Risks inherent in partnership arrangements etc

18. There are several partnership arrangements, some of which carry risks of varying degrees in monetary terms. The risks have not been specifically identified in the budget but are underwritten through the Authority's balances.

e. Financial standing of the authority (i.e. level of borrowing, debt outstanding etc)

19. The only borrowing is due to self-financing for the Housing Revenue Account (HRA). This had not been a significant concern as the 30 year business plan for the HRA demonstrated that the Council would be considerably better off in the long term. However, the requirement to reduce rents and to contribute to the funding for the introduction of right to buy for housing association tenants mean the HRA business plan will need to be re-examined in 2016/17.
20. It is evident from the draft settlement that the future for local authorities is financial self-sufficiency, based on income from local taxation and service generated revenues. This Council has already moved a long way in that direction and the loss of Revenue Support Grant is not a major concern. The most worrying aspect of the draft settlement is what might happen to New Homes Bonus. The consultation on sharpening the incentive sets out a variety of different possibilities and whilst the MTFs is based on prudent assumptions if each aspect of the consultation followed a worst case then an additional £1m of income could be lost very quickly.
21. Local retention of non-domestic rates has been helpful and has resulted in far higher levels of income to the Council than DCLG had predicted. The most significant concern here is still the number of outstanding appeals. There remain several hundred appeals outstanding, including one against the largest item on our rating list, and it is difficult to robustly predict what the combined outcomes will be. It is also difficult to predict the outcome from pooling and whilst this reduces the levy the Council pays there is additional risk in how other members of the pool perform.

f. The authority's track record in budget management, including its ability to manage in-year budget pressures

22. The Authority has a proven track record in financial management as borne out by the Annual Audit Letters from the Authority's external auditors. A comparison of actual net expenditure with estimates over a number of year's shows that the Council rarely experiences over spends of any significance.
23. Most managers have received training on budget management. A course involving an external trainer, the CFO and the Chief Internal Auditor has now been supplemented with additional detailed training on a directorate basis being provided by accountancy staff.
24. The quarterly budget monitoring reports on key budgets to both the Finance and Performance Management Cabinet Committee and the Resources Select Committee will continue throughout 2016/17. The production of these reports during the year is essential in identifying emerging problems at the earliest opportunity. This allows maximum benefit to be accrued from any corrective action taken.

g. The authority's virement and year-end procedures in relation to under and overspends

25. The Council has recognised and embedded virement procedures that allow funds to be moved to areas of pressure. Although underspends and overspends are not automatically carried forward, the Council does have an approved carry forward scheme for capital and DDF which is actioned through the formal provisional outturn report to the Finance & Performance Management Cabinet Committee in the summer of each year.

h. The adequacy of insurance arrangements

26. The Council has now entered into a new five year agreement following an OJEU procurement exercise. This exercise attracted interest from several insurance companies but the best overall package of cover was offered by the Council's existing insurer, Zurich Municipal. Despite the general increases seen in the market for insurance, the new long term agreement was procured at a lower cost with some increases in indemnities. The Council still maintains an insurance fund, which as at 31 March 2015 had a balance of £1.07m.

i. Pension liabilities

27. The latest triennial valuation as at 31 March 2013 showed an increase in the funding level of the scheme to 77% (the value of the scheme's assets cover 77% of the liabilities). This has allowed the actuaries to reduce both the deficit payments and the projected recovery period. However, ongoing contributions have increased from 13% to 15.9% and this left the combined payment figure for 2014/15 and the two subsequent years similar to pre-valuation level. It is not anticipated that any applications will be made to DCLG for capitalisation directions and the full amounts of the deficit payments have been included in the CSB.

Statement on the adequacy of the reserves and balances

28. The Use of Resources assessment previously conducted by the external auditors moved on from the formulaic approach of CPA to achieve the 'good' ranking for reserves. The old formula had suggested that the Council should maintain a General Fund balance of at least £0.89m but no more than £17.86m. The Council's current best estimate of the General Fund balance at 31 March 2017 is £7.7m as shown in the Annex 6 b. This is clearly within the range specified but as a benchmark is not particularly useful. Therefore a risk assessment related to the Authority's individual circumstances is provided as a more meaningful benchmark against which the adequacy of the balances can be determined.
29. The following table lists those developments and cost pressures within the four-year forecast that offer the greatest risk to financial stability.

Item of risk	Estimated value of financial risk £000	Level of risk %	Adjusted level of risk £000
Basic 5% of Net Operating Expenditure			700
Negative RSG earlier and larger than draft settlement	500	50	250
Loss of New Homes Bonus more quickly than anticipated	2,000	50	1,000
Pay award being settled 1% in excess of estimate for 17/18 and future years	800	25	200
Inflationary pressures between 1-4% higher than budget	600	20	120
Loss of North Weald Market Income	2,800	20	560
Unintended consequences of HRA reform impacting on General Fund	2,000	10	200
Localisation of Council Tax Benefit - Increase in caseload not covered by funding	1,000	20	200
Retention of non-domestic rates – losses on appeals	2,000	40	800
Failure to build retail park	4,000	10	400
Renegotiating External contracts and partnership arrangements	4,000	25	1,000
Emergency Contingency	800	20	160
Total	20,500		5,590

30. A number of contracts have been granted to outside bodies for the provision of Council services. The failure of any of these contracts would lead to the Council incurring costs, which may not be reimbursed. Other than certain bond arrangements there is no specific provision made in the estimates for this type of expenditure, which therefore would have to be covered by revenue balances.
31. The presentation in this table is not a scientific approach, but a crude attempt to put a broad order of scale on the main financial risks potentially facing the Council. It is meant to be thought provoking rather than definitive. It is certainly

not a complete list of all the financial risks the Council faces but it shows the potential scale of some of the risks and uncertainties and the impact they may have on the Council's balances if they were to come to fruition.

32. Based on the old CPA formula there is an expectation that an authority should carry a level of balance that equates to at least 5% of the net operating expenditure (NOE) of the Authority. During the period of the four-year plan NOE is expected to average out at £13.3m, which suggests a figure of £665,000.
33. The Council has always been conscious of its balances position as can be demonstrated by budget reports over many years. Fortunately for the Council the question had not been whether it had a sufficient level of balance but rather that it had too much. The General Fund balance reduced by £591,000 in 2014/15 (after a transfer of £0.5m to the Invest to Save Reserve) to leave a balance of £9.29m at 31 March 2015.
34. Policies have been determined previously to bring about reductions and the current policy reflects that deficit budgets are necessary to support the structured reduction in spending. The current policy allows for balances to fall to no lower than 25% of Net Budget Requirement (NBR). This is slightly different from the NOE stated above, the average NBR figure for the next four years is expected to be £12.7m therefore 25% of that figure equates to £3.2m. The current four-year forecast shows balances still at £7.3m at the end of 2019/20.
35. The risk assessment undertaken above suggests that 20-25% of NBR is about the range that this authority should be maintaining its balances within. By 31 March 2020 balances will represent 59% of NBR, which is more than adequate. However, Members are aware that this situation can only be achieved with CSB savings and have stated a clear target of reducing expenditure throughout the period of the medium term financial strategy.
36. The only balances in the capital fund going forward will be receipts from the sale of Council houses that will need to be re-invested in the new build programme. Additional borrowing will be required to fund the capital programme in 2016/17. Further borrowing is affordable but Members have stated that new borrowing should only be for capital schemes with positive revenue consequences.
40. The main earmarked reserve is the District Development Fund (DDF) which is used to keep one off items separate from the base budget. At 31 March 2015 the balance on the DDF was £3.6m, which was a decrease of £0.25m in the year. The DDF is predicted to have a balance of £0.9m at the end of 2019/20, although this is likely to be reduced by the Local Plan and any further organisational changes. The only other earmarked reserve with a significant balance is the Insurance Reserve, which stood at £1.07m at the end of 2014/15. There were no significant movements in the year on this fund.
41. The HRA revenue balance of £2.57m at 31 March 2015 is expected to decrease, by £83,000 in 2015/16 and then by £450,000 in 2016/17 to remain above £2m. The balance on the Housing Repairs Fund is expected to reduce over the next year, from £436,000 to £189,000. Similarly the Housing Major Repairs Reserve is predicted to decrease from £9.1m to £514,000. The HRA business plan will be reviewed during 2016/17 to assess the steps necessary to respond to new Government policies such as the requirement to reduce rent and dispose of high value voids.

- 42. The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2016/17 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term. Given the current consultation there are particular concerns about New Homes Bonus and until all of the old business rates appeals are resolved these will continue to represent a significant risk.**

Report to the Council

Committee: Cabinet

Date: 26 April 2016

Subject: Assets and Economic Development

Portfolio Holder: Councillor A Grigg

Recommending:

That the report of the Assets and Economic Development Portfolio Holder be noted.

One Business Briefing

I am very pleased to report that the Winter edition of One Business Briefing was published in late February with ten external partners contributing articles and graphics and a number of these external partners featuring the Briefing on their social media streams resulting in a wider social media reach than previously.

The direct distribution of the Briefing has again risen with this edition being sent to in excess of 1100 business contacts with social media also encouraging further direct downloads of the Briefing from the council's website. In addition to the usual digital edition of the Briefing, a short print run of copies of the Briefing was also produced for distribution to attendees at the recent Visit Epping Forest Tourism Conference, as well as to businesses and attendees at the most recent round of BEST Growth Hub digital workshops, run at the Essex Technology and Innovation Centre in Ongar.

Eastern Plateau

Economic Development has continued its representation on the Eastern Plateau Rural Development Programme's Local Action Group. As at mid-March there were several projects based within the district that were at early stages in the application process and the Programme Facilitator reported that there were also a good number of further leads across the entire project area and across all of the Fund's priority themes.

Tourism

Economic Development is working with colleagues in Planning to commission a Visitor Accommodation Needs Assessment. The Study will form a key part of the evidence base helping to inform tourism policies in the Local Plan.

I was very pleased to be able to attend the successful Visit Epping Forest 2016 Tourism Conference, which took place at the start of English Tourism Week at the beginning of March. Around ninety delegates represented a range of tourism and visitor sectors both large and small. Workshop sessions saw feedback with common themes for opportunity and growth including gaining benefits from closer joint working, awareness building by better use of social media and internet-based offers, marketing outside of the district to bring visitors from further afield and creating themed packages for specific target audiences. Once again it was a well-received event that delegates wish to remain a regular fixture.

