



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 Thursday, 22 February 2018 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 Manager on 01992 564039.

BUSINESS

1. WEBCASTING INTRODUCTION

This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking. The Assistant Director of Governance and Performance Management will read the following announcement:

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

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

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

2. COUNCILLOR B SURTEES

The Council is invited to stand for a minute’s silence in tribute to the memory of Councillor Brian Surtees who has recently passed away.

Councillor B Surtees represented the Chipping Ongar, Greensted and Marden Ash Ward of the District as a Liberal Democrat Councillor from 2014 to 2018.

He served on many of the Council's member bodies during this time, including Licensing Committee as Chairman, Adjudication Sub-Committee – Epping Forest Standards Committee, Area Plans East Sub-Committee, Communities Select Committee, Complaints Panel, Governance Select Committee, Grant Aid Review Task and Finish Scrutiny Panel, Joint Consultative Committee, Neighbourhood Select Committee, Overview and Scrutiny Committee, Planning Service Scrutiny Panel, Portfolio Holder Advisory Group on Superfast Broadband, Safer, Cleaner, Greener Scrutiny Panel, Standards Committee, Transformation Task and Finish Panel and Youth Engagement Review Task and Finish Panel.

Pursuant to Section 89(3) of the Local Government Act 1972, no election will be held in the until May 2018.

3. MINUTES (Pages 9 - 56)

To approve as a correct record and sign the minutes of the meeting held on 14 December 2017 and 21 December 2017(attached)

4. DECLARATIONS OF INTEREST

To declare interests in any item on the agenda.

5. ANNOUNCEMENTS

(a) Apologies for Absence

- (b) Chairman's Announcements

6. PUBLIC QUESTIONS (IF ANY)

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

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

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

7. QUESTIONS BY MEMBERS UNDER NOTICE

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

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

The Council Rules provide that answers to questions under notice may take the form of:

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

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

Question to Councillor W Breare-Hall, Portfolio Holder for Environment Portfolio Holder by Councillor R Butler.

"Could the Environment Portfolio Holder confirm that the tons of waste paper collected weekly by our waste contractor throughout Epping Forest is actually being recycled and not shipped off to a landfill site far away?"

There have been recent reports in the media that waste paper being shipped off to India and other countries and not being recycled but left in landfill sites. Could the portfolio Holder guarantee that this is not happening in Epping Forest?"

8. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 57 - 88)

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

- (a) Report of the Leader;
- (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 Housing Portfolio Holder (attached);
- (f) Report of the Leisure and Community Services Portfolio Holder (attached);
- (g) Report of the Planning and Governance Portfolio Holder (attached);
- (i) Report of the Safer, Greener and Transport Portfolio Holder (attached); and
- (j) Report of the Technology and Support Services Portfolio Holder (attached).

9. QUESTIONS BY MEMBERS WITHOUT NOTICE

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

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

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

10. MOTIONS

To consider any motions, notice of which has been given under Council Rules.

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

Reports of the Cabinet**11. PAY POLICY STATEMENT 2018/19 (Pages 89 - 98)**

(Technology and Support Services Portfolio Holder) To consider the attached report.

12. CALENDAR OF COUNCIL MEETINGS 2018/19 (Pages 99 - 104)

(Planning & Governance Portfolio Holder) To consider the attached report.

13. TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19 (Pages 105 - 130)

(Finance Portfolio Holder) To consider the attached report.

14. COUNCIL BUDGET 2018/19 (Pages 131 - 182)

(Finance Portfolio Holder) To consider the attached report.

15. OVERVIEW AND SCRUTINY COMMITTEE (Pages 183 - 184)

(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 Rules.

16. CONSTITUTION WORKING PARTY REPORT (Pages 185 - 218)

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

17. COUNCILLOR D DORRELL**Recommendation:**

To note that in accordance with the Local Government and Housing Act 1989 and the Local Government (Committee and Political Groups) Regulations 1990, Councillor D Dorrell has given notice that he has joined the Conservative Group.

1. (Chief Executive) The Council has received the required notice under the Local Government (Committee and Political Groups) Regulations 1990 that Councillor D Dorrell joined the Conservative Group on 6 February 2018.

2. The Conservative Group has not requested a review of pro rata membership of Committee and Sub-Committee places pending the forthcoming elections.

Background Papers: Notice signed by Leader of the Conservative Group dated 6 February 2018.

18. APPOINTMENT OF RETURNING AND ELECTORAL REGISTRATION OFFICER AND ASSOCIATED MATTERS (Pages 219 - 222)

(Monitoring Officer) To consider the attached report.

19. EXTRAORDINARY COUNCIL MEETING**Full Council 24 April 2018 to confer the Freedom of the District on 56 Squadron RAF**

(1) That a special meeting of Epping Forest District Council be convened at 7pm on 24 April 2018 for the sole purpose of conferring the Freedom of Epping Forest District on Number 56 Squadron RAF, and

(2) That subject to approval of recommendation (1) the main meeting of Epping Forest District Council commence at 8pm for the purposes of transacting the normal items of business for that evening.

National celebrations are being held during 2018 to commemorate the 100th anniversary of the founding of the Royal Air Force on 1 April 1918. To note the special links between the RAF and the District, it is proposed to bring a resolution to Council recommending the conferral of the Freedom of the District upon 56 Squadron which served at North Weald Airfield before and during the Battle of Britain. A special meeting of Epping Forest District Council is to be convened at the earlier time of 7pm on 24 April 2018 for the sole purpose of conferring the Freedom of Epping Forest District. A second meeting to complete other items of business will commence at the later time of 8pm.

Section 249(5) of the Local Government Act 1972 (amended by Section 180 of the Local Government Act 1980) provides that a district or borough council may confer such an honour provided a resolution is passed by no less than two-thirds of the members voting at a specially convened meeting of the Council. The title of Honorary Freeman does not confer any rights.

20. 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.

21. 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
21	Appointment of Acting Chief Executive and Associated Matters	1

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

Background Papers: Article 17 of the Constitution (Access to Information) define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

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

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

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

22. APPOINTMENT OF ACTING CHIEF EXECUTIVE AND ASSOCIATED MATTERS

(Leader) Report to be circulated separately.

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EPHING FOREST DISTRICT COUNCIL COUNCIL MINUTES

Committee: Council **Date:** 14 December 2017

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 6.00 - 11.01 pm

Members Present: Councillors D Stallan (Chairman), N Avey, R Baldwin, A Beales, N Bedford, A Boyce, H Brady, R Brookes, G Chambers, K Chana, D Dorrell, R Gadsby, L Girling, A Grigg, S Heap, L Hughes, R Jennings, J Jennings, S Jones, H Kane, S Kane, H Kauffman, P Keska, J Lea, A Lion, M McEwen, L Mead, A Mitchell, G Mohindra, R Morgan, S Murray, S Neville, A Patel, J Philip, C P Pond, C C Pond, C Roberts, D Roberts, B Rolfe, B Sandler, M Sartin, G Shiell, P Stalker, D Sunger, B Surtees, E Webster, C Whitbread, H Whitbread, J H Whitehouse, J M Whitehouse and D Wixley

Apologies: Councillors R Bassett (Vice-Chairman), W Breare-Hall, R Butler, J Knapman, Y Knight and S Stavrou

Officers Present: G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), C O'Boyle (Director of Governance), A Hall (Director of Communities), S Hill (Assistant Director (Governance)), A Blom-Cooper (Interim Assistant Director (Planning Policy)), D Coleman (Planning Policy Manager), W Marr-Heenan (Temporary Planning Policy Officer), E Taylor (Temporary Planning Policy Officer), T Carne (Public Relations and Marketing Officer), A Hendry (Senior Democratic Services Officer), N Richardson (Assistant Director (Development Management)), A Rose (Marketing & Digital Content Officer) and P Seager (Chairman's Secretary); C Sailsbury (Consultant (Arup)); M Beard (Counsel).

64. WEBCASTING INTRODUCTION

The Assistant Director, Governance 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.

65. MINUTES

RESOLVED:

That the minutes of the Council meeting on 01 November 2017 be taken as read and signed by the Chairman as a correct record.

66. APPOINTMENT OF VICE-CHAIRMAN

With the absence of the Vice-Chairman, Councillor J Lea was nominated to act as the Vice-Chairman for the meeting having been moved formally by Councillor Sartin and seconded by Councillor H Kane, it was:

RESOLVED:

That Councillor J Lea be appointed Vice-Chairman for the duration of the meeting.

67. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's code of Member Conduct, Councillor E Webster declared a non-pecuniary interest in agenda item 6 by virtue of being a trustee of the Waltham Abbey Community Centre, Saxon Way. She declared that she would remain in the meeting unless there were site specific discussions relating to this site.

(b) Pursuant to the Council's code of Member Conduct, Councillor A Grigg declared a non-pecuniary interest in agenda item 6 by virtue of having met, at their invitation, two developers at the Civic Offices with planning officers at which she listened but made no comments. She was also present at North Weald Parish Council meetings where presentations had been given by developers and where she made no comments.

(c) Pursuant to the Council's code of Member Conduct, Councillor J M Whitehouse declared a non-pecuniary interest in agenda item 6 on sites EPP.R4, (land at St Johns Road) and EPP.R11 (Epping Library). He declared that he would remain in the meeting unless there were site specific discussions relating to this site.

(d) Pursuant to the Council's code of Member Conduct, Councillor J H Whitehouse declared a non-pecuniary interest in agenda item 6 by virtue of the fact that she was a trustee of Epping Forest 'Re-Use' which was situated on one of the identified employment sites. She declared that as it was a non-pecuniary interest she would remain in the meeting for the consideration and voting on the Local Plan.

(e) Pursuant to the Council's code of Member Conduct, Councillor C C Pond declared a non-pecuniary interest in agenda item 6 by virtue of having had, over the preceding years, approaches and meetings with various developers. He had always tried not to fetter his discretion and expressing views only on generalities. Also as an Essex County Councillor he had been consulted on the development of ECC sites in Epping and Loughton libraries. He declared that as it was not a prejudicial interest he would remain in the meeting for the consideration and voting on the Local Plan.

(f) Pursuant to the Council's Code of Member Conduct, Councillor S Murray declared a non-pecuniary interest in agenda item 6 by virtue of the fact that he was a trustee of Epping Forest 'Re-Use' which is situated on one of the identified employment sites. He declared that as it was a non-pecuniary interest he would remain in the meeting for the consideration and voting on the Local Plan.

(g) Pursuant to the Council's Code of Member Conduct, Councillor D Stallan declared a non-pecuniary interest in agenda item 6 by virtue of attending North Weald Parish Council meetings where presentations had been given by developers and where he made no comments.

(h) Pursuant to the Council's code of Member Conduct, Councillor C Whitbread declared a non-pecuniary interest in agenda item 6 by virtue of having had, over the preceding years, approaches and meetings with various developers. He had always tried not to fetter his discretion and expressing views only on generalities. Also as an Essex County Councillor he had been consulted on the development of ECC sites in Epping and Loughton libraries. He declared that as it was not a prejudicial interest he would remain in the meeting for the consideration and voting on the Local Plan.

(i) Pursuant to the Council's code of Member Conduct, Councillor J Philip declared a non-pecuniary interest in agenda item 6 by virtue of being the relevant Portfolio Holder having had, over the preceding years various meetings with officers and developers pursuant to the preparation of the Local Plan document.

(j) Pursuant to the Council's code of Member Conduct, Councillor B Surtees declared a non-pecuniary interest in agenda item 6 by virtue of being a member of Ongar Town Council and over the preceding years, having attended meetings with developers. He declared that as it was a non-pecuniary interest he would remain in the meeting for the consideration and voting on the Local Plan.

68. ANNOUNCEMENTS

The Chairman made an announcement welcoming the members of the public who were watching the proceedings. He then outlined the procedures for the meeting and how he wished members to participate and manage their propositions for amendments to the plan.

Finally he emphasised the importance of making a clear decision made with absolute due diligence and based on the evidence before them.

69. PUBLICATION OF THE SUBMISSION VERSION OF THE EPPING FOREST DISTRICT LOCAL PLAN

Mover: Councillor J Philip, Portfolio Holder for Planning and Governance

Councillor J Philip submitted a report seeking agreement to publish the Submission Version of the Epping Forest District Local Plan in accordance with Regulation 19 of the Planning regulations. When adopted this plan would supersede the combined policies of the Epping Forest District Local Plan (1998) and Alterations (2006) and would ensure that the Council had an up-to-date Local Plan to guide future development and infrastructure needs in the District, promote sustainable development and identify and update annually the five year supply of deliverable housing land. The Portfolio Holder drew attention to amendments to the submission version of the Local Plan that were tabled and appended as an appendix to these minutes.

Amendment moved by Councillor C C Pond and seconded by Councillor R Jennings

"That in paragraph 1(a) add after '2017':

'subject to a statement excluding all public urban open space from development and the allocation of 300 extra dwellings in the Harlow and Gilston Garden Town'

Paragraph 1(b), delete whole paragraph and the first line of paragraph 2."

During the debate Councillor Sandler proposed alternative wording for the amendment and this was accepted by Councillor C C Pond who withdrew his original amendment in favour of the below wording which Councillor C C Pond seconded:

"That in paragraph 1(a) of the recommendations add 'after 2017' the following words – 'subject to a statement by EFDC as landowner that excludes development on public urban open space in Chigwell and Loughton and the accommodation of 300

extra dwellings in the plot of land to the east of Theydon Bois station as delineated in the Regulation 18 draft and next to site THYB R1’.”

Councillor C Whitbread requested and was granted a short adjournment to get some advice about this new amendment.

On return and after a debate Councillors C Whitbread, J Philip, G Mohindra, S Kane and A Lion requested a recorded vote.

There voted for the amendment: (18) namely: Councillors R Baldwin, A Beales, R Brookes, L Girling, S Heap, B Jennings, J Jennings, H Kaufman, L Mead, S Murray, S Neville, C C Pond, CP Pond, C Roberts, D Roberts, B Sandler, B Surtees and D Wixley.

There voted against the amendment: (29) namely: Councillors N Avey, N Bedford, T Boyce, H Brady, G Chambers, K Chana, R Gadsby, A Grigg, L Hughes, S Jones, S Kane, P Keska, J Lea, A Lion, M McEwen, G Mohindra, R Morgan, A Patel, J Philip, B Rolfe, M Sartin, G Shiell, P Stalker, D Stallan, D Sunger, E Webster, C Whitbread, H Whitbread, and J M Whitehouse.

Abstentions: (4) namely: Councillors D Dorrell, H Kane, A Mitchell, and J H Whitehouse.

Lost

Amendment moved by Councillor B Surtees and seconded by Councillor J H Whitehouse.

That there be Inserted after ‘in consultation with the Planning Portfolio Holder’ the words “and a Portfolio Holder Advisory Group constituted for this purpose”

After a short discussion the mover, Councillor Surtees withdrew his amendment.

Withdrawn

Amendment moved by Councillor J M Whitehouse and seconded by Councillor J H Whitehouse.

“That in Policy P1 (B) of the plan paragraph (i) and (ii) (sites EPP.R1 and sites EPP.R2) be deleted and in PolicySP2 (B) Epping the number 1,305 be replaced with 355.”

Lost

Amendment moved by Councillor J M Whitehouse and Seconded by Councillor J H Whitehouse.

That in appendix 6 EPP.R5 (Epping Sports Centre) Development Requirements insert in final paragraph after ‘sports/ leisure facility’: ‘in Epping’ to read:

“Closure of the existing Epping Sports centre and the re-development of this site should not take place until a suitable replacement sports/leisure facility in Epping is delivered and is operational. This is to ensure that the public have uninterrupted access to sports/leisure facilities in the local area.”

Lost

Councillor Kaufman requested and was granted an adjournment in which to confer with counsel.

Amendment moved by Councillor J H Whitehouse and seconded by J M Whitehouse.

‘That in Appendix 6 EPP.R11 (Epping Library) Development Requirements a new paragraph be inserted at the end to read:

“The re-development of this site should not take place until it has been demonstrated that proposals for suitable replacement community leisure and cultural facilities (including library services) in the centre of Epping will be delivered in accordance with Policy D4 (v) and (vi).”

Councillor Philip proposed alternative wording for the amendment which was accepted by Councillor J H Whitehouse.

Revised amendment to read:

“That in Appendix 6 EPP.R11 (Epping Library) the re-development of the site should only take place when a suitable replacement library service provision is delivered in Epping”

Carried

Amendment moved by Councillor B Surtees and seconded by Councillor J M Whitehouse.

“That in Policy P4 (B):

- Delete paragraph (viii) (site ONG.R8)
- In paragraph (ii) (site ONG.R2) delete ‘135’ and replace with ‘115’
- In Policy SP2(B) Ongar delete 590 and replace with ‘561’
- In Appendix 6 West Ongar Concept Plan, minimum net capacity delete 234 and replace with 214”

After a short discussion the mover, Councillor Surtees withdrew his amendment.

Withdrawn

Amendment moved by Councillor S Neville and Seconded by Councillor S Heap.

“That in paragraph 1(a), add after ‘2017’:

...subject to a statement excluding BUCK.R3 lower Queens Road Shops from development and the allocation of 15 extra dwellings in the Harlow and Gilston Garden Town.”

Withdrawn

At the conclusion of the debate a vote was taken on the report as amended and consequential changes to the plan and those reported by the Portfolio Holder which was **ADOPTED**

RESOLVED:

- (1) That the Council agree and publish the Epping Forest District Local Plan Submission Version 2017 with the following amendments:
 - (a) In Appendix 6 EPP.R11 (Epping Library) Development Requirements the following new wording be inserted: "The re-development of the site should only take place when a suitable replacement library service provision is delivered in Epping"
 - (b) The amendments to the plan reported at the meeting and set out in Appendix 1 to these minutes.

- (2) That the following be agreed:
 - (a) The Epping Forest District Local Plan Submission Version 2017 (Appendix A to the agenda) be agreed and published for a period of six weeks from 18 December 2017 to 29 January 2018 in accordance with Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) ("the 2012 Regulations");
 - (b) The Sustainability Appraisal/Equalities Impact Assessment and Habitats Regulation Assessment be agreed and published alongside the Submission Plan;
 - (c) To note that the Local Plan Duty to Co-operate Statement of Compliance, Consultation Statement and Local Plan evidence base will be available on the Council's website;
 - (d) That following the conclusion of the Regulation 19 publication period, the Local Plan be submitted to the Secretary of State for Independent Examination under section 20 of the Planning Compulsory Purchase Act 2004 (as amended) ("the 2004 Act"), together with the submission documents prescribed by Regulation 22 of the 2012 Regulations before 31 March 2018;
 - (e) That the Director of Neighbourhoods, in consultation with the Planning and Governance Portfolio Holder, be authorised to make non-material typographical, formatting, mapping and other minor amendments to the Plan prior to publication on 18 December 2017 and prior to the submission of the Plan to the Secretary of State;
 - (f) That the Director of Neighbourhoods be authorised to write to the Local Plan Inspector appointed to carry out the Examination of the submitted Local Plan ("the Local Plan Inspector") asking him/her to recommend such modifications of the submitted Local Plan as may be necessary to make the Plan sound and legally compliant, in accordance with section 20(7C) of the 2004 Act;

- (g) That the Director of Neighbourhoods be authorised to produce and submit any supplementary information and documentation to the Local Plan Inspector as may be required to complete the examination;
- (h) That the Director of Neighbourhoods, in consultation with the Planning Portfolio Holder, be authorised to submit a schedule of proposed main modifications of the submitted Local Plan to address any issues relating to soundness and legal compliance identified by the Local Plan Inspector; and
- (i) That the Local Plan Submission Version 2017 be endorsed as a material consideration to be used in the determination of planning applications and enforcement decisions to be given appropriate weight in accordance with paragraph 216 of the National Planning Policy Framework.

CHAIRMAN

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Amendments to Submission Version of the Local Plan

1. **Table 2.3** on page 29 – change to the number of homes with planning permission up to 31 March 2017 plus 10% non- delivery should be 1621 (not 1639). This also affects the total supply figure which should be 3,336 and the remaining requirement should be 4,164
2. **Policy SP 2** – the number of homes proposed for Sheering of 84 got missed from the table – to ensure consistent with Policy P 12 in the Places Chapter Sheering should be included in the table alongside other small settlements and the total changed from 91 to 175
3. **Moved** Paragraphs on the Concept Frameworks so that it comes after Design Codes and before the Quality Review Panel in Chapter 2
4. **Paragraph 3.46** on page 64 – based on comments from Economic Development – changed 6 months to 12 months as this is a more appropriate requirement for applicants to demonstrate lack of marketability of a site
5. **Added** in text after paragraph 3.74 on page 70 to better reflect the evidence in the Visitor Accommodation Study undertaken by Hotel Solutions to strengthen the retention element of the policy and to make it consistent with the 12 months retention policy as for point 4
6. **Added** a new paragraph on to support Policy T 2 and ensure consistency – requiring marketing for a period of 12 months before loss of petrol filling stations
7. **Policy DM 9** on page 93 – add in to I – Strategic Masterplans and Concept Frameworks (as well as other documents already mentioned)
8. **Paragraph 5.39** – change to reflect that Epping Forest Shopping Park is not mentioned in Policy E 2
9. **Policy P 2** – removed Part M (ix) impacts on ancient woodland not considered relevant to Jessel Green and site guidance silent on this requirement
10. **Policy P 3** Waltham Abbey – remove WAL.E7 from the masterplan list in part M (not in masterplan area)
11. **Para 5.65** erroneously lists the wrong sites to be included in the concept framework – this should be ONG.R1 and ONG.R2
12. **Policy P 4 – C** – paragraph removed as duplicates A
13. **Policy P 4, P 10, P 12, P 13** – add in standard wording to the policy on Air Quality to ensure that all development that has potential to produce air pollution is required to undertake an air quality assessment and that this is consistent across all relevant site allocations
14. **Policy P 7** Chigwell – The site identified for the Limes Farm Masterplan should be CHIG.R6 (not R.7)
15. **Paragraph 5.145** on Thornwood – should be 172 homes (not 188)
16. **Map 5.25** rural allocations in the East of the District – add in RUR.E10 which is currently missing
17. **Policy P 15** – delete part B on infrastructure requirements which is not needed as these are existing employment sites and therefore no infrastructure requirements
18. **Policy D 4** – add in a new part 'In order to retain sites for community uses and meet the identified need, the Council will require robust evidence from applicants seeking to demonstrate that there is no longer a reasonable prospect of the site's continued use for community purposes before considering its release to other uses. Differing requirements will need to be met depending upon the size, nature and location of the site or property. In general, it should be marketed effectively for a minimum of 12 months at a rate which is comparable to local market value for its existing use and it must be demonstrated that the continuous use of the site for such uses is no longer viable, taking into account the site's existing and potential long-term market demand for such uses. ' (this is to make it consistent with requirements elsewhere in the plan) – also consequential changes to para 6.43
19. **Policy SP 5** – requirement for health facilities is duplicated for the East of Harlow site – so remove H (x)

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EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES

Committee: Council **Date:** 21 December 2017

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 8.40 pm

Members Present: Councillors D Stallan (Chairman), R Bassett (Vice-Chairman), N Avey, R Baldwin, A Beales, A Boyce, H Brady, W Breare-Hall, R Brookes, R Butler, G Chambers, K Chana, D Dorrell, A Grigg, L Hughes, R Jennings, J Jennings, H Kane, S Kane, H Kauffman, P Keska, J Lea, A Lion, L Mead, A Mitchell, G Mohindra, R Morgan, S Murray, S Neville, A Patel, J Philip, C P Pond, C C Pond, B Rolfe, M Sartin, G Shiell, P Stalker, B Surtees, E Webster, C Whitbread, H Whitbread, J H Whitehouse, J M Whitehouse and D Wixley

Apologies: Councillors N Bedford, R Gadsby, L Girling, S Heap, J Knapman, M McEwen, C Roberts, D Roberts, B Sandler, S Stavrou and D Sunger

Officers Present: G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), C O'Boyle (Director of Governance), R Palmer (Director of Resources), A Hall (Director of Communities), S Hill (Assistant Director (Governance)), S Kits (Social Media and Customer Services Officer), R Perrin (Democratic Services Officer) and J Leither (Democratic Services Officer)

70. WEBCASTING INTRODUCTION

The Assistant Director, Governance 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.

71. DECLARATIONS OF INTEREST

There were no declarations of interest by members of the Council under this item.

72. ANNOUNCEMENTS

(a) Green Apple Award for Environmental Achievement

The Chairman advised that the Green Apple Environment Award was awarded to organisations that had shown effective use of environmental efficiency. The Council had won the silver award for the various building works implemented to save energy and carbon, as well as the solar panel array on the Civic roof to generate electricity.

The Chairman presented the Green Apple Environment Award to the Technology and Support Services Portfolio Holder, Councillor A Lion.

(b) Announcements by the Chairman of Council

(i) Chairman's Events

The Chairman informed members that he had attended many events across the District including Christmas parties held in Buckhurst Hill and North Weald. He

thanked members for attending Remembrance Services' around the District in November, whilst he had attended the services in Epping and North Weald where he had met veterans from Norway. The Chairman informed members that spaces were still available for his Chairman's quiz.

Furthermore, the Chairman thanked all members that had contributed to the Christmas donations request for the Woman's Refuge in Epping Forest, as he had been able to purchase gifts for all the children and women and set up an emergency fund for future years.

(ii) Floral Display

The Chairman announced that he intended to send the flowers from tonight's meeting to the Sheltered Housing Accommodation at Pelly Court, Epping.

73. PUBLIC QUESTIONS (IF ANY)

The Council noted that there were no public questions submitted for consideration at the meeting.

74. QUESTIONS BY MEMBERS UNDER NOTICE

The Council noted that there were no members questions submitted for consideration at the meeting.

75. REMUNERATION PANEL - ANNUAL REPORT

The Chairman of the Remuneration Panel, S Lye presented a report following the annual review of the Members' Allowance Scheme which including the following aspects:

- (a) Basic Allowance;
- (b) Special Responsibility Allowances;
- (c) Chairman and Vice-Chairman of Council;
- (d) Independent Members; and
- (e) Revised Scheme and Guidance.

The Leader indicated that Council would not support the increase in Special Responsibility Allowance's for 2018/19 and the report with that amendment was **ADOPTED**

RESOLVED:

Members' Allowances Scheme

Basic Allowance

- (1) That no change be made to the level of Basic Allowance of £4,300.00 per member per annum, currently included in the Council's Members' Allowances Scheme for the 2018/19 municipal year;

Special Responsibility Allowance

(2) That no change be made to the application or implementation of the Special Responsibility Allowances currently included in the Members' Allowances Scheme for the 2018/19 municipal year;

(3) That no change be made to the implementation level of Special Responsibility Allowance applied to the responsibilities identified in the Members' Allowances Scheme;

Chairman and Vice-Chairman of Council

(4) That from the 2018/19 municipal year, the annual total Special Responsibility Allowance for the positions of the Chairman and Vice-Chairman of the Council be £10,750.00, to be applied as follows:

- Chairman of the Council - £8,600.00 per annum (80%); and
- Vice-Chairman of the Council - £2,150.00 per annum (20%).

(5) That the application of Special Responsibility Allowance for the Chairman and Vice-Chairman of the Council be included within the Members' Allowances Scheme from the 2018/19 municipal year;

Independent Members

(6) That the level of the annual allowance applied to the position of independent members of the Standards Committee, be increased to £500.00 per annum from the commencement of the 2018/19 municipal year;

Revised Scheme and Guidance

(1) That, subject to the above recommendations and other administrative matters set out in the report, the Members' Allowances Scheme and Guidance for 2018/19 attached as Appendix 1, be adopted and implemented with effect from 25 May 2018; and

(2) That the Statement of Implementation of the Special Responsibility Allowances set out in the Members' Allowances Scheme, attached as Appendix 2 be agreed.

76. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET

(a) The Leader of Council

The Leader advised following previous weeks Extraordinary Council meeting regarding the publication of the submission version of the Epping Forest District Local Plan, members had put forward their concerns and opinions, contributing to an important act of local democracy which was discussed in an open and transparent manner. There had been 150 residents attend, 580 website views on the evening and 280 website views subsequently. The representation period was now open until 5 pm on Monday 29 January 2018, with versions of the document being available online, in libraries, Town and Parish Councils and leisure centres.

Councillor C Whitbread advised he had also attended the Youth Conference, which had discussed issues effecting young people across the district. On the 8 December he had met with the Epping Forest District's Members of Parliament, The Right Honourable Eleanor Laing MP and Alex Burghart MP regarding the Local Plan and

would be meeting with Robert Halfon MP in the New Year. He had also attended the Chairman's Carol service at St John's Church in Epping.

(b) Finance Portfolio Holder

Councillor G Mohindra advised that the Council, as part of the Greater Essex group had not been successful in securing the Business Rate pilot scheme, although they may apply again in future.

(c) Safer, Cleaner and Transport Portfolio Holder

Councillor S Kane advised that the North Essex Parking Partnership had changed the process for parking scheme nominations. Schemes would now be considered in October of each year.

(d) Technology and Support Services Portfolio Holder

Councillor A Lion advised that the Council had been successful in being awarded a partnership with the Design in the Public Sector Programme, to consider the public health challenges and reduce the number of hospital emission for the over 75 population in the district.

(e) Planning and Governance Portfolio Holder

Councillor J Philip advised that the Council's response to the Boundary Commission for England on new Parliamentary Constituency Boundaries was not objecting to North Weald becoming part of Harlow Constituency but affirming the importance of North Weald's connection to the Epping Forest District.