Town Centres

A project to replace an eyesore at the front of the parade of shops in North Weald and the creation of a new Visit Epping Forest website have been approved within EFDC's Town & Village Centres Opportunities Fund. The Team is also liaising with applicants to progress a handful of further applications to the Fund.

Business Support

The Economic Development Team has been working on an exercise to improve the information and contact details it holds for local businesses within the district. This will mean we are better able to disseminate relevant information as widely as possible and encourage local awareness and take-up of the various programmes that are available e.g. funding, business support & advice, workshops.

Partner Liaison

Economic Development attended the re-opening of the Epping Forest District Museum in Waltham Abbey and was delighted to see the high quality of the heritage and tourist offer that this attraction will now bring to the district. Having seen the development and spoken to a number of local business stakeholders at the launch it is clear that the museum will also be a fantastic asset for the local and district wide business community.

Economic Development has recently met with Grangewood Investments to understand more about its investment plans at Oakwood Hill Industrial Estate, particularly in light of its Cr@te development on the Industrial Estate receiving planning consent in February. This liaison is ongoing but the Team has already introduced Grangewood to several partners such as Invest Essex where there might be the scope for mutually beneficial opportunities for business development.

Asset Management

Progress continues to be made in the delivery of a number of major asset management projects important in securing both community benefits, the Council's service requirements and providing sources of additional future revenue. Detailed reports for Members with a particular interest are received at the Asset Management Cabinet Committee on a regular basis. However, in terms of key milestones, I can report that the new depot at Oakwood Hill is due to be commissioned in mid June, at which time the remaining services i.e. Fleet Maintenance and Grounds Maintenance will relocate from Langston Road. With respect to the Epping Forest Shopping Park, after receipt and evaluation of Pre-Qualified Questionnaires, the four shortlisted contractors for the main construction of the Shopping Park are preparing their tender submissions. These are due to be returned in early May with a projected award to the successful contractor, in the last week of June 2016. Negotiations continue positively with anchor tenants, with a target opening date for the Shopping Park of Easter 2017, hoping to still be achieved.

Report to the Council

Committee: Cabinet

Date: 26 April 2016

Subject: Environment

Portfolio Holder: Councillor W Breare-Hall

Recommending:

That the report of the Environment Portfolio Holder be noted.

Environment & Neighbourhoods

Fly-tipping incidents continue to be a problem across the district, with a number of areas targeted by repeat offenders. This can be particularly difficult to investigate effectively in rural areas where there are no witnesses and CCTV options are limited. However, Environment & Neighbourhood Officers continue to follow up any evidence contained in waste deposits and have a number of cases against suspected multiple offenders pending prosecution proceedings.

Officers are also working closely with colleagues in Safer Communities and using new CCTV equipment in rural hotspots.

The difficulties in catching and prosecuting fly-tipping offenders has prompted officers to look at developing a campaign to try and reduce the amount of waste that gets into the hands of rogue traders who fly-tip for profit. Businesses and households all have a "duty of care" to ensure their waste is handed to an authorised person. Officers have suggested that the more complicated waste duty of care law is promoted as "Check, Challenge and Record" whenever a household or business transfers their waste to somebody else. The idea is being developed as a campaign through the Cleaner Essex Group.

Officers have recently been out on litter and dog fouling patrols in response to complaints about deposits around Limes Farm, Chigwell. Although Officers are ready to witness incidents and issue incidents tickets, for fixed penalty notices or prosecution proceedings, the majority of time is spent making sure that dog walkers are aware of the law and have bags ready to dispose of waste correctly. Potential litter offenders are also made aware of the possible fine for littering (£75 fixed penalty notice, £2500 maximum fine) and in some cases provided with a cigarette butt box before they have an opportunity to litter.

Drainage

The Technical Services Group of the Neighbourhoods Directorate has been successful in securing a new tractor and accessories through the Invest to Save Initiative. The equipment will be operated by Grounds Maintenance staff and used for both routine maintenance of Council owned land and where outside contractors were previously engaged, and can also be used in emergency situations. Sites include Bobbingworth Nature Reserve, the Council Flood Storage Area and other open spaces. The acquisition of the equipment has increased the capacity to undertake additional internal and external work and affords the possibility of generating income for the Council.

Grounds Maintenance

With the winter work programme fully completed and the new mowing season upon us, the Grounds Maintenance gardening teams are now busy cutting the numerous Council owned verges and open spaces across the district. With delivery of the specialist mowing machinery acquired through the Invest to Save initiative, staff are now being trained to operate the equipment in readiness to take on the maintenance of the Council's flood storage sites.

The whole of the Grounds Service will soon be relocated to the new depot being constructed at Oakwood Hill in order to make way for the redevelopment of the Langston Road depot. With the new depot visibly nearing completion the team are eagerly preparing for the transition.

Waste Management

I'm delighted to report that the number of missed collections and customer complaints has continued to fall. To ensure this improvement is maintained, work on training drivers and operatives, obtaining correct information for door entry systems, and enhancing internal communication amongst Biffa 's staff is ongoing.

Street cleansing has continued to improve and the use of the replacement equipment is having a positive effect. We are currently reviewing the computer generated schedules for some areas, as they result in considerable non-productive time, and are developing schedules that will move most of the mobile street cleansing crews into a single area instead of being scattered across the district. This has a number of benefits:

- Less driving time for supervisors and more time instructing operatives.
- Ability to cover areas where there are operational issues.
- Ability to undertake deep cleaning on areas.
- Ensures the linkup between work returns and actual completed work at the daily debriefing.

On the ground co-operation has continued which has led to the faster resolution of issues and the proactive dealing with service quality matters before the public are affected by them.

The effects of the imminent move from the Langston Road depot are still being addressed, especially the storage of tyres, gas bottles, car batteries, liquids, fridges and freezers. Although alternative options are being considered, as of yet no replacement storage space exists and the costs of directly collecting these items from a fly tip or household will, consequently, increase.

Clean for the Queen

On Friday 4 March I was joined by the Leader, Biffa representatives and Council waste management staff for a 'Clean for the Queen' litter pick in Rectory Lane, Loughton. We collected a significant amount of waste for disposal and recycling, including a rather soggy and overgrown mattress.

Clean for The Queen is a campaign to clear up Britain in time for Her Majesty the Queen's 90th birthday, which will be officially celebrated in June 2016. Litter pick groups were also organised in Matching, Ongar, Theydon Mount and Willingale as well as by residents groups from Oakwood Hill in Loughton and Ninefields in Waltham Abbey.

Report to the Council

Committee: Cabinet

Date: 26 April 2016

Subject: Finance

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Finance Portfolio Holder be noted

Accountancy

Since our last meeting in February the Chancellor of the Exchequer has delivered his Budget and I thought Members would find it helpful if I highlighted a few key points. Unfortunately the estimates from the Office for Budget Responsibility have become rather less optimistic since the Autumn Statement. This means that additional savings are now required, although the Chancellor still expects to achieve his target of a budget surplus in 2019/20.

The Chancellor has recognised the significant savings achieved by local authorities and the extent of the funding pressure the sector is still under. This meant the Budget contained no further funding reductions for local government. Departmental spending more widely is to be the subject of an efficiency review. This is to be led by the Chief Secretary to the Treasury and the Paymaster General and will report in 2018 to inform future spending decisions.

There were several significant announcements on business rates, including the permanent doubling of Small Business Rate Relief and changing the basis of the annual indexation from the Retail Price Index (RPI) to the Consumer Price Index (CPI). The change in education policy to require schools to become academies will also reduce business rate income as the charitable status of academies means they qualify for mandatory rate relief. The Budget did include a promise that local government would be compensated for the loss of income from the business rates measures and this will be considered as part of the Government's consultation on the implementation of 100% business rates retention later this year.

The Budget also included announcements on devolution, a new national funding formula for schools, apprenticeships, planning and housing. If Members are interested in finding out more of the detail I would strongly recommend the on the day briefing note provided by the Local Government Association. This is written in relatively plain English and at only twenty one pages is rather less intimidating than the Budget itself.

It will be interesting in the year ahead to see what emerges from the consultations on New Homes Bonus and business rates retention. The Medium Term Financial Strategy approved at our last meeting did allow for reductions in funding in future years and these estimates will be re-evaluated as more information becomes available.

Benefits

The Government introduced the Welfare Cap as part of the Budget in 2014 to strengthen control of welfare spending, support fiscal consolidation and improve Parliamentary accountability for the level of welfare spending. With the changes announced since the Budget it now seems that the Government will not be able to keep spending on welfare inside the cap for several years.

The year-end position on the key performance indicators will be considered at the July meeting of the Resources Select Committee, but I will take this opportunity to give a brief update. The average time taken on processing a new claim was 21.76 days, which is better than the target of 22 days. The other processing indicator is for changes of circumstance and at 4.47 days this is also performing better than the target of 6 days.

Revenues

This is always a very busy time of year for staff in both Benefits and Revenues as the new-year bills and notifications generate a lot of calls and correspondence. As always, help and advice is being offered to support both residents and businesses that are facing changes in their bills.

The key performance indicators at the end of the year are positive for both Council Tax and Non-Domestic Rates. At the end of March the in-year collection rate for Council Tax was 98.03% which was ahead of the target of 97.0%. Similarly, Non-Domestic Rates was also ahead of the target of 97.7% with 97.84% having been collected.

I thought other Members may also be interested in some of the management information that the Revenues Service collects and the very high level of performance this illustrates for 2015/16. During 2015/16 46,770 direct dial calls were received and 97% were answered, there were 92,002 pieces of work actioned during the year with the outstanding items at the year-end reducing from 1,972 to 1,043. During the year the service was re-structured to provide more of a focus on customer service and this was reflected in the better performance figures over the recent annual billing period. The busiest week in March sees the service receive 2,000 phone calls of which only 36 were abandoned this year, compared to 158 the previous year, and the average wait for callers was reduced from 2 minutes 18 seconds to 1 minute 12 seconds. I would like to take this opportunity to thank the staff of the Revenues Service as their performance during 2015/16 was exceptionally good.

Report to the Council

Committee: Cabinet

Date: 26 April 2016

Subject: Governance and Development Management

Portfolio Holder: Councillor J Philip

Recommending:

That the report of the Governance and Development Management Portfolio Holder be noted.

1. Development Management

Building Control

Building Control's (BC) income for March 2016 was £46,873, the second highest single monthly turnover for the last three years. BC has slightly exceeded their revised annual year-end budget at £473 000, which was revised from the original, set at £386 000. Given their improved turnover, BC will for the first time in many years be able in the 2015/16 year to exceed the break-even status of their ring fenced Building Control Account. BC's recent upsurge in turnover is linked to the general increase in building activities across the Council district and is £70,000 higher than the 2014/15 total turnover.