77. QUESTIONS BY MEMBERS WITHOUT NOTICE

(a) Parking Enforcement in the Council's Ongar Car Park

Councillor P Keska asked the Safer, Cleaner and Transport Portfolio Holder whether he was aware of a volunteer in Ongar, who had been given a parking ticket for using one of the dedicated library spaces on a Sunday when the library was closed.

Councillor S Kane advised that he had not been aware and would investigate, although he advised that an enforcement officer had followed the correct policy, which ensured that users were correctly parking.

(b) Epping Forest Retail Park

Councillor S Murray asked that the Assets and Economic Development Portfolio Holder whether there were any future plans at the Epping Forest Retail Park to;

(i) reconsider the crossing arrangements for pedestrians at the Langston Road and Chigwell Lane Junction;

(ii) for an impact assessment on other Council owned retail areas within the immediate area, in particular the Broadway; and

(iii) have a bus service into the Retail Park.

Councillor A Grigg advised that following Councillor S Murray previous question at Council in November, she had visited the Retail Park to examine the car park usage

and pedestrian crossings. She confirmed that it appeared commuters had been using the car park, although this had been rectified. She had observed that the traffic light sequences used to cross the Langston Road and Chigwell Lane junction required careful observation and these concerns had been raised with Essex County Council (ECC) Highways. Although ECC had confirmed that the lights had passed the Safety Audit, she thought that this situation could be improved. She suggested that the safe crossing point for pedestrians to access the Retail Park was the Puffin Crossing by Debden Tube Station. Regarding the bus service, she informed members that this would not be viable because of the space required for buses, potential loss of parking spaces and the additional costs involved now that the Retail Park had been built. Lastly, she advised that there were no plans for an impact assessment, but she would look into this and respond via the Members Bulletin.

(c) Online Catalogue for the Epping Forest Museum

Councillor C C Pond asked the Leisure and Community Services Portfolio Holder whether she would convene a meeting between Local Historical Society and the Museum, to compile an online catalogue of documents and artefacts that the Epping Forest Museum held.

Councillor H Kane advised that she thought that this was a good idea and would speak to officers.

(d) Buckhurst Hill Conservation Area

Councillor G Chambers asked the Safer, Cleaner and Transport Portfolio Holder whether the proposed Conservation Area for Buckhurst Hill would progress in 2018.

Councillor S Kane advised that it most probably would.

(e) Gazetteer System - Street Naming and Numbering

Councillor J H Whitehouse asked the Technology and Supports Services Portfolio Holder whether Parish and Town Councils could be consulted to enable commemorative names associated with the area to be used for the naming of roads or developments in the district.

Councillor A Lion advised that it was something he would consider and put forward to officers, although the team was only responsible for the information already received and not the designation.

(f) Boundary Commission Review

Councillor B Surtees asked the Planning and Governance Portfolio Holder whether he agreed with the importance of the Local Government boundaries remaining, especially with regards to Ongar and North Weald.

Councillor J Philip advised that when the Parliamentary Boundary review was discussed at the Governance Select Committee, it was very clear that the local communities within the district wanted to remain unchanged and they had expressed the view that any Parliamentary changes should not affect the Local Government Boundaries.

(g) Cottis Lane Car Park, Epping

Councillor J M Whitehouse asked the Safer, Cleaner and Greener Portfolio Holder whether he had any future plans to look into the length of the car parking tariffs in Cottis Lane, Epping especially on Market days when it was at full capacity. He also raised concerns on the pay by phone system, which seemed to allow parking beyond the theoretical maximum period.

Councillor S Kane advised that he had attended a recent meeting with Epping Town Council to look at parking situation, especially on market days. He would also investigate the pay by phone concerns.

(h) Volunteers within the District

Councillor S Murray asked the Leader of Council, whether he agreed with him that the Council should pass on its appreciation to the community and voluntary organisations that help the residents of Epping Forest District.

Councillor C Whitbread agreed that the community and voluntary organisations had done a great deal for the Council and its residents in the past year. The Council thanked all the community and voluntary organisations that helped.

78. MOTIONS

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

79. CAPITAL REVIEW 2017-22

Mover: Councillor G Mohindra, Finance Portfolio Holder

Councillor G Mohindra submitted a report seeking Capital supplementary funding for the Epping Forest Shopping Park, the surrender of the Glyn Hopkins Ltd lease in Waltham Abbey and the installation of CCTV systems in Council-owned car parks.

Report as first moved ADOPTED

RESOLVED:

- (1) That a Capital supplementary estimate in the sum of £741,000 for the Epping Forest Shopping Park development be approved;
- (2) That a Capital supplementary estimate in the sum of £52,000 for the surrender of a lease by Glyn Hopkins Ltd in Waltham Abbey be approved; and
- (3) That a Capital supplementary estimate in the sum of £20,000 for the installation of CCTV systems in Council-owned car parks be approved.

80. LOCAL COUNCIL TAX SUPPORT SCHEME 2018/19

Mover: Councillor G Mohindra, Finance Portfolio Holder

Councillor G Mohindra submitted a report regarding the Local Council Tax Support Scheme for 2018/19.

Report as first moved ADOPTED

RESOLVED:

That the revised Local Council Tax Support Scheme 2018/19 be approved.

81. CORPORATE PLAN 2018-23

Mover: Councillor C Whitbread, the Leader of Council

Councillor C Whitbread submitted a report regarding the Corporate Plan 2018-23 and the Corporate Specification for 2018/19.

Report as first moved **ADOPTED**

RESOLVED:

- (1) That the Corporate Specification for 2018/19 be adopted;
- (2) That the Corporate Plan 2018 – 23 be adopted; and
- (3) That the Leader of Council, in consultation with the Chief Executive, be authorised to agree any further changes to the Corporate Plan 2018 – 23 and Corporate Specification 2018/19.

82. ADDITIONAL POLICING / UNIFORMED SERVICES

Mover: Councillor S Kane, Safer, Cleaner & Transport Portfolio Holder

Councillor S Kane submitted a report seeking a supplementary estimate for the appointment of Parkguard Security Company, to provide regular uniformed patrols in the District for a short term period between 2 January and 31 March 2018.

Report as first moved **ADOPTED**

RESOLVED:

- (1) That a District Development Fund supplementary sum of £25,000 for Parkguard Security Company to provide regular uniformed patrols in the district until 31 March 2018 be approved.

83. WHISTLEBLOWING POLICY & PROCEDURE.

The Director of Governance, C O'Boyle presented a report on behalf of the Chairman of the Audit and Governance Committee regarding the revised and updated Whistleblowing Policy and Procedure.

Report as first moved **ADOPTED**

RESOLVED:

- (1) That the revised Whistleblowing Policy and Procedure, attached at Appendix 1 to the minutes be approved.

84. OVERVIEW AND SCRUTINY COMMITTEE

The Chairman of the Overview and Scrutiny Committee, M Sartin advised that Transport for London (TfL) officers would be attending the next meeting on the 9 January 2018, to discuss the buses services provided in the south of the district and all members were welcome to attend.

85. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

The Chairman informed members that there were no reports to be considered on the business of joint arrangements and external organisations.

86. SENIOR MANAGEMENT SELECTION AND APPEAL PANELS

The Head of Paid Services, G Chipp presented a report on the establishment of a Senior Management Selection Panel and Senior Management Appeals Panel following the Cabinet decision on 7 December 2017, to create a Common Operating Model and restructure of the Council's chief officer positions. The Council's Constitution set out the Officer Employment Procedure Rules for these matters and required the Council to make appointments of both panels. The Council also noted a change to the Officer Employment Procedure Rules reported by the Chief Executive.

RESOLVED:**Senior Management Selection Panel**

(1) That Councillors C Whitbread, A Grigg, G Mohindra, M Sartin, C P Pond, B Jennings and B Surtees be appointed on the Senior Management Selection Panel;

(2) That the selected members undertake prior Recruitment and Selection training as required by Part 4 of the Constitution;

(3) That Councillor C Whitbread be appointed Chairman and Councillor M Sartin be appointed Vice Chairman of the Senior Management Selection Panel;

(4) That the Selection Panel's Terms of Reference/Delegations be agreed as follows:

"In accordance with the Officer Employment Procedure Rules set out in Part 4 of the Council's Constitution:

(i) To undertake the recruitment and selection of Chief Executive and Chief Officer positions as necessary;

(ii) To appoint to the proposed Chief Officer positions subject to the Objection Procedure.

(iii) To recommend the appointment (if necessary) of the Chief Executive to the Council subject to the Objection Procedure.

(iv) To undertake the functions of the redundancy panel procedure including:

- Ensuring that those affected are informed and consulted

- Considering proposals to make any Chief Officer post holders redundant
 - Taking into account consideration of alternative proposals from those affected by such proposals
 - Whether alternative positions may be available; and
- (v) Consequent on (iv) above, notifying the Executive and making recommendations to Council accordingly; and
- (vi) To make recommendations to the Council on designations of the statutory officers positions and their deputies as necessary.”

Senior Management Appeals Panel

(5) That Councillors S Stavrou, G Chambers, H Kane, J Philip, J Jennings, C C Pond and J M Whitehouse be appointed on the Appeals Panel;

(6) That the selected members to undertake prior Appeals training;

(7) That Councillor J Philip be appointed Chairman and Councillor S Stavrou be appointed Vice Chairman of the Senior Management Appeals Panel;

(8) That the Appeals Panel’s Terms of Reference/Delegations be as follows:

“In accordance with the Officer Employment Procedure Rules set out in Part 4 of the Council’s Constitution:

(i) Hear and adjudicate appeals made by Chief Officers on any determination of redundancy made by the Selection Panel and recommend to Council on the dismissal (or otherwise) of those Officers”

(9) That for the purposes of these Panels, the Chief Executive be the ‘Proper Officer’ as defined in the Officer Employment Procedure Rules or, subject to (3)(i) above, another officer nominated by him; and

(10) That the monitoring officer amend the current Officer Employment Rule 12.1 so that the last sentence reads “ Redundancy and/or Early Retirement payments shall apply in full to Chief Officers.”

CHAIRMAN

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MEMBERS' ALLOWANCES SCHEME

EPPING FOREST DISTRICT COUNCIL - REMUNERATION AND EXPENSES SCHEME

The Epping Forest District Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) Regulations 1990 and the Local Authorities (Members' Allowances) (England) Regulations 2001, hereby makes the following scheme:

1. Scheme

- 1.1 This scheme may be cited as the Epping Forest District Council Members' Allowance Scheme and shall have effect for the period from 25 May 2018 to 26 May 2019.

2. Definition

- 2.1 In this scheme:

"business mileage" means mileage incurred for journeys by Councillors between their homes and business venues or between the Civic Offices, Epping and business venues;

"Councillor" means a member of the Epping Forest District Council who is a Councillor;

"home to office mileage" means mileage incurred for journey by Councillors between their homes and the Civic Offices in Epping;

"independent person" means (a) a member of the Standards Committee who is not an elected councillor or (b) a co-opted member of an Overview and Scrutiny Committee or the Audit and Governance Committee who is not an elected councillor; and

"year" means the period ending with 26 May 2019.

3. Basic Allowance

- 3.1 Subject to Paragraph 7, £4,300 shall be paid to each Councillor. Payments are subject to deductions for tax and national insurance dependant on the circumstances of individual councillors.

4. Special Responsibility Allowances

- 4.1 For each year a special responsibility allowance shall be paid to those Councillors who hold the special responsibilities in relation to the allowances specified in Schedule 1 to this scheme. Special responsibility allowances shall be calculated as multipliers of the Basic Allowance. There is no restriction on the number of separate SRA's which are payable to an individual member.
- 4.2 Subject to Paragraph 7, the amount of each allowance shall be the amount specified against that special responsibility in Schedule 1 for the year.
- 4.3 The Council has decided not to implement payment of the full Special Responsibility Allowance amounts and to restrict these to a percentage of each allowance as set out in an annual statement of implementation.

5. Travelling and Subsistence (including Cycle Allowance)

- 5.1 These expenses may be claimed by members of the Council in connection with the carrying out of approved duties specified in Schedules 2, 3 and 4 of this scheme.
- 5.2 Payments may be claimed up to the maximum casual user rate set for officers of the Council as adjusted annually by the National Joint Council for Local Government Services (travel expenses) and the East of England Regional Assembly (subsistence expenses).
- 5.3 Payment of home to office car mileage will be subject to deduction of tax and national insurance contributions, dependant on the circumstances of individual councillors. Business mileage incurred by councillors will not be subject to such deductions if the mileage rate claimed does not exceed 45 pence per mile.
- 5.4 Claims for the payment of business and/or home to office mileage may be made by members that have been driven to the approved duty giving rise to the claim, other than by way of taxi or other form of public transport, subject to the Council's usual checks and controls and the provision of appropriate VAT receipts.

6. Child Care and Dependant Carers' Allowances

- 6.1 The maximum rate for this allowance shall be set at a rate equivalent to the current National Living Wage.
- 6.2 A member of the Council or and independent person shall be eligible to claim up to four hours of the allowance for the performance of approved duties under this scheme and for the purpose of contributing to the cost of providing personal care to immediate dependants who are in need of care and supervision.
- 6.3 The rate applicable shall be subject to automatic increases on an annual basis in line with uprating of the National Living Wage.
- 6.4 The allowance is not payable in respect of carers who are members of the member's immediate and close family i.e. parents, children, spouses, co-habitees or members of the same household as the member.
- 6.5 All claims shall be subject to Audit checks and no claim in excess of the maximum level will be payable, whatever the circumstances.

7. Renunciation

- 7.1 A councillor or independent person may by notice in writing given to the Director of Governance, elect to forego any part of his/her entitlement to an allowance under this scheme.

8. Part-year Entitlements

- 8.1 The provisions of this paragraph shall have the effect of regulating the entitlements of a councillor to basic and special responsibility allowances where, in the course of a year, this scheme is amended or that councillor becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

- 8.2 If an amendment to this scheme changes and the amount to which a councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:
- (a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect; or
 - (b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the end of the year; and
 - (c) the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.
- 8.3 Where the term of office of a councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that councillor to a basic allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.
- 8.4 Where this scheme is amended as mentioned in sub-paragraph (2), and the term of office of a councillor does not subsist throughout the period mentioned in such-paragraph (2)(a), the entitlement of any such councillor to a basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole of the same proportion as the number of days during which his term of office as a councillor subsists bears to the number of days in that period.
- 8.5 Where a councillor has during part of, but not throughout a year such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of that allowance as bears to the whole of the same proportion as the number of days during which he/she has such special responsibilities, bears to the number of days in that year.
- 8.6 Where this scheme is amended as mentioned in sub-paragraph (2), and a councillor has during part, but does not have throughout the whole, of any period mentioned in sub-paragraph (2)(a) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

9. Claims and Payments

- 9.1 Payments shall be made in respect of basic and special responsibility allowances, subject to subparagraph (2), in instalments of one quarter of the amount specified in this scheme.
- 9.2 Where a payment of one-quarter of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the councillor receiving more than the amount to which by virtue of paragraph 8(1), he or she is

entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.

- 9.3 Claims must be made within a period of one year of the duty being carried out. Payments after that period will only be made in exceptional circumstances.

10. Up-rating for Inflation

- 10.1 There will be no inflationary adjustment to the allowances set out in this scheme, except those relating to travel and subsistence.

11. Co-optees' Allowance

- 11.1 Co-optees' allowance will be payable to independent persons as set out in Schedule 5 to this scheme.

12. Withholding/Recovery of Payments

- 12.1 Where any councillor or independent member has already received a payment in respect of any period during which they have been:

- (a) ceased to be a member of the Authority; or
- (b) not entitled in any other way to receive the allowance in respect of that period, the Council may require that such part of the allowance as relates to the period in question shall be repaid to the Authority.

13. Pensionable Status

- 13.1 Remuneration payable to councillors of Epping Forest District Council under this scheme shall only be entitled to pensionable status in accordance with a scheme made under Section 7 of the Superannuation Act 1972, if the member opted in to the Essex Superannuation Scheme before 1 April 2014.
- 13.2 For the purposes of a Paragraph 13.1 above basic allowance and special responsibility allowance will be treated as amounts in respect of which such pensions are payable in accordance with a scheme under that Act.
- 13.3 The Local Government Pension Scheme (LGPS) (Transitional Provisions, Savings and Amendment) Regulations 2014 removed access to the LGPS for Councillors from 1 April 2014, with the exception of those who were members of the Scheme on 31 March 2014, who retain access to the LGPS up to the end of their current term of office only (or to age 75 if earlier).

14. Further Guidance

- 14.1 Further guidance on this scheme can be found in Appendix 1.

SCHEDULE 1

SPECIAL RESPONSIBILITY ALLOWANCES

1. The following are specified as the special responsibilities in respect of which special responsibility allowances are payable and the amounts of those allowances.

DUTY	ANNUAL TOTAL AMOUNT OF SRA
Chairman of the Council	£10,750.00
Vice-Chairman of the Council	
Leader of the Council	£10,750.00
Cabinet Members	£6,450.00 (each)
Chairman of the District Development Management Committee	£3,225.00
Chairmen of the Area Plans Sub-Committees	£3,225.00 (each)
Chairman of the Overview and Scrutiny Committee	£4,300.00
Chairman of the Licensing Committee	£500.00
Chairmen of the Licensing Sub-Committees	£2,225.00 (allocated according to the number of meetings chaired each year)
Chairman of the Staff Appeals Panel	£110.00 per meeting held each year
Chairman of the Audit and Governance Committee	£2,150.00
Chairmen of the Overview and Scrutiny Select Committees	£2,150.00 (each)
Chairman of the Standards Committee	£110.00 per meeting held each year
Chairman of the Constitution Working Group	£500.00

SCHEDULE 2

APPROVED DUTIES

1. The following are specified as an approved duty for the purpose of the payment of travelling and subsistence expenses, attendance at any of the following:
 - (a) a meeting of the authority, the Cabinet, a Cabinet Committee, the Overview and Scrutiny Committee and its Panels, the Standards Committee and its Sub-Committees, or as a member of any other Committee or sub-committee, panel, working group, special committee or board of the authority;
 - (b) any other meeting held by the Authority provided that:
 - where the authority is divided into two or more political groups, it is a meeting to which members of at least two such groups have been invited; or
 - if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
 - (c) duties relating to the supervision of tender opening as required by the Council's Standing Orders;
 - (d) attendance as representative of the Council at any approved conference or meeting of the outside organisations set out in Schedules 3 and 4;
 - (e) attendance at any meeting or other official function at the request of the Chief Executive, Deputy Chief Executive or a Service Director including meetings between group representatives for a particular Committee and officers;
 - (f) any other duty approved by the Council or the Cabinet or any other committee, sub-committee, special committee or Board or Panel or any duty of a class so approved, for the purpose of, or in connection with, the discharge of functions or the body, or of any of its committees or sub-committees;
 - (g) attendance by a councillor at a meeting of which he or she is not a member for the purpose of explaining a motion referred from the Council;
 - (h) attendance as a councillor at the invitation of the Local Government Commissioner for Administration for the purpose of investigating a complaint against this Council of maladministration;
 - (i) attendance as an appointed representative of Epping Forest District Council at any meeting of Essex County Council or any of its committees or sub-committees for the purpose of formal consultations on any matter affecting the powers or duties of this Council or the district or any part thereof;
 - (j) attendance on behalf of the Council or the Cabinet or as a Chairman on behalf of a Committee at an official function;
 - (k) attendance at seminars and training courses arranged by the authority;
 - (l) consultation meetings arranged by the authority where the member's attendance is required or where the business directly affects the member's ward;

- (m) site visits arranged by Area Plans Sub-Committees or the District Development Management Committee;
 - (n) informal site visits by individual councillors in respect of their duties as members of an Area Plans Sub-Committee;
 - (o) attendance at a meeting concerning joint working or partnership arrangements to represent the Council's interests; and
 - (p) attendance at any civic event to which the Chairman or Vice-Chairman is attending in that capacity (or representative) for which Council funded transport is not provided.
2. There is specified as an approved duty for the purpose of paying travelling and subsistence expenses attendance at any of the outside organisations shown in Schedule 4.
 3. Attendance by members of the Council at meetings of outside organisations not shown in Schedule 4 shall NOT qualify for payment of travelling and subsistence expenses.

SCHEDULE 3

CONFERENCE AND MEETINGS

Conference and meetings organised by any person or body who is not doing so by way of trade nor whose objects are wholly or partly political, attendance at which is authorised by or on behalf of the authority and which does not involve an absence overnight from the councillors normal place of residence.	Appropriate subsistence and travelling expenses (second class return rail fare or car mileage at the appropriate rates whichever is the less if travel outside the Epping Forest District is required).
Conferences and meetings organised by any person or body who is not doing so by way of trade, nor whose objects are wholly or partly political, attendance at which is authorised by or on behalf of the authority and which involves an absence from the councillor's normal place of residence of one or more nights.	Appropriate subsistence and travelling expenses (second class return rail fare or car mileage at the appropriate rate whichever is the less if travelling outside the Epping Forest District is required).

SCHEDULE 4

OUTSIDE ORGANISATIONS

Attendance as appointed representative of the Council on any outside organisations, such attendances being deemed approved duty for the purpose of paying subsistence and travelling expenses.

SCHEDULE 5

CO-OPTEE'S ALLOWANCE

Independent Persons affiliated to the Standards Committee	£500.00 per annum
Independent Members of the Remuneration Panel and Parish Remuneration Panel	£250.00 per annum
Co-opted members of the Audit and Governance Committee	£500.00 per annum
Co-opted independent members of an Overview and Scrutiny Committee	£500.00 per annum

MEMBER REMUNERATION SCHEME

**EPPING FOREST DISTRICT COUNCIL
GUIDANCE NOTE ON ALLOWANCES AND EXPENSES FOR MEMBERS**

1. INTRODUCTION

- 1.1 A Councillor is eligible for the payment of attendance allowances and for reimbursement of travel and subsistence expenses in respect of approved duties carried out on behalf of the Council. An approved duty is one which has been authorised by or on behalf of the Council in advance.
- 1.2 The Council has a formal scheme for allowances which is updated from time to time. A copy of the scheme is set out in the Constitution. This note is of a more informal nature and is designed to assist members in dealing with their claims and explaining the arrangements to the public.

2. BASIC ALLOWANCE

- 2.1 This is a flat rate allowance payable to all members of the Council. This annual amount is paid in quarterly instalments. Members do not have to claim this amount. The full amount of the Basic Allowance is £4,300.00 per member, per annum.
- 2.2 The Council requires each of its elected councillors to be registered as a data controller in accordance with the provisions of the Data Protection Act 1998. Although members are responsible for their individual compliance with the data protection principles of the Act, the Council coordinates the registration (and annual renewal) process on behalf of members and an amount of £35.00 is therefore withheld from the Basic Allowance each year to meet the registration fee imposed by the Information Commissioner.

3. SPECIAL RESPONSIBILITY ALLOWANCE

- 3.1 This is a special allowance payable to the Leader, Cabinet members and certain Chairmen. It is designed to reflect the additional responsibilities of these office holders. This amount is paid in quarterly instalments during the year and does not have to be claimed.
- 3.2 The Special Responsibility Allowance applicable to the chairmen of the Standards Committee and the Staff Appeals Panel is applied on a 'per-meeting' basis and is paid in a single instalment at year-end.
- 3.3 The Council has decided not to implement payment of the full Special Responsibility Allowance amounts and to restrict these to a percentage of each allowance set out in the Scheme.

4. TRAVEL EXPENSES

- 4.1 Members may re-claim reasonable travel expenses (including public transport tickets, taxi fares, parking costs where appropriate subject to submission of evidence of expenditure) in respect of approved duties as defined in the scheme (Schedule 2).

Car Travel

- 4.2 The normal rates for car travel are the same as the higher rates paid to officers classed as casual users. Claims must be fixed on the rates applicable at the time of the journey. These rates are set out on the claim form and are reviewed annually.

Shortest Distance

- 4.3 Claims for car travel should be by reference to the shortest distance from home to the Council offices or other venue for the approved duty concerned. No claim for additional expenses will be entertained unless there is a valid reason for incurring the additional mileage.

Travel Direct from Place of Employment etc

- 4.4 For claims involving direct travel from a Councillor's place of employment (or other departure point) for an approved duty, the distance claims shall be limited to the home to meeting venue element of the journey. All such claims must be endorsed "CLAIM LIMITED" on the form.

Travel outside the District – Limit on Amount Claimable

- 4.5 For journeys to approved meetings outside the District or by members resident outside the district, claims irrespective of mode of travel must not exceed the lower of:
- (a) second class return rail fare plus underground and other fares from station to destination at each end of the journey; or
 - (b) the appropriate car mileage.
- 4.6 This is subject to consideration of any special circumstances as set out in 4.7 below.

Travel over Long Distances – Special Circumstances

- 4.7 If, for any reason, a councillor undertakes travel over long distances or from outside the District, members are advised to contact the Assistant to the Chief Executive in advance for advice on what would constitute a reasonable claim in the circumstances.

Use of Public Transport within Epping Forest District

- 4.8 The rate for travel by public transport must not exceed the ordinary fare (or any available cheap fare). A member may not claim travelling expenses in respect of a single duty from more than one body. In all such claims evidence of expenditure (i.e. tickets or other receipts) MUST be provided. No claim will be allowed without such evidence.

Cycle Allowance

- 4.9 This allowance is payable at the highest of the higher casual rates paid to officers classed as casual users.

Child and Dependant Carer's Allowance

4.10 This allowance may be claimed at a rate equivalent to the current rate for the National Living Wage. Certain conditions are set out in the Scheme.

5. SUBSISTENCE EXPENSES

5.1 Subsistence expenses (covering refreshments and meals etc paid for by a member) are claimable by councillor in respect of making attendances connected with approved duties on behalf of the Council. The rates for such expenses are set out (by reference to meal time and periods of absence) on the reverse of the form which is supplied to members on a quarterly basis. These rates may not be exceeded. Periods of absence will be calculated on the basis of departure from home or place of work if it is not possible to return home in the time available.

5.2 All claims for subsistence must be accompanied by receipts in respect of meals etc as evidence of expenditure actually having been incurred. No claims will be allowed in the absence of such evidence.

5.3 Special arrangements exist in respect of subsistence expenses in respect of duties involving an absence overnight from a councillor's normal place of residence. These are outlined under Section 7 relating to conferences.

5.4 A Councillor may not claim subsistence expenses in respect of a single duty from more than one body.

6. CONFERENCES

6.1 Attendance at Conferences and payment of allowances and expenses are subject to prior approval by the Council, Cabinet, appropriate committee, Leader or Deputy Leader in all cases.

6.2 All conferences deemed to be approved duties shall, in accordance with statutory requirements, be relevant to the District and not wholly or partly commercial or political in their objectives.

Allowances for Attendance at Conferences (Involving an Absence from Home)

Subsistence - Nights Away from Home

6.3 For conferences involving one or more night's absence, claims can be made for reasonable day or overnight expenses that are necessarily and exclusively incurred in the attendance as an authorised representative of the Council at a meeting, conference or seminar that it held outside of the Epping Forest District.

Claims for Subsistence

6.4 These claims should cover such items as hotel bills, refreshments, meals (other than free meals which should be discounted) and similar items. No claims will be allowed unless evidence is provided of all expenditure being claimed. All relevant bills and receipts should be forwarded to the Assistant to the Chief Executive with claims.

Travel Claims

6.5 The guidance outlined under paragraph 4.5 will apply to all conferences.

7. TAXATION AND NATIONAL INSURANCE IMPLICATIONS

- 7.1 Details of the tax and national insurance implications of allowance payments and expenses claimed are available through Democratic Services. In such matters, members are advised to seek advice from their tax office in the event of any concerns.
- 7.2 Supplementary Note Regarding Treatment of Claims for Travel Expenses by Car for Tax and National Insurance Purposes.

(a) Travel by Car – Councillors’ Homes to Civic Offices Expenses (“Home to Office Mileage”)

- 7.3 Her Majesty’s Revenue and Customs (HMRC) deems a councillor’s workplace for the purposes of their role as an elected representative to be the Civic Offices, Epping. From April 2016, ‘Home to Office Mileage’ is no longer subject to tax and national insurance deductions, provided that the distance between a councillor’s home and the Civic Offices is no more than 20 miles.
- 7.4 If the upper rate of mileage is also claimed (any amount above 45p per mile) this part of the payment will be treated as a taxable benefit and national insurance will be deducted. A petrol/diesel VAT receipt will be required to be submitted with all claims before payment can be made, which must predate the first date of mileage on the submitted claim. The receipt must also be dated within a reasonable timeframe of the first journey for which a claim is made.

(b) Travel by Car – Councillors’ Homes to Other Venues or Civic Offices to Other Venues for the Purposes of Council Business (“Business Mileage”)

- 7.5 HMRC has determined that such travel shall not be subject to tax or national insurance deductions except where the rate of reimbursement exceeds 45 pence per mile. Travel to any meetings of the Council or its subordinate bodies which are held at a location other than the Civic Offices is deemed to be business mileage.

(c) Second Journeys

- 7.6 Second journeys will be subject to taxation and National Insurance deductions depending on whether the journey constitutes home to office or business mileage.

8. ALTERATION OF CLAIMS

- 8.1 All claim forms submitted by members are checked by Democratic Services. The Director of Governance (or the Assistant Director (Governance and Performance Management) acting on their behalf) is authorised to reduce incorrect claims in the following circumstances:

- (a) where a member does not attend at a claimed meeting;
- (b) where a claimed meeting is not approved;
- (c) where an incorrect amount of allowance is claimed; and
- (d) where a correct date has not been claimed.

- 8.2 Any changes under paragraph 8.1 will be notified to members after the claim form has been processed. Any other problems with members' claims will be referred back for the claimant and processing of the claim will not take place until the query has been clarified.

9. INTERPRETATION

- 9.1 These guidelines are subject to the overall interpretation of the Chief Executive as to what constitutes a reasonable claim in any individual circumstances.

10. DOCUMENT HISTORY

Prepared/Revised	Written by	Agreed/Authorised	Details of Change(s)
November 2015	S. Tautz (Democratic Services Manager)	Remuneration Panel (17/11/15) Council (15/12/15)	Review of Scheme for 2016/17 municipal year
October 2016	S. Tautz (Democratic Services Manager)	Remuneration Panel (28/9/16) Council (20/12/16)	Review of Scheme for 2017/18 municipal year
November 2015	S. Tautz (Democratic Services Manager)	Remuneration Panel (30/10/17) Council (21/12/17)	Review of Scheme for 2018/19 municipal year

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**SCHEME OF MEMBERS' ALLOWANCES -
STATEMENT CONCERNING IMPLEMENTATION 2018/19**

**The following scheme has been agreed for the period
from 25 May 2018 to 26 May 2019**

**The Council decided at its meeting on 21 December 2017 to implement the amount of
Basic, Special Responsibility and Co-optees Allowances provided in the scheme as
set out below:**

BASIC ALLOWANCE	ANNUAL BASIC ALLOWANCE	IMPLEMENTATION OF BASIC ALLOWANCE
All Councillors	£4,300.00	£4,300.00 (100%)

**The amounts set out below show the amounts of Special Responsibility Allowance
(SRA) payable during the year:**

DUTY	ANNUAL SPECIAL RESPONSIBILITY ALLOWANCE	IMPLEMENTATION OF SPECIAL RESPONSIBILITY ALLOWANCE
Chairman of the Council	£10,750.00 (total)	£8,600.00 (80%)
Vice-Chairman of the Council		£2,150.00 (20%)
Leader of the Council	£10,750.00	£7,875.00 (73%)
Cabinet members	£6,450.00 (each)	£6,300.00 (98%)
Chairman of the District Development Management Committee	£3,225.00	£2,362.00 (73%)
Chairmen of the Area Plans Sub-Committees	£3,225.00	£2,362.00 (73%)
Chairman of the Overview and Scrutiny Committee	£4,300.00	£3,150.00 (73%)

Chairman of the Licensing Committee	£500.00	£500.00
Chairmen of the Licensing Sub-Committees	£2,725.00 (allocated according to the number of meetings each year)	£1,862.00 (allocated according to the number of meetings each year) (73%)
Chairman of the Staff Appeals Panel	£110.00 (per meeting)	£110.00 (per meeting)
Chairman of the Audit and Governance Committee	£2,150.00	£2,150.00
Chairmen of the Overview and Scrutiny Select Committees	£2,150.00	£2,150.00 (each)
Chairman of the Standards Committee	£110.00 (per meeting)	£110.00 (per meeting)
Chairman of the Constitution Working Group	£500.00	£500.00

The amounts payable during the year for independent and co-opted members are:

Independent Persons affiliated to the Standards Committee	£500.00
Independent Members of the Remuneration Panel and Parish Remuneration Panel	£250.00
Co-opted members of the Audit and Governance Committee	£500.00
Co-opted independent members of an Overview and Scrutiny Committee	£500.00

A copy of the full scheme is available on request from Democratic Services, Civic Offices, High Street, Epping, CM16 4BZ.

Epping Forest District Council

Whistleblowing

Policy and Procedures

(Confidential Reporting)

Version	1	Status	DRAFT
Implementation Date	November 2017	Review Date	October 2020
Revised by	Martin Crowe	Policy Lead Officer	Sarah Marsh

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Introduction

Epping Forest District Council (EFDC) will not tolerate activities such as criminal activity, improper conduct, unethical behaviour, malpractice etc. or any attempt to conceal such activities in the administration of its responsibilities.

The Council believes in having an open and honest culture and is committed to the highest possible standards of probity and accountability. In line with that commitment, the Council encourages anyone with serious concerns about any aspects of the Council's work to raise those concerns.

The Council is committed to tackling the types of conduct listed above and other forms of malpractice, including abuse of vulnerable people, and treats these issues extremely seriously.

Employees and Members are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, they may feel it is easier to ignore the concern rather than report what may just be a suspicion for fear of being wrong.

The Council recognises that some concerns may be extremely sensitive and have therefore established a framework to allow concerns to be raised confidentially, and provide for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion.

This policy fully complies with and supports The Public Interest Disclosure Act 1998 and The Enterprise and Regulatory Reform Act 2013 (which amends The Employment Rights Act of 1996).

Scope

This policy applies to matters of suspected fraud and corruption within the Council as well as allegations of other unacceptable conduct perpetrated by staff (including contractors). It is intended to cover concerns that fall outside the scope of other procedures. For example, there are separate procedures in place to enable staff to lodge a grievance relating to their employment.

This policy also supports the Council's anti-fraud and corruption strategy and makes it clear that concerns can be raised without fear of reprisals. It is intended to encourage and enable employees and Members to raise serious concerns within the Council, irrespective of seniority, rank or status, rather than overlooking a problem.

Aims

This policy aims to:

- provide ways for staff to raise concerns and receive feedback on any action taken.
- allow staff to take the matter further if they are dissatisfied with the Council's response.
- reassure staff that they will be protected from reprisals or victimisation for reporting in good faith.

What is a whistleblower?

It is an employee, a former employee or member of an organisation who reports suspected misconduct to people or entities that have the power and presumed willingness to take corrective action. Officially this is called 'making a disclosure in the public interest'.

Staff responsibilities

Staff have a duty to draw attention to bad and/or poor practice in the workplace, including practice that may be criminal, abusive and/or neglectful and unethical. Failure to report amounts to collusion with the perpetrator and abuse. Additionally, staff who work with vulnerable people have an individual responsibility to raise concerns with someone who has the authority to take action.

It may be necessary to go outside the immediate work environment or the immediate organisation, for example to Social Services or the Police.

A staff member can report things that they know or suspect aren't right, are illegal or if anyone at work is neglecting their duties. Concerns must be raised when staff reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- a criminal offence (including fraud, corruption, bribery, money laundering)
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds
- improper use or misappropriation of assets (for example, theft of council property)
- a miscarriage of justice
- maladministration, misconduct or malpractice
- endangering of an individual's health and safety
- staff perpetrating abuse of a vulnerable individual
- damage to the environment
- any other similar occurrences
- any instance of unethical behaviour
- deliberate concealment of any of the above

If staff are unsure whether a concern should be raised, advice can be sought from the Director of Resources (Section 151 Officer), the Director of Governance (Monitoring Officer), the Director of Communities, the Director of Neighbourhoods, or Chief Internal Auditor, (the Section 151 Officer and Monitoring Officer are statutory roles). The overriding concern should be that it would be in the public interest for malpractice to be corrected and, if appropriate, sanctions applied.

Safeguarding - allegations of abuse made against staff

All Council staff should be aware that colleagues could carry out abuse of children and vulnerable adults and that all allegations are taken seriously so that appropriate action can be taken.

In the event of a serious allegation against a member of staff regarding children or young people, the Council will follow the procedures set out in the Southend, Essex and Thurrock (SET) Child Protection document and will involve the Local Authority Designated Officer (LADO) employed by Essex County Council.

The Council will use similar procedures in order to protect vulnerable adults.

If staff feel a colleague has:

- (a) behaved in a way that has harmed a vulnerable person, or may have harmed a vulnerable person; or
- (b) possibly committed a criminal offence against, or related to, a vulnerable person; or
- (c) behaved towards a vulnerable person in a way that indicates they are unsuitable to work with them

then they *must* inform their line manager immediately and follow the relevant procedure as outlined in the Council's Safeguarding Policy and Procedures.

Harassment or Victimisation

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Council will not tolerate harassment or victimisation and will take action to protect staff when they raise a concern in good faith. This does not mean, if they are the subject of disciplinary or redundancy procedures, that those procedures will be halted as a result of confidential reporting.

Types of whistleblowing eligible for protection

People have in the past often been deterred from whistleblowing about abuse or neglect by duties of confidentiality and/or fear of the consequences of speaking out.

The Public Interest Disclosure Act 1998 seeks to protect individuals making disclosures and expects that malpractice disclosures will generally be made in the first instance to the person's employer or another person/body who appears responsible for the malpractice.

The Act expects employers to have procedures so that staff who have justified concerns about breaches of practice or the law can pass on these concerns to be investigated. Staff are only protected by the Act if they

are acting in good faith, and reasonably believe that their allegations are true. Allegations made for financial gain are not protected, even if they are true.

It may be justified for the whistleblower to disclose to a third party in the first instance rather than the employer.

A disclosure made in accordance with the Act's expectations will mean that:

- a confidentiality clause in an employment contract cannot be used to prevent staff from disclosing relevant breaches of the law or practice. This means that confidentiality terms in employment contracts cannot be used by employers who are responsible for breaking a law or for abuse or neglect or other malpractice.
- dismissal on grounds of disclosure within the terms of the Act is automatically unfair, and can be challenged before an employment tribunal.

Someone who is treated detrimentally at work because of making a disclosure, which is protected by the Act, may be able to claim compensation at an Employment Tribunal.

The person providing the information may be reluctant to give their name or they may ask that they remain anonymous. Their wishes will be recorded and respected as part of the referral process.

Whilst respecting their right to confidentiality, they cannot however be given an absolute undertaking that they will not be identified at a later date, especially, if any legal action is indicated.

Who is protected?

The following people are protected:

- employees
- agency workers
- people that are training with the Council, but not employed
- self-employed workers engaged by the Council, if supervised or working off-site
- volunteers
- Council Members

A worker will be eligible for protection if:

- they honestly think what they're reporting is true
- they think they're telling the right person
- they believe that their disclosure is in the public interest

Workers who aren't employees cannot claim unfair dismissal because of whistleblowing, but they are protected and can claim what is known as 'detrimental treatment'.

Tribunals

Workers dismissed for whistleblowing can go to an employment tribunal. If the tribunal decides the employee has been unfairly dismissed, it may order that they are:

- reinstated (get their job back)
- paid compensation

A tribunal judge can reduce any compensation awarded by 25% if they find the person has acted dishonestly.

A whistleblower who is bullied at work will also be able to bring a claim to the employment tribunal against their employer or colleagues.

Confidentiality

The Council will respect confidentiality and all steps will be taken to ensure that confidentiality is maintained throughout the process. However, it must be appreciated that the investigation process may reveal the source of the information.

Any statement made by a whistleblower may be required as part of the evidence but could be submitted anonymously, if requested.

Anonymous Allegations

This policy encourages staff to put their name to their concerns. Anonymous allegations make it difficult to assess the veracity (truth) of the person making the allegation as well as the credibility of the facts and evidence on which the concern is based. It is worth remembering that some cases will rise and fall on the credibility of the person making the allegation. Concerns expressed anonymously are more difficult to action effectively, but they will all be considered. In such circumstances, the Council will take the following factors into account when establishing the scope and depth of the investigation:

- the seriousness of the issues raised.
- the credibility of the concern.
- the likelihood of confirming the allegation from attributable sources and information provided.

Untrue Allegations

If staff make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. In raising a concern, you should exercise due care to ensure the accuracy of the information. If you knowingly make a malicious or vexatious allegation, or make an allegation for personal gain then further action may be taken against you (which may include disciplinary action).

Reviewing the Policy and Procedure

The Chief Executive has overall responsibility for the maintenance and operation of this policy. The Chief Internal Auditor maintains a record of concerns raised and outcomes, and will report, on an annual basis, to Members via the Audit and Governance Committee.

Other contacts with respect to this policy are the Director of Neighbourhoods, Director of Governance, Director of Resources, Director of Communities, Chief Internal Auditor, Assistant Director (Human Resources), Assistant Director (Benefits) and your trade union representative.

The Whistleblowing Policy and Procedure will be reviewed every three years, or when necessary due to changes in legislation etc., by the Chief Internal Auditor.

Other relevant information

Other relevant EFDC documents that may be read in conjunction with this Policy and Procedure:

- Anti-Fraud and Corruption Strategy (including the Fraud Response Plan and Anti Money Laundering Policy)
- Safeguarding Policy and Procedures;
- Recruitment Policy and Procedures;
- Staff Handbook - Disciplinary and Grievance Policies and Procedures;
- Staff Code of Conduct;
- Safety Policy;
- Accident and Incident Report Guidance.
- Safe Working Practice Guide – A guide to professional boundaries for Staff;
- A Guide to Risk Management for Managers and the Risk Assessment Template;
- Equality and Diversity Policy;
- Compliments and Complaints Booklet;
- Dealing with Complaints – for officers and Members
- Data Protection Policy and Procedures.
- IT Policies and Procedures regarding e-safety and appropriate use of the internet.

Other organisation's policies and procedures:

- Southend, Essex & Thurrock (SET) - Child Protection Procedures.
- Southend, Essex & Thurrock (SET) - Safeguarding Adult Guidelines.

Whistleblowing Procedure

Raising a concern

The way a worker can 'blow the whistle' on wrongdoing depends on whether they feel they can tell their employer. If staff feel they can't tell their employer, they should contact a prescribed person or body such as a trade union etc. If staff decide to blow the whistle to a prescribed person rather than the Council, they must make sure that they've chosen the correct person or body for the issue.

For example:

- HM Revenue and Customs - for taxation, business, finance or fraud.
- The National Audit Office - fraud and corruption in local government.
- The National Crime Agency - about money laundering and major financial crimes.
- The Information Commissioner - data protection and freedom of information rights and duties.
- The Health and Safety Executive - health and safety at work.
- The Pensions Regulator - about occupational and private pensions.

Staff should make disclosures to people other than their employer if:

- they reasonably believe that they will be treated detrimentally for disclosing to the employer; or
- they reasonably believe that the evidence will be destroyed or hidden if the employer is 'tipped off'; or
- the employer has been told, but has not taken appropriate action.

Raising concerns within the Council – staff should contact one of the following:

- their Line Manager
- their Service Director
- their Trade Union representative
- the Corporate Fraud Investigation Team
- the Chief Internal Auditor
- the Human Resources Department

Staff may also raise a concern or discuss the issue with:

Job Title	Name	Contact
The Chief Internal Auditor	Sarah Marsh	01992 564446
The Chief Executive	Glen Chipp	01992 564758
Deputy Chief Executive (also Director of Neighbourhoods)	Derek Macnab	01992 564050
Director of Resources (Section 151 Officer)	Bob Palmer	01992 564279
Director of Governance (Monitoring Officer)	Colleen O'Boyle	01992 564475
Director of Communities	Alan Hall	01992 564004
The External Auditor (may liaise with the Chief Internal Auditor depending on the type of concern)	Zoe Thompson BDO LLP	01473 320734
Assistant Director of Human Resources	Paula Maginnis	01992 564536
The Corporate Fraud Manager	Martin Crowe	01992 564170

Elected Members should raise concerns with:

The Chief Executive, Deputy Chief Executive, Chief Internal Auditor, Corporate Fraud Manager or Monitoring Officer.

How to raise a concern

The earlier a concern is expressed and the more details provided, the easier it will be to effectively investigate and take action. At this stage, staff are not expected to prove the allegation but will need to demonstrate that there are sufficient grounds for the concern, to enable a meaningful investigation to take place.

Staff can raise a concern in the following ways:

In Writing

- Staff can send a letter or email to one of the people or organisations mentioned on page 7.

Staff should give as much information as they can about their concern giving background information (where relevant), the reason why they're concerned and any important details such as names, dates and places etc. If any evidence is held (such as documents, photographs etc.) this should be provided also.

By Telephone

- Staff can leave a message on the 24-hour Anti – Fraud / Whistleblowing Hotline 01992 564444; or
- Speak to a member of the Internal Audit Team during office hours on 01992 564449 or a member of the Corporate Fraud Team on 01992 564170.

This service is strictly confidential and staff do not have to give their name if they do not wish to. The person receiving the concern will make notes of any conversations so that, if required, a proper investigation can be undertaken.

Through an Advocate

Staff may prefer, in order to protect themselves or maintain anonymity, invite their trade union or other representative to raise the matter on their behalf. The representative may be required to obtain additional information so that a proper investigation can be undertaken.

How the Council will respond

Action to be taken

This will depend on the nature of the concern. The process for fraud, corruption and other criminal investigations is covered in the Fraud Response Plan section of the Anti-Fraud and Corruption Strategy and the matters raised may:

- be investigated internally by Internal Audit.
- be investigated internally by the Corporate Fraud Investigation team
- be investigated internally by an investigating officer appointed by the Monitoring Officer
- be referred to the Police.
- be referred to the external auditor or Ombudsman.
- be referred to the Local Authority Designated Officer (regarding child protection cases).
- form the subject of an independent enquiry.

or any combination of the above.

If the concern is a safeguarding matter then it will be referred to the Safeguarding Lead Officer or one of the designated deputies who will follow the procedures in the Council's Safeguarding Policy and Procedures.

In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it will take. Some concerns may be resolved by agreed action without the need for further investigation. Any investigations will follow the course of natural justice and in particular will adhere to Articles 6 and 8 of the Human Rights Act 1998 (right to a fair hearing and right to private family life), the Regulation of Investigatory Powers Act 2000 and other appropriate legislation such as The Police and Criminal Evidence Act 1984 and The Criminal Procedure and Investigations Act 1996 (this list is not exhaustive).

Acknowledging receipt

The person with whom the concern was initially raised will write to the staff member within three working days of the concern being received (excluding anonymous concerns) to acknowledge receipt.

Timescales

Due to the varied nature of these sorts of matters, which may involve internal investigators and /or the police, it is not possible to lay down precise timescales for such investigations in this Policy. Such matters are expected to be investigated quickly but without compromising a proper investigation. There is, therefore, a presumption that the investigation should normally be completed within forty (40) working days commencing from the decision to investigate. If it is clear that the investigation will take longer, for example if outside agencies' are involved, then this time may need to be extended

Please note that these time estimates are indicative only. The Council will respond to all concerns as quickly as possible but the Council will have to test the concerns as appropriate. It must be noted however that testing a concern is not the same as either accepting or rejecting it. The overriding principle for the Council will be the public interest. In order to be fair, initial enquiries will have to be made to decide whether an investigation is appropriate and, if so, what form it should take.

Investigating Procedure

Depending on the nature of the allegation received, it is not feasible to incorporate every stage or action in an investigation. However the following should serve as a set of minimum standards. The Monitoring Officer or his/ her nominated officer may arrange for the appointment of an investigating officer who will:

- Ensure that full details and clarifications of the concern are obtained.
- Consider the involvement of any external agencies at this stage (e.g. the Police).
- Ensure that the allegations are fully investigated with the assistance, where appropriate, of other individuals / bodies.
- Hold interviews with all relevant people as soon as possible.
- Prepare a written report containing the findings of the investigation promptly at the conclusion of the investigation.
- Keep the complainant informed of the progress of the investigations and, if appropriate, of the final outcome.
- If one or more member(s) of staff is implicated then:
 - They should be informed as soon as is practicably possible;
 - The investigator should liaise with the relevant manager(s), where appropriate;
 - The investigator must keep an open mind;
 - The investigator's report will be passed to the Monitoring Officer who will decide what further action to take; and
- The Monitoring Officer will inform any individuals under investigation and the relevant manager(s), where appropriate, as to whether or not the concern has been substantiated.

Future contact and meetings

The amount of contact between staff raising the concern and the officer(s) considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from staff in a discreet manner. When any meeting is arranged, staff have the right, if they wish, to be accompanied by a trade union or other representative. The meeting can be off site, if requested.

Support offered during the enquiry

The Council will take steps to minimise any difficulties staff may experience as a result of raising a concern, and will provide the appropriate level of support. For instance, if staff are required to give evidence in disciplinary or criminal proceedings, the Council will advise them about the procedure and provide reassurance where required.

With internal proceedings, staff will have the option of asking someone else to represent them.

To maintain confidence in the process, staff will be kept advised of the outcome of any investigation (subject to legal constraints).

Staff can withdraw from the process at any stage but they, or their representative, must inform the person with whom the initial concern was raised and the investigating officer. Staff will be requested to provide a reason for their withdrawal.

Alleged perpetrator

The person against whom the concern has been raised will be informed following the initial investigations if it is considered that there is an issue to be investigated further, subject to current Human Resources procedures. This person will be supported in an appropriate manner and will be informed of the progress of the investigation.

How the matter can be taken further

The Council hopes staff will be satisfied with the response to their concern. However, if staff are not satisfied they should inform their Service Director, Chief Executive or Deputy Chief Executive in the first instance.

If staff feel it is right or necessary to take the matter outside the Council, the following are possible contact points:

- the External Auditor
- relevant professional bodies or regulatory organisations
- their solicitor or other legal representative
- the Police
- their Trade Union
- their local Council Member

Other useful contacts:

Public Concern at Work – whistleblowing charity

Provides free confidential advice on how to raise a concern about malpractice at work.

Tel: 020 7404 6609 www.pcaw.co.uk

GOV.UK

More information on whistleblowing can be found on the GOV.UK website at **www.gov.uk/whistleblowing**.

Report to the Council

Committee: Cabinet

Date: 22 February 2018

Subject: Assets and Economic Development

Portfolio Holder: Councillor A Grigg

Recommending:

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

1. Town Centres

Waltham Abbey Wayfinding Project – I am pleased to advise that the installation of all 15 signs is now complete and response to date has been very positive.

2. Visitor Economy

2017 Tourism and Visitor Conference - The Team has produced and distributed a report from the Conference.

The Tourism and Visitor Board – This is being joined by two representatives of Broxbourne Council who recognise the benefits of cross border working to capitalise on the expansion plans in and around the Lee Valley.

The District's tourism website - This continues to increase its audience. The January analytics are showing around 7k people viewing with 15.5k pages viewed. This is a 150% increase over viewing this time last year and over 200% increase in the number of pages viewed, reflecting increased awareness and the larger amount and range of information available.

North Weald Airfield event - A locally based company is continuing with its plans to create a destination event at North Weald Airfield for 2019 and has recently appointed a new event manager with responsibility to take this forward.

3. Business Support

Business Rates – The Team has produced a mini version of its One Business Briefing to accompany the Non Domestic Rates Bills that will go out in March. The Briefing highlights current funding and support programmes open to businesses locally in order to encourage take-up and also appeals to businesses to provide us with a contact email so that the Team can keep them updated about it works and future business finance, support, events etc.

South East Business Boost visit to businesses – South East Business Boost (SEBB) is a capital grants scheme for business growth. The Team is working with SEBB to coordinate an industrial/business estate visit in the district in February to encourage local access to the Programme.

4. Skills

Epping Forest District Skills Board - The Board held its inaugural meeting on 04 December chaired by Cllr Mohindra and hosted by Epping Forest College. Those attending included representatives of leading local employers plus representatives of the District and County Councils, the DWP and Epping Forest College. After introductions and a presentation with overview on the district's current economy, employment and education and training, a wide ranging discussion took place around current and future skills needs, the changing nature of

business and training and recruitment. As a result of the meeting, a number of people agreed to explore identified opportunities further. It was agreed that this board, together with additional representation (some invitees expressed a wish to be involved but were unable to attend on this particular date) should meet on a regular basis and that the next step was to decide upon priorities and agree a work programme with key timelines. The next meeting will take place in February.

5. Food Sector

Closing the Gap: State of the area's food industry – The Lea Valley Food Board report is now finished and will be launched at an event in February or March 2018.

BioBoost Project - The Team continues to work with the Food Board on this. Currently we are compiling a programme of events for 2018. This is to showcase the various projects within BioBoost in order to fulfil our communications commitment to the project.

Epping Forest Shopping Park – The Epping Forest Shopping Park is proving popular with shoppers, with healthy trading levels reported throughout Christmas and the New Year. Negotiations are ongoing with prospective tenants for the three remaining units, with one unit likely to complete terms by the middle of February. The associated Highways improvements for the Shopping Park are also complete, with the one outstanding matter of additional safety railings at the junction with Borders Lane, to be installed this month. After concerns raised about the safety of pedestrians utilising the crossing at the end of Oakwood Hill Road, Essex County Council have been asked to review the possibility of the crossing having pedestrian controlled lights. To date no response has been received, however officers will pursue.

Report to the Council

Committee: Cabinet

Date: 22 February 2018

Subject: Environment

Portfolio Holder: Councillor W Breare-Hall

Recommending:

That the report of the Environment Portfolio Holder be noted.

Waste Management

A review of the existing recycling-bank sites within the District has commenced. The review will identify usage, including tonnages and the types of material collected, to determine whether it is financially sensible for the Council to continue providing these sites. The review is being undertaken mindful of the fact that the Council offers a comprehensive door step recycling collection service, with no limit on the amount of recycling that can be presented.

It is estimated that it costs Essex County Council, who are the Waste Disposal Authority, £1.5 million a year to pay for the disposal of clothes that could be reused. 99% of used textiles are recyclable. As Members are aware, this Council offers a comprehensive textile collection service, allowing residents to present their unwanted clothes in a carrier bag on any collection day for them to be taken away and reused or recycled.

The clothes collected in Epping Forest are transported to a sorting warehouse in Canning Town, where each item is checked by hand and those that are of sufficient quality are separated, baled together, and exported to countries overseas. The journey from a doorstep in our district to a community market in Africa or a shop in Eastern Europe takes our discarded clothes about four weeks. Items unsuitable for reuse are separated by their material type to be recycled. Absorbable materials, such as cotton and linen, will be cut into industrial wiping rags. Other materials, such as wool, will either be shredded and made into felt or pulled to make new yarn.

DCLG Recycling Rewards

As previously announced, we launched Epping Forest Recycling Rewards late last year, the funding for which was provided by the Department of Communities and Local Government (DCLG). The Scheme consists of recycling incentives for up to 100 blocks of flats across the District, consisting of around 1600 properties.

All of the 75 businesses signed up to the Scheme are now represented on the Recycling Rewards web site and mobile app. We have sent the first business update newsletter and charity partner newsletter, which act as reminders of how the Scheme works and what we have done so far. Scheme members receive their e-newsletter at the end of each month. January's included information on what could be recycled; what contamination is, and a reminder not to put polystyrene in the recycling.

430 residents have so far activated their rewards account, representing 26% of the total number of households in the scheme. As Epping Forest Recycling Rewards is the most

recent rewards scheme to be launched this is a positive start. A comparison with other schemes is listed below:

- Bexley 31%
- **Epping Forest 26%**
- LB Hackney 25%
- Waltham Forest 25%
- St Helens 12%
- Kings Lynn 5%
- Coventry City Council 2%

We plan to introduce a web-based module in May for the Recycling Rewards Scheme, called the Food Waste Challenge. This module will inform members what can be placed in the kitchen food waste caddy; tips and ideas on how to reduce food waste, and useful hints on items that might be missed e.g. coffee grounds and cooked food. It also explains how food waste is recycled and what the end product is.

Residents have the opportunity to vote for one of their favourite charities to benefit from an annual donation. This year's Recycling Rewards charity partners are: Epping Forest Community Transport; Epping Forest Food Bank; Chigwell Riding Trust, and Safer Places. They will each receive a share of the total sum donated.

Grounds Maintenance Service

During January, the South East of England (along with many other parts of the UK) experienced some severe weather conditions. The exceptionally high winds kept the staff of the Grounds Maintenance Service busy dealing with numerous phone calls reporting fallen or dangerous trees, and then organising the required clear-up operations. The team dealt with various requests for help from the County Highways Department and local Police, to remove fallen trees and branches blocking roads and footways. Members of the public also reported hazardous trees in gardens and open-spaces that required inspection and making safe.

Like all of us, the team are hoping for a more settled period of weather, which will allow them to progress with their planned winter-work programme, including tree and shrub planting, before the motor-mowers are dusted off for the first grass cut of the year in March.

Drainage and New Development

After a relatively dry October and November, December saw well above average long term rainfall and, on occasion, storm conditions across the District. Localised flooding was experienced in a number of locations and the Engineering Drainage and Water Team were called on to identify problem assets and advise residents on the best course of action to both remedy issues and to protect against future 'rainfall events'. The Environment Agency issued a number of Flood Alerts during the period covering the rivers Roding, Stort and Lea but, whilst the rivers did respond to the rainfall, no overtopping occurred. It's highly likely we will have further 'rainfall events' in the coming weeks and months so the Team continue to monitor and maintain the Council's three Flood Storage Areas, 50+ storm grills and key watercourses to ensure they remain in the best possible condition to deal with future events.

On the planning side of the Team's drainage responsibilities, 2017 saw an all-time high of just over 1200 planning applications that required assessment to ensure the drainage designs were robust and met both local and national standards. With the Draft Local Plan now at the submission stage, more credence can be given to the draft policies within the

Plan, so the Team can be more stringent when assessing new applications to ensure they meet the very latest technical requirements. Ensuring good drainage principles will also dovetail in to the requirement to Master Plan some of the larger development sites that are currently proposed around the District, and this area of work is expected to ramp up later in the year as developers start to engage with the Local Plan team.

Fly-tipping

Fly-tipping incidents continue to remain at a high level, with some areas in Stapleford Abbots being particularly badly hit with commercial sized fly-tipping.