The outlook for BC is good, as for the first time in many years BC will have over 98% of their vacant posts filled, although two of these posts are traineeships. This means that BC will be able to compete strongly in a market where there is increased competition for surveyor work. The recent growth in independent approved inspectors who are now competing for the same work means that BC needs to ensure they have enough staff available to respond to competitive pressures.

It is also important to note the positive element of BC's income, which increased by 16% from 2014/15 to 2015/16. This compares favourably to the previous year's corresponding increase of 7% from 2013/14 to 2014/15.

Development Control

Income of nearly £850,000 for Development Control (DC) for 2015/16 was exceptionally good as compared to 2014/15 of £813,000. With the budget revised upwards from £595,000 to £850,000, DC managed to show their resilience by exceeding £800,000 for two years running.

The increase in turnover for DC improving from £538,762 in 2013/14 to £813,120 in 2014/15 was exceptional registering a nearly 51% increase. Any subsequent increase over this in future years was always going to be difficult. However a respectable 4.5% increase over the 2014/15 year demonstrated the how strong the DC turnover of £849,842 has been for 2015/16.

While as already indicated that this is the second year that DC have managed to exceed £800,000, it is particularly relevant to note that prior to April 2014 the average yearly income for DC has been approximately £500,000 per year.

In addition the Pre-Application income for DC was £104,000 for 2015/16 and added to the DC turnover brings the total DC income to £953,842 about £46,000 short of one million pounds.

DC will be strengthening their staffing resources by employing two trainee planning officers in mid-2016. This will add an element of stability to planning officer resources to support the current and expected increases in planning application activity.

Planning Enforcement

The Planning Enforcement section has again taken direct action, this time to remove advertising panel's and supported boarding erected by the same company, Directional Media, in two locations – Highbridge Street Retail Park, Waltham Abbey and next to the London Underground bridge, Chigwell Lane, Loughton. The signs though have re-appeared and we will be taking direct action again and prosecute.

Planning Consultation

Governance Select Committee recently considered a government consultation paper entitled "Technical Consultation on Implementation of Planning Changes", which included planning fee increases in line with the rate of inflation for authorities performing well, introducing a "Permission in Principle" process, separate Brownfield and Small-sites registers and proposed also changes to planning performance. Of most concern though, applicants for planning permission could be given the choice of whether to submit their plans to the local council, a competing council or a government approved organisation. It is claimed by The DCLG that it would tackle a lack of incentive for councils to improve and speed up their planning service and pilot this in specific areas for a limited period. The final decision to grant or refuse planning permission would still be taken by the local council, but only within a short period of 1 to 2 weeks from receipt of the planning officer's report and recommendation.

Development Control and policy officers are also considering a rural planning review call for evidence that has been jointly published by DCLG and DEFRA. It seeks evidence on how the planning system can better support rural life and ideas on how the planning system could further support sustainable rural life and businesses. The Rural Productivity Plan published in August 2015 committed the Government to review the planning and regulatory constraints facing rural businesses and measures that can be taken to address them. It also commits Government to review the current threshold for agricultural buildings to convert to residential buildings. Responses to a number of questions are sought from local authorities by 26 April.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499246/Rural_panning_review_Call_for_Evidence.pdf

2. Council Underlines Its Commitment To Equalities

On Wednesday 24 February, I again demonstrated our commitment to ensuring that the Council meets its responsibilities for equality and diversity by leading Councillors and staff for a flag raising ceremony to mark LGBT History Month.

Our society is built on the principles of equality and diversity, and I am extremely proud of the role the council plays locally in promoting those values.

In conjunction with this event the Cabinet, at its last meeting, considered and approved its new equality objectives to take forward its public sector equality duty. This duty requires that

we proactively consider how discrimination can be addressed through the work that we do, and also whether we can advance equality of opportunity and encourage good relations between different protected groups.

The setting of objectives provides a focus on the outcomes to be achieved during the next four years. New objectives have been developed to take the Council up to April 2020, and because the objectives must be specific and measurable, an action plan has been developed to deliver them and sets new targets to improve the lives of people in the district.

3. New Council Constitution

Later at this Council meeting, members will be asked to approve a new Constitution for the Council. This point marks the completion of a programme of meetings by our Constitution Working Party, Chaired by Councillor McEwen, to which Officers from the Governance Directorate have many hours putting together completely new provisions over nearly a two year period.

The new Constitution is a good example of cross council officers working with members and has been supported by input from staff across the Governance Directorate, from Legal to Democratic Services. It is pleasing to note that when reviewed by Counsel, it has been judged as a significant improvement and fit for purpose.

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Report to the Council

Committee: Cabinet

Date: 26 April 2016

Subject: Housing

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Response to Letter to Brandon Lewis MP, Minister of State for Housing and Planning – Sale of high value empty Council properties

I reported to the last Council meeting on the progression of the Housing and Planning Bill through Parliament and, in particular, to the discussions that had been taking place in Parliament relating to:

- The proposed requirement that councils must pay an annual levy to the Government - on the expectation that the councils will sell higher value empty properties over the course of the year to fund the annual levy; and
- A clause within the Bill that would allow the Secretary of State to reduce the payment by agreement with individual local authorities.

I explained that, prior to the Bill being passed to the House of Lords, the Minister of State for Housing and Planning informed the House of Commons of his willingness to consider the circumstances of each local authority and its housing need when he came to consider which local authorities he would be prepared to discuss the possibility of entering into agreements with, to reduce the amount that they would be required to pay. This was on the basis that the local authority would agree to use some or all of the payment that would otherwise have been made to the Secretary of State, to provide additional affordable housing in their area.

In my last report, I explained that I had therefore written to the Minister asking if he could give early consideration to the possibility of the Secretary of State entering into such an agreement with our Council, in advance of the Secretary of State making his determination of the amount of payment to be made by the Council. I said that I would advise members of the response to my letter.

I am pleased to report that I received a positive response from the Minister, which invited Council Officers to contact officials at the DCLG to “further discuss the policy and how an agreement may work for Epping Forest”.

The Director of Communities has made contact with DCLG officials accordingly. The DCLG explained that they are only at an early stage in their thinking about the potential approach towards entering into such agreements with local authorities. They explained, though, that the Minister was keen to enter into a dialogue with councils to replace high value void properties that are sold.

In order to enable DCLG officials to provide advice to Ministers in respect of how any agreement process may operate, the DCLG intends to discuss a proposal with the LGA to set up a working/technical group to consider all the issues relating to agreements to provide

replacement properties. The Director of Communities expressed a willingness of becoming involved in such a working/technical group.

The DCLG also said that they needed to work on the thresholds to be applied and would be advising Ministers shortly. Officials were looking at putting forward to Ministers a range of options of how the thresholds could be set (e.g. national, regional, local etc.) and the possibility of exempting newly-built properties from the high value voids policy and/or properties built after a specified date.

The DCLG is currently looking at the data provided by all local authorities on the number of voids, with a view to assessing a vacancy rate for each local authority, based on each authority's actual average vacancy rate over previous years.

Having expressed our interest in entering into an agreement with the DCLG regarding the provision of replacement affordable homes with the receipts from the sale of high value void properties, we now need to await further advice and guidance on how the DCLG propose the agreements to be taken forward. I am sure that the new Housing Portfolio Holder will continue to keep members updated on progress with this issue.

Proposed cessation of the Housing Appeals and Reviews Panel

At its meeting on 22 March 2016, the Constitution Working Group agreed to recommend to Council that the Housing Appeals and Reviews Panel be discontinued with immediate effect, and that responsibility for all housing appeals and statutory homelessness reviews currently within the scope of the Panel be delegated to officers.

The Panel was set up in 1991, following the disbandment of the former Housing Management Sub-Committee. At that time, any client of the Housing Service could appeal against (or request a review of) any decision made by an officer on a housing matter. Since then, a number of changes have been made to reduce the scope due of the Panel's areas of responsibility, due to the increasing number of applications that were being made.

In the last 2 years, the Panel has considered 14 cases, 13 of which related to homelessness. Only 2 cases were upheld. Although the Panel now only considers a relatively small number of cases, the majority of which are statutory reviews of homelessness decisions (predominantly on the intentionality of the homelessness), the Working Group was concerned about the amount of member and officer time required to deal with appeals and reviews in this way, and the complexity of the legal issues involved with reviewing homelessness cases. It was for these reasons that, following consultation with all Panel and Substitute Members, the Constitution Working Group agreed to recommend to Council that the Housing Appeals and Reviews Panel be discontinued.

Council Housebuilding Programme

The Phase 1 works continue to make slow progress. The outcome of the contractor's claim for an extension of time was determined by the Council's Employers Agent, Pellings LLP, which concluded that there were no grounds for additional time and therefore no grounds for any loss and expense as a result. Since then, the contractor has continued to work on site. However, the Council has recently received a request from the contractor to refer issues of dispute to mediation. The Council's appointed solicitors, Trowers and Hamblins, are currently considering the request and will be advising the Council accordingly.

The contract with Mullalley & Co Ltd to construct the 51 new affordable rented homes at Burton Road, Loughton has now been signed and the associated performance bond is in place. Pre-commencement designs are being prepared by Mullalley, who are also working to discharge the planning conditions prior to commencement on site. It is anticipated that work will commence on site, with site hoarding and demolition of the garages, in late June 2016. All garage tenancies have been terminated, and the works to commence.

The Council's Employer's Agents and Architects, Pellings LLP, are now at an advanced stage with the designs and tender documents for the 8 sites making up Phase 3 of the Council Housebuilding Programme in Epping, Coopersale and North Weald. It is anticipated that, following a competitive tender exercise, works will start on site in September 2016.

Officers continue to make good progress with future phases of the Council Housebuilding Programme, with 4 more sites being granted planning approval at Kirby Close, Ladyfields, Chester Road and Lower Alderton Hall Lane in Loughton since my last report. Each of these sites will form part of Phase 4 of the Programme, which is due to start on site later this year - around December 2016.

The Council has now also signed a contract with Linden Homes for the purchase of 8 affordable rented homes at Barnfield, Roydon, which is conditional and subject to the approval of a minor material amendment to a major planning application. The revised design will be considered by the Area Plans (West) Sub-Committee in May 2016. Subject to approval, works will start on site immediately - with the private show homes being completed in December 2016, with the Council's affordable rented homes will completed in 2017. One of the Council's Preferred Housing Association Partners, B3Living, is providing 3 shared ownership properties on the site.