It is tempting to link the increase in fly-tipping in these areas to the restrictions imposed by Essex County Council on the Recycling Centres for Household Waste (RCHW) in Chigwell and elsewhere. However, most of the new fly-tips in this area appear to be from commercial waste sources, of a size and content that should never have been legitimately taken to the RCHW.

Officers are attempting to cover some of the areas with covert cameras. However, cameras in rural areas often rely on batteries that limit their effectiveness and increase the level of maintenance. There is currently no ideal solution for covert CCTV monitoring in many rural locations.

“Fly-tipping - It’s a crime not to care”

The Council’s Environment & Neighbourhood Manager recently participated in the final “crime not to care” campaign film, highlighting our shared responsibility for reducing fly tipping. If Members would like to watch the campaign films they are available via the Council’s YouTube web page.

The message is a simple one; if we all care enough to check who we hand our waste to and keep our waste out of the hands of rogue traders, we will reduce fly-tipping. I encourage all Members to continue to spread the word and raise the profile of the important waste “duty of care” law.

Linked to the “crime not to care” campaign and enforcing the household “duty of care”, the Government are currently consulting on the introduction of a new fixed penalty notice (FPN) for household waste “duty of care” offences as an alternative to prosecution: <https://www.gov.uk/government/consultations/reducing-crime-at-sites-handling-waste-and-introducing-fixed-penalties-for-waste-duty-of-care>

The Environment & Neighbourhoods team support the introduction of an FPN to deal with this type of offence as a proportionate and less costly enforcement tool than prosecuting in court. FPN income can also be used by the Council to fund further enforcement and education, and publicity around the introduction of a new FPN should help raise awareness of the problem and what we can each individually do to help reduce it.

If any of us use someone else to dispose of our waste that third party must have a waste carriers licence issued by the Environment Agency. However, it’s fair to say that obtaining a licence is little barrier to rogue traders. Accordingly, officers are working with Essex County Council Trading Standards (TS) and the Waste Recycling team to try and establish a “Buy with Confidence Scheme” for waste disposal companies. The Scheme would rely on companies agreeing to be audited by TS and paying a fee to join and be listed on the Scheme’s website. Officers are currently in the process of identifying local companies to assess the level of interest.

Fixed penalties for fly-tipping

Environment and Neighbourhood officers have recently identified a number of small scale fly-tippers and are offering the offenders the opportunity to pay fixed penalty notices (FPNs) of £200 for these incidents. From 1 April 2017 to date, officers have offered 11 FPNs for fly-tipping incidents. 10 of these have been paid resulting in a total penalty of £2000. The use of FPNs for fly-tipping is under-reported because no offence has been formally admitted. However, FPNs are an effective way of dealing with low level fly-tipping carried out on a non-commercial basis.

Fly-tipping on Claypit Hill, Waltham Abbey

Mr Loredan Ilias, of Gascoyne Road, London E9, was ordered to pay a fine and costs amounting to £1686.81 after pleading guilty to fly-tipping on Forest land in Claypit Hill, Waltham Abbey. The Magistrates also ordered Mr Ilias to pay compensation for clearance of the waste of £150 to the Corporation of London.

Evidence gathered by the Council's Environment & Neighbourhood team led to a prosecution in Chelmsford Magistrates Court with an eventual hearing on 14 December 2017. Mr Ilias admitted to fly tipping paving stones, rubble and roofing material from a Mercedes Sprinter van on 10 January 2016. He had failed to attend a number of hearings in 2016, leading to a warrant being issued for his arrest.

Report to the Council

Committee: Cabinet

Date: 22 February 2018

Subject: Finance

Portfolio Holder: Councillor G Mohindra

Recommending:

That the report of the Finance Portfolio Holder be noted

Accountancy

This is always a very busy time of year for the Accountancy Service with the work to compile the budget and produce a variety of reports to the many meetings that consider the budget. As there is a separate report on the budget I will not say anything more about the financial position here.

One of the reports that comes as part of the budget package covers the Council's approach to Treasury Management. As we have £185 million of borrowing and £30 million of investments this is a key part of our financial management. To aid Members in understanding this complex area a training seminar is provided annually. This event took place on 23 January and was well attended. If any Members are interested in Treasury Management but were unable to attend copies of the slides are available from Accountancy.

The quarter three position on the key performance indicators will be considered at the March meeting of the Finance and Performance Management Cabinet Committee, but I will take this opportunity to give a brief update on the various indicators for Finance.

The key performance indicator for Accountancy is concerned with how quickly we pay undisputed invoices. Currently 97% of undisputed invoices are paid within 30 days, this is in line with the target and an improvement on the position at the end of the second quarter. A tighter target is in place for local suppliers who we try to pay within 21 days, performance on this target improved by 2% in quarter 3 to 87%.

Benefits

For Benefits there are key performance indicators covering the processing of both new claims and changes of circumstance. At the end of the third quarter new claim processing is just behind the target of 21 days with performance at 21.1 days. This is an improvement on the second quarter figure of 21.82 days. The other processing indicator for changes of circumstance is currently at 7.35 days which is better than the target of 9 days. Performance on both indicators usually improves in the fourth quarter so I am confident that the targets will be achieved at the year end.

Revenues

The key performance indicators for Revenues cover the in-year collection rates for Council Tax and Non-Domestic Rates. At the end of December the collection rate for Council Tax was 77.74% which was behind both the target of 77.84% and last year's collection rate for the third quarter of 78%. This is primarily because a number of dwellings came onto the valuation list late in the quarter. It is anticipated that this income will be collected over the rest of the year and that the annual target will be achieved. Non-Domestic Rates is ahead of the target of 78.06% with 78.19% having been collected, this also exceeds last year's performance at this stage of 78.02%.

There has been some adverse publicity for local authorities that have not fully utilised their shares of the £300 million of funding the Government made available to assist businesses facing increased non-domestic rate bills. I would like to take this opportunity to reassure Members that our share for 2017/18 of £299,000 will have been fully utilised by the year end in accordance with the scheme approved by Cabinet in October.

Report to the Council

Committee: Cabinet

Date: 22 February 2018

Subject: Housing

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Housing Portfolio Holder be noted.

Housing Allocations Scheme

At its meeting on 1 February 2018, on the recommendation of the Communities Select Committee, the Cabinet agreed the Council's revised Housing Allocations Scheme.

The most significant changes to the Scheme are as follows:

- That any new applicant or applicants that have lived in the District for less than seven years (which is currently less than 5 years) will not qualify, with those already on the Housing Register being protected from this change
- Any person or member of an applicant's household who has committed acts of unacceptable behaviour within the last seven years (previously 3 years) as defined under the Scheme will be non-qualifying
- Any home seeker who refuses two offers of suitable accommodation for which they have expressed an interest within any period will be non-qualifying for a period of two years (which is currently one year)
- Homeless applicants to whom the Council has accepted the full duty will continue to be made one offer of suitable generally flatted accommodation. But, in order to discharge its main homelessness duty, the Council will offer homeless applicants a 2 year Secure (fixed-term) Tenancy to give some temporary stability in order to prepare them to make their own arrangements thereafter. The Council has separately sought external legal advice on this proposed change from Stephen Knafler QC who advised that this approach is legal provided the offer of accommodation is suitable and the Council retains its duty to provide housing advice and assistance to any applicant who becomes unintentionally homeless from the accommodation during the fixed-term

The revised Housing Allocations Scheme will take effect from the target date of 1 July 2018.

Housing Revenue Account (HRA) Financial Plan – Quarter 3 Review

The Council's HRA Business Planning Consultant undertakes a quarterly review of the Council's HRA Business Plan. The outcome of the review reports for Quarters 2 and 4 are reported twice a year to the Communities Select Committee in March and November, with the reports for Quarters 1 and 3 considered by officers and myself.

Due to the postponement of the previous meeting, the Select Committee considered the Quarter 2 Report at its meeting in January 2018. The Quarter 3 Review Report has now been received, which concludes that, in the long term, the HRA is viable in that:

- The HRA remains above the minimum £2million (inflated) balance throughout the period of the Plan;
- The HRA will be debt free and return to its prior position of a negative balance on the HRA CFR of £31.888million; and
- There are no unfunded capital works.

Initial Scoping Report on the rationalisation of sheltered housing assets

At its meeting earlier in February, the Cabinet considered an initial scoping report from the Communities Select Committee on a proposal that the amount of low-demand sheltered housing in the Council's ownership should be reduced and the resultant vacant land or buildings redeveloped.

In recent years, there has been a sharp decline in the popularity of sheltered housing, with older people tending to prefer to remain in their own homes for much longer, until they need to move directly into independent living, residential or nursing accommodation – which has resulted in many vacancies in sheltered housing becoming difficult-to-let. At the same time, the Council has increasing numbers of local people registered on its Housing Register in need of general needs housing.

The Cabinet therefore agreed in principle that, in the long term, the Council should reduce the amount of its low-demand sheltered housing, through decanting the existing residents at some sheltered housing schemes to other suitable accommodation and then developing the resultant vacant land or buildings. It was also agreed that an appropriate number of schemes should be identified by officers for potential redevelopment in the medium to long term, having regard to an agreed criteria.

The Cabinet also adopted a Sheltered Housing Standard that the remaining sheltered schemes should meet, to provide decent accommodation that is fit for future purposes.

It was agreed that the Select Committee should give consideration to the next steps in the process at a future meeting. However, we noted the caution from the Select Committee that such a proposal would need time and careful, sensitive planning to execute.

Council House-building Programme

Phase 1

Subsequent to the Council determining the Phase 1 contract with Broadway Construction Ltd (BCL), the recovery work was completed by P A Finlay & Co Ltd on the 31st October 2017, with the last two homes on the Red Cross site being handed over and occupied. The homes built are now in the defects liability period, which will end on the 31st October 2019.

On 22 November 2017 the Council received a notice of Adjudication, which was referred by BCL. The dispute concerned the termination of the contract by the Council on 1st June 2016. BCL maintained and claimed that the termination was wrongful and constituted a repudiatory breach of contract. The decision reached by the Adjudicator, which was received on 2 February 2018, is summed up, in short, as a win for the Council. The headlines are as follows:

1. Of the 18 delay events put forward by BCL, the adjudicator has found that all but two of the delays were the responsibility of BCL;
2. The Council was justified in serving the Default Notice as a result of Broadway's failure to proceed regularly and diligently with the work;

3. BCL did increase its level of resources following the Default Notice, however, BCL failed to increase the labour levels to a level to address the remaining works on the critical path and thus continued the specified default of failure to proceed regularly and diligently for 14 days;
4. The Council was therefore entitled to terminate the contract;
5. The termination was not unreasonable or vexatious;
6. BCL is liable to the Council for damages;
7. The Council is not prohibited from retaining or withholding liquidated damages prior to and following the termination of the Contract; and
8. As BCL has been unsuccessful in this adjudication, the adjudicator has found that BCL shall be primarily liable for the adjudicator's fees and expenses in their entirety.

Phase 2

Works on site are progressing at various stages across the site. It should be noted that a 17 week extension of time has been granted to the contractor due to additional unexpected ground contamination. The extension of time that has been granted also incurs a loss and expense amounting to around £680,000. The Contractor is currently forecasting a further 9 week delay with completions expected at the end of August 2018.

Phase 3

Works across all of the Phase 3 sites in Epping, Coopersale and North Weald are progressing well, with the exception of Queens Road, North Weald, which has a delayed start due to the need to relocate a power sub-station and relocate the underground mains cables.

The actual and anticipated completion dates for each of the sites are as follows:

Bluemans End, North Weald -	31st January 2018
Stewards Green Road, Epping -	7th March 2018
London Road, Ongar -	17th March 2018
Parklands, Coopersale -	31st May 2018
Springfield, Epping -	28th June 2018
Centre Avenue, Epping -	28th June 2018
Queens Road, North Weald -	October 2019

Phases 4-6

In September 2017, East Thames, who are the Council's Development Agents, gave notice in accordance with their contract that they wished to end the arrangements for them to act as Development Agents on behalf of the Council. A 6-month exit management term is now in place, ending on 9 March 2018 to enable as smooth a hand-over as possible.

Having undertaken a review of lessons learnt across previous phases of the Housebuilding Programme, rather than re-appoint a replacement Development Agent, the Council intends to approach future phases slightly differently by appointing a multi-disciplinary team of consultants and contractors directly. Most importantly, the Council will be looking to de-risk the below-ground works, which has led to the extra time and cost across most of the Phases 1-3 sites, by undertaking more detailed ground investigations and agreeing the designs for contamination, drainage, foundations and detailed layout designs prior to appointing the Contractor. The Council will also appoint its own Clerk of Works to inspect the works on site. These appointments are now subject to an ongoing EU-compliant procurement exercise.

In order to maintain continuity for the sites currently in progress, the Cabinet Committee has agreed to novate the appointment of Pellings LLP, who is currently in contract with East Thames, direct to the Council. Based on the fees paid to East Thames, which were agreed following a competitive tender exercise, there will be an overall saving of £550,000 to the Council by novating the contract on their current terms.

Fire safety in Council-owned properties

In January 2018, the Communities Select Committee considered a report on fire safety in Council-owned accommodation. The Committee heard that each of the Council's flat blocks has an up to date and valid Fire Risk Assessment (FRA), for which the Essex County Fire and Rescue Service has undertaken detailed site inspections of the blocks that are 5-storeys tall. A letter of assurance has now been received from the Essex County Fire and Rescue Service confirming that the findings of the FRA's for each of the blocks are satisfactory.

Following the events of the Grenfell Tower fire in June 2017, the Select Committee has asked that a feasibility study be undertaken to advise on the possibility of installing sprinklers in each of the Council's sheltered housing sites, as well as at Norway House and Hemnall House. The Select Committee also agreed that the Council's policy should be changed from a "Stay Put" approach to a "Stay Safe" approach, which allows residents to use their own judgement of the situation whether or not to stay in their home or to get out in the event of a fire.

It was identified that there is a need to create a comprehensive Fire Safety Policy that captures everything that the Council is already doing to identify fire risks and prevent fires from occurring in its housing stock. The Policy will be considered by the Communities Select Committee at a future meeting.

Corporate Enforcement Policy

As a regulator we must ensure that our approach to regulatory activities is both consistent and transparent, this includes publishing our service standards, clear information on our enforcement policy and explain how we respond to non-compliance.

Presently each service area produces its own Enforcement Policy leading to a duplication of effort and potential inconsistencies from one service to another. The Housing Service has therefore been leading on a project to bring the existing Corporate Enforcement Policy up to date with the Regulators Code. A consultation amongst officers is currently underway; following this consultation the draft document will be circulated via the Council Bulletin for consultation with members, prior to consideration and adoption by the Cabinet.

Where necessary, this overarching policy will be supplemented by much shorter service specific documents, to be approved by the relevant portfolio holders.

Report to the Council

Subject: Leisure & Community Services

Date: 22 February 2018

Portfolio Holder: Councillor H Kane

Recommending:

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

Community, Health and Wellbeing

Health & Wellbeing

Following a range of consultation with key stakeholders, I am delighted to advise Members that we now have an Epping Forest District Health & Wellbeing Strategy 2018-2028. The strategy was signed off by the Health & Wellbeing Board in January and will be officially launched at a stakeholder event on Wednesday 28th March, along with the new Essex –wide “LiveWell in the Epping Forest District” brand and associated website.

The Health and Wellbeing Strategy was developed by the Council over the period of three months, in collaboration with partners including the West Essex Clinical Commissioning Group, Essex County Council Public Health Team and a wide range of local health providers. Signed off by the Leader of Council, the vision underpinning the strategy is for the *‘Epping Forest District to have a culture and environment that promotes and supports good health and wellbeing for everyone’*.

Aligned with the strategy is a partnership action plan that will be reviewed annually by the EF Health and Wellbeing Board, which sets out the key objectives of the three, multi-agency thematic groups of “Early Help & StartWell”, “Be Well, StayWell & WorkWell” and “AgeWell”. These groups will be responsible for facilitating the delivery of health improvement initiatives for children, young people and adults of all ages and abilities within the district.

“Livewell” Branding

In order to support local health and wellbeing agendas, every local authority in Essex has signed up to the “LiveWell” brand and associated website platform. The Essex website, which is funded via Public Health (Essex) was launched in January and I’m delighted to that the “LiveWell in the Epping Forest District” brand will be formally launched, alongside the strategy. Residents will be able to access information relating to a plethora of local health and wellbeing activities and events via the website, therefore encouraging people to become more active and engaged in their local communities.

Livewell Child Project

As part of the overall campaign, we have a Livewell Child Project, which is due to be delivered in two local primary schools starting after the February half term. The aim of the project is to help children learn about what constitutes a healthy lifestyle through a 20 week course that will cover topics such as food label reading, portion sizes, healthy choices and physical activity. The project will be launched at each school with a breakfast forum involving the parents and will end

with an assembly developed by the children themselves and presented to their parents and their school. The first schools to receive Livewell Child are HillHouse Primary School in Waltham Abbey starting on the 20th February and Thomas Willingale School in Loughton starting on the 26th February. Ongar Primary School is expected to confirm its involvement in the project shortly.

MiLife Adolescent Mental Health and Wellbeing Project nominated for national award

Another excellent piece of news, which covers both my Portfolio and Safer, Greener and Transport is that our Epping Forest Youth Council MiLife Project has been announced as a finalist at this year's High Sheriffs **National Crimebeat Awards**, on 18th April 2018. A team consisting of officers, youth councillors and our voluntary sector partner Red Balloon Company, will have the opportunity to deliver a presentation about the work they have been developing through the MiLife project. The project was nominated by Mr Simon Hall MBE, in his capacity as this year's High Sheriff following him being given a presentation about MiLife, during his district wide visit. The effects of mental health problems within society are well documented within the media and the MiLife project aims to build a positive approach, build resilience and remove the stigma surrounding it. To be a finalist at this prestigious ceremony is a fine accolade for the Epping Forest Youth Council and Epping Forest District Council.

Epping Forest Youth Council elections

Election time is upon us for the next cohort of Epping Forest Youth Councillors, with elections taking place between 5th & 23rd of March. Our officers have been visiting local secondary schools to promote the benefits of becoming an Epping Forest Youth Councillor and nominations closed on Friday 16th February. Once again, there will be 25 seats available to our young people. These 25 seats are made up of 2 candidates from each school within the district, plus 2 from Epping Forest College and 5 independent seats. The Community Health & Wellbeing team is supported by Democratic Services to ensure that our young people experience democracy as if they were voting in district or national elections.

Our Youth Councillors continue to support and represent their peers and once again tackle the issues facing them. Notable projects over the last two years have included the very successful MiLife project and their anti-drugs project, which involved them litter picking 'Legal High' drug capsules in play parks and will see anti-drugs posters displayed on local buses.

Grant Aid

The allocation of the Council's Grant Aid scheme funding has now been completed for this financial year. Over 2017/18, we received 38 applications for Grant Aid funding for a wide variety of projects and in total, £83,450 was awarded to the successful groups. The Grant Aid scheme aims to fund projects that address the needs, aspirations and issues of the people of our community and make a real difference for residents. The groups in receipt of funding cover a wide section of the district and an equally wide range of services and equipment. Successful groups include sports clubs, village halls, youth groups, churches and water rescue services. The groups have used the funding for a variety of items including playground equipment, repairs, radios, defibrillators, sports equipment, counselling services, tents, gardening equipment and much more.

New Strength and Balance Classes

To meet the needs of our ageing population and those leading more sedentary lifestyles, a series of new strength and balance classes are being delivered throughout the district, to help people improve their balance and co-ordination. The classes aim to help increase strength, mobility and flexibility as well as improving people's posture and stamina, which all helps to

prevent falls and resulting fractures. We currently have classes in Buckhurst Hill, Epping, Loughton, Ongar and Waltham Abbey for people of all ages and abilities, which are delivered by our experienced and qualified instructors.

February Half Term Holiday Activities

The half term holiday programme proved to be hugely popular and successful with two multi-sport days in Epping and Waltham Abbey with over 60 young people attending. There was also a sold out Valentine's cake decorating workshop for young people and the ever popular play in the forest. Easter, May Half-term and summer holiday programmes are all in advanced planning stages and further details about Easter will be made available to the public shortly.

Disability Inclusion Project

Our very successful Disability Inclusion Project has recently passed a quality assessment carried out by Action for Children, who are the project funders. The project was praised and congratulated for the wide variety of activities offered to children and young people with disabilities and for the large number of families that take part and benefit from the project. Our February half term inclusion activities were all sold out and additional bounce and swim sessions were organised, to cope with the level of demand. As well as offering the regular holiday activity programme, sessions are provided during term-time, with a range of activities for children and young people with disabilities.

Museums, Heritage and Culture

No Borders - Arts Council England (ACE) Funded Project

Following the launch of the new cake and coffee area at Lowewood Museum – the service has seen a sharp rise in sales of beverages and shop items, with conversion rates (number of visitors who make a purchase) rising from an average of 10% to 50%. This has additionally been helped by the new purchasing regime, which has seen a wide range of new items purchased for sale in both EFDM and Lowewood Museum.

Culture without Borders Development Trust (ACE Funded)

We have now appointed 10 of a maximum 11 trustees for the Cultural Development Trust and an initial shadow board meeting was held in January, closely followed by two familiarization and induction events. The most recent board meeting was held on the 19th February 2018 and we are gradually identifying key skills and abilities of Trustees. I am pleased to advise that the Trust is registered with Companies House and the legal company acting for us in this project have submitted the trust for registration with the Charities Commission. We are anticipating that the trust will be fully launched by the end of March 2018.

New Museum Guidebook (ACE Funded)

An excellent addition to our museum shop items is soon to be a new Epping Forest District Museum Guidebook, which is currently out to print production. I am personally very excited about the guidebook, as it is taking the format of the story of the Epping Forest District through 30 of our museum objects and it explores the entire district via the museum's collections. It is a beautiful and very interesting publication and we hope that we will also be able to put it on sale at a range of other venues across the district.

A smaller guidebook is being produced for Lowewood Museum following a similar theme and this will also be funded through our grant from Arts Council England. Photography of the objects has just been completed for the Lowewood book and we hope that both books will be on sale in the next couple of months

Father Christmas and Christmas market events

Although it seems like a long time ago, I wanted to report back on the successes of the festive activities at the Museums as our numbers of attendees were higher than ever before.

Our ever popular Victorian Father Christmas attracted over 300 people to the museums on the two days and over 300 people engaged with our staff at the Christmas markets in Hoddesdon and Epping. In addition to the opportunity to visit Father Christmas, MHC also provided a range of craft activities at EFDM, and through the No Borders project, local restaurants were engaged in the provision of a mini cultural food festival in the Museum garden, where they offered taster menus, bringing the Community together to see how different cultures celebrate during this period.

Loughton Voluntary Care Older People's Dance Sessions

After a successful pilot project in 2017, the seated dance / exercise sessions have been relaunched at The Loughton Club on a Tuesday afternoon. These have been devised in partnership with Loughton Voluntary Care who fund the project to support the health and wellbeing of the older community in the Loughton area. Using a range of visual arts and dance and fitness techniques, the sessions provide local residents with the chance to express themselves through creativity whilst developing strength and stamina, a sense of wellbeing and social interaction. Each session is currently attended by 15-20 participants and the aim is to develop something in a similar strand at the District Museum.

First World War Projects – Stephen Warner

The deadline for the exhibition of the First World War project is now in sight and the outreach of the project has increased significantly, surpassing the outcomes initially set-out and agreed with our major funders, the Heritage Lottery. Volunteers have managed to contact descendants of the comrades who served with Stephen Warner that he mentions in his diaries. These individuals are based in Harrow, Middlesex and Spain and they have been willing to assist with the research, increasing our knowledge base for the exhibition and they have all mentioned an interest in visiting the exhibition. In addition, we have a small group of students based in Krakow, Poland who are volunteering remotely to plot the location of Stephen's time in the First World War, with quotes pinpointed online on a Google Map. Finally at Hertford Regional College (Ware campus) we are committed to producing a graphic novel with the Art and Design students, and we are now using the subject matter, quotes and material across the college to engage animation and print-making students as well. The story of Stephen Warner is known to a much wider audience and there will be more digital and visual output in the form of animation and artwork for the exhibition which will benefit the future interpretation and understanding of the First World War.

Business Planning

As part of the requirements for accreditation with Arts Council England, National Museums Accreditation scheme, we are required to produce a new five year business plan for MHC covering the period 2018 – 2023. With funding support from Share East we have been able to commission Anne Millman, a highly regarded museum planning specialist, to facilitate a number

of workshops including a very useful stakeholder event with a range of our partners and key users to help inform the business plan. It is anticipated that the new plan will also be helpful for our new development trust and will be useful in supporting applications to potential funding bodies.

Also as part of our business planning process, Museums, Heritage and Culture have been successful with an application to the Local Government Association (LGA) for them to undertake a peer review of the service. This is part of a scheme funded by Arts Council England.

Leisure Management Contract

Good progress continues to be made on the construction of the new Waltham Abbey Leisure Centre. The building is now watertight with the steelwork and cladding being erected from mid-December. Both pod tanks have passed their tests of water tightness and work is progressing on the internal layout. At present there are no significant cost issues ensuring that the new Leisure Centre is still programmed to be opened to the public in November 2018.

The new Movement Studio at Epping Sports Centre has been commissioned and along with the new Virtual Spin Studio is proving very popular. Work is ongoing to extend the Fitness Suite and a good deal of marketing and promotion actively is underway to ensure that as many people as possible benefit from the new facilities.

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Report to the Council

Committee: Cabinet

Date 22 February 2018

Subject: Planning and Governance Portfolio

Portfolio Holder: Councillor J Philip

Recommending:

That the report of the Planning and Governance Portfolio Holder be noted.

1. Development Management

The latest income figures indicate that while there has been a slight dip in income for Development Control, the increase in planning fees and better performance by Building Control indicates that overall income for both Development Control and Building Control is very positive with the expectation that the revised budget targets will be met.

Building Control income for January 2018 (Period 10) was £31,996 (January 2017 £23,305) as compared with the recently increased revised budget requirement of £32,310. Year to date income for Building Control up to January 2018 is £463,405 (January 2017 £388,039) which indicates Building Control is £75,366 better off in January 2018 compared to January 2017.

In order to match the upwardly revised budget of £530,000 for the year, Building Control needs to achieve an income of £67,000 for February and March 2018 which is quite likely considering that the revised budget for February and March 2018 is £94,560.

Therefore it is likely Building Control will meet the revised income of £530,000 for 2017/18 particularly as the actual for ten months plus budget for two months is £557,965.

There are a number of positives that illustrate the strength and resilience of Building Control within the competitive building control service;

- Building Control turnover has increased by 30% since 2014/15 when comparing turnover of £408,000 with 2017/18 budget of £530,000;
- During this period Building Control has taken steps to develop and train two Building Control Surveyors (40% of the surveyor establishment); and
- Building Control is actively seeking different income streams against a background of competition from Approved Inspectors as well as working hard to improve links with partners and architects.

Income for Development Control for January 2018 (Period 10) was £81,160 (January 2017 £59,810). The year to date turnover is £681,251 (January 2017 £837,442).

Actual income to January 2018 plus two months is £808,421. However planning fees increased by 20% from 17 January 2018 which should have a positive effect on Development Control income.

In addition, Pre-Application income for January 2018 is £88,000 and indications are that this will meet budget of £106,000 for the year.

As a result of the fee increase it is likely that Development Control will come close to the revised budget of £840,000 for 2017/18 and that overall income should reach £950,000 for 2017/18.

2. Local Plan

An extraordinary meeting of the Council on 14 December 2017 agreed to publish the Epping Forest District Local Plan Submission Version 2017 for a six week period from 18 December 2017 to 29 January 2018 in accordance with Regulation 19 of the Town and Country Planning Regulations 2012. About 1,000 representations have been received and are currently being logged and coded ready for submission to the Planning Inspectorate together with the relevant supporting documents for independent examination by the end of March 2018.

A Programme Officer, Louise St John, has been appointed to liaise with the Planning Policy Team and the Inspectorate and to provide administrative support to the Inspector and the Council as appropriate for the examination. She will be helping to ensure that the representations are presented to the Inspectorate in the appropriate format and will help to organise and maintain the library of examination related documents. One of the first tasks will be the establishment of an examination page on the Council's website. Louise is very experienced and has recently undertaken a similar role for the examination of the East Herts District Local Plan.

3. Implementation of the Local Plan

In December 2017, the Department for Communities and Local Government (DCLG) issued a prospectus for the Planning Delivery Fund which is part of the resource funding announced in the Housing White Paper. The Council submitted a bid for funding for 2017/18 and 2018/19 under the Design Quality funding stream to support the implementation of the local plan. Support under the funding stream is offered to increase design skills in local authorities to ensure that new development meets the Governments ambitions for quality as well as quantity. The Council has sought funding, in particular, to support the masterplanning process identified in the Submission Version Local Plan - £100,000 in 2017/18 and £50,000 in 2018/19. The prospectus advised that funding would be confirmed for 2017-18 and indicative amounts awarded for 2018/19 by the end of January 2018. This will enable the Council to accelerate the Implementation Team recruitment ahead of the bid for £278,010 approved by the Council on 7 December 2017 to fund a team for two years.

In the meantime, work has continued with the promoters of the sites around Harlow and the identification of teams to start the preparation of masterplans. A template for Planning Performance Agreements is being prepared, with discussions ongoing with Essex County Council in order to establish the appropriate costs and the scope of masterplans. Updates will be given regularly on progress.