Arrangements are also now in hand for the Council to progress the required purchase of existing empty properties on the open market, in order to avoid the Council having to pass unspent "one-for-one replacement" Right to Buy receipts to the Government. The target to complete all purchases is December 2016; therefore, the identification and purchase of "chain-free" properties is a key factor. This exercise will result in expenditure to the value of around £2.3million, 30% of which being the "one-for-one" funding at risk.

Names agreed for new Council flats to be built at Burton Road, Loughton

Following consultation with Loughton Town Council and the two local ward members, at its meeting on 24th March 2016, the Council's Council Housebuilding Cabinet Committee considered the names to be put forward for the two new blocks of Council flats to be built in Burton Road, Loughton under Phase 2 of the Council Housebuilding Programme.

The Cabinet Committee agreed to formally submit two names suggested by Loughton Town Council. One block is proposed to be called "Churchill Court", in recognition of the former Sir Winston Churchill Public House that was previously located nearby, prior to its demolition to enable development to take place on the site.

The other block is proposed to be called "Davis Court" after the late former district and town councillor and District Council Chairman, Joan Davis, who was the local ward member for the area for many years.

The Council's building contractor for Phase 1, Mullaley and Co, will now make a formal application for the building names and numbering to the Council's Neighbourhoods Team, who will undertake the required statutory consultation process. The Cabinet Committee agreed a reserve name of "Nelson Court" for one of the blocks, suggested by Cllr Chris Pond, should either proposed name be unacceptable for any reason.

Repairs and Maintenance Hub – North Weald

Members will be pleased to note that the planning application has now been submitted for the proposed new Repairs and Maintenance Hub in Blenheim Way, North Weald. As agreed by the Cabinet, no further commitment is in place to progress beyond the stage of obtaining planning permission, until exchange of contracts on the St Johns Road, Epping development takes place.

Computerised system for Council leaseholders

From the beginning of the new financial year in April, the Communities Directorate has gone live with an additional module of our integrated Housing IT System - which integrates all the different housing functions together in one IT system. The new module computerises the administration of service charge accounts for our residential leaseholders, relating to the 1,005 Council flats and maisonettes under the Right to Buy since 1980.

The management of leasehold accounts is a complex function, as it has to work on an approximately 18 month cycle - with estimated accounts for the forthcoming financial year produced in January/February and actual accounts produced the following September. Over the year, leaseholders make monthly payments towards their estimated accounts and pay any extra amount that is due (or receive a credit) once the actual charges are known.

Until now, the Home Ownership Team which administers the residential service charges has managed these processes using a number of different basic IT and manual systems. The new leasehold module streamlines these processes.

To further improve the service to leaseholders, in 2014, I gave my approval to the use of a framework agreement that provides leaseholders with additional ways to pay for their services - by direct debit and card payments. This will provide leaseholders with more flexibility and remove the need for inflexible standing orders to have to be set up on an annual basis.

The initial implementation of the leasehold IT module went well, although it will not be fully 'bedded-in' until it has been through a full 18 month charging cycle.

Housing Service Strategy on Privately-owned Empty Properties

At its meeting in March 2016, the Housing Select Committee received a report from the Private Sector Housing (Technical) Manager on the many initiatives adopted by our Housing Service to bring privately-owned empty properties back into use. The Select Committee also endorsed the Council's new *Housing Service Strategy on Empty Homes in the Private Sector*.

Empty properties are a wasted resource in terms of housing provision, particularly in areas of high demand like Epping Forest. In addition, while there will always be empty homes in the District (through natural turnover), those that are left empty for extended periods of time can cause a nuisance in communities and devalue neighbouring properties.

Officers in our Private Sector Housing (Technical) Team collate information from a number of sources in order to identify properties that are considered to be empty long-term, i.e. for more than 6 months. Property owners are initially offered advice, encouragement and, in some cases, financial assistance to bring their properties back into use. However, if this proves unsuccessful, the Council can take enforcement action.

By applying this strategy over the past 10 years, the number of long-term empty homes in the District has shown a marked decline - from approximately 950 properties in 2005 to just 350 properties in 2015.

The Council's Housing Strategy Action Plan has a target to bring at least 30 long-term empty properties back into use each year. I am pleased to say that this target was met, once again, for last year (2015/16).

The Housing Service Strategy on Empty Homes in the Private Sector Strategy will have a complete review and update after 5 years.

Housing Information Evening for Members

At the time of writing, the Housing and Planning Bill has not yet received Royal Assent. When enacted, the provisions of the new Act will have significant issues and implications for the Council's Housing Service, our tenants and our housing applicants.

In order to ensure that all members are aware of the main housing provisions of the new Act, the Director of Communities will be arranging a Housing Information Evening for all Members of Council, together with members of the Tenants and Leaseholders Federation, in June/July 2016 to explain the current national housing issues and other local housing issues of interest.

It is envisaged that the Information Evening will cover the following:

- 1% p/a rent reductions (Welfare Reform and Work Act 2015)
- The Council's proposed HRA Financial Options Review 2016
- Starter Homes
- Right to Buy for housing association tenants
- Sale of higher value void properties
- "Pay to Stay" Scheme
- Compulsory Fixed-Term Tenancies
- Increased levels of homelessness and increased use of temporary accommodation
- Council Housebuilding Programme
- Disabled Facilities Grants and the Council's CARE Service
- Proposed Repairs and Maintenance Hub at North Weald.

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Report to the Council

Committee: Cabinet

Date: 26 April 2016

Subject: Leisure & Community Services

Portfolio Holder: Councillor H Kane

Recommending:

That the report of the Leisure and Community Services Portfolio Holder be noted.

Community Services

Friday Night Football at Town Mead, Waltham Abbey

I am pleased to advise Members, that due to the excellent success of the football programme which takes place on the All Weather Pitch at Town Mead, the Police Crime Commissioner has awarded our Community Health and Wellbeing team an additional £6,280 to continue to deliver these sessions for young people which are held each Friday night.

We have on average 60+ young people that take part each week, who are split into groups depending on ages, which range from 9 – 17 years, with a special mentoring scheme for 15-17 year olds. I reported last year, about a particular case where a 15 year old young mans' life had been turned around by attending the sessions and am delighted to report that nine more young people are now back in full time education, at college or sixth form.

The project is therefore successfully contributing to improving crime prevention and anti-social behaviour, through positively engaging young people in constructive and disciplined activities. In addition, all participants are learning and improving their physical skills and many have demonstrated improved respect through the high quality coaching and mentoring delivery.

Senior Safety Day

I was pleased to be able to attend and take part in a recent 'Senior Safety Day' in Waltham Abbey, which was held at the Town Hall. The event which was organised and developed by the Council's Community Safety and Community Health and Wellbeing teams was provided for our senior residents from right across the Epping Forest District. Participants received a wide range of tips on how to keep themselves safe in and around their homes and were encouraged to share what they have learnt with their families, friends and neighbours.

A mix of public and voluntary organisations supported the events, including Essex Police who gave talks on crime prevention; Essex County Fire and Rescue Service who gave a talk on smoke alarms and making your home safe; Trading Standards, who spoke about scams and bogus callers, and Crime Stoppers, who talked about their service and how to report crime anonymously.

Following the range of presentations, participants were treated to a musical that featured all the issues that had been during the day, which was called 'Scram busters', and was written and performed by Solomon Theatre and was a great hit with the audience. Everyone attending also received a goody bag with information that supported the event and were provided with lunch and refreshments.

The event had really good reviews from participants, with many of those attending learning something new, one resident said 'it was a wake-up call making people aware of scams', another said that she was 'overwhelmed by the speakers and the performance', and other residents commented 'that they thoroughly enjoyed the event'.

Limes Farm Clean Up Day

Our Community Health and Wellbeing Team, along with local residents and members of staff from the True Stars Children's Centre, took part in the Limes Farm 'Spring Community Clean Up'. The event which is designed to encourage residents to come together and take pride in the area where they live, was very well received by everyone that attended.

The group armed with litter pickers, high vis jackets, bin bags and gloves went around the estate and collected any litter they found, helping to make the community a greener, cleaner place to live. One local resident that took part, commented how they enjoyed coming together with other residents for a common cause whilst making the estate cleaner.

The session ended with a well-deserved cup of tea and a slice of cake with everyone reflecting upon a 'good job done'. Other events are planned throughout the year including a Festival for Healthy Living on 28th April at the Limes Centre.

Museum Re-opening Events

I was delighted to be part of the fantastic re-launch of our District Museum in Waltham Abbey, over the course of an exciting week in March. Because of the number of people involved in the funding, construction and support of the museum, we had three launch events, where we welcomed representatives from the Heritage Lottery Fund who were our main funders for the re-development of the museum; Arts Council England, who funded two feasibility studies linked to the Council's Museum, Heritage and Culture Service; our main contractors Coniston Ltd., and the many volunteers and staff who have worked so hard to get the museum shipshape for its re-opening to the public, which was on Saturday 19th March.

During the course of the week, we had over 1500 visitors to the museum, who were all enthralled with the transformation of the building and the creation of almost four times as much exhibition space as we had before. A particular favourite of visitors was the 'Core Gallery', which has an 'open storage' design feature, where visitors can view displays through floor to ceiling glass windows and can see into the actual stores where reserve items are kept. This allows for more regular changing of exhibits, therefore offering repeat visitors something different to see. The Core Gallery design is one of only two in the Eastern Region and we have the only museum in Essex with this feature.

I encourage fellow Members to visit our wonderful new facility which is very much 'History meets State of the Art', through clever use of the original Tudor building and the new, spacious modern extension that we now have.

I would like to take this opportunity, to give my sincere thanks to our Museum, Heritage and Culture Manager, Tony O'Connor and his excellent staff team for all of the incredibly hard work that they have undertaken over the last year, and to our Assistant Director, Julie Chandler for being such a great ambassador for the service.

Arts Council Resilience Fund

In conjunction to the re-launch of our Museum Service, officers were successful in securing an additional £55,000 from Arts Council England (ACE), for two feasibility studies to look into

the potential for establishing a Development Trust for the service, and for developing a commercial approach for operation of the Council's own Museum and Lowewood Museum in Hoddesdon, which we manage on behalf of Broxbourne Borough Council.