The setting up of the Quality Review Panel for both the Garden Town and for the District has progressed with the appointment of a Chair – Peter Maxwell who is the Head of Design at the London Legacy Development Corporation and a panel of planning, architecture, urban design and construction experts to provide impartial expert advice in relation to development schemes and proposals. The Quality Review Panel's feedback will be a material planning consideration for local authorities and the planning inspectorate when determining planning applications and will help ensure that new development is of a high quality and contributes to place making. Details of the Quality Review Panel membership and the terms of reference will be placed on the website when these have been finalised.

4. Harlow and Gilston Garden Town

Funding received from the Government, for the Garden Town of £175,000 for 2017/18 has been ringfenced to support the setting up of a Quality Review Panel and to provide support for transport and other evidence based work to help bring the strategic sites forward for development. Consultants are preparing a spatial vision and design charter and separately consultants have been appointed to develop proposals for the implementation of sustainable transport corridors for the Garden Town.

A bid has been submitted on behalf of the Garden Town under the Joint Working fundstream of the Planning Delivery Fund for a total of £119,000 for 2017/18 and £290,000 for 2018/19 to provide support on the preparation of a Garden Town Infrastructure Plan, identifying and setting out all the infrastructure requirements for the Garden Town and its hinterland and to carry out more detailed work to take the sustainable transport proposals to design stage.

A Project Director for the Garden Town has been appointed. Claire Hamilton started on 5 February 2018.

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Report to the Council

Committee: Cabinet

Date: 22 February 2018

Subject: Safer, Greener & Transport

Portfolio Holder: Councillor S Kane

Recommending:

That the report of the Safer, Greener & Transport Portfolio Holder be noted.

Countrycare

Winter work is going well on the sites Countrycare manages. With the help of our volunteers we have achieved some good habitat management.

In Chigwell Row Wood the rides were cleared of bramble and encroaching silver birch and some glades were opened up. In Home Mead blackthorn was cleared and used as a dead-hedge at the boundary of the reserve. Hawthorn, spindle and hazel trees were planted to create an understorey in a bare area of the wood and wood anemone and wild garlic bulbs were planted to give ground cover. At Nazeing Triangle we freed up the hedge of bramble in preparation for laying, resized the gate for wheelchair access and finished the path that was paid for by the Tesco grant. At Old Shire Lane the streams and ponds were cleaned out for better water flow and to allow more oxygen to reach the water and a few trees were felled to create less competition for the remaining ones. We created an orchard at the Millennium Garden in Epping Green by clearing bramble and dog rose from an area of fruit trees discovered in the meadow. Coppicing hazel and pulling of birch saplings took a day at Norton Heath along with creating a dead-hedge and making safe some trees after high winds. At Linder's Field we created better access for machinery on to the site and planted 100 trees.

The hedge laying season continues with hedges finished at Church Lane LNR and Home Mead LNR

On the 4th January, during a woodland task, we planted a tree for the late Gary Waller. It is in Sheering Copse, a woodland that he was keen for us to manage and indeed helped us to do so on volunteer days in the past. Countrycare and the volunteers wanted to mark their appreciation of the support and enthusiasm Gary had had for the Service. Councillor Stalker and the clerk to the parish council came along to help dig.

Parking

Additional off street parking in Loughton Broadway

Following a meeting with the local Members designs for one new and one existing pay and display car parks in Vere Road have been agreed. These plans will now be finalised and a formal planning application will be submitted. Once permission is obtained arrangements will be made for procuring contractors to carry out the necessary works. It is estimated that an additional 42 spaces will be created as a result of this project.

Off street parking surveys in Loughton Broadway

The Council commissioned a survey of the Broadway Car Parks to get more information on the concerns of Local Members and traders regarding the lack of parking due to use of commuter of the Burton Road and Vere Road Car Parks. The surveys, consisting of vehicle monitoring and driver interviews, were carried out on January 22nd, 26th and 27th 2018. I shall share the outcome of the surveys with Members and consider future options.

North Essex Parking Partnership (NEPP)

Members will not be surprised that out of all the potential schemes across NEPP this Council has the highest number of schemes. Over the years we have tried to and have been successful in getting more than the normal share of scheme. Each authority gets to nominate 6 schemes a year and we have in the past had more schemes approved.

However I am conscious that some of the schemes on our list date back many years and it is not always clear that sufficient local support exists. Some schemes consist of a single resident request. I therefore propose to review the scheme list in consultation with local Members and try and remove schemes that may not have local support. With that in mind I will be requesting meetings with groups of Members to try and go through schemes in their area.

Community Safety

Staff Re-structure

There is currently an office re-structure underway within Community Safety, which will see both of the current ASB Investigators reducing their working hours, to accommodate better work/life balance. However, a further investigator has been recruited to cover the available staff hours and she brings a wealth of experience of housing law and dealing with front line ASB cases, having worked with our team on a number of investigations. This recruitment will maintain full time staff coverage across the working week and we believe this will further enhance our high level performance and delivery.

In addition, and in line with Transformation and the LGA recommendations for Decision Making Accountability for the Council, we have re-aligned some roles in the team and particularly safeguarding, as it was identified that both the full time and part time safeguarding roles need to be dealing with the high volume, day to day concerns and referrals, rather than management work such as review and development of policies. This work is now undertaken by the Community Safety Manager and Assistant Director

Anti-Social Behaviour

Following an excellent period of work with the Metropolitan Police (Metpol) Safer Neighbourhoods Team, the ASB Officer (South) has supported an application made by them at Colchester Magistrates Court, for a Criminal Behaviour Order for a male frequenting Limes Farm Estate. The application was successful and included evidence in relation to a series of ASB carried out at Limes Farm, by the male from the Hainault area, who has been banned from the estate due to the likelihood that he will bring gang related activity with him. Notices have been posted locally by Community Safety advising and reassuring residents of the ban and requesting that police are called, if he is sighted. Any breach of prohibition is a criminal offence with police having the power to arrest. The penalty for a breach of order is 6 months imprisonment, or a fine, or both, at Magistrates Court, or 5 years imprisonment or fine (or both) if on indictment at Crown Court. This shows the value of the excellent cross border intelligence sharing processes our investigators have developed with Metropolitan, Essex and British Transport Police services.

Parkguard Patrolling

Subsequent to Cabinet agreement on 7th December to provide funding for additional uniformed patrols of the district, I am pleased to report that the Council has instructed Parkguard, a police Community Safety Accredited uniformed Security Company, to support the district in patrolling ASB hot-spot areas. Initial deployments have been in Epping market due to the frequency of purse dippers targeting the elderly and initial feedback has been very positive from market stall holders and users.

Whilst patrolling the market, officers were able to render first aid and assist an elderly man who had been struck by a car, ensuring the requirement of exchanging details under the Road Traffic Act had been complied with and the injured party taken care of. Patrols are now being extended to other hot-spot areas in the district which include Limes Farm where they will provide public engagement, reassurance and intelligence gathering. They will also ensure reporting of any breaches of the Criminal Behaviour Order. Other areas for deployment are The Broadway, Loughton, Hillhouse, Waltham Abbey and St Margaret's Hospital as part of their Epping deployment where youths have been disrupting services.

The Parkguard Officers are being deployed according to need across the district, on a week to week and day to day basis.

CSE Training

Community Safety have recently hosted two CSE training events in the Council Chamber, which were extremely well attended by Council staff and a range of partners, including representatives from National Probation Service, Community Rehabilitation Company (CRC), Metpol and staff from Transport for London. The training was delivered by the CSE Lead from Essex County Council and was extremely well received by all attendees.

Safeguarding

Following a huge escalation in the number of safeguarding concerns being identified by staff across the Council in November - December 2017, which saw numbers increase to around 45 per month, the number of referrals has stabilised back down to a more manageable amount of around 25 for January. However, it appears that many cases referred to the Safeguarding Team are now very complex and rely on the support and engagement of a range of statutory partners to address them. One such case has been included below for information.

Our Safeguarding Team raised a concern with Essex Police Child Triage Team, in respect of a 14 year old boy from the district, who had gone missing. It is known that the boy was (and is still as far as we know) being groomed by gangs and that he had already been sent to Southampton and Worthing to deal drugs. The case has been referred to Essex Missing and Child Exploitation Group (MACE) and staff attended an Initial Child Protection Team Meeting, where it was agreed that he would be put on a Child Protection Plan for Neglect, which is the closest category that fits his situation. Ongoing liaison is in place with social care and Essex Police on this case.

CCTV

During January our CCTV team received 31 requests for CCTV footage, including from the Police, in relation to a number of incidents in the district, as follows;

- Clear images were provided of a male who is wanted for offences including theft in Epping High St.
- Serious Assault (GBH) in Epping High St, full incident and clear images of victim and perpetrators.

- CCTV captured good images of an assault by door staff on a patron from Club 195. (Police Licensing Team carrying out investigation)
- Various Road traffic incidents captured and passed to Police and Insurance companies for collisions, dangerous driving etc.
- CCTV from Pyrles Lane has led to an arrest of a male who had carried out a street robbery on an elderly person in Debden.
- Clear images of males involved in alleged cash robbery in Buckhurst Hill, passed to Crime Bureau for further investigation.

Specific CCTV Projects:

CCTV Design is now almost complete for both the leisure centre car park and the shopping area in Hill House, Waltham Abbey and the Tender will be sent out end of February to beginning of March.

Phase 1 of the new CCTV system for Norway House will commence on 19th Feb. This is a 3 phase project, which will include CCTV for the new single occupancy pods.

A new CCTV maintenance contract is being procured and will be in place by Oct 2018

Design is finalised for Epping High Street and the next step is to gain planning permission for three new 6m columns to be situated between the Thatched House and Tesco's.

We are currently awaiting the lighting tender for Quaker Lane Car Park in Waltham Abbey and CCTV is ready to install.

Waltham Abbey Darby Drive and Cornmill car parks are complete now and fully operational and we have already had 5 successful uses of footage, for fly-tipping, a vehicle break in and an ongoing investigation into a rough sleeper in Darby Drive.

Fly-tipping: A number of cameras are being deployed to capture large scale fly-tipping in some areas of the district, this is ongoing.

CCTV Strategy 2015-2022: This is currently being reviewed due to the continued growth and demand for CCTV across the district.

Partnership Support: CCTV support has recently been given to Uttlesford District Council, Genesis Housing Association and Ongar Town Council with various CCTV issues, including design, process and policy guidance.

Other Community Safety Partnership Working

Community Safety continue to maintain excellent links with various police teams including Operation Raptor (Gangs Unit), operation Juno (pro-active domestic abuse arrest team), Designing out Crime Officers, intelligence officers, Integrated Offender Management and most importantly the Community Policing Team. Further excellent links have been established with Metropolitan Police Hainault Safer Neighbourhoods Team and British Transport Police.

Report to the Council

Committee: Cabinet

Date: 22 February 2018

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

Apprentices

The apprentices organised and ran the annual Careerfest, which took place at Epping Forest College on the 25 January 2018. This current cohort has been with the Council for 4 months and they are doing well in their placements. All 9 apprentices are on target to successfully complete their qualification and their second placements start at the beginning of March.

The Government provides a bonus payment to employers for each apprentice that remains in employment. The first milestone of 90 days retention has been met by all 9 apprentices for whom the Council received £500 per apprentice, which will offset some of the salary costs.

People Strategy

Officers organised a Managers Conference on 11 January, a first for the Council. Over 70 managers attended 1 of 2 half day sessions, led by Management Board, giving the latest updates on the People Strategy, Accommodation Review and the recently agreed ICT Strategy. Managers also participated in 2 workshops looking at change and the skills needed for the future.

Cabinet Members and Management Board are currently discussing options for how the Common Operating Model is implemented for the top 3 tiers in the Council. A formal report will be submitted to Cabinet in April and any appropriate decisions to Council on 24 April.

i-Trent

The development and implementation of the Council's Payroll system using i-Trent is going well. Officers continue to work in partnership with colleagues in Colchester and Braintree. Currently officer groups are mapping, building and testing the following modules:

- Recruitment
- Health and Safety
- Learning and Development
- Performance
- Time and Expenses

In addition, Members are now receiving electronic pay slips via i-Trent and the computer in the Members Room has been updated with a direct link on to the system. This will minimise any connection difficulties that Members are having in their homes.

The People Team, previously known as Human Resources (HR) are currently piloting the electronic requesting and recording of annual leave using the Employee Self-Service and People Manager modules on i-Trent. A review will take place in mid-February of the pilot and it is planned that electronic annual leave requests for all employees will be live from the 1 April 2018.

Facilities

Works are progressing well to complete the remaining Year 1 Projects from the 5 Year Planned Maintenance Programme for operational and commercial properties.

Orders have been placed for the jetting of landlord's foul and surface water drainage systems at numerous Councils shopping parades, Industrial Estates and General Improvement Areas.

Quotations are being sought for the external redecoration of The Limes Centre in Chigwell and the public walkway adjacent to 42 The Broadway in Loughton. New Security roller shutters and LED lighting were installed at this location recently too.

A letter of intent has been sent to Essex Lift Services Ltd for the refurbishment of 9 passengers lifts on the Limes Farm Housing Estate in Chigwell.

The tender for the replacement of dilapidated single glazed timber windows, doors and roof-lights with new thermally efficient double glazed aluminum units at the Gatehouse at North Weald Airfield has been issued via the Essex Procurement Hub. Submissions are due back by the end of January.

Health and safety improvement works are almost complete at the Townmead depot. Structural strengthening of the perimeter wall has finished and the last section of new security fencing has been fabricated and installation is imminent.

Asbestos containing materials were safely removed by a specialist contractor from the roof space of the Epping Forest Museum over the Christmas closure period. Facilities Management Surveyors, Building Control and the Senior Conservation Officer are all meeting shortly to agree a way forward on insulation products so that the roof overhaul project can progress to tender stage.

Legal

The majority of the Council's title deeds to its land holdings have been registered at the Land Registry and these pre-registration title deeds are no longer required by the Council.

Some of these deeds are historic, whilst others tell the social history of the development of an area. The Legal service has therefore arranged for the pre-registration deeds to be sent to Essex Archives who will review the documents and retain those deeds which it considers are of interest.

Geographical Information System (GIS) Team has prepared a digital Land Terrier which is available to all staff which shows the extent of the Council's land holdings. However, as dealings with land take place each week, it is necessary for members of staff to apply to the Land Registry for office copies which give details of the title and boundaries of the land.

Not all documents affecting land are registered at the Land Registry and the Council's Legal service should be asked to assist if an enquiry is not routine.

Corporate Fraud Team

We have a 6 day Crown Court Trial coming up which is due begin on the 22 January at Chelmsford Crown Court. This trial involves a number of charges relating to social housing fraud including the suspected fraudulent obtaining of a Home Ownership Grant. At least 2 members of the Corporate Fraud Team are being called to give evidence on behalf of EFDC. The Council has already successfully prosecuted the defendant's sister for housing fraud offences.

Technology

ICT have continued the work on putting in place the Project and Programme governance arrangements that will ensure the smooth delivery of the ICT Strategy. Work continues on key projects that have been identified as critical for commencement or completion prior to April 2018 and a full report on these will be taken to the next Resources Select Committee. The most critical of these are the full review of ICT security restrictions and the future security model adopted for laptops. Work is in progress on both of these areas and the future configuration of our laptop provision is now becoming clearer. In tandem with this work we are developing our laptop procurement, which will facilitate home and flexible working, as well the implementation of tools for efficient remote management of these devices. To complete the work on remote working, we are implementing a new remote access solution which is progressing well, we anticipate going live prior to the laptop rollout commencing.

The new members of the team are working well amongst the different sections of ICT. The 2 new posts created in the Technology Strategy, are still in the process of being filled to ensure that the positions are occupied for April 2018.

Agreement has been reached on the extension of 'on-call' arrangement for out-of-hours issues affecting critical systems and this will commence from April. Similarly, the extension of ICT Service Desk provision has been agreed with the team, but final details remain to be confirmed. As part of the enhancement of the Service Desk operation a new feedback system is being implemented to ensure they deliver the best possible service to our internal customers, alongside this our new Service Level Agreements are being put in place.

All existing online forms were successfully migrated before Christmas. We are now in the process of developing new forms for Grounds Maintenance and Building Control to allow for online payments for some of their services, and are working with Community Safety, Communities, Neighbourhoods and Customer Services to develop new forms and processes and enhance existing forms by adding processes and integrations.

The Spatial Information team have been providing support to Forward Planning, aiding and assisting in the production of an interactive public map for the local plan which is now complete and available. Work is now underway to improve the mapping in our online forms using our GIS solution. Following initial testing of our mobile working solution for the Neighbourhoods team, we have been working through the suggested improvements and will begin a second round of testing in the next couple of weeks.

The recent transfer of the control of the Street Naming and Numbering database to the Spatial Information team has gone smoothly. The GIS team is not responsible for naming or numbering properties, their responsibility is to manage the software to record the relevant information.

The new web based application form for inputting names and numbers has been well received by residents and developers, whilst also improving our efficiency in dealing with requests. Testing of a new version of the Gazetteer and Street Naming and Number software is about to begin, once live we will be reviewing processes and procedures to reflect the new functionality to improve efficiency and the customer experience. This will be for both for internal departments that rely on the gazetteer and residents that use services connected to the gazetteer.

Superfast Broadband High Speed Internet

As at January 2018 the network build had reached just over 3,900 premises, this equates to approximately 92% of the planned programme with approximately 84% ready for the service. Work to install the final 2 cabinet areas of the network in Hastingwood and Ongar has now commenced. Wayleave negotiations to facilitate Gigaclear to build part of its network across North Weald Airfield are ongoing. A number of issues that the contractor has faced have impacted on the completion schedule and whilst the majority of the network remains scheduled for completion by 31 March 2018, it is possible that a small number of premises will remain to be connected beyond that date. Gigaclear, in conjunction with the Superfast Essex team, are communicating with residents and Parish Councils to ensure they are kept up-to-date on the completion dates.

Funding for Phase 4 of Superfast Essex's broadband programme was added to the Capital Review programme that Cabinet approved on 7 December. The tender process for this is already underway through Superfast Essex / Essex County Council (ECC) with the bidders' proposals likely to be evaluated in January / February 2018. Economic Development and Finance Officers from the Council will take part in the tender evaluation process. At the point of awarding the contract, the Council will be required to enter into a written agreement with ECC to confirm the £350,000 funding and prior to signing this, a further report will be taken to Cabinet outlining the outcome of the tender process and seeking its confirmation to proceed.

Digital Innovation Programme

Economic Development Officers in conjunction with One Epping Forest, Princess Alexandra Hospital, Essex Partnership University NHS Trust and West Essex Clinical Commissioning Groups (CCG) submitted an application in November to the LGA / Design Council 'Design in the Public Sector' programme. The application was put together as a Digital Innovation Zone (DIZ) project to address the level of A&E incidents amongst the over-75 population of the Epping and Ongar neighbourhood. The team attended a Panel Interview at The Design Council on 12 December and has subsequently been informed that they have been successful. Participation in the programme will begin in February 2018.

A third Smart Places Seminar focusing on Digital Skills for future jobs is planned to take place on 9 February 2018 at Haileybury College in Broxbourne Borough. It is planned that external speakers from business and academic perspectives will bring forward their thoughts on what is coming down the line in terms of digital opportunities and threats, but crucially also to focus back on what businesses, colleges etc. need to do now to prepare themselves and their workforces for an increasingly digital future.

The DIZ Board chaired by myself and Councillor Mohindra as Vice-Chairman, continues to meet on a monthly basis. This cross-border grouping, originally formed of Epping Forest DC, Uttlesford DC, Harlow, East Herts and Broxbourne Councils, Essex County Council, the London Stansted Cambridge Consortium, Princess Alexandra Hospital, West Essex CCG and KAOData has now welcomed representatives of Further and Higher Education and the voluntary sector. The Board has agreed to co-fund and co-commission a digital innovation

strategy for the DIZ. The tender process for the strategy was due to be completed in mid-January with the work to begin immediately upon appointment of the successful bidder.

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Report to the Council

Committee: Cabinet

Date: 22 February 2018

Subject: Pay Policy Statement 2018/19

Portfolio Holder: Councillor A Lion

Recommending:

(1) That, as attached at Appendix 1, the Pay Policy Statement for 2018/19 be approved.

1. The Localism Act 2011 requires the Council to publish a Pay Policy Statement setting out details of its remuneration policy, and specifically including the Council's approach to its highest and lowest paid employees.

2. The Council's Pay Policy Statement was first published on the Council's website in March 2012. This is updated on an annual basis.

3. The matters which must be included in the statutory Pay Policy Statement are as follows:

(a) the Council's policy on the level and elements of remuneration for each Chief Officer;

(b) the Council's policy on the remuneration of its lowest paid employee (together with its definition of 'lowest paid employees' and its reasons for adopting that definition);

(c) the Council's policy on the relationship between the remuneration of its Chief Officers and other Officers; and

(d) the Council's policy on specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

4. The Act defines remuneration in broad terms and guidance suggests that it is to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments.

5. The Council's Pay Policy Statement for 2018/19 has been amended to reflect the Returning Officer fees paid in 2017/18.

6. The draft Pay Policy Statement for 2018/2019 sets out the Council's current practices and policies and is attached at Appendix 1 for comment. The amendments are highlighted.

7. The Council's attention is drawn to the last paragraph of the Policy Statement which states the intention to review Pay, Grading and Terms & Conditions - which is a work stream within the People Strategy. Any changes will be subject to member agreement.
8. Changes to the various policies and guidelines will continue to be agreed in accordance with current practices.
9. We recommend as set out at the commencement of this report.

EPPING FOREST DISTRICT COUNCIL

PAY POLICY STATEMENT 2018/19

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. There are some long standing recruitment difficulties and retention issues 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. *Currently*, 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

The Council's Car Leasing Scheme terminated at the end of 2016/17 and there is no longer a scheme in place.

The Council has implemented a Green Car Salary Sacrifice Scheme, accessed by all eligible staff with no Council contribution towards the cost of an employee's lease payments. Currently there are 21 employees on this Scheme an increase of 1 employee 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 for 2017/2018;

Salary	Contribution	
	Main Section	50/50 Section
Up to £13,700	5.5%	2.75%
£13,701 to £21,400	5.8%	2.9%
£21,401 to £34,700	6.5%	3.25%
£34,701 to £43,900	6.8%	3.4%
£43,901 to £61,300	8.5%	4.25%
£61,301 to £86,800	9.9%	4.95%
£86,801 TO £102,200	10.5%	5.25%
£102,201 to £153,300	11.4%	5.7%
£153,301 and above	12.5%	6.25%

Contribution rates for 2018/19 are not due to be released until the beginning of March 2018.

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 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 £840 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 April 2017 are;

Grade	Scale Column Points	Salary Range
Grade 11	SCP 51 – 54	£48,345 - £52,076
Grade 12	SCP 55 - 58	£54,169 - £58,637

The salary shown is inclusive of the Inner Fringe Allowance of £840 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 April 2017, the fte annual value of this SCP 6 is £15,854 which includes an Inner Fringe Allowance of £840 per annum.

The exceptions to the lowest grade are Apprentices who are paid £150 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 April 2016 covering the period 1 April 2016 to 31 March 2018 of 1% for each year. **The current Employers' offer from 1 April 2018 has not been agreed.**

An Inner Fringe Allowance of £840 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

When appointing to the Chief Executive role in 2012 the Council took external advice to set the appropriate salary for the role which took account of current economic circumstances and the recruitment market. The current postholder has recently resigned and will be leaving the Council's employment in April 2018. The Council will consider options for recruitment and pay taking advice as necessary.

As at 1 April 2017 the salary for the Chief Executive role was a spot salary of £114,251 per annum which includes the Inner Fringe Allowance of £840 per annum and evening meeting allowances. The national pay award wef 1 April 2017 applied an increase of 1% to the salary of the Chief Executive. 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.

No pay award beyond March 2018 has been made.

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. The Council will be required to make arrangements for a new Returning Officer by the end of March 2018 as a result of the Chief Executive's resignation.

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

Feb 2017

Chigwell Village District by-election: £399.75

March 2017

Ongar Town Council by-election: £195.48

May 2017

County Council elections: £4704

June 2017

UK Parliamentary Election: £3542

August 2017

Epping Town Council by-election: £514.80

October 2017

Lower Sheering District by-election: £196.85

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 April 2017, the annual FTE salary range for the four Director posts was £85,812 - £91,942 which includes the Inner Fringe Allowance of £840 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. The last pay award was agreed for the period April 2016 to end of March 2018 for an increase of 1% per year. No pay award beyond March 2018 has been agreed.

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. This will be reviewed as part of the proposed new structure during Spring/Summer 2018. The postholders do not receive additional payments for these duties.

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 7.2 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 suggested 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	2015/2016		2016/2017		2017/2018		2018/2019	
	Multiple	Salary	Multiple	Salary	Multiple	Salary	Multiple	Salary
Chief Executive compared to lowest salary	x7.8	£112,000	x7.8	£112,000	x7.4	£113,000	x7.2	£114,251
Directors	x6.3	£90,130	x6.3	£90,130	x5.9	£91,031	x5.8	£91,942

compared to lowest salary								
Assistant Directors compared to lowest salary	x4	£57,225	x4	£57,225	x3.8	£57,797	x3.7	£58637
Average salary compared to Chief Executive	x4.1	£27,500	x4.1	£27,500	x4.1	£27,775	x4.1	£28053
Average salary compared to lowest salary	x1.9	£27,500	x1.9	£27,500	x1.8	£27,775	x1.8	£28053

- 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 £15,854

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 2019/20 and will be submitted to Council for approval as reasonably practical before 31 March 2019.

During 2018/19 the Council will review all terms and conditions (including grading and pay) to enable the achievement of the People Strategy and financial self-sufficiency. This may result in significant changes to current arrangements, but all proposals will be subject to member approval and full consultation.

Report to the Council

Committee: Cabinet **Date:** 22 February 2018

Subject: Calendar of Council Meetings 2018/19

Portfolio Holder: Councillor J Philip

Recommending:

(1) That, as attached at Appendix 1, the draft Calendar of Council Meetings for 2018/19 be adopted.

1. Democratic Services submit the draft Calendar of Council meetings each year to the Cabinet for consideration prior to its approval by the Council. The draft Calendar at Appendix 1 is based upon the current year's calendar, with approximately the same number of meetings. It has been slightly amended in some places but wherever possible:

- (a) Miscellaneous meetings have been scheduled for a Monday evening;
- (b) Overview and Scrutiny and Select Committee meetings have been scheduled for a Tuesday evening;
- (c) Planning (Sub-)Committee meetings have been scheduled for a Wednesday evening; and
- (d) Cabinet and Cabinet Committee meetings have been scheduled for a Thursday evening.

2. Friday evenings have continued to be kept free of meetings, and any encroachment into August has been kept to a bare minimum due to holidays. However, the Regulatory Committees have always continued to meet throughout August in the past and this practice has been continued. A very small number of meetings (four) have been re-scheduled to avoid clashes with scheduled Member Training sessions.

The Executive

3. Last year, it was proposed to move Council meetings from Tuesday evenings to Thursday evenings. Some of the Council meetings had already moved to a Thursday evening, including the Annual Council meeting in May each year to allow extra time to complete the full appointment process. This change has allowed a minimum of two weeks between Cabinet and Council meetings, ensuring that any reports from the Cabinet to the Council will appear on the main agenda for Members to consider rather than a supplementary agenda.

4. The Cabinet is scheduled to meet 9 times throughout 2018/19. No extra meetings have been arranged so far during 2017/18, but they are an option to assist the Cabinet in meeting its work programme if required.

5. In line with previous years, the Council Housebuilding Cabinet Committee has not been included on the Calendar as the advice from Officers is that it meets as and when evaluations for the different sites are received. Therefore, no purpose would be served in scheduling regular quarterly meetings.

6. With the draft Local Plan now at the Regulation 19 stage, and expected to be submitted for the Examination in Public before the end of March, the Local Plan Cabinet Committee has been resurrected for the coming municipal year. Currently, it is scheduled to meet quarterly, but additional meetings can be arranged if required.

Overview & Scrutiny

7. Three years ago, an opportunity was taken to revise the organisation of Overview & Scrutiny for 2015/16. Following the initial meeting in June 2015, to confirm the membership and Chairmen of each Select Committee, there were five Scrutiny cycles – each spread over two months and culminating in a meeting of the full Overview & Scrutiny Committee. It is felt that this arrangement has worked well, and it is proposed to retain it for 2018/19.

Planning

8. The Calendar for 2011/12 changed the frequency of the Area Planning Sub-Committees from a three weekly cycle to a four weekly cycle. It is felt that this change has worked well, with minimal impact upon the relevant Key Performance Indicators, and this arrangement has again been retained for 2018/19.

9. The week of the Annual Council meeting has again been kept free of Planning meetings and this will enable further training to take place. However, Planning meetings have been arranged for the other weeks in May between the Election and the Annual Council meeting, as there would be a detrimental impact upon the Planning Performance Indicators if there was a six or seven week gap between meetings of the Sub-Committees.

Religious Festivals

10. No Area Planning Sub-Committee meeting has been scheduled for Wednesday 19 September 2018, as this would clash with the Jewish festival of Yom Kippur. This has necessitated a five week gap between Sub-Committees from August to September, but the usual four week gap has been reinstated for the meeting cycles for the remainder of the municipal year (with the exception of Christmas week). The scheduled dates for Rosh Hashanah of 10/11 September 2018 and for Pesach of 19/20 April 2019 have also been kept clear of all meetings.

Licensing

11. Licensing Sub-Committee meetings have remained on a Tuesday morning, and no evening meetings for the Licensing function have been scheduled. A Premises Review would only be held in the evening if the Chairman of the Licensing Committee felt that it would be in the public interest to do so. Oftentimes, additional meetings of the Sub-Committee are arranged to hear cases concerning Premises (Alcohol) Licences, but these are scheduled as and when required. All members of

the Licensing Committee continue to meet twice a year to consider policy and procedural matters.

12. A legal technicality has arisen in previous years whereby a meeting of the Licensing Sub-Committee cannot consider both Alcohol Licences and Taxi Licences. However, it is intended to run two meetings consecutively on the same day with the same membership, and therefore does not impact upon the calendar.

Miscellaneous Committees

13. Both the Youth Council and the Local Highways Panel have not been included in this schedule as it is felt that they are meetings that sit outside the Council. The Youth Council have their own programme, and although the Local Highways Panel involves both the County and District Councils they are not organised by the District Council.

14. Two meetings of the Appointments Panel have been scheduled for the two Thursdays following the Local Elections on 10 and 17 May 2018, prior to the Annual Council on 24 May. Two corresponding meetings have also been scheduled for May 2019.

15. The Summer meeting of the Audit & Governance Committee has been pushed back from the last week of June to the last week of July. This is to enable the Committee to examine the Statutory Statement of Accounts and report back to the Council meeting scheduled for the following evening.

16. A new initiative for 2016/17 was the scheduling of one date per month predominantly for Member Briefings in relation to the development of a new Local Plan. This was to minimise the impact upon the Calendar when Member Briefings were required, and the Planning Policy team could schedule these dates into their Project Plan. With the draft Local Plan now approved at the Regulation 19 stage and due to be submitted for its Examination in Public next month, it is felt that very few, if any, Member Briefings will be required during 2018/19.

17. The Local Councils Liaison Committee has traditionally met three times a year. However, this Committee has reviewed its schedule and resolved to only meet twice a year.

Member Training Sessions

18. A number of Member training sessions have already been booked for 2018/19 and this has led to a small number (five) of clashes with the proposed dates for meetings. In four of these cases, we have changed the date of the meeting to accommodate the Member Training Session; the one other instance is the evening that the Finance & Performance Management Cabinet Committee considers the draft budget in January 2019 and we feel that this should take precedence. The Treasury Management training currently scheduled for the same evening will be re-arranged.

Conclusion

19. The Council is requested to consider the draft Calendar of Council meetings for 2018/19, as attached at Appendix 1, and whether any further changes are required. However, it should be noted that the current Calendar is extremely congested and the organisation of any additional meetings should be given very careful consideration.

20. We recommend as set out at the commencement of this report.

Epping Forest District Council Calendar of Meetings 2018/19

		2018								2019				
Meeting		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Executive														
Council		24th		31st		25th		1st	20th		21st		25th	23rd
Cabinet			14th	17th		6th	11th	8th	6th		7th	7th	11th	
FPM Cab Comm			21st	26th		13th		15th		24th		21st		
AM & ED Cab Comm				5th			18th			17th			18th	
Local Plan Cab Comm		14th			30th			22nd			14th			
Scrutiny														
OS Committee			4th	24th			29th		18th		26th		16th	
Communities Sel. Comm			12th			4th		13th		15th		12th		
Governance Sel. Comm				3rd			2nd	27th			5th	26th		
Neighbourhoods Sel. Comm			26th			20th		20th		29th		19th		
Resources Sel. Comm				9th			16th		4th		12th		2nd	
Constitution Working Grp						27th						28th		
Planning														
District Development			6th		1st		3rd	28th		30th		27th		
Plans East		9th	13th	11th	8th	5th	10th	7th	5th	9th	6th	6th	3rd	8th
Plans West		16th	20th	18th	15th	12th	17th	14th	12th	16th	13th	13th	10th	15th
Plans South		30th	27th	25th	22nd	26th	24th	21st	19th	23rd	20th	20th	17th	29th
Licensing														
Licensing Committee							17th						24th	
Licensing Sub-Comm			5th	3rd	7th	4th	2nd	6th	4th	8th	5th	5th	2nd	
Miscellaneous														
Member Briefings														
Audit & Governance				30th		24th		26th		28th		25th		
Joint Consultative Comm				16th			15th			14th			8th	
Local Councils Liaison						10th						11th		
Appointments Panel		10th-17th												9th-16th
Dev Control Chairs/Officers						17th						18th		
OS Chairs/Officers						3rd						5th		
Webcast meeting:			<u>Easter 2019</u>			Fri 19-Apr-19 to Mon 22-Apr-19								
			<u>Rosh Hashanah</u>			Mon 10-Sep-18 to Tue 11-Sep-18 (Sundown Sun 9-Sep-18)								
			<u>Yom Kippur</u>			Wed 19-Sep-18 (Sundown Tue 18-Sep-18)								
			<u>Pesach</u>			Sat 20-Apr-19 (Sundown Fri 19-Apr-19)								
			<u>District Council Elections</u>			Thu 2-May-19								

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Report to the Council

Committee: Cabinet **Date:** 22 February 2018
Subject: Treasury Management Strategy Statement 2018/19
Portfolio Holder: Councillor G Mohindra

Recommending:

(1) That, after amendment where necessary, the Council approves and adopts the following:

- (a) Treasury Management Strategy Statement 2018/19;**
 - (b) Minimum Revenue Provision (MRP) Strategy;**
 - (c) Treasury Management Prudential Indicators for 2018/19 to 2020/21;**
 - (d) the rate of interest to be applied to any inter-fund balances; and**
 - (e) Treasury Management Policy Statement.**
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Introduction

1. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). There is a requirement for Council to approve its treasury and investment strategy and prudential indicators each year.

2. The Strategy was prepared in line with advice from our treasury advisors Arlingclose. The attached report at Appendix 1 shows the Treasury Management Strategy Statement 2018/19.

3. There have been no major changes to the strategy from the current strategy approved in February 2017. However, Members should be aware of the following:

Minimum Revenue Provision

4. Each year the Council has to approve at Full Council its statement on the Minimum Revenue Provision (MRP). In previous years the Council has been debt free and therefore, we did not have to provide MRP in our accounts. The Council took on debt of £185.5m in 2012 and this would normally require a local authority to charge MRP to the General Fund. CLG have produced regulations to mitigate this impact, whereby we can ignore the borrowing incurred in relation to the Housing Self-financing when calculating MRP and therefore, (for MRP purposes only) we are classed as debt free and do not have to make provision for MRP. However, the

Council may undertake additional borrowing before or after additional capital spending. This will require MRP in the year following and it is currently anticipated that a charge of £350,000 will be required in 2018/19 (see Appendix D).

Inter-fund balances

5. The Council has inter-fund borrowed for many years between the General Fund and Housing Revenue Account and the interest charge made between the funds has been based on the average interest earned on investment for the year. Under regulations issued by CIPFA, it is now required that the interest rate applicable to any inter-fund borrowing should be approved by Full Council before the start of the financial year. As the Council has been undertaking inter-fund borrowing for many years, it is proposed to continue to use the average interest earned for the year on investments as the rate for any inter-fund borrowing.

Policy Statement

6. The Treasury Management Policy Statement is a high level statement setting out how the Council's Treasury function will be undertaken. The Policy Statement was last updated as part of the 2017/18 Treasury Strategy. The Policy is attached at Appendix G for Cabinet to consider, no amendments are currently proposed.

Current Investments

7. The Council's investments are all denominated in UK sterling and the treasury officers receive regular information from our treasury advisors on the latest position on the use of Counterparties.

8. The latest information supplied is as follows:

UK Banks and building societies:

- (i) A maximum maturity limit of between 35 days and 6 months is now applicable;
- (ii) A maximum maturity limit of 6 months to Santander UK, Bank of Scotland, Lloyds TSB, HSBC Bank plc, Nationwide Building Society, Coventry Building Society and Close Brothers;
- (iii) A maximum maturity limit of 100 days applies to Barclays plc, Goldman Sachs, Standard Chartered and most building societies; and
- (iv) A maximum maturity limit of 35 days applies to RBS and NatWest.

European Banks:

- (i) A maximum maturity limit of 13 months applies to Nordea, Rabobank and Handelsbanken;
- (ii) A maximum maturity of 6 months applies to Op Corporate Bank and Landesbank Hessen-Thuringen; and
- (iii) A maximum maturity limit of 100 days applies to Credit Suisse, Danske Bank and ING Bank;

Non European Banks:

- (i) A maximum maturity limit of 6 months applies to Australian and Canadian banks that are on our list.

Money Market Funds:

- (i) A maximum exposure limit of £5m per MMF.

9. As at 31 December 2017, the Council had an investment portfolio of £29.9m, this will vary from day to day, depending on the cash flow of the authority. A breakdown of this portfolio by Country and length of time remaining on investments are shown in the two tables below.

Country of counterparty	£m
United Kingdom	24.9
Sweden	5.0
Total	29.9

Current maturity profile of investments	£m
Overnight (Call / Money Market Fund)	19.9
Up to 7 days	1.0
7 days to 1 month	3.0
1 month to 3 months	6.0
3 months to 6 months	0.0
6 months to 9 months	0.0
9 months to 1 year	0.0
Greater than 1 year	0.0
Total	29.9

10. Continued low interest rates, restrictions on counterparties and the short durations of investments have lowered the estimated interest income for 2017/18. Interest earnings for 2018/19 will reduce further as balances are invested in capital projects rather than short term deposits. No significant change in interest rates is anticipated over the medium term.

The View of the Audit & Governance Committee

11. The Audit & Governance Committee considered the Treasury Management Strategy Statement for 2018/19 at its meeting held on 5 February 2018. The Committee noted the Council's arrangements for the management of the risks associated with its Treasury Management activity.

12... Overall, the Committee was content with the Strategy as presented, as it represented a continuation of the prudent approach which had been a consistent theme for the Council's Treasury Management function for a number of years.

Conclusion

13. We recommend as set out at the commencement of this report.

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Treasury Management Strategy Statement 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 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. CIPFA consulted on changes to the Code in 2017, but has yet to publish a revised Code.

In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Council 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.

Revised strategy: In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Council's capital programme or in the level of its investment balance.

External Context

Economic background: The major external influence on the Council's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

Credit outlook: High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.

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 European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

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 very low.

Interest rate forecast: The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

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 0.3%, and that new long-term loans will be borrowed at an average rate of 2.85%.

Local Context

On 31st December 2017, the Council held £185.5m of borrowing and £29.9m 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

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Forecast £m	31.3.20 Forecast £m	31.3.21 Forecast £m
General Fund CFR	38.9	52.3	66.2	67.1	67.1
HRA CFR	155.1	155.1	155.1	155.1	155.1
Total CFR	194.0	207.4	221.3	222.2	222.2
Less: Other debt liabilities *	-2.3	-1.8	-1.2	-0.6	0
Borrowing CFR	191.7	205.6	220.1	221.6	222.2
Less: External borrowing **	-185.5	-185.5	-212.0	-212.0	-212.0
Internal borrowing	6.2	20.1	8.1	9.6	10.2
Less: Usable reserves	43.9	40.7	37.3	37.7	37.7
Less: Working capital	3.6	2.0	2.0	2.0	2.0
Investments	41.3	22.6	31.2	30.1	29.5

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

** shows only loans to which the Council 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.

The Council has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £40m over the forecast period.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2018/19.

Borrowing Strategy

The Council currently holds £185.5 million of loans, the same as the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £30m in 2018/19. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £250 million.

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

Strategy: Given the significant cuts to 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) 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 modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2018/19 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 2018/19, 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 to cover unplanned cash flow shortages.

Sources of borrowing: 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)
- capital market bond investors
- Other 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 Council 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. 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 Council's investment balance has ranged between £41.3 and £29.9 million, and reduced levels are expected to be seen 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. Where balances are expected to be invested

for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2018/19, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will aim to diversify its portfolio, but with falling investment balances in the medium-term to fund its capital programme the cash balances will have to remain as fluid as possible. The majority (87%) of the Council’s surplus cash is currently invested in short-term unsecured bank deposits and money market funds. This diversification will represent a continuation of the strategy adopted in 2017/18.

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	£3m 5 years	£3m 20 years	£5m 50 years	£3m 20 years	£1m 20 years
AA+	£3m 5 years	£3m 10 years	£5m 25 years	£3m 10 years	£1m 10 years
AA	£3m 4 years	£3m 5 years	£5m 15 years	£3m 5 years	£1m 10 years
AA-	£3m 3 years	£3m 4 years	£5m 10 years	£3m 4 years	£1m 10 years
A+	£2m 2 years	£3m 3 years	£5m 5 years	£2m 3 years	£1m 5 years
A	£2m 13 months	£3m 2 years	£5m 5 years	£2m 2 years	£1m 5 years
A-	£2m 6 months	£3m 13 months	£2.5m 5 years	£2m 13 months	£1m 5 years
None	£2m 6 months	n/a	£5m 25 years	n/a	£1m 5 years
Pooled funds	£5m per fund				

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set 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. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

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. See below for arrangements relating to operational bank accounts.

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 following an external credit assessment or to a maximum of £3 million per company 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 the likelihood of receiving government support if needed.

Pooled funds: Shares in diversified investment vehicles consisting of 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.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £5 million per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

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

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

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “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 Council, 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	£5m
Total investments without credit ratings or rated below A- (except UK Government and local authorities)	£3m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£3m
Total non-specified investments	£11m

Investment limits: The Council’s revenue reserves available to cover investment losses are forecast to be £15 million on 31st March 2018. In order that no more than 20% 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 £3 million. 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	£3m each
UK Central Government	unlimited
Local Authorities	£25m in total
Any group of organisations under the same ownership	£3m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker’s nominee account	£7m per broker
Foreign countries	£3m per country
Registered providers	£5m in total
Unsecured investments with building societies	£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.

Non-Treasury Investments

Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the CLG Guidance, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in a loan to the Waste Services Contractor for the purchase of vehicles.

Such loans and investments will be subject to the Council’s normal approval processes for revenue and capital expenditure and will be formally approved by the treasury advisors and need not comply with this treasury management strategy.

The Council’s existing non-treasury investments are listed in Appendix B.

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
Portfolio average credit rating	A-

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

	Target
Total cash available within 3 months	£10m

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:

	2018/19	2019/20	2020/21
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 will not change over the life of the transaction. 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:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

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:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£5m	£3m	£3m

Other Items

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

Policy on the 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 Council 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 each month and interest transferred between the General Fund and HRA at the Council'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 three months as part of the staff appraisal 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 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 Director of Resources.

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 £250 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 2018/19 is £45,000, based on an average investment portfolio of £15.5 million at an interest rate of 0.29%. The budget for debt interest paid in 2018/19 is £6.3 million, based on an average debt portfolio of £212 million 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 2017

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK's fiscal position.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.
- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.
- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.19
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.22
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.20
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.27
Arlingclose Central Case	0.70	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.77
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	0.89
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.36
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	1.93
Downside risk	-0.20	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	1.82
Downside risk	-0.30	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.39

Appendix B - Existing Investment & Debt Portfolio Position

	31.12.17 Actual Portfolio £m	31.12.17 Average Rate %
External borrowing:		
PWLB - Fixed Rate	153.656	3.00
PWLB - Variable Rate	31.800	0.45
Total external borrowing	185.456	
Other long-term liabilities:		
Finance Leases	2.327	
Total other long-term liabilities	2.327	
Total gross external debt	187.783	
Treasury investments:		
Banks & building societies (unsecured)	13.937	0.51
Government (incl. local authorities)	4.000	0.32
Money Market Funds	12.000	0.22
Total treasury investments	29.937	
Net debt	157.846	

Non-treasury investments:		
BIFFA Loan	1.861	5.00
Total investments	31.798	

Appendix C - Prudential Indicators 2018/19

The Local Government Act 2003 requires the Council to have regard to the CIPFA *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Council's planned capital expenditure and financing may be summarised as follows. Further detail is provided in Cabinet Report C-035-2017/18 - Capital Review 2017/18 - 2021/22.

Capital Expenditure and Financing	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
General Fund	17.010	12.125	1.433	0.540
HRA	23.114	22.786	25.641	15.157
Total Expenditure	40.124	34.911	27.074	15.697
Capital Receipts	5.341	4.632	7.712	2.289
Grants	0.666	0.080	0.085	0.090
Reserves	2.233	2.696	3.753	0.000
Revenue	15.499	16.684	14.496	13.168
Borrowing	16.385	10.819	1.028	0.150
Total Financing	40.124	34.911	27.074	15.697

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m
General Fund	52.3	66.2	67.1	67.1
HRA	155.1	155.1	155.1	155.1
Total CFR	207.4	221.3	222.2	222.2

The CFR is forecast to rise by £14.8m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council 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. This is a key indicator of prudence.

Debt	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m
Borrowing	185.5	212.0	212.9	212.9

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance leases and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Borrowing	240.00	260.00	260.00	260.00

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2017/18 Limit £m	2018/19 Limit £m	2019/20 Limit £m	2020/21 Limit £m
Borrowing	250.00	270.00	270.00	270.00

Ratio of Financing Costs to Net Revenue Stream: 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, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Revised %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
General Fund	0.60	0.91	0.96	0.93
HRA	16.68	17.37	17.54	17.72

Appendix D - Annual Minimum Revenue Provision Statement 2018/19

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

1. For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined as being equal to the accounting charge for depreciation. (*Option 4 in England and Wales, Option 2 in Northern Ireland*)
2. No MRP will be charged in respect of assets held on a temporary basis where a capital receipt will arise to repay the debt.
3. No MRP will be charged in respect of assets held within the Housing Revenue Account.

During 2016/17 there was £9.3m of unfinanced capital expenditure on non-HRA assets. The first £5m was on land acquired as part of site assemblage, which is an asset held on a temporary basis as set out under 2 above. The remaining £4.3m was incurred on the shopping park and this asset became operational during 2017/18. Given the nature of this asset it will be maintained to a very high standard and accordingly no depreciation will be charged. As no depreciation is being charged it is not appropriate to charge MRP, as set out in 1 above. Additional comfort on the prudent nature of this treatment is provided by the substantial income stream being generated which could be used to repay debt.

During 2017/18 there is likely to be £15m of unfinanced capital expenditure on non-HRA assets. The first £9.5m will be on the shopping park and will be treated as set out in the previous paragraph. The remaining £5.5m will be incurred on the new leisure centre in Waltham Abbey. This asset will not come into operation until 2018/19 and so MRP will not be required until 2019/20. It is anticipated that the full cost of the leisure centre will be £14m and that it will be depreciated over 40 years, consequently £350,000 of CSB growth has been included for the MRP charge commencing in 2019/20.

Based on the Council's latest estimate of its Capital Financing Requirement and the policy set out above no budget for MRP is required for 2018/19 but the MTFs includes £350,000 from 2019/20 onwards.

Appendix E - Current Recommended Sovereign and Counterparty List as at 31/12/2017

Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m	Maximum Maturity Limit
UK	Santander UK Plc (Banco Santander Group)	3.0		6 months
UK	Bank of Scotland (Lloyds Banking Group)	3.0	3.0	6 months
UK	Lloyds TSB (Lloyds Banking Group)	3.0		6 months
UK	Barclays Bank Plc	3.0		100 days
UK	Close Brothers Ltd.	3.0		6 months
UK	Goldman Sachs	3.0		100 days
UK	HSBC Bank Plc	3.0		6 months
UK	Standard Chartered	3.0		100 days
UK	Nationwide Building Society	3.0		6 months
UK	Coventry Building Society	3.0		6 months
UK	Leeds Building Society	3.0		100 days
UK	NatWest (Council's current banker - see section above on operational bank accounts)	5.0	5.0	35 days
UK	Royal Bank of Scotland (RBS Group)	5.0		35 days
Australia	Australia and NZ Banking Group	3.0		6 months
Australia	Commonwealth Bank of Australia	3.0		6 months
Australia	National Australia Bank Ltd (National Australia Bank Group)	3.0		6 months
Australia	Westpac Banking Corp	3.0		6 months
Canada	Bank of Montreal	3.0		6 months
Canada	Bank of Nova Scotia	3.0		6 months
Canada	Canadian Imperial Bank of Commerce	3.0		6 months
Canada	Royal Bank of Canada	3.0		6 months
Canada	Toronto-Dominion Bank	3.0		6 months

Finland	Op Corporate Bank	3.0		6 months
Denmark	Danske Bank	3.0		100 days
Germany	Landesbank Hessen-Thuringen	3.0		6 months
Netherlands	ING Bank NV	3.0		100 days
Netherlands	Rabobank	3.0		13 months
Sweden	Nordea Bank AB	3.0		13 months
Sweden	Svenska Handelsbanken	3.0		13 months
Switzerland	Credit Suisse	3.0		100 days
UK	Building Societies	See below		See below

The following 11 building societies have limits of £1m and 100 days - Darlington, Furness, Hinckley & Rugby, Leek, Mansfield, Marsden, Melton Mowbray, National Counties, Newbury, Scottish, Tipton & Coseley.

***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 F - 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	3	No	
Deposits with registered providers	5 years	3	No	
Gilts	5 years	3	No	
Bonds issued by multilateral development banks	5 years	2	No	<i>EIB Bonds, Council of Europe Bonds etc.</i>
Sterling denominated bonds by non-UK sovereign governments	5 years	2	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	3	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	3	Yes	<i>Way Charteris Gold Portfolio Fund; Lime Fund</i>

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.

Report to the Council

Committee: Cabinet

Date: 22 February 2018

Portfolio Holder: Councillor G Mohindra

Item:

BUDGETS AND COUNCIL TAX DECLARATION 2018/19

Recommending:

(1) That the list of CSB growth and savings for the 2018/19 budget (set out in Annex 1) be approved;

(2) That the list of District Development Fund and Invest to Save items for the 2018/19 budget (set out in Annexes 2 and 3) be approved;

(3) That the revenue estimates for 2018/19 and the draft Capital Programme for 2018/19 be approved as set out in Annexes 4, 5 (a-f) and 6 including all contributions to and from reserves as set out in the attached Annexes;

(4) That the medium term financial strategy be approved as set out in Annexes 9 a and 9 b;

(5) That the 2018/19 HRA budget be approved on the basis that the contribution to the self-financing reserve continues to be suspended, and that the application of rent decreases resulting in an average decrease of 1% from £96.30 to £95.34, 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 2020/21 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 2021/22;

(7) That the report of the Chief Financial Officer on the robustness of the estimates for the purposes of the Council's 2018/19 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 2018/19:

(a) for the whole Council area as 53,562.8 (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 Roding	224.1
Buckhurst Hill	5,211.0
Chigwell	6,125.3
Epping Town	5,251.6
Epping Upland	407.5
Fyfield	413.4
High Ongar	553.2
Lambourne	884.9
Loughton Town	12,408.9
Matching	439.1
Moreton, Bobbingworth and The Lavers	584.1
Nazeing	2,064.9
North Weald Bassett	2,544.3
Ongar	2,726.1
Roydon	1,337.5
Sheering	1,352.0
Stanford Rivers	357.5
Stapleford Abbotts	522.3
Stapleford Tawney	79.5
Theydon Bois	1,986.8
Theydon Garnon	84.4
Theydon Mount	118.4
Waltham Abbey Town	7,650.3
Willingale	235.7

(9) That the following amounts be calculated for the year 2018/19 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:

- (a) £117,101,309 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) £105,454,170 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;**
- (c) £11,647,139 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) £217.45 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) £3,480,955 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) £152.46 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 (to be tabled);

(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 (tabled) as the amounts of Council Tax for 2018/19 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 £152.46 for 2018/19, being an increase of 2.48% from 2017/18 is not excessive and therefore there is no need to hold a local referendum.

General Fund Budget Guidelines

1. The annual budget process commenced with the Financial Issues Paper (FIP) being presented to the Finance & Performance Management Cabinet Committee on 20 July 2017. This continued the earlier start to the process and reflected concerns over the reform of financing for local authorities and highlighted the uncertainties associated with:

- a) Central Government Funding
- b) Business Rates Retention
- c) Welfare Reform
- d) New Homes Bonus
- e) Development Opportunities
- f) Transformation
- g) Waste and Leisure Contracts; and
- h) Miscellaneous, including recession and pay awards

2. There is now greater clarity on some issues, but several are subject to consultations and will not be resolved for some time. The key areas are revisited in subsequent paragraphs.

3. In setting the budget for the current year Members had anticipated using £100,000 from the General Fund reserves. This was possible as the MTFS approved in February 2017 showed a combination of net savings targets and limited use of reserves which still adhered to the policy on reserves over the medium term. The limited use of reserves in 2017/18 was not significant as the MTFS at that time was predicting the use of just over £0.38m of reserves to support spending in the following three years.

4. The revised MTFS presented with the FIP took into account all the changes known at that point and highlighted the uncertainties around income from business rates. This projection showed a need to achieve additional net savings of £300,000 on the 2018/19 estimates, followed by £250,000 in 2019/20 and £150,000 in 2020/21 to keep revenue balances comfortably above the target level at the end of 2020/21.

5. Members adopted this measured approach to reduce expenditure in a progressive and controlled manner. The budget guidelines for 2018/19 were therefore established as:

- i. The ceiling for CSB net expenditure be no more than £12.92m including net growth/savings.
- ii. The ceiling for DDF net expenditure be no more than £0.929m.
- iii. The District Council Tax to continue to be frozen.

The Current Position

6. The overall position on the budgets through the medium term is rather different now to what it was in July. Considerable progress has been made on Transformation and expenditure and savings have been included for the implementation of the Technology Strategy and the People Strategy. The budget includes an expansion in community safety spending to help address the district wide problem of anti-social behaviour. To fund this expenditure an increase of 2.48% is being made in the Council Tax.

7. The overall revenue budget summary is included as Annex 4. The main year on year resource movements are highlighted in the CSB and DDF lists, which are attached as Annexes 1 and 2. In terms of the guidelines, the position is set out below, after an update on each of the key areas highlighted in the FIP.

a) Central Government Funding

8. At the July 2016 meeting of the Finance and Performance Management Cabinet Committee Members decided that the offer from DCLG of a four-year settlement should be accepted. There are very few authorities that made a different decision as DCLG has announced an acceptance rate of 97%. Given the existence of the four-year settlement and the previously announced figures it was disappointing to see our Settlement Funding Assessment (SFA) reduce for both 2018/19 and 2019/20. For 2018/19 the SFA has reduced by £6,623 and for 2019/20 the reduction is £49,756, the figures in the table below reflect these reductions.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue Support Grant	2.45	1.53	0.74	0.26	-0.28
Retained Business Rates	3.02	3.05	3.11	3.20	3.27
SFA	5.47	4.58	3.85	3.46	2.99
Decrease £		0.89	0.73	0.39	0.47
Decrease %		16.3%	15.9%	10.1%	13.6%

9. This means the picture over this period is worse than we had expected with the SFA reducing by £2.48m or over 45%. The Local Government Information Unit briefing on the draft settlement showed that we have the sixth largest reduction in funding of all authorities. This briefing shows Essex authorities at both extremes of the changes in funding, Brentwood have an even larger reduction than us and are the worst effected authority in England whilst at the other end of the scale Chelmsford have seen the second largest increase in funding. The draft settlement states that the issue of authorities whose retained business rates exceeds their SFA being penalised with an additional tariff is still being reviewed. Although it has not been removed yet so it is still shown in the table above as negative Revenue Support Grant.

10. We have not increased the Council Tax since 2010/11 and the Finance and Performance Management Cabinet Committee was clear in July that no increase should be made for 2018/19. However, circumstances have changed and Cabinet has indicated that an increase should be made in 2018/19 to pay for three police officers and other initiatives to tackle the increase in anti-social behaviour.

11. The draft settlement increased the referendum limit for increases in the Council Tax from 2% to 3%, which is helpful as the increase to pay for the additional measures mentioned above is 2.48%. Another significant decision was the one not to impose referendum limits on parishes for a further three years. This means if parishes are unable to match the reductions in their Local Council Tax Support (LCTS) funding with efficiencies they are still free to increase their precepts.

12. The largest change in the Council Tax referendum principles for 2018/19 is for Police and Crime Commissioners (PCC). As a result of a successful lobbying campaign on underfunding an increase of £12 per band D property is being allowed. This is likely to see the PCC band D charge in Essex increase by 7.6% from £157 to £169. For the county as a whole this is likely to see police funding increase by more than £7m.

13. Looking to the future, the draft settlement confirms the Government's intention to have a new system of "Fair Funding" in place for 2020/21. Unfortunately there is very little information yet on what the outcomes from the new system will be, although a period of transitional funding is currently envisaged.

b) Business Rates Retention

14. Another disappointment in the draft settlement was that Essex was not chosen as one of the areas to pilot 100% business rates retention. The DCLG had made it clear that they wanted some pilots in two-tier areas but that they would prioritise bids that covered whole county areas and it appeared that we would be able to submit such a bid. However, Thurrock pulled out on the day the bid had to be submitted and that left Essex too far down the scoring amongst the 27 bids to be one of the 10 that succeeded. On a more positive note, the DCLG have confirmed that the current pooling arrangement will be allowed to continue.