The findings of the studies were very positive and highlighted the opportunities to be found from implementing a set of recommendations related to the work. Officers were in the process of preparing and reporting these to the Cabinet, when they found that a new round of Resilience funding was going to be launched by ACE. This resulted in the development of an Expression of Interest (first round bid) being submitted to ACE in February this year, for £280,000, which is supported by match funding from EFDC via an Invest to Save sum of £20,000 and £10,000 contribution each from Broxbourne Borough Council and Chelmsford City Council. EFDC already has a Service Level Agreement with Broxbourne BC which is currently under review, and a new partnership arrangement with Chelmsford Council has recently been set up to add strength to the ACE proposal and to assist in overall sustainability of services across the three districts.

I am delighted to advise Council, that we were notified of our success in this initial bid earlier this month and work is now underway to develop a full funding application & proposal, which needs to be submitted by May 5th.

Included within this proposal, is a plan to establish a Development Trust that would operate in parallel to the management of the Museum, Heritage and Culture Service and that would be able to access a wide range of new funding opportunities that the Council is prohibited from. It would also allow fundraising through legacy's, donations and a range of other avenues. Any funding raised would then be used to pay for development of new exhibitions, events, activities and innovation. It is proposed for the Trust to cover both the Epping Forest Museum and Lowewood Museum. Other elements of the funding bid include; a range of work to develop a commercial management approach, with pop up cafés, new marketing regime across both sites and potential access to display high profile exhibitions, and development of new audiences and visitors for the wider service.

We will know whether we have been successful with our application in July and if awarded the funding will commence delivery of the proposal from October. However, if unsuccessful in this bid to ACE, we have been advised that the Heritage Lottery Fund will be launching a new Resilience Fund of their own, which will be released in the summer. It is therefore hoped that this will provide an alternative opportunity if necessary.

External Funding to provide security and environment control Improvements at the Museum

The museum has also been successful in obtaining a grant of £20,386 from Arts Council England to allow us undertake further security and environmental control improvements to the District Museum and Lowewood. This is to support our application for display loans from National and Major partner museums as part of our developing programme.

Motiv8 Dance Platform 2016

I and Vice Chairman Jeanne Lea had the opportunity to attend a performance of our annual partnership project with Epping Forest College to showcase the dancing skills of our children and young people. The event took place at the College's theatre on Monday 21 and Tuesday 22 March with 221 children and young people, aged between 5 and 19 years, taking part. The performances were from Epping Forest College students from both the Dance and Performing Arts courses; students from DNA College and other dance groups including some of our very own after school dance clubs, for some of whom, it was their first public performance. This work was supported by a further 40 Epping Forest College

students from the Photography, Hair Make-up & Beauty and Art & Design courses assisting with filming, photography, programme design and theatrical make-up. We've had some great feedback from children, parents and dance leaders, including this from Micheal of The Stadium Theatre School: 'Thank you very much for a fantastic Motiv8!! The kids loved it and I had great feedback from parents saying what a great show it was! So thank you for your hard work and well done!!'

Leisure Management

The procurement of the new Leisure Management Contractor is progressing to timetable, with the 5 short-listed tenders engaged in the initial phase of the competitive dialogue process. Indicative ideas have been brought forward for the design of the potential new Leisure Centre in Waltham Abbey, and a range of improvement proposals for other sites. The process will continue to be overseen by my Portfolio Advisory Group, who will be considering the first round of formal proposals in May. I will keep Council updated.

Report to the Council

Committee: Cabinet

Date: 26th April 2016

Subject: Planning Policy

Portfolio Holder: Councillor R Bassett

Recommending:

That the report of the Planning Policy Portfolio Holder be noted.

1. Local Plan timetable

The Local Development Scheme agreed by Cabinet on 11 June 2015 has the timetable for consultation on the draft plan scheduled for July 2016 to September 2016. Regrettably for a number of reasons it is not now going to be possible to meet this timescale and therefore consultation will be delayed until the autumn.

The Government has made clear their expectation that all local planning authorities should have a post 2012 National Planning Policy Framework local plan in place. This includes intervening where no local plan has been produced by early 2017 to arrange for the plan to be written, in consultation with local people. The Government recently consulted on the criteria to inform their decision on whether to intervene to deliver this commitment. This is included within the technical consultation on implementation of planning changes (to which EFDC responded) arising from measures outlined in the Housing and Planning Bill that is currently being debated in Parliament. One of the penalties proposed for not having produced a pre submission draft plan by the end of March 2017 is the loss of New Homes Bonus. It is clear therefore that the Council needs to make good progress this year and to have consulted on our Draft Plan Preferred Approach as soon as possible. For this reason the focus of the Planning Policy Team is on the outstanding work needed in order to go out to consultation on the Draft Plan as soon as possible and so for the moment we will not be able to give as much resource to Neighbourhood Planning. The team will of course continue to provide advice and assistance by signposting to relevant material and grants available and will give regular updates on the Local Plan to Local Councils' Liaison Committee.

Duty to Cooperate

Officers and Members continue to meet regularly with appropriate authorities, principally through the Cooperation for Sustainable Development Officer group and Member Board, to consider a wide range of cross boundary issues. In addition to the post SHMA work referred to below, the Board has considered other strategic issues including employment, Green Belt Review work. The Lea Valley Food Taskforce continues to develop a programme for the future of the glasshouse industry - one of the District's historic and still important sectors.

Having successfully opposed inclusion of a reference to construction of a new access road in the North East Enfield Area Action, officers continue to be involved in transport work being undertaken by the London Borough of Enfield on wider transport work being undertaken as part of Enfield's Northern Gateway Access Package.

2. Member Workshops

The purpose of the member workshops, that includes Town and Parish Council representation, is to inform Members of emerging key issues that the draft Local Plan will cover and to ensure that Members views and concerns are aired in order that they might be taken account of in the policy drafting.

Three workshops held in November 2015 considered potential policy approaches to:

- i) the Historic Environment, the Natural Environment and Green Networks,
- ii) Economic and Employment; and
- iii) Affordable, older persons', accessible and custom build housing.

More recent workshops considered design matters on 28 January 2016 and input to stage 2 of the Green Belt study on 25 February 2016. All have been well attended and Members have provided valuable information and opinions on the matters presented.

In respect of the Green Belt workshop, Members were afforded a short period to send further comments on the parcel boundaries and to feed in local knowledge and views about the areas now being looked at in more detail. All comments received were passed onto the consultants who are undertaking this piece of work.

Further workshops will be held covering additional matters including climate change, energy and flood risk and development management policies. A programme is being worked up for these sessions and once finalised Members will be advised of dates and arrangements accordingly.

3. Update on key evidence work

Work continues on finalising the evidence base reports which will be used to inform the policies included in the Draft Plan (Preferred Approach) that the Council consults on later this year.

Strategic Housing Market Assessment, Economic and Employment evidence

These key pieces of technical evidence relating to housing and jobs numbers were completed in 2015.

The updated Strategic Housing Market Assessment (SHMA) produced in conjunction with the other authorities within our Housing Market Area: East Herts, Harlow and Uttlesford was reported to Cabinet in October 2015. It provides figures for Objectively Assessed Housing Need (OAHN) for Epping Forest District and the other three Districts. The OAHN figure in Epping Forest District is 11,300 dwellings up to 2033 but it is important to understand that this is not the housing target for the District. Work is underway with the other SHMA authorities to consider the options for the most appropriate spatial distribution of growth across the area.

An Economic Evidence report for West Essex and East Herts commissioned jointly by EFDC and East Herts, Harlow and Uttlesford Councils was also reported to the October 2015 Cabinet meeting. Local Plan Inspectors pay particular attention to the need for jobs and housing requirements to be aligned. Therefore, this study was commissioned on the same basis as the Strategic Housing Market Assessment, to cover the four authorities and to inform all four Local Plans across the 'Functional Economic Market Area'. A second more detailed report covering 'Economic and Employment Evidence to Support the Local Plan and Economic Development Strategy' has also been completed for EFDC alone.

These housing and economic evidence reports can be viewed via the Local Plan pages of the Council's website.

Green Belt Review

Following completion of the Stage 1 work reported to Cabinet in September 2015, work on the Green Belt Review Stage 2 is being undertaken for the Council by external consultants LUC. The consultants' fieldwork and analysis has been completed and we await receipt of their report giving a finer grain assessment of the broad locations identified in the Stage 1 work. In particular, this will provide detailed evidence and information concerning the contribution different parcels of land make to the Green Belt purposes identified in the NPPF. This in turn will assist the Council in deciding:

- The areas where the Green Belt policy designation should remain;
- Any historic anomalies in the existing boundaries or locations where development has taken place, which may therefore suggest minor amendments to the Green Belt boundaries are required;
- Areas that may be least harmful in Green Belt terms if released from the Green Belt.

It therefore follows that, simply because a parcel, or part of the parcel, is being appraised as part of the more detailed work, this does not necessarily mean that it should / will be allocated for development in the emerging Local Plan, or that the Council would look favourably on a planning application. Once the Stage 2 study has been completed it will, together with all the other pieces of evidence, be used to inform the Draft Plan (Preferred Approach).

Settlement Capacity Work

Fregonese Associates have made good progress on the settlement capacity study of the District's 10 largest settlements - namely Epping, Theydon Bois, Buckhurst Hill, Chigwell, Loughton/Debden, Waltham Abbey, North Weald Bassett, Chipping Ongar, Lower Nazeing and Roydon. This will provide the District with the information to determine the potential for additional capacity within existing settlements over and above that originally identified in the SLAA, and so minimise the potential need to utilise Green Belt land for any future growth. Like Stage 2 of the Green Belt Review, the results of this work expected shortly will be used to inform, and be published alongside, the consultation Draft Plan Preferred Approach.

Transport

To help inform the best way to meet the OAHN for the Strategic Housing Market Area identified in the work reported to Cabinet in October 2015, further transport modelling work is being undertaken by Essex County Council. This will look at the implications for the transport network of growth and how it can be distributed across the Housing Market Area. The outputs will then be considered by the districts and jointly by the four SHMA authorities at the Cooperation for Sustainable Development Board. This work is being progressed using support from ATLAS and facilitated by AECOM to undertake a sustainability appraisal on the impact of strategic growth options in the four authorities to meet the overall housing and employment figures for the SHMA area. Officers have met Natural England and the Conservators of Epping Forest to consider the impact on air quality in particular for Epping Forest itself.