15. Since the introduction of business rates retention this Council has done rather better than the DCLG has predicted, as illustrated in the table below.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
DCLG	2.91	2.97	3.02	3.05	3.11	3.21	3.32
Actual/Est.	2.97	3.64	4.40	4.63	4.61	4.90	4.30
Surplus	0.06	0.67	1.38	1.58	1.50	1.69	0.98
Levy	0.03	0.34	0.24	0.37	tbc	tbc	tbc

16. For both 2013/14 and 2014/15 as the Council was not in a business rates pool we had to pay over half of the income above the DCLG estimate as a levy, in addition to the tariff that had already been paid. From 2015/16 a reduced levy is payable to the members of the pool who are top-up authorities, Essex County Council and Essex Fire Authority. The net effect of the pooling is that this council was better off for pooling by £118,000 in 2015/16 and £393,000 in 2016/17. Current monitoring of the pool indicates that there will again be a significant benefit in 2017/18.

17. The table above illustrates that the rate of growth in business rate income has been far higher than DCLG estimated. Part of this divergence may have been caused by the number of adjustments to the scheme after it was constructed. These include the extension of small business rate relief, the capping of inflationary increases and the introduction of retail rate relief. As all of these adjustments reduce the bills that Councils would have issued compensation is paid under what is known as Section 31 grant. With the introduction of the new rating list from April 2017 there were further new reliefs and it is evident that Section 31 grant will be with us for many years to come.

18. Whilst the amounts included in the MTFS exceed those calculated by DCLG they are still felt to be prudent. There is very little growth anticipated after 2016/17 despite the building of the retail park and other known likely developments within the district. Particular caution is needed over the estimates for 2017/18 as this is the first year which has been billed using the new rating list. DCLG have stated that they intend the introduction of the new list, and the associated adjustments to tariff and top ups, should leave authorities no better or worse off. The draft settlement did reflect this as our basic tariff for 2018/19 has reduced by £125,520 and an even larger reduction of £216,807 follows for 2019/20. However, the tariff still increases by £0.6m in 2019/20 and this is what causes the reduction in expected income from £4.9m to £4.3m.

19. The complexity around the introduction of the new list has been made worse by changes to transitional relief and the appeals system. There were two levels of transitional relief but for reasons known only to the DCLG the new list has three levels. This has then been compounded by the introduction of a new system of “Check, Challenge, Appeal” for businesses to use in challenging their bills. It is hoped that in the long term this system will be better for all parties and help reduce the very lengthy delays that are currently experienced. However, the introduction of a new system means we have no past data that can be used to estimate the number of appeals and how they will arise and be dealt with through the life of the valuation list. To date we have been notified of very few appeals but this seems due more to difficulties being experienced by people trying to use the new system than people being happier than usual with their revised assessments. So 2017/18 and 2018/19 are particularly challenging years for estimating business rates and the figures will continue to be carefully monitored.

20. Having mentioned the difficulty with new appeals we should not lose sight of the hundreds of appeals that are still outstanding on old lists. Calculating an appropriate provision for appeals remains extremely difficult as there are several hundred appeals still outstanding with the Valuation Office. Each appeal will have arisen from different circumstances and it is difficult to produce a uniform percentage to apply. This is a particular concern as there is one property in the south of the district which has a rateable value approaching £6 million and is currently being appealed. If a full provision was included in our calculations for the owners of this property being completely successful in their appeal there would be a significant shortfall.

21. Based on previous experience and discussions with the Valuation Office a provision has been calculated that is felt to be prudent, but given the size of the financial risk here it is worth mentioning the potential problem. The total provision against appeals is currently close to £4.5m.

22. The draft settlement confirmed that the DCLG had given up on their previous target for implementation of 100% business rate retention of 2019/20 and that the new system should now be in place by 2020/21. Even though the new pilots mentioned above are based on 100% retention, the DCLG have stated that the system from 2020/21 will be based on 75% retention. As no rationale has been provided for why 75% is now more appropriate than 100% this percentage may well change again before 2020/21.

23. It has been mentioned above that the Council has benefitted significantly from being in a business rates pool and consequently it has remained in a pool for 2017/18. As part of the bidding process to become a pilot it was necessary to also state what the authorities involved wanted to happen if they were unsuccessful. The wider co-operation in attempting to construct an Essex wide bid has meant that authorities which are outside the pool for 2017/18 (such as Southend and Chelmsford) will now join the pool for 2018/19. This does bring a greater element of risk to the pool as previously any authority that anticipated falling into the safety net was excluded. If it becomes evident through the monitoring for 2018/19 that this Council will not benefit financially from pooling a recommendation will be made not to pool in 2019/20.

c) Welfare Reform

24. The scheme of Local Council Tax Support (LCTS) for 2016/17 saw the first significant change since LCTS replaced Council Tax Benefit in 2013/14. Concerns about the LCTS scheme falling short of being self-financing led to the maximum level of support being reduced from 80% to 75%. Overall the scheme has been a success and it has been possible to collect some Council Tax from most of the people receiving support. If support is reduced much further any financial gain from increasing the amount payable could be more than outweighed by additional bad debts from those who stop making an attempt to pay. It has to be emphasised that any increase in income from reducing LCTS is only a genuine increase if you can collect the money. In view of these concerns, no significant change is being proposed for 2018/19.

25. In the Financial Issues Paper an update was provided on the Benefits Cap. This was introduced to limit the total amount of benefits a household could receive in a year to £26,000. The introduction of this cap did not have a dramatic impact across the district. However, the reduction by £6,000 to £20,000 was felt likely to cause greater changes in people's behavior and working patterns. The lower cap was phased in across the country during 2016/17 and indications had been that several hundred claimants in this district would be affected. In July 2017 there were 157 cap cases with the weekly loss of benefits ranging from £0.03 to £253.35. This has now reduced to 139 cases although the range of weekly losses is unchanged. The average weekly loss in July was £45.94 and this has now increased to £49.15. Where appropriate discretionary housing payments have been awarded but this has not been necessary in the vast majority of cases. Current experience suggests that when most claimants get affected by the cap they are able to find new or additional work.

26. In the Budget the Chancellor took notice of the widespread concerns about Universal Credit (UC) and introduced several measures to ease its roll out. The most significant change was the removal of the seven-day waiting period before a claim could start. This means from February 2018 entitlement to UC will start on the first day of application. Another important change is that from April 2018 those already on Housing Benefit will continue to receive their award for the first two weeks of their UC claim. Other changes include a relaxation on the rules on awarding and recovering advances and making it easier for claimants to have the housing element of their award paid direct to their landlords.

27. The roll out has also been delayed again but remains based on Job Centres. What this means for the Epping Forest district is that some post codes are already on UC but the district will not be fully covered for new claims until December. This fragmented approach is not helpful for residents or staff and there will inevitably be some confusion. Clarity over the time period and process for the migration of our existing housing benefit claims to UC and the role local authorities will perform under the new system is still awaited.

28. One other aspect of welfare reform that continues is the DWP achieving their savings through reducing the grant paid to local authorities to administer housing benefit. Following a substantial reduction of £42,000 in 2017/18, 2018/19 will see a further reduction of £29,000, which is a cut of over 6%.

d) New Homes Bonus

29. The reductions in New Homes Bonus (NHB) for 2017/18 were far greater than had been anticipated. The reason for this much larger reduction was the introduction of a baseline of 0.4% for 2017/18. This meant that only growth above 0.4% of the taxbase qualified for NHB, in practical terms this reduced the number of qualifying properties from 241 to 11 or in cash terms the additional NHB for 2017/18 was £16,000 instead of £320,000. Having a baseline at 0.4% eliminated most of our growth and this will severely limit our income from NHB going forward as well.

30. During 2017 DCLG consulted on further possible changes to NHB including reducing payments where planning approval has been granted on appeal. This restriction has not been introduced for 2018/19. However, this is irrelevant for this Council as our growth during 2017/18 is below the 0.4% baseline so no additional NHB has been awarded for 2018/19. This is £50,000 worse than had been anticipated and the MTFs has been adjusted for this additional reduction, which takes the reduction in NHB income from 2016/17 to 2020/21 to £2.6m.

e) Development Opportunities

31. There has been some slippage in the programme for the retail park, although this relates more to the highway works than the construction of the park. The highway issues caused that part of the project to be over budget and Council approved a supplementary estimate of £741,000 on 21 December 2017. Most of the large units have now been occupied

and were trading before Christmas. There are three units still to be let and negotiations are continuing with potential tenants. These delays have meant the income anticipated in the MTFS has had to be re-phased to later periods.

32. Our professional advisers have stated that an annual rental income of £2.7m is achievable. The MTFS includes a prudent view, reducing this to £2.5m to allow for any shortfall, management costs and interest. A report to the Asset Management and Economic Development Cabinet Committee on 11 January 2018 stated that all stores will be open in March and an official opening will then take place.

33. The much delayed mixed use re-development of the St Johns area in Epping appears to be nearing a conclusion as it is hoped that the development agreement will be concluded this month. The former Winston Churchill pub site has also suffered delays and the income from this project in the MTFS has been reduced and re-phased to later periods.

34. Given the many years it has taken to develop the sites mentioned above it is imperative that additional substantial new projects are brought forward in the near future. In paragraph 10 above reference was made to the relatively large reduction in funding that the Council has had for 2018/19. This may be an indication of further reductions when "Fair Funding" is introduced for 2020/21. The Council has an ambition to be self-funded and not reliant on Government grants going forward. This will not be possible without some new substantial development schemes entering the pipeline in 2018/19.

f) Transformation

35. Good progress has been made on all three of the key projects on accommodation, people and technology. Unfortunately the accommodation work is now on hold pending a meeting with Historic England. This meeting is necessary to determine what can and what cannot be done to the buildings now within the constraints of their listing. It should still be possible to use the buildings more efficiently but the scope and cost of the works may be different to what had been envisaged.

36. Cabinet considered a report on the People Strategy and the common operating model on 7 December. A fundamental change in the organisational structure and a significant reduction in top management are planned. The estimates for 2018/19 include a budget to cover potential redundancy and early retirement costs, with consequent salary savings arising over the short to medium term.

37. The Technology Strategy covers the period from 2018 to 2023 and was considered at the November Cabinet. The many projects set out within the strategy will help provide a better service to the public and improve the efficiency of the Council's working practices. Adjustments have been made to the MTFS to include funding for the various projects.

38. If the ambitions of Members, as set out in the Transformation Programme, are to be achieved it is essential that the loss of the Chief Executive does not lead to a loss of momentum. Clearly whoever replaces the current Chief Executive will be key in driving forward transformation to deliver the benefits in terms of customer service and efficiencies.

g) Waste and Leisure Contracts

39. Two of the Council's high profile and high cost services are provided by external contractors, Biffa for waste and Places for People for leisure. Following an extensive competitive dialogue procedure Biffa took over the waste contract in November 2014. The contract hand over and the first six months of the new service went well. But in May 2015 the service was re-organised on a four day week basis and considerable difficulties were encountered.

40. The service was procured at a lower cost and the savings were included in the MTFS. However, issues with recycling and service delivery mean that CSB growth of nearly £0.5m was included in the revised estimates for 2016/17 together with £0.2m of DDF expenditure. Some discussions have been held with the service provider but these have not yet produced any cost savings to recover the additional £0.5m of CSB expenditure. It is still hoped that proposals will emerge through the Waste Management Partnership Board.

41. The leisure management contract was due to expire in January 2013 but an option was exercised that extended the contract for three years. The new contract started on 1 April 2017 with Places for People for a period of 20 years. Over the lifetime of the contract the average CSB savings will be more than £1m per year. The payments under the contract vary considerably between years and so the CSB savings are phased in over the first four years of the contract. If the whole CSB saving was included at the start of the contract there would need to be substantial transfers to the DDF for the first few years so it is better within the MTFS to match the economic reality of the contract.

42. The contract assumes investment in both new and existing leisure facilities and work is already underway on a replacement facility in Waltham Abbey. Given the length and value of the contract it may be necessary to amend some of the assumptions and amounts as time progresses but the figures currently included in the MTFS are prudent.

h) Miscellaneous

43. In addition to the significant items mentioned above there are a couple of other issues that need to be borne in mind. Firstly, the position in terms of the general economic cycle and the potential for a recession. I raised this issue last year and the economy has continued on a path of very limited growth but is now under pressure from higher inflation. The economy goes in cycles and, regardless of our position relative to the European Union, many economic commentators have been predicting that the current period of low but sustained growth was due to finish and that a recession is somewhat overdue. In any economic downturn property related income streams such as development control and rent from our commercial estate suffer. This reduction in income in a downturn will be magnified as the proportion of our income coming from retained business rates increases. Added to the reduction in income will be increased pressure on services with greater spending on benefits and homelessness.

44. The Council's single largest cost is the annual pay bill of around £23m. For several years a pay cap of 1% has limited increases in pay. However, following the submission of a 5% pay claim by the unions the employer's side has offered 2% for both 2018/19 and 2019/20. The draft settlement has provided no additional funding to finance these increases. Even though there is some gap between the unions claim and the employers offer it seems most likely that the final outcome will be 2% for the two years. The MTFS has been prepared on this basis, which is higher than had previously been allowed for.

The ceiling for CSB net expenditure be no more than £12.92m including net growth

45. Annex 1 lists all the CSB changes for next year. The MTFS in July included net CSB savings of £763,000 for 2018/19 and the revised 2017/18 budget had a net CSB reduction of £458,000. Overall with the inclusion of amounts for the transformation programme and combined savings elsewhere the CSB position for 2018/19 is some distance below that targeted in July. In July the MTFS had a CSB target for 2018/19 of £12.92m and the updated MTFS at Annex 9 (a) shows that the CSB total is £1.01m below this at £11.91m. Therefore it is proposed to reduce the CSB target to £11.91m.

The ceiling for DDF net expenditure be no more than £0.929m

46. The DDF net movement for 2018/19 is £4.058m, Annex 2 lists all the DDF items in detail. This increase has been partly driven by the inclusion of £1.04m for the General Fund element of the redundancy and early retirement costs that will arise from the People Strategy. The second largest cost item is £0.946m for work on the Local Plan. The Local Plan is a substantial and unavoidable project and in 2017/18 and 2018/19 DDF funding of £2.173m is allocated to it. In addition to the costs of constructing the Local Plan, a further £278,000 of expenditure has been included for strategic implementation and work on planning performance agreements.

47. At £4.058m the DDF programme is substantially above the target for 2018/19. Although this is partly off-set by the reduction in 2017/18 as the predicted spend in the previous MTFS of £3.249m has been reduced by £0.948m to £2.301m. It is proposed to increase the DDF ceiling for 2018/19 from £0.929m to £4.058m to deliver the schemes Members have supported. The DDF is predicted to require transfers from the General Fund Reserve totaling £2.8m to ensure that it continues to have funds available through to the end of the period covered by the MTFS.

48. The above figures include the costs of additional spending on anti-social behaviour which were agreed by Cabinet on 1 February.

The District Council Tax be frozen

49. Cabinet has recommended that the Council Tax will be increased by 2.48% to pay for three police officers and other initiatives to tackle anti-social behaviour. As these activities are to be piloted for three years the MTFS assumes Council Tax will reduce in 2021/22 when the pilot ends.

That longer term guidelines covering the period to March 2022 provide for

The level of General Fund revenue balances to be maintained within a range of approximately £4.0m to £4.5m but at no lower level than 25% of net budget requirement whichever is the higher;

50. Current projections show this rule will not be breached by 2021/22, by which time reserves will have reduced to £4.8m and 25% of net budget requirement will be £3.26m.

Future levels of CSB net expenditure being financed predominately from External Funding from Government and Council Tax and that support from revenue balances be gradually phased out.

51. The outturn for 2016/17 used £0.865m (including the use of £1m to fund capital projects) from reserves and the revised estimates for 2017/18 anticipate an increase of £0.53m. This would leave the opening revenue reserve for 2018/19 at £5.735m and with the estimates for 2018/19 showing a further increase of £0.994m, reserves at the end of 2018/19 would be £5.429m, after a transfer of £1.3m to the DDF. The Medium Term Financial Strategy at Annex 9 shows deficit budgets in the final two years of the period. The deficit is £387,000 in 2020/21 and this increases to £557,000 in 2021/22, this is despite additional CSB savings of £300,000 in both 2020/21 and 2021/22.

The Local Government Finance Settlement

52. This has already been covered in some detail above and whilst the figures are currently subject to consultation it is not anticipated that they will change significantly.

The 2018/19 General Fund Budget

53. Whilst the position on some issues is clearer now than it was when the FIP was written there are still significant risks and uncertainties. The MTFS includes substantial savings from the Transformation Programme and the fact that these may not be achieved has been recognised on the Corporate Risk Register. The second biggest risk is around the valuation list for 2017 together with the changes to transitional relief and the amendments to the appeals process. This makes it extremely difficult to predict the level of income from retained business rates for 2017/18 and subsequent years.

54. The other area of concern highlighted in the section on Business Rates Retention is the large number of appeals that are still outstanding against previous rating assessments and the difficulty in calculating an appropriate provision. The backlog of appeals with the Valuation Office is reducing but the single largest appeal against us, on the property with the £6m rateable value, is still to be settled and so remains a significant financial risk.

55. It is clear that the Government now wants local authorities to be reliant on income from their activities and local taxation rather than central grants. This is a direction that we had seen coming and the work done to move the Council towards self-sufficiency means we are in a better position now than many other authorities.

56. The starting point for the budget is the attached MTFS, Annex 9. Annexes 9a and 9b are based on the current draft budget with a Council Tax increase of 2.48% from £148.77 to £152.46 (Band D), which is subsequently reversed in 2021/22.

57. Members are reminded that this strategy is based on a number of important assumptions, including the following:

- Future Government funding will reduce as set out in the draft settlement, with Revenue Support Grant turning negative in 2019/20.
- CSB growth has been restricted with the CSB target for 2018/19 of £12.92m achieved. Known changes beyond 2018/19 have been included but if the new leisure contract fails to yield the predicted savings other efficiencies will be necessary.
- It has been assumed that the retail park and the Winston Churchill development will be fully let in 2018 and that income will be in line with the consultant's projections.
- All known DDF items are budgeted for, and because of the size of the Local Plan programme a transfer in of £1m from the General Fund Reserve will be required in 2017/18 followed by a further £1.8m in the next two years to ensure funds are available through to the end of 2021/22.
- Maintaining revenue balances of at least 25% of NBR. The forecast shows that the deficit budgets at the end of the period will reduce the closing balances at the end of 2021/22 to £4.8m or 37% of NBR for 2021/22, although this can only be done with further savings in 2020/21 and subsequent years.

The Housing Revenue Account

58. The balance on the HRA at 31 March 2019 is expected to be £2.053m, after deficits of £1,353,000 in 2017/18 and £0.447m in 2018/19. The estimates for both years have been compiled on the self-financing basis and so the negative subsidy payments have been replaced with borrowing costs.

59. The process of Rent Restructuring to bring Council rents and Housing Association rents more in line with each other is no longer with us. From 2016/17 local authorities have been required to reduce rents by 1% per annum and this continues to 2019/20. During 2017/18 Members decide to proceed with phases 4 to 6 of the new house building programme and to revert to the decent homes standard for the maintenance of existing

properties. These significant changes have impacted on the HRA Business Plan and it will be kept under review during 2018/19 to determine any further necessary measures.

60. Members are recommended to agree the budgets for 2018/19 and 2017/18 revised and to note that although there is a deficit in 2018/19 the HRA has adequate ongoing balances.

The Capital Programme

61. The Capital Programme at Annex 6 shows the expenditure previously agreed by Cabinet. Members have stated that priority will be given to capital schemes that will generate revenue in subsequent periods and this has been emphasised by stating that new borrowing should only be taken out to finance schemes with positive revenue consequences. This position has been included in previous Capital Strategies and has been reinforced by the new position that capital spending will require borrowing and thus impacts on the general fund revenue balance through interest payments.

62. Annex 9b sets out the estimated position on capital receipts for the next four years. Members will note that even with a substantial capital programme, which totals over £127m over five years, it is anticipated that the Council will still have £2.1m of capital receipt balances at the end of the period (although these are one-four-one amounts to be used in the house building programme). In order to finance the capital programme it is currently envisaged that £28.4m of borrowing will be required.

Risk Assessment and the Level of Balances

63. The Local Government Act 2003 (s 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 2018/19. If this advice is not accepted, this should be formally recorded within the minutes of the Council meeting. The report of the CFO is attached as Annex 10, Members will note the following conclusions:

- (i) the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2018/19; and
- (ii) the reserves of the Council are adequate to cope with the financial risks the Council faces in 2018/19 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term.

The Prudential Indicators and Treasury Management Strategy 2018/19

64. Since 2004/05 it has been necessary to set affordable borrowing limits, limits for the prudential indicators and a Treasury Management Strategy. These elements of the budget requirements were set out in a separate report to Cabinet on 1 February.

65. Due to the £185m of debt for the HRA self-financing the Council is no longer debt free and the Prudential Indicators and Treasury Management Strategy have been amended for this. Ongoing difficulties persist in financial markets but higher capital requirements have eased concerns about some banks, Arlingclose still advise a very restricted counter party list but have allowed some increase in suggested investment periods.

66. The size of the Capital Programme means additional borrowing will be required during 2018/19. Members have indicated that borrowing should only be undertaken to finance schemes that produce net savings overall and this principle will be included in the updated Treasury Management Strategy.

Council Tax

67. The revenue and capital budgets of the various spending portfolios are set out in Annexes 5(a)-(f). Annex 4 summarises the overall budget for the Council for the General Fund and the HRA and is grossed up for the effects of local parish and town council precepts. Annex 6 summarises the Council's Capital Programme. The budget as submitted produces a District Council Tax (Band D) of £152.46 for 2018/19 (£148.77 for 2017/18), which represents a 2.48% increase. The average (Band D) Council Tax including local Parish/Town Council precepts will be £217.45 (£212.15 in 2017/18), which represents an increase of 2.5%.

Council Tax Declaration

68. Under Recommendations (1) – (5) which include Annexes 1, 2, 3, 4, 5(a)-(f) the Council will agree its budget for the next year. The Authority must then proceed to declare a Council Tax. The appropriate technical recommendations are set out in Recommendations (8) onwards. These have been revised following changes to the Local Government Finance Act 1992 brought in as part of the Localism Act 2011. Under these changes the billing authority is now required to calculate a Council Tax requirement for the year, not its budget requirement as previously. The standard form of declaration recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) has been used as it is designed to avoid the possibility of legal challenge to the declaration of the Council Tax.

69. The Council Tax bases for each band in each area of the District were calculated by the Director of Resources in consultation with the Finance Portfolio Holder. These are reproduced in Recommendations (8) (a) and (b) and form part of the ensuing calculations. The amounts to be levied within the District in respect of Essex County Council, Essex Police Authority, Essex Fire Authority and Parish and Town Councils are notified to this Authority and are matters on which the District Council has no discretion.

70. However, the precepts of Parish and Town Councils are levied on the District Council and then taken into account in the General Fund. Details relating to the District Council precept together with the precepts in respect of Parish and Town Councils are set out in the recommendations and analysis in Annex 7.

Guide to the Council Tax Calculation

71. The figures in Recommendation (9) draw on calculations contained within the report as follows:

9(a) is the total of the revenue expenditure items shown in Annex 4 summary of revenue including the total of the Parish/Town Council precepts;

9(b) is the total of the revenue income items shown in Annex 4;

9(c) is the difference between the revenue expenditure and income as shown in Annex 4 (in simple terms it represents the net budget requirement of the District Council plus Parish and Town Council precepts);

9(d) is obtained by dividing 9(c) by the Council Tax Base; this represents the average Band 'D' Council Tax for the District and Parish/Town Councils only;

9(e) as shown in Annex 4 is the total of Parish/Town Council precepts; and

9(f) represents the equivalent of dividing 9(e) by the Council Tax Base, the resulting figure being deducted from the figure shown in 9(d); this provides the average Band 'D' Council Tax for the District Council only.

72. This process culminates in the figures shown in Annex 7, which are the Council Tax amounts for the District Council and the Parish/Town Councils for each valuation band for 2018/19. To these amounts are added Council Tax figures supplied by the major precepting authorities and which are further summarised as the total Council Tax due for each valuation band in Part B of Annex 8.

73. Annex 8 relating to the precepts of various parts of the District will be tabled at the meeting.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, i.e. have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Accountancy, Resources**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Budget for 2018/19 and Medium Term Financial Strategy**

Officer completing the EqlA: **Tel: 01992 564602 Email: pmaddock@eppingforestdc.gov.uk**

Date of completing the assessment: **22 January 2018**

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project?</p> <p>New policy for 2018/19 budget and update to existing policy for medium term financial strategy.</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>The aim is to set a financial framework for 2018/19 and revise the medium term financial strategy.</p> <p>What outcome(s) are you hoping to achieve (i.e. decommissioning or commissioning a service)?</p> <p>The outcome is a budget that provides services at the level determined by Members within the funding agreed by Members. Any changes in the level or nature of service provision will have been considered separately by Cabinet as savings/growth items before inclusion in the budget.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? <p>The budget includes all services provided by the Council so it has consequences for all employees and residents. However, the budget itself represents the financial aggregation of the Council's services and it is the services that have the primary consequences for employees and residents and not the budget.</p> <p>Will the policy or decision influence how organisations operate?</p> <p>No, the service and operational elements will have been covered by the reports to get items included on the savings/growth lists.</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>Yes, at the organisation or consolidated level.</p>
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p>The budget is a summary of the policy initiatives being pursued to achieve proposed corporate outcomes.</p>

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	<p>What does the information tell you about those groups identified?</p> <p>The budget is a summary of both continuing and changing policies and where a policy is changing the impact will have been considered by Cabinet when making that decision.</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>N/A – see above.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>N/A – see above.</p>

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	Neutral. The policy is concerned with an overall financial framework for the provision of services in total. It is not concerned with the nature or level of provision of any individual service. So whilst the individual services within the directorate estimates can advance equality of opportunity, the budget and medium term financial strategy cannot. Any significant change to service provision will have been considered by Cabinet and this would have included an equality assessment.	Low
Disability	Neutral for the reasons given above.	Low
Gender	Neutral for the reasons given above.	Low
Gender reassignment	Neutral for the reasons given above.	Low
Marriage/civil partnership	Neutral for the reasons given above.	Low
Pregnancy/maternity	Neutral for the reasons given above.	Low
Race	Neutral for the reasons given above.	Low
Religion/belief	Neutral for the reasons given above.	Low
Sexual orientation	Neutral for the reasons given above.	Low

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	The budget and medium term financial strategy do not impact on the delivery of any services to the public.
		Yes <input type="checkbox"/>	If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A	N/A	N/A

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Bob Palmer

Date: 22/01/18

Signature of person completing the EqIA: Peter Maddock

Date: 22/01/18

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, e.g. after a consultation has been undertaken.