Delays have been encountered in the strategic transport assessment using the VISUM model which has still not been signed off by Highways England. This is of concern because it could lead to a delay in completing the work to test the strategic options for growth in the

SHMA area. A joint letter from the leaders of the four authorities to local MPs and relevant ministers was sent on 22 February 2016 seeking a dedicated resource at senior level within Highways England to assist with the work so that Local Plans are not further delayed.

Other evidence base studies

Essex County Council has recently undertaken a Historic Environment Characterisation study of the District. Characterisation is a well-established approach to landscape analysis and management and is specifically identified in the NPPF. The characterisation work will inform the Local Plan and provide guidance to planning officers about the varied and important historic environment of the District. Town and parish councils have also been asked for expressions of interest in participating in work leading to the establishment of a Green Infrastructure Framework for the District. The intention is that this work will produce a Corporate District-wide strategy and used to help inform policies in the emerging Local Plan as well as potentially support neighbourhood planning initiatives.

4. Lea Valley Food Taskforce

The Lea Valley Food Taskforce is developing its work programme in a number of areas:

It has been meeting with representatives of National Institute for Agricultural Botany (NIAB) and European Partners to assess whether a bid should be made to the EU Interreg Fund on Carbon reduction. A meeting was recently hosted at the Council offices with partners from Europe and NIAB. If agreement is reached to participate the taskforce will not be the accountable body but will play a supporting role to enable the industry locally to take part.

The taskforce has been commissioned by the London Stansted Cambridge Consortium (LSCC) to organise a Food Symposium with major producer's research and academic institutions along the length of the London Cambridge corridor to look at opportunities to enable greater coordination and growth in the industry.

Officers are currently drafting a specification for consultants to support the development of the local plan. It will look at issues around scale and sites for future glasshouse development, issues around production and energy platforms and transport infrastructure. The Chairman of the Taskforce will be aiming to meet with the owners of the major pack houses over the coming weeks to examine their appetite for growth and assess the barriers to delivery.

The Taskforce has been holding a series of planning workshops looking at policy issues for the local plan. A key theme arising from the planning workshops was of neighbouring councils looking at opportunities for integrated glasshouse growth in the Lea Valley and the need to develop a greater understanding of how the industry relates to meeting London's future Food needs. Approaches to the GLA to instigate joint work around a potential London Food Zone in and around the Lea Valley have been put on hold pending the outcome of the Mayoral elections, although the current Chairman of the London Food Board has reiterated her commitment to support ongoing dialogue on this important issue.

We still await the result of the Judicial Review with respect to LVRP which would have a large impact on planning considerations. The result is expected soon.

5. Neighbourhood Planning

Moreton, Bobbingworth and the Lavers have finalised their draft Plan which is currently being examined.

Eight other Parish and Town Councils have applied to designate neighbourhood planning areas for their areas (Chigwell, Epping, Buckhurst Hill, Theydon Bois, Loughton, North Weald Bassett, Epping Upland and Waltham Abbey). Many of these are now at early stages in scoping out and drafting their plans.

6. Housing & Planning Bill, Government reports and current consultations

The Housing & Planning Bill published in October last year makes clear that the Government is serious about increasing housing supply. It is anticipated that the Bill will receive Royal Assent and be enacted by the autumn; this is likely then to be quickly followed by secondary legislation to bring its provisions into force. Measures have been included to streamline the planning process; to facilitate starter homes, self builds and building on brownfield land. It is proposed that more powers are given to the Secretary of State to take over plan making, decision taking and effectively impose financial penalties on local authorities with high-value vacant buildings.

The outcome of the consultation that ended on 22 February on proposed changes to the National Planning Policy Framework (NPPF) is awaited. EFDC sent a response to this consultation providing comments to each of the 23 questions raised. The changes, if subsequently introduced in the form proposed, would be likely to have significant implications for Epping Forest District and the drafting of our Local Plan. Particularly proposed policy changes in respect of Starter Homes and Green Belt policy. The absence of detail to explain some of the proposed changes made it difficult at this stage to give a definitive view on some of the matters raised in the consultation. However, the Government is currently consulting (until 18th May) on measures needed to implement the starter homes clauses in the Housing and Planning Bill which officers are considering.

<https://www.gov.uk/government/consultations/starter-homes-regulations-technical-consultation>

The House of Commons Communities and Local Government Select Committee have recently reported on these proposed changes to the NPPF.

<http://www.publications.parliament.uk/pa/cm201516/cmselect/cmcomloc/703/703.pdf>

Whilst welcoming many of the proposals, such as development of brownfield sites and the introduction of a housing delivery test, there are also a number of proposals which the Committee consider need to be reconsidered and revised in the light of evidence received. These include: the reduced discount period for affordable housing, including starter homes; the consequences for housing under-delivery; and the definition of a commuter hub. Noting that ultimately the success or otherwise will be dependent on implementation, many of the Committee's recommendations call for the empowerment of local authorities to have flexibility to make decisions which are suitable for their communities. The Committee also calls upon DCLG to set out how it intends to intervene in local authorities who do not have Local Plans in place by early 2017, and how many local authorities it expects will require such intervention.

The final report of the Government's Local Plan Expert Panel chaired by John Rhodes, director of consultancy Quod, was published on 16th March as part of the Budget announcements. The panel was set up to consider how the local plan-making process can be simplified, "with the aim of the slashing the amount of time it takes for local authorities to get them in place". The expert group's report says that the panel can see the value of the government's plan to intervene and arrange for local plans to be written in consultation with the local community where an authority has not produced a local plan by early 2017. But it adds that "there would be advantage in identifying now additional consequences of a failure

to produce a local plan by early 2017 in order to further stimulate authorities to want to avoid those consequences". It proposes that if an authority with no local plan has failed to submit for examination a local plan by the end of March 2017, "it should be made clear as a matter of Government policy that its existing relevant development plan policies for the supply of housing will be considered to be out of date".

Report to the Council

Committee: Cabinet

Date: 26 April 2016

Subject: Technology and Support Services

Portfolio Holder: Councillor A Lion

Recommending:

That the report of the Technology and Support Services Portfolio Holder be noted.

Support Services

HR/Payroll IT System

Members may recall that as part of the 2015/16 budget Council agreed a sum of £80,000 to purchase a replacement HR/Payroll Management System. Cabinet encouraged Officers to work with other authorities to jointly procure a system on a Shared Service basis. I am pleased to report that tender negotiations have now been completed, Epping Forest District Council has worked with Colchester and Braintree Councils to purchase a system with significant savings over an individually purchased system. The successful provider is Midland HR – iTrent System which is one of the leading systems in the market. The contract has been let on a 5 year basis with options for two further 1 year extensions. The cost to Epping of implementation will be £46,000 and annual licence fees will be £8,300. The annual license for our current system is £12,500. Further savings are likely to be achieved with the future introduction of the employee self-service features of the system. There are likely to be additional benefits by pooling knowledge and resources working with Colchester and Braintree Councils.

Facilities

Fire Safety Doors have been fitted at North Weald Airfield's Control Tower with small additional works to be carried out following the installation of the new doors.

Following the successful implementation and operation of payment kiosks at Waltham Abbey. New payment kiosks are being installed at The Civic Offices in front of the Cashiers windows in July. Preparation works are in place for the changeover and staff will be on hand to ensure a smooth introduction and to provide customer assistance.

As previously agreed, Facilities are currently working to fill two vacancies in the team. Firstly, an Electrician, which has been justified through the business Transformation Programme and secondly, following the post holders retirement, a Senior Building Services Engineer.

Technology

Windows 10 upgrade

ICT are taking advantage of the cost free upgrade from Windows 8 to Windows 10 and are planning to complete the 150 upgrades by the end of June 2016. This work is a priority as failing to complete it on time would incur additional cost. Beyond June 2016, the free upgrade will not be available so the capital budget requirements would increase by £30,000.

Superfast Broadband High Speed Internet

The construction of the ultrafast broadband Rural Challenge Project network continues throughout rural parts of the District. Since the network build began in November 2015, in excess of 23km of network has been constructed. This has seen over 280 customer connection points installed outside properties as the route progresses. The network for the first cabinet in the Bobbingworth area is now virtually complete and the focus here has moved to remedial works and the reinstatement of excavated land. Work continues elsewhere to establish further cabinets and network capacity in the Fyfield and Norton Heath areas. This has included specialist directional drilling beneath the River Roding at Fyfield Bridge. Work on the fourth cabinet in the Abbess Roding area is also due to commence shortly.

Transformation Programme

The Transformation Programme has set-out the Council's purpose, benefits and aims in our approach to managing change. Reports went to Cabinet in March showing scope and methodology on Transformation and agreeing to progress the Customer Contact Review.

A further report to the April Cabinet obtained Invest to Save funding for external support to produce a feasibility study taking forward the review of our accommodation.

A structure for Transformation has been determined and a Transformation Programme Board has been established. The initial meetings have identified key priority projects. These are:

1. A Customer Contact Project

To plan and implement recommendations from the Customer Contact Review.

2. A Service Accommodation Review

To establish whether the Council should remain in the Civic Offices and if so how the site can be better utilised.

3. Establishment of Project and Programme Management

This will enable us to better manage the delivery of our projects.

4. Corporate Communications

This will look at how we communicate with all our customers, better understand what they want and what improvements that can be made to deliver services to them.

Transformation Savings

The Transformation Programme Board has started to progress ideas from staff and Members that will contribute to the £100,000 savings for 2016/17.

A considerable amount of time is currently being spent supporting the initial set up of the projects specially the printer migration element of optimising Council operations. This project relates to the replacement of desktop printers with fewer, more powerful multi-functional devices (MFD's). It is planned to make annual savings of approximately £27,000. A number of scoping meetings have been held and the first corporate meeting is due to take place on 25th April. This meeting will firm up what is in and out of scope as well as producing a detailed specification and timeline.

Transformation Training

Key members of the priority projects will undertake 2 days of training on managing transformation projects, starting in April. Further training will be delivered once the initial training course has been fully evaluated.

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Report to the Council

Committee: Constitution Working Group

Date: 28 April 2016

Subject: New Council Constitution and Associated Matters

Chairman: Councillor M McEwen

Responsible Officer: Simon Hill (01992 564249)

Recommendations:

- (1) That, having considered the matter of the proposed Terms of Reference of the Audit and Standards Committee, referred by the Council at its last meeting, the proposals for a merged committee not be adopted as part of the changes to the constitution but that there be a review of this position in two years' time;**
 - (2) That, subject to (1) above, the following recommendations be adopted:**
 - (i) the membership of the Audit and Governance Committee be increased to five members;**
 - (ii) the Standards Committee be convened to meet only when there is business to be transacted; and**
 - (iii) the Remuneration Panel be asked to consider the appropriate level of remuneration for the Chairman of the Standards Committee and report back to the Council in due course;**
 - (3) That, the Housing Appeals and Reviews Panel be discontinued with immediate effect;**
 - (4) That responsibility for all Housing Appeals and Reviews currently within the scope of the Panel be delegated to the appropriate Assistant Director of Communities and, in the case of Homelessness Reviews, the Housing Options Manager as required, with appropriate changes being made to the list of officer delegations contained within Part 3 of the revised Constitution; and**
 - (5) That, consequent upon the above and on the completion of its review by the Constitution Working Group, the New Constitution of the Council be adopted with immediate effect.**
-

1. (Chairman of the Working Group) The requirement for a Constitution stems from the passing of the Local Government Act 2000. This act also gave rise to the options for governance for Local Authorities which saw the establishment of Leader and Cabinet arrangements. Section 38 of the Act requires the Council to have and maintain a constitution.

2. In 2000 a team of officers brought together elements from previous handbooks and rules and put together a new constitution based upon a government model. Since that time, and to reflect changes required by circumstance, the Constitution had grown to over 650 pages in length. No overriding review has been undertaken since 2000.

3. In September 2014, the former Constitution and Member Services Panel of Overview and Scrutiny began the long task of systematically reviewing the content of our Constitution. The Panel, and latterly the new Constitution Working Group, have met on 10 occasions to shape a new Constitution document.

4. The final proposals of the Working Group have been published electronically separately. The final draft is just short of 400 pages, a reduction of some 250 pages. If members would like a hard copy before the Council meeting, please contact Simon Hill at shill@eppingforestdc.gov.uk.

5. The structure of the new document has been radically altered making navigation easier by members and the public. Each of the Articles now includes all matters relating to individual areas of operation, the scheme of delegation has been revised and shortened, the main rules set have been reworked into a tabular format allowing users to see which rule applies to which type of meeting and there has been significant work to reduce duplication within the whole document and its protocols.

6. The Working Group have reached the point where they can recommend the adoption of the new Constitution. The revisions have been subject to external Counsel review and are considered fit for purpose and legally sound.

New Procurement Rules

7. Part of the revised Constitution that we are recommending to the Council is a new set of Procurement Rules, to replace the Council's current Contract Standing Orders.

8. We noted at an early meeting in the Municipal Year that the (officer) Corporate Governance Group had considered the difficulty that many staff procuring contracts have in following and complying with the Council's current Contract Standing Orders - which were originally produced many years ago in a different local government and public procurement environment, and have since been amended and extended in an ad-hoc way on many occasions. The Corporate Governance Group concluded, and we agreed, that they needed to be fundamentally reviewed and new "Procurement Rules" formulated that:

- Adopt a more modern and flexible approach;
- Are simpler to understand and therefore to comply with;
- Are more responsive to the current and future procurement needs of the Council;
- Meet current EU Procurement Regulations; and
- Ensure appropriate controls and probity to safeguard the use of public money; and

9.. Accordingly, an Officer Working Group was established, chaired by the Director of Communities, to fundamentally review the Council's Contract Standing Orders and to formulate new ones for consideration by our Working Party, as part of our comprehensive review of the whole of the Council's Constitution.

10. We considered a draft version of the new Procurement Rules produced by the Officer Working Party and suggested some minor changes, which have been incorporated in to the final version. The Council's Legal Team also arranged for the Draft Procurement Rules to be considered by an external procurement solicitor, following which the Legal Team suggested some further relatively minor wording changes, which have also been incorporated within the final version. Training on the new Procurement Rules has already been arranged for early May 2016, for all staff involved in procurements.

Other matters

Terms of Reference of the Audit and Standards Committee

11. At the last meeting of the Council in February 2016 we were asked to consider:
 - (a) whether adjustments could be made to the suggested terms of reference of the proposed Audit and Standards Committee to achieve greater flexibility of membership to allow standards complaints matters to be dealt with more effectively; and
 - (b) whether in light of any suggested wording adjustments any further constitutional matters require change.
12. Having considered the matter at our March 2016 meeting, a majority of members of the Working Group were of the opinion that the two Committees should not be combined. The reasons for this recommended position are:
 - (a) The proposal would dilute standards matters within a committee with a larger remit;
 - (b) The proposal would be unfair to those co-opted members on the Standards Committee. Who under legislation cannot participate in voting whereas on the current Audit and Governance meeting co-opted members could vote.
 - (c) If the Standards Committee moved to a 'meet as and when business requires' basis there would be little impact on the number of overall meetings.
13. We have looked at the level of membership of the current Audit and Governance Committee and we feel that there is merit in increasing the membership to five district members to lessen the chance of a meeting being inquorate. We are also recommending that the level of remuneration of the position of Standards Committee Chairman be referred for review by the Remuneration Panel. In recommending this course of action we are mindful of the need to keep the matter under review and have recommended that after a further period the issue is looked at again.
14. We agreed that, given the closeness of the vote at the meeting, this report would contain the details of the option for a combined Committee. The suggested Constitution Article on that basis is attached as an Appendix to this report. The un-combined option is contained within the final Constitution proposals.

Housing Appeals and Reviews Panel

15. At its meeting on 13 March 1991 (Minute 91 (7) refers), the former Housing Committee agreed that the Council set up a Housing Management Appeals Panel under its revised Committee structure. At that time, any client of the Housing Directorate could appeal against (or request a review of) any decision made by an officer from the Housing Directorate on any Housing Management matter including all Statutory Homelessness Reviews and decisions concerning Improvement Grants.
16. Since the Panel was originally set up a number of changes have been made to reduce its scope due to the numbers of applications being made.
17. The current scope of the Panel was revised and agreed by Council at its meeting on 20 April 2010. As a result, housing clients can now only Appeal on the following specific issues:
 - (a) Whether a homeless applicant is intentionally homeless in accordance with the Legislation and the associated Code of Guidance;

- (b) Whether any family is deemed to be not homeless;
- (c) Housing succession cases, where the successor is under-occupying Council accommodation and has been required to transfer to smaller accommodation;
- (d) Non-provision of discretionary home improvement grants;
- (e) Refusal of requests for disabled adaptations to Council properties requested by the tenant;
- (f) Refusal to sell Council-owned land under 50 square metres to occupiers for garden use;
- (g) Refusal of requests from tenants for priority transfers under the requirements of the Council's Housing Allocations Scheme; and
- (h) Disagreements with tenants and former tenants on the level of liability for current or former rent arrears.

18. The Panel only consider a small number of cases the majority of which are Appeals against homelessness (predominantly intentionality) decisions. However, we understand the process is very time consuming and only two cases have been upheld in the last two years.

19. Officers are not aware of any other Council where such decisions are taken by Member Panels. In addition, there is some doubt around the legality of Members making decisions on homelessness cases and the fact that any decision becomes a Member decision rather than an officer decision. Furthermore, any review currently undertaken by the Panel could be completed by a senior officer who specialises in such complex Reviews in around one half day or less compared to the 3 days of officers time and 1 day of up to 5 Members time needed for each case considered by the Panel.

20. Members of the Housing Appeals and Reviews Panel and the Housing Portfolio Holder have been consulted and support the proposal to discontinue the Panel. We are so recommending together with a change to the officer delegation to deal with such cases in future.

Conclusions

21. Having considered the foregoing matters we are therefore recommending the new Constitution for adoption with immediate effect.

Adoption of this alternative would also require:

- (1) The deletion of Article 9 (The Standards Committee)
- (2) Renumbering of Articles 10 to 18 accordingly
- (3) The referral to the Remuneration panel under Recommendation (2)(iii) would not be required

Alternative Article 11 - Audit and Standards Committee

Statement of Purpose

1. The role of the Audit and Standards Committee is a key component of the council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial statements and provides a forum for considering ethical issues and ensuring high standards of conduct. The role of the committee is two-fold:
 - Audit - the purpose of the Committee is to provide independent assurance to the members of the adequacy of the risk management framework and internal control environment. It provides independent review of the council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal and external audit arrangements, helping to ensure efficient and effective assurance arrangements are in place.
 - Standards – The Committee deals with a range of matters including issues concerning Councillor's conduct, provides advice and guidance to the Council, the Cabinet and individual Councillors and advises on the application and review of the Members' Code of Conduct.

Governance, risk and control

2. To review the council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances
3. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account the internal audit opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
4. To note the council's overall approach to value for money in ensuring the council is making best use of its resources.
5. To consider the council's framework of assurance and ensure it adequately addresses the risk and priorities of the council.
6. To monitor the effective development and operation of risk management in the council.
7. To monitor progress in addressing risk-related issues reported to the committee
8. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions

9. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
10. To monitor the anti-fraud strategy, actions and resources.

Internal Audit

11. To approve the Internal Audit Charter
12. To approve the internal audit strategy and plan, including internal audit resource requirements, the approach to using other sources of assurances and any work required to place reliance upon these other sources. To approve any significant interim changes to the plan and resource requirements and make appropriate enquires of both management and the Chief Internal Auditor to determine if there any inappropriate scope or resource limitations.
13. To consider regular reports from the Chief Internal Auditor which:
 - Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
 - Highlighting where there are concerns about progress with the implementation of agreed actions or where management has accepted a level of risk that the Chief internal Audit considers is unacceptable to the council.
 - Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement
14. To consider the Chief Internal Auditor's annual report:
 - The statement of the level of conformance with the Public Sector Internal Audit Standards and results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit
 - The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.
15. To support the development of effective communication with the Chief Internal Auditor.

External Audit and Financial Reporting

16. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
17. To review the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
18. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
19. To be responsible for the appointment of the Council's external auditors and ensure it is in line with the requirements of the Local Audit and Accountability Act 2014.

Treasury Management

20. To be responsible for the scrutiny of the Council's Treasury Management Strategy, including receiving regular reports on activities, issues and trends to support the committee's understanding of treasury management activities, risks and associated assurances.

Accountability arrangements

21. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
22. To report to the full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

Membership

23. The committee shall comprise 7 members, including 5 Councillors and 2 co-opted members. Additionally the Council is required to appoint at least 1 Independent Person to advise on Standards relating to complaints who shall be invited to meetings in a non-voting capacity.
24. Councillors serving as members of the Committee shall be appointed at the Annual Council meeting of Epping Forest District Council for a term of office of one year and shall be eligible for re-appointment for further terms of office.
25. That the seats should be allocated so they are not all drawn from one political group and are also open to councillors who are not affiliated to any political group.
26. Co-opted members shall serve for a period of 3 years from appointment. Such three year appointments shall be overlapping in terms of their expiry dates. A co-opted member may serve for a total of two such terms as of right but may be considered for two further three year terms, provided he or she is successful after open competition following public advertisement. Re-appointment for further terms shall be subject to satisfactory attendance.
27. Casual vacancies for members of the Committee who are Councillors which occur shall be filled at the next ordinary Council meeting (but not an extraordinary meeting) with a term of office expiring on the date of the next Annual Council meeting.

Standards Committee

28. Promoting and maintaining high standards of conduct by Councillors and Co-Opted Members.
29. Assisting Councillors and Co-Opted Members to observe the Members' Code of Conduct.
30. Advising the Council on the adoption or revision of the Members' Code of Conduct
31. Monitoring the operation of the Members' Code of Conduct.
32. Advising, and/or censuring and/or imposing a sanction on a Councillor or Co-Opted person of a Committee (or former Councillor or Co-Opted person) of the Council.
33. To advise the Council to ensure that all members of the Council have access to training in all aspects of the Member Code of Conduct.
34. Considering dispensations to Councillors and Co-Opted Members (including Parish and Town Councillors) from requirements relating to interests set out in the Members' Code of Conduct.

35. Dealing with reports referred from or on behalf of the Monitoring Officer on any matter, including investigations relating to Councillor conduct.
36. The exercise of (29) to (35) above shall apply to parish councils and their members either directly or through a joint standards arrangement
37. Adjudication on complaints regarding the operation of District Council protocols annexed to the Constitution.
38. The Committee may appoint a Complaints Sub Committee to conduct any hearing into an allegation that a Member or Co-opted Member has breached the Council's Code of Conduct. The Audit and Standards Committee shall decide the membership of the subcommittee, ensuring where possible there is a minimum of three members of the Audit and Standards Committee.
39. The Complaints Sub Committee will undertake the following functions:
 - To conduct any Hearing into an allegation that a Member or Co-opted Member has breached the Council's Code of Conduct.
 - Following a hearing, make one of the following findings:
 - That the Member has not failed to comply with the Code of Conduct and no further action needs to be taken in respect of the matters considered at the hearing: or
 - That the Member has failed to comply with the Code of Conduct but that no further action needs to be taken in respect of the matters considered at the hearing: or
 - That the Member has failed to comply with the Code of Conduct and that a sanction and/or informal resolution should be imposed. The subcommittee may impose any action or combination of actions available to it, or impose any informal resolution or combination of informal resolutions as are available to it by law or policy.
 - After making a finding, providing written notice of its findings and the reasons for its decision to the Member and complainant.

Eligibility for membership

Councillor members

40. Councillors appointed to the Audit and Standards Committee may not also be members of the Cabinet or any select committee appointed by the Overview and Scrutiny Committee with responsibility for reviewing the Council's finances or financial procedures.
41. A Portfolio Holder Assistant (other than any Assistant involved in any portfolio dealing primarily with the Council's finances) appointed by the Leader of the Council shall be eligible for appointment to the Committee.
42. Appointment of Councillors shall be made on the basis of evidence of the aptitude, experience or interest and for this purpose the normal rules for pro rata appointments shall not apply.

43. Formal attendance standards be operated in respect of the three councillor members when reappointment is under consideration by the Council's Appointments Panel and the Chairman and co-opted members of the Audit and Standards Committee be consulted informally about the appointment or reappointment of councillors at the appropriate time.

Co-opted members

44. Co-opted members, independent of the Council, shall be appointed by the Council on the basis of their professional expertise, experience and background as relevant to the role and responsibilities of the Audit and Standards Committee. Initial appointments of co-opted members and the filling of casual vacancies shall be made following public advertisement and interviews, the latter conducted in accordance with arrangements agreed by the Council. If the number of suitable applicants exceeds the number of co-opted places on the Committee, the Council shall keep a waiting list of suitable applicants should casual vacancies occur.

Chairman and Vice Chairman

45. The Chairman and Vice Chairman of the Audit and Standards Committee shall be appointed at the first meeting of the Committee in each Council year for a term of one year expiring on the date of the first meeting of the Committee of the next Council year.
46. Casual vacancies in the position of Chairman and Vice Chairman shall be filled in the same way as required in respect of members of the Committee (see paragraph 28 above).
47. Both Councillors and co-opted members serving on the Committee shall be eligible for appointment to the office of Chairman and Vice Chairman.
48. Where the Chairman of the Committee is a Councillor, the Vice Chairman will be appointed from among the Co-opted members. Where the Chairman is one of the Co-opted members, the Vice Chairman shall be a Councillor.
49. The Chairman and Vice Chairman shall be eligible for re-appointment.

Parish/Town Councils

50. Parish/Town Councils affiliated to the Standards Committee will be sent meeting agendas and invited to attend where appropriate.

Meetings of the Committee

51. The Committee shall meet at least three times each financial year.
52. The Committee shall be entitled to require any Member, Director, their representatives or any other officer to attend their meetings in order to discuss any matters under discussion including the annual audit programme.

Decision Making

53. Only the Councillors and co-opted members serving on the Committee shall be entitled to vote.
54. All members of the Committee shall be entitled to all documents advice and facilities relevant to their membership of the Committee, regardless of their status as either a Councillor or Co-opted member.

Other Requirements

55. All members of the Committee shall respect the confidentiality of Council information and proceedings where appropriate, particularly where exempt or confidential business is involved.
56. All co-opted members of the Committee shall be required to make a statutory registration of interests in the same form as those required of serving councillors and to be aware at all times of the requirement to clear any interest relating to their work on the Committee.
57. Members of the Committee should seek to attend all meetings of the Committee unless there are exceptional circumstances which prevent this.
58. All members of the Committee should ensure that they participate fully in any training designed to assist them in their responsibilities as members of the Committee. Similarly all members should act on appropriate advice and other information supplied by the Council to improve their effectiveness.

Report to Council

Date of meeting: 26 April 2016

Subject: Overview and Scrutiny Report to Council

**Contact for further information: Councillor R Morgan
(Chairman, Overview and Scrutiny Committee)**

Democratic Services Officer: Adrian Hendry (Ext 4246)



Recommendations/Decisions Required:

That the Overview and Scrutiny progress report for February 2016 to the present be noted.

Report:

1. At our meeting on Tuesday 23rd February we received a presentation from members of the Barts Health NHS Trust. They were Fiona Smith (Managing Director for Whipps Cross Hospital), Dr Heather Noble (Medical Director) and Felicia Kwaku (Interim Director of Nursing). This was the second visit from Barts Health Trust; they last visited us in June 2015. They updated the Committee on the improvements they were making to their hospitals in response to the damning CQC inspection report that put Whipps Cross Hospital into special measures.
2. They have now finalised their improvement plan called 'Safe and Compassionate' and detailed the actions that staff, patients and partners felt were necessary to provide the communities they serve with safe, compassionate and high quality care.
3. We noted that they had so far achieved a 68% reduction in serious incidents. They had trained 40 safety champions stationed throughout the Trust and were implementing 'care bundles' across the trust.
4. We also noted that they were well on their way to filling all of their vacancies and in the process improving staff moral. We thanked them for their excellent presentation and for the work they have done so far.
5. The Committee then went on to consider a consultation by Basildon Borough Council on their Local Plan, giving us the chance to comment on their provision for Gypsy and Traveller communities and the possible effects it would have on us.
6. We then considered the quarter 3 performance of the Key Performance Indicators, with which we were satisfied.
7. Then we considered a report on the review of the waste recycling collection arrangements, which will be coming to a future meeting of the Cabinet. This was in response to the PICK form put in by Councillor Breare-Hall, requesting that we review the recent problems had by the waste collection service.

8. We went on to receive an updating report on the recommendations made by the recent Youth Engagement Task and Finish Panel after their recommendations were considered by the Cabinet in December 2015.

9. We noted the recent consultation from the Essex County Fire and Rescue Service agreeing to their third option to restructure response arrangements and make savings and generate £3million extra funding to support prevention and protection activities.

10. Finally, we reviewed our Work Programme and the Cabinet's Forward Plan but had no specific items that we wanted to consider.

Report to the Council

Portfolio: Housing

Date: 26 April 2016

Subject: Overview and Scrutiny Rule 21 (Special Urgency)

1. WAIVER OF CONTRACT STANDING ORDERS – TENANTS’ DECORATION VOUCHERS

Recommending:

To note that the Chairman of Council agreed that the following decision of the Housing Portfolio Holder (9 March 2016) be treated as a matter of urgency and not be subject to the call-in provisions in accordance with Overview and Scrutiny Rule 21 (Call-In and Urgency):

- (a) That the Council enter into a 12-month supplies contract with Wicks Building Supplies Ltd for the purchase of Tenants’ decorating vouchers following the termination of the previous supply contract with Argos Business Solutions Ltd for a similar scheme through Homebase, based on a budget estimate of £45,000; and**
- (b) That Contract Standing Order C5, Contracts exceeding £25,000 but not exceeding £50,000, be waived to allow the Council to enter into a contract without seeking competitive tenders, due to the urgency of being able to continue to provide a decorating voucher scheme for new tenants, until such time as a new supplies contract can be tendered.**

- 1.1 The Council’s current tenants’ decorating voucher scheme, which offers tenants the opportunity to purchase decorating materials from any Homebase store for them to be able to decorate their home when taking up a new tenancy, ended with immediate effect on 26 February 2016, following the sale of Homebase by Argos Business Solutions, who previously owned the brand.
- 1.2 The Council had no prior knowledge of this sale, nor the intention of the new owner not to continue with the scheme. Following investigation of alternative options for the continuation of the scheme, it was established that Wicks Building Supplies Limited offered an almost identical scheme, which could be set up within ten days, thereby allowing new tenants to be issued with vouchers for decorating materials from any Wicks branch with immediate effect. It was proposed that a twelve month contract term be entered into with Wicks Building Supplies, to will allow time for the Director of Communities to identify any other similar schemes and conduct a competitive tender exercise.
- 1.3 The Chairman of the Council agreed to waive the call-in procedure set out in Overview and Scrutiny Rule 21 of the Constitution, as any delay likely to be caused by the call-in process would seriously prejudice the Council’s interests, as new tenancies were being let on an almost daily basis and decorating vouchers needed to be issued at the point that a tenancy agreement was signed.

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