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Council : 22 February 2018

List of Annexes:

Annex 1 CSB Growth/Savings List

Annex 2 DDF List

Annex 3 Invest to Save List

Annex 4 Revenue Expenditure, Income and Financing Summary

Annex 5 Directorate Budgets (a – f)

Annex 6 Capital Budgets and Financing

Annex 7 District & Parish Council Tax Rates

Annex 8 Major Precepting Authorities Analysis (Tabled)

Annex 9 Medium Term Financial Strategy (a & b)

Annex 10 Chief Finance Officers Report on the Robustness of the Estimates within the 2018/19 Budget

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Estimate	Revised	Estimate	Estimate	Estimate	Estimate	
			2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	
Chief Executive	Corporate Policy Making	Annual Customer Satisfaction Survey			20				
	Total Chief Executive		0	0	20	0	0	0	
Communities	Homelessness Advice	Additional post	30	0					
	Homelessness Advice	Homelessness Reviews/Rough Sleepers	12	0					
	Total Communities		42	0	0	0	0	0	
Governance	Building Control	Fees & Charges		50					
	Building Control	Ring Fenced Account		(50)					
	Corporate Fraud Investigation	Corporate Fraud Team	8	8					
	Development Control	Fees & Charges			(210)				
	Development Control	Pre Application Consultation Fees		(10)					
	Development Control Group	Trainee Planning Officers		20	34				
	Development Management	Additional Temporary Staffing - Systems Technical Officer		14	15				
	Development Management	Planning Validation Officer		15	15				
	Enforcement / Trees & Landscape	Compliance Officer			27				
	Governance Admin	Training	5	5					
	Internal Audit	Shared Service (GF element)		(9)					
	Legal Services	Reduction Re Fees & Charges		5					
	Members Allowances	Increase in Basic Allowances	7	7					
	Planning Appeals	Reduction Re Fees & Charges		8					
	Total Governance			20	63	(119)	0	0	0
	Neighbourhoods	Land and Property	Brooker Road	(107)	(157)				
Land and Property		Epping Forest Shopping Park	(490)	(213)	(1,562)	(759)			
Land and Property		Broadway Gate development			(50)	(200)			
Land and Property		Rental Income - Shops	(45)	(54)	(61)				
Leisure Management		Savings from New Contract	(250)	(744)	(944)	(266)			
North Weald Airfield		Additional rental income		(35)	(113)				
Off Street Parking		New Chargeable Parking Spaces (ITS)	(11)	(12)	(17)				
Off Street Parking		Machine Maintenance and collections	8	8					
Off Street Parking		Additional Staffing	32	19	13				
Off Street Parking		New Management Contract (ITS)	(88)	(64)	26				
Off Street Parking		Lea Valley Management Fee (ITS)	(2)						
Off Street Parking		Vere Road Pay & Display (ITS)	(5)	(3)	(7)				
Waste Management		Trade Waste		(7)					
Total Neighbourhoods				(958)	(1,262)	(2,715)	(1,225)	0	0

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service	Estimate	Revised	Estimate	Estimate	Estimate	Estimate
		2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Resources	Bank and Audit charges			(5)			
	Car Leasing	(25)	(25)				
	Cashiers	(8)					
	Cashiers		9				
	Cashiers		5	15			
	Civic Offices	68	67				
	Civic Offices	14	20				
	Council Tax Collection		(60)				
	Facilities Management			5			
	Finance Miscellaneous			(437)	(1,058)	(200)	
	Housing Benefits Administration	42	42	29			
	Housing Benefits	25	26	4			
	Housing Benefits		(7)				
	Human Resources	69	75				
	Human Resources	60	75	15			
	ICT	(13)	(9)	(3)			
	ICT			373			
	NNDR Collection		(5)				
	Procurement		5				
	Sundry Non Distributable Costs		10				
	Resources	(9)	(9)				
	Total Resources	223	219	(4)	(1,058)	(200)	0
Other Items	Investment Interest	93	177	18			
	General Fund Loans			200			
	New Homes Bonus	122	122	1,125	202	531	
	Pensions			22	31		
					350		
	Total CSB	(458)	(681)	(1,453)	(1,700)	331	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	B/F from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Chief Executive	Chief Executive Policy Group	Transformation Staffing	90		88	50			
		Transformation External Partnerships	100						
		Transformation Prototype Fund	80	7	87				
		Transformation Staffing				107			
Total Chief Executive			270	7	175	157	0	0	0
	Homelessness	Legal Challenges	20	20	30	10			
	Homelessness	Homelessness Reduction Act Grant				50		34	
	Homelessness	Homelessness Reduction Act Grant			(45)	(41)	(48)		
	Private Sector Housing	Landlord Accreditation Scheme	1		1				
	Safer Communities	CCTV Trainee Assistant post	20		23	23	2		
	Safer Communities	Security Costs			25				
	Safer Communities	Contribution for Police Officers				215	215	215	
	Youth Council	Enabling Fund			8	8			
	Grant - Citizens Advice Bureau	CAB Debt Advisors	4		4	4			
Total Communities			45	20	46	269	219	249	0
Governance	Building Control	Fees & Charges			(30)				
	Building Control	Ringfenced account			20				
	Conservation Policy	Consultant Fees & Grants			(4)				
	Corporate Fraud Investigation	Fees & Charges			(14)	(27)			
	Development Control	Fees & Charges	(175)		30				
	Development Control	Pre Application Consultation Fees	(13)		(6)	(5)			
	Development Control	Strategic Implementation / Planning Performance				278	278		
	Development Control	Developer Contributions - Strategic Implementation				(40)	(100)		
	Development Control Group	Trainee Contaminated Land Officer	23		10				
	Development Control Group	Trainee Planning Officer	45		15				
	Development Control Group	Agency Staff			87				
	Development Management	Administrative Assistant	13		13	17			
	Development Management	Additional Temporary Staffing - Systems Technical Officer	28		14				
	Development Management	Planning Validation Officer	26		15				
	Development Management	Document Scanning	113	1	116	113			
	Development Management	Casual Staff Re Scanning / Indexing Building Control Files			5	5			
	Elections	Savings / Costs Re District Elections	(41)		(77)	139			
	Electoral Registration	Individual Registration Costs	37	25	22	36	34	31	
	Electoral Registration	Individual Registration Grant			(21)	(18)			
	Enforcement / Trees & Landscape	Technical Assistant - Conservation		7					
	Enforcement / Trees & Landscape	Agency Staff			25				
	Legal Services	Transformation Programme	10	2	12				
	Local Land Charges	Local Land Charges Officer			7	14			
Local Land Charges	Agency Staff			23					
Local Land Charges	Government Grant - New Burdens			(9)					
Planning Appeals	Contingency for Appeals	41	(9)	15	32	21			
Total Governance			107	26	268	544	233	31	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	Bj/F from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Neighbourhoods	Contaminated Land & Water Quality	Contaminated land investigations	79	(7)		72	50		
	Flood defence	Flood Risk Works Pynest Green Lane		16	16				
	Countrycare	BRIE - SLA	4		4	4			
	Economic Development	Economic Development Strategy	8		8				
	Economic Development	Town Centres Support	52	26	18	60			
	Economic Development	Smart Places			100				
	Economic Development	Smart Places			(52)				
	Asset Rationalisation	Council Asset Rationalisation	61	(8)	61				
	Asset Rationalisation	New Development Project Officer		3					
	Forward Planning	Local Plan	1,028	195	1,227	946	400		
	Forward Planning	Brownfield Register		15	15				
	Forward Planning	Hillhouse		6	6				
	Forward Planning	Garden Town		665	178	432	55		
	Forward Planning	Community		53	32	21			
	Forward Planning	Neighbourhood Planning	3	(1)	2				
	Highways General Fund	Contribution to ECC			50				
	Land and Property	Brooker Road			(35)				
	Land and Property	Epping Forest Shopping Park empty rates			160	81			
	Leisure Management	New Management Contract	65				(266)	(444)	(259)
	Off street parking	Payment to NEPP for redundancies	20	(20)	5				
	Off street parking	Loss of income			20				
	North Weald Airfield	Second hand Fire Truck		5	5				
	North Weald Airfield	Additional Income			(33)				
	Parks & Grounds	Open Spaces - Tree Planting	10			10			
	Parks & Grounds	Tree Service - Oak Tree Planting			2	3			
	Parks & Grounds	Tree Service - Oak Tree Planting			(5)				
	Parks & Grounds	Roding Valley Development - Woodland Planting		50	10	20	20		
	Parks & Grounds	Survey of River Roding erosion	15		7	8			
	Waste Management	Waste Professional Fees			6				
	Waste Management	DCLG recycling reward scheme	218	2	156	85			
Waste Management	DCLG recycling reward scheme contribution received			(20)					
Waste Management	Possible reduction in recycling income				150				
Waste Management	Additional Sacks and Recycling payment	(104)		(104)					
Total Neighbourhoods			1,459	1,000	1,839	1,892	259	(444)	(259)

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	BJF from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate	
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	
Resources	Building Maintenance - Non HRA	Planned Building Maintenance Programme	104	92	124	215	160	123	23	
	Cashiers	Consultants fees		1	12					
	Cashiers	Waltham Abbey Kiosk Replacement & Licence fees			15					
	Council Tax Collection	Collection Investment	(57)		(47)	(47)				
	Council Tax Collection	Local Council Tax New Burdens Expenditure - E-Services		52	9	9				
	Finance Miscellaneous	Implementation of People Strategy			300	1,040				
	Housing Benefits Administration	Hardship & Compliance	(71)		(80)	(80)				
	Housing Benefits Administration	Benefits Specific Grants - Data Matching		60	19	27	5	5	4	
	Housing Benefits Administration	Benefits Specific Grants - Unallocated	20				20			
	Housing Benefits Administration	Benefits Specific Grants			(111)					
	Housing Benefits Administration	Atlas upgrades - Software Consultancy			11					
	Housing Benefits Administration	Atlas upgrades - Government Grant			(11)					
	Housing Benefits	Hardship & Compliance - Benefits Officers	58	6	40	56	56	13		
	Housing Benefits	Benefits Specific Grants - Agency Staff / Equipment New		2	69	44				
	ICT	Technology Strategy				133	24	24	24	
	NNDR Collection	Consultants / Professional fees			(28)					
	Revenues	Temporary Additional Staffing	207	32	171	177				
	Revenues	Equipment New			7					
	Sundry Non Distributable Costs	Emergency Premises Works	9	3	2	5	5			
	Sundry Non Distributable Costs	St Johns - Non-Domestic Rates & Security			24	17				
	Total Resources			270	248	526	1,596	270	165	51
	Total Service Specific District Development Fund			2,151	1,301	2,854	4,458	981	1	(208)
	Transitional Grant			(53)		(53)				
New Homes Bonus					(7)				(34)	
Council Tax Collection			(200)		(485)	(400)	(400)	(400)	(400)	
Pensions			(8)		(8)					
Total District Development Fund			1,898	1,301	2,301	4,058	581	(399)	(642)	

INVEST TO SAVE

			<i>Estimate</i>	<i>B/F from</i>	<i>Revised</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
			2017/18	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22
			£000's	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive	Customer Services Transformation	Software prototype Behavioural Insights project	Capital Revenue		5	21			
			0	0	5	21	0	0	0
Communities	Homelessness Museum Resilience	Rental Loans Scheme Contribution	Revenue Revenue	30	20	30	30		
			30	20	50	30	0	0	0
Neighbourhoods	Car Parking	Replacement LED lighting	Capital	70	14	32	100		
	Car Parking	New Car Parks	Capital	40		20	20		
	Car Parking	ICT infrastructure	Capital		45				
	Car Parking	Lea Valley pay & display	Capital	15					
	Car Parking	Vere Road Pay & Display	Capital	51		10	41		
	Car Parking	Vere Road Pay & Display	Revenue	4		4			
	North Weald Airfield	Extension to Vehicle Compound	Capital		12	0	12		
			180	71	66	173	0	0	0
Resources	Civic Offices	Reception area structural survey	Capital		15	0			
	ICT	Ariel Camera System	Revenue		1	1			
			0	16	1	0	0	0	0
			210	107	122	224	0	0	0

REVENUE EXPENDITURE, INCOME AND FINANCING

2017/18 ORIGINAL ALL REVENUE ITEMS £	2017/18 REVISED ALL REVENUE ITEMS £		GENERAL FUND ACCOUNT £	2018/19 ORIGINAL HOUSING REVENUE ACCOUNT £	ALL REVENUE ITEMS £
		Gross Expenditure			
1,458,820	1,411,880	Office of the Chief Executive	5(a) 1,443,390	0	1,443,390
4,989,410	5,155,820	Governance	5(b) 5,589,820	0	5,589,820
18,793,680	22,284,870	Neighbourhoods	5(c) 19,132,710	0	19,132,710
38,857,260	37,840,810	Resources	5(d) 35,830,310	0	35,830,310
37,478,410	31,580,250	Communities	5(e) 5,957,290	26,980,030	32,937,320
101,577,580	98,273,630	Total Expenditure on Services	67,953,520	26,980,030	94,933,550
5,572,000	5,535,420	Interest Payable (Inc HRA)	381,000	5,387,220	5,768,220
24,128,000	14,987,570	Revenue Contribution to Capital	197,000	12,654,500	12,851,500
134,164	134,164	Parish Support Grants	67,084		67,084
3,361,180	3,361,180	Precepts Paid to Parish Councils	3,480,955	0	3,480,955
134,772,924	122,291,964	Total Gross Expenditure	9a 72,079,559	45,021,750	117,101,309
		Gross Income			
35,642,010	34,076,270	Government Subsidies	31,677,210	0	31,677,210
31,613,000	31,536,390	Rents from Dwellings	0	31,323,900	31,323,900
6,175,950	6,290,660	Miscellaneous Rents, Trading Operations etc.	7,022,810	876,330	7,899,140
6,495,930	6,968,530	Fees and Charges	5,797,990	1,938,710	7,736,700
196,000	206,000	Interest on Mortgages and Investments	102,000	0	102,000
6,160,530	7,184,940	Grants and Reimbursements by other Bodies	5,003,490	13,500	5,016,990
86,283,420	86,262,790	Total Operational Income	49,603,500	34,152,440	83,755,940
1,773,570	2,042,080	Contribution from/(to) Revenue Reserves	306,836	268,850	575,686
(51,000)	(44,000)	IAS 19 Adjustment	(218,000)	0	(218,000)
1,890,000	1,423,000	Contribution from/(to) District Development Fund	2,982,000	0	2,982,000
252,000	93,000	Contribution from/(to) Other Reserves	2,000	0	2,000
9,734	9,734	Contribution from/(to) Collection Fund	(350,000)		(350,000)
28,121,000	15,896,160	Contribution from/(to) Capital Reserves	2,953,000	10,600,460	13,553,460
5,243,866	5,358,866	Exchequer Support & Business Rates	5,153,084		5,153,084
123,522,590	111,041,630	Total Gross Income	9b 60,432,420	45,021,750	105,454,170
11,250,334	11,250,334	To be met from Council Tax	9c 11,647,139	0	11,647,139
		Financed by:			
7,889,154	7,889,154	District Precept			8,166,184
3,361,180	3,361,180	Parish Council Precepts	9e		3,480,955
11,250,334	11,250,334	Total Financing			11,647,139

Office of the Chief Executive

Programme 2018/19

2017/18 Original		2017/18 Probable		Revenue Expenditure	2018/19 Original	
£	£	£	£		£	£
	2,416,150		2,839,870	Corporate Activities		3,271,250
	<u>2,416,150</u>		<u>2,839,870</u>	Total Expenditure		<u>3,271,250</u>
	957,330		1,427,990	Income from Internal Charges		1,827,860
	<u>1,458,820</u>		<u>1,411,880</u>	Net Expenditure (see Annex 4)		<u>1,443,390</u>
	<u>1,458,820</u>		<u>1,411,880</u>	To be met from Government Grant and Local Taxation		<u>1,443,390</u>
	<u>-</u>		<u>-</u>	Capital Expenditure (see Annex 6)		<u>-</u>

Governance

Programme 2018/19

2017/18 Original		2017/18 Probable			2018/19 Original	
£	£	£	£	Revenue Expenditure	£	£
607,860		532,010		Elections	617,410	
1,349,880		1,339,250		Member Activities	1,430,160	
3,240,300		3,482,610		Planning & Development	3,750,090	
4,010,280		3,840,570		Support Services	3,909,070	
	9,208,320		9,194,440	Total Expenditure		9,706,730
	4,218,910		4,038,620	Income from Internal Charges		4,116,910
	<hr/>		<hr/>			
	4,989,410		5,155,820	Net Expenditure (see Annex 4)		5,589,820
				Service Generated Income		
1,794,780		1,763,720		Fees and Charges	2,009,660	
180,000		207,620		Grants and Reimbursements by other Bodies	18,000	
	<hr/>		<hr/>			
	1,974,780		1,971,340	Total Income		2,027,660
	<hr/>		<hr/>			
	3,014,630		3,184,480	To be met from Government Grant and Local Taxation		3,562,160
	<hr/>		<hr/>			
	-		-	Capital Expenditure (see Annex 6)		-
	<hr/>		<hr/>			

Neighbourhoods

Programme 2018/19

2017/18 Original		2017/18 Probable		Revenue Expenditure	2018/19 Original	
£	£	£	£		£	£
1,423,850		1,401,030		Environmental Health	1,558,800	
445,700		385,200		Licensing	416,990	
1,711,460		1,230,260		Leisure Management	1,048,030	
1,080,360		1,114,670		North Weald	1,097,190	
120,470		68,530		Emergency Planning	91,560	
7,332,570		7,171,930		Waste Management	7,628,600	
902,490		761,530		Land Drainage & Sewerage	831,120	
793,390		4,252,250		Land and Property	874,580	
1,138,040		1,146,550		Parks and Grounds	1,186,380	
1,859,300		1,921,330		Technical Services	1,905,710	
2,145,810		2,911,280		Forward Planning & Economic Development	2,583,990	
4,700,960		4,743,500		Support Services	4,526,700	
	23,654,400		27,108,060	Total Expenditure		23,749,650
	4,860,720		4,823,190	Income from Internal Charges		4,616,940
	18,793,680		22,284,870	Net Expenditure (see Annex 4)		19,132,710
				Service Generated Income		
5,003,140		5,158,460		Miscellaneous Rents, Trading Operations etc	6,742,810	
2,093,420		2,149,670		Fees and Charges	2,879,980	
2,017,590		2,414,420		Grants and Reimbursements by other Bodies	2,003,990	
	9,114,150		9,722,550	Total Income		11,626,780
	9,679,530		12,562,320	To be met from Government Grant and Local Taxation		7,505,930
	7,620,000		16,027,000	Capital Expenditure (see Annex 6)		9,317,000

Resources

Programme 2018/19

2017/18 Original		2017/18 Probable		Revenue Expenditure	2018/19 Original	
£	£	£	£		£	£
36,703,670		34,946,210		Housing Benefits	32,798,640	
1,987,780		1,989,980		Local Taxation	2,093,240	
115,950		832,710		Other Activities	907,690	
2,971,250		3,201,270		Accommodation Services	3,273,020	
3,070,150		3,112,960		ICT Services	3,886,620	
2,848,660		2,847,990		Financial Services	2,949,070	
1,774,800		1,786,900		Other Support Services	1,866,540	
	49,472,260		48,718,020	Total Expenditure		47,774,820
	10,615,000		10,877,210	Income from Internal Charges		11,944,510
	38,857,260		37,840,810	Net Expenditure (see Annex 4)		35,830,310
				Service Generated Income		
35,642,010		34,076,270		Government Subsidies	31,677,210	
350,420		438,750		Miscellaneous Rents, Trading Operations etc		
300,000		315,410		Fees and Charges	411,470	
				Grants and Reimbursements by other Bodies	300,410	
	36,292,430		34,830,430	Total Income		32,389,090
	2,564,830		3,010,380	To be met from Government Grant and Local Taxation		3,441,220
	1,024,000		674,000	Capital Expenditure (see Annex 6)		2,108,000

Communities

Programme 2018/19

General Fund £	2017/18 Original		General Fund £	2017/18 Probable		Revenue Expenditure	2018/19 Original		
	Housing Revenue £	Total £		Housing Revenue £	Total £		General Fund £	Housing Revenue £	Total £
	31,789,410	31,789,410		25,699,170	25,699,170	Council Housing		26,980,030	26,980,030
1,500,000		1,500,000	1,506,940		1,506,940	Private Sector Housing	1,517,120		1,517,120
759,570		759,570	854,170		854,170	Homelessness	935,210		935,210
435,940		435,940	441,870		441,870	Voluntary Sector Support	435,360		435,360
1,234,110		1,234,110	1,589,840		1,589,840	Community services	1,541,070		1,541,070
1,559,340		1,559,340	1,298,710		1,298,710	Sports Development	1,317,250		1,317,250
570,510		570,510	547,740		547,740	Support Services	584,200		584,200
6,059,470	31,789,410	37,848,880	6,239,270	25,699,170	31,938,440	Total Expenditure	6,330,210	26,980,030	33,310,240
370,470	0	370,470	358,190		358,190	Income from Internal Charges	372,920		372,920
5,689,000	31,789,410	37,478,410	5,881,080	25,699,170	31,580,250	Net Expenditure (see Annex 4)	5,957,290	26,980,030	32,937,320
Service Generated Income									
	31,613,000	31,613,000		31,536,390	31,536,390	Rents from Dwellings		31,323,900	31,323,900
280,000	892,810	1,172,810	280,000	852,200	1,132,200	Miscellaneous Rents, Trading Operations etc	280,000	876,330	1,156,330
505,760	1,751,550	2,257,310	496,770	2,119,620	2,616,390	Fees and Charges	496,880	1,938,710	2,435,590
	0	0			0	Interest on Mortgages			0
1,235,940		1,235,940	1,514,990	13,500	1,528,490	Grants and Reimbursements by other Bodies	1,232,090	13,500	1,245,590
	(4,141,540)	(4,141,540)		(10,391,830)	(10,391,830)	HRA Interest & Reversal of Depn		(7,441,260)	(7,441,260)
	1,673,590	1,673,590		1,569,290	1,569,290	Use of Balances		268,850	268,850
2,021,700	31,789,410	33,811,110	2,291,760	25,699,170	27,990,930	Total Income	2,008,970	26,980,030	28,989,000
3,667,300	-	3,667,300	3,589,320	0	3,589,320	To be met from Government Grant and Local Taxation	3,948,320	0	3,948,320
688,000	28,064,000	28,752,000	309,000	23,114,000	23,423,000	Capital Expenditure (see Annex 6)	700,000	22,786,000	23,486,000

Non Service Budgets

Programme 2018/19

General Fund £	2017/18 Original Housing Revenue £	Total £	General Fund £	2017/18 Probable Housing Revenue £	Total £	Revenue Expenditure	General Fund £	2018/19 Original Housing Revenue £	Total £
(196,000)		(196,000)	(206,000)		(206,000)	Interest & Investment Income	(102,000)		(102,000)
176,000	23,952,000	24,128,000	62,000	14,925,570	14,987,570	Revenue Contribution to Capital	197,000	12,654,500	12,851,500
(2,427,000)		(2,427,000)	(2,719,000)		(2,719,000)	Other Items	(1,449,000)		(1,449,000)
172,460	5,399,540	5,572,000	266,000	5,269,420	5,535,420	Interest Payable (Inc HRA)	381,000	5,387,220	5,768,220
(2,911,000)		(2,911,000)	(6,093,000)		(6,093,000)	Depreciation Reversals & Other Adjs.	(2,953,000)		(2,953,000)
(5,185,540)	29,351,540	24,166,000	(8,690,000)	20,194,990	11,504,990		(3,926,000)	18,041,720	14,115,720
-	25,210,000	25,210,000	-	9,803,160	9,803,160	Transferred to Housing Summary	-	10,600,460	10,600,460
(5,185,540)	54,561,540	49,376,000	(8,690,000)	29,998,150	21,308,150		(3,926,000)	28,642,180	24,716,180
		(99,980)			(472,790)	Contribution (from)/to Revenue Reserves			(306,836)
		51,000			44,000	IAS 19 Adjustment			218,000
		(252,000)			(93,000)	Contribution (from)/to Other Reserves			(2,000)
		(9,734)			(9,734)	Contribution (from)/to the Collection Fund			350,000
		(1,890,000)			(1,423,000)	Contribution from District Development Fund			(2,982,000)
		47,175,286			19,353,626	Reduction in Amount to be met from Government Grant and Local Taxation & other Housing Revenue Account items			21,993,344

Capital Programme

Programme 2018/19

General Fund £	Housing Revenue £	2017/18 Original	General Fund £	Housing Revenue £	2017/18 Probable	Gross Expenditure	General Fund £	2018/19 Original	Total £
		Total £			Total £			Housing Revenue £	
7,620,000		7,620,000	16,027,000		16,027,000	Neighbourhoods	9,317,000		9,317,000
1,024,000		1,024,000	674,000		674,000	Resources	2,108,000		2,108,000
688,000	28,064,000	28,752,000	309,000	23,114,000	23,423,000	Communities	700,000	22,786,000	23,486,000
9,332,000	28,064,000	37,396,000	17,010,000	23,114,000	40,124,000	Total Capital Expenditure	12,125,000	22,786,000	34,911,000
						Less:			
70,000	25,699,000	25,769,000	62,000	17,670,000	17,732,000	Revenue Contributions to Capital	197,000	19,183,000	19,380,000
9,262,000	2,365,000	11,627,000	16,948,000	5,444,000	22,392,000	To be met from Capital Resources	11,928,000	3,603,000	15,531,000
Financed by:									
5,709,000	1,933,000	7,642,000	554,000	4,787,000	5,341,000	Capital Receipts	1,109,000	3,523,000	4,632,000
12,621,000		12,621,000	16,385,000		16,385,000	Borrowing	10,819,000		10,819,000
	450,000	450,000		75,000	75,000	Government Grants		80,000	80,000
	45,000	45,000	9,000	582,000	591,000	Other Grants			-
18,330,000	2,428,000	20,758,000	16,948,000	5,444,000	22,392,000	Total Financing	11,928,000	3,603,000	15,531,000

COUNCIL TAX RATES FOR DISTRICT & PARISH/TOWN COUNCILS 2018/19

ANNEX 7

Authorities	Tax Base No.'s	Precept 2018/19	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£	£	£
District Expenses	53,562.8	8,166,184	152.46	101.64	118.58	135.52	152.46	186.34	220.22	254.10	304.92
Abbess, Berners and Beauchamp Roding	224.1	5,400	24.10	117.71	137.32	156.94	176.56	215.80	255.03	294.27	353.12
Buckhurst Hill	5,211.0	358,989	68.89	147.57	172.16	196.76	221.35	270.54	319.73	368.92	442.70
Chigwell	6,125.3	285,262	46.57	132.69	154.80	176.92	199.03	243.26	287.49	331.72	398.06
Epping Town	5,251.6	458,099	87.23	159.79	186.43	213.06	239.69	292.95	346.22	399.48	479.38
Epping Upland	407.5	15,464	37.95	126.94	148.10	169.25	190.41	232.72	275.04	317.35	380.82
Fyfield	413.4	11,400	27.58	120.03	140.03	160.04	180.04	220.05	260.06	300.07	360.08
High Ongar	553.2	12,895	23.31	117.18	136.71	156.24	175.77	214.83	253.89	292.95	351.54
Lampbourne	884.9	35,525	40.15	128.41	149.81	171.21	192.61	235.41	278.21	321.02	385.22
Loughton Town	12,408.9	665,000	53.59	137.37	160.26	183.16	206.05	251.84	297.63	343.42	412.10
Malden	439.1	14,768	33.63	124.06	144.74	165.41	186.09	227.44	268.80	310.15	372.18
Moreton, Bobbingworth and the Lavers	584.1	14,771	25.29	118.50	138.25	158.00	177.75	217.25	256.75	296.25	355.50
Nazing	2,064.9	72,994	35.35	125.21	146.07	166.94	187.81	229.55	271.28	313.02	375.62
North Weald Bassett	2,544.3	184,249	72.42	149.92	174.91	199.89	224.88	274.85	324.83	374.80	449.76
Ongar Town	2,726.1	306,569	112.46	176.61	206.05	235.48	264.92	323.79	382.66	441.53	529.84
Roydon	1,337.5	30,898	23.10	117.04	136.55	156.05	175.56	214.57	253.59	292.60	351.12
Sheering	1,352.0	40,629	30.05	121.67	141.95	162.23	182.51	223.07	263.63	304.18	365.02
Stanford Rivers	357.5	20,298	56.78	139.49	162.74	185.99	209.24	255.74	302.24	348.73	418.48
Stapleford Abbotts	522.3	6,111	11.70	109.44	127.68	145.92	164.16	200.64	237.12	273.60	328.32
Stapleford Tawney	79.5	1,537	19.33	114.53	133.61	152.70	171.79	209.97	248.14	286.32	343.58
Theydon Bois	1,986.8	106,771	53.74	137.47	160.38	183.29	206.20	252.02	297.84	343.67	412.40
Theydon Garnon	84.4	1,000	11.85	109.54	127.80	146.05	164.31	200.82	237.34	273.85	328.62
Theydon Mount	118.4	1,600	13.51	110.65	129.09	147.53	165.97	202.85	239.73	276.62	331.94
Waltham Abbey Town	7,650.3	825,800	107.94	173.60	202.53	231.47	260.40	318.27	376.13	434.00	520.80
Willingale	235.7	4,926	20.90	115.57	134.84	154.10	173.36	211.88	250.41	288.93	346.72
Town and Parish Total	53,562.8	3,480,955	64.99	43.33	50.55	57.77	64.99	79.43	93.87	108.32	129.98
District, Town and Parish Total	53,562.8	11,647,139	217.45	144.97	169.13	193.29	217.45	265.77	314.09	362.42	434.90

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Medium Term Financial Strategy

Introduction

1. For a number of years as part of the Council's sound financial planning arrangements a four-year financial strategy has been prepared. This document allows a considered view to be taken of spending and resources. Without a medium term financial strategy finances would be managed on an annual basis leading to sudden expansions and contractions in services. Clearly such volatility would lead to waste and be confusing for stakeholders.
2. Managing this Council's finances has been made easier by isolating one off fluctuations (District Development Fund or DDF) from the ongoing core services (Continuing Service Budgets or CSB). This distinction highlights the differing effects in the medium term of approving different types of initiative.
3. A key part of the strategy is future rises in Council Tax and the Council has a stated ambition to remain a low tax authority in the long term. To achieve this over the long term it is important to avoid the gimmick of one-off reductions. For 2018/19 it appears that most authorities across Essex will be increasing charges to just below the referendum limit.
4. At its 20 July 2017 meeting the Finance and Performance Management Cabinet Committee decided to recommend a 0% increase in the Council Tax. This recommendation was adopted by Cabinet on 7 September 2017.

Previous Medium Term Financial Strategy

5. The July meeting of the Cabinet Committee considered the annual Financial Issues Paper and an updated medium term financial strategy. At that time Members attention was drawn to a number of areas of significant uncertainty. Key amongst those were the structural reforms to the financing of local authorities and the local retention of NNDR. The general state of domestic and world economies were a concern as was the progress towards and potential outcomes from Brexit. There were also questions over welfare reform, development opportunities and the Transformation Programme.
6. Against this background of risk and uncertainty a forecast was constructed that set a target of £12.920m for CSB expenditure for 2018/19 and maintained the requirement for annual CSB savings over the forecast period. At this time deficit budgets were anticipated for each year of the forecast, although these were reducing at the end of the forecast.
7. At that time the predicted General Fund balance at 1 April 2021 of £5.287m represented 41% of the anticipated Net Budget Requirement (NBR) for 2020/21 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be £0.564m left in the DDF at 1 April 2021, although this was after a transfer in of £0.5m in 2018/19.

Updated Medium Term Financial Strategy

8. In the period since the Financial Issues Paper the Government has provided the draft settlement figures for the period up to and including 2019/20. The reductions in grant are slightly higher than had been anticipated, being £7,000 higher in 2018/19 and £50,000 higher in 2019/20. Revenue Support Grant still goes negative by the end of the period. The reductions in New Homes Bonus are also more than had been estimated and a further £50,000 of income has been lost here. In constructing the forecast it has been necessary to make certain assumptions, these are set out below:
- a) CSB Growth – the net savings required for 2018/19 have been found and the CSB figure is comfortably below the target established in July. Budgets will be re-visited during the course of 2018/19 to seek further reductions, particularly areas like waste management that have not seen any changes to address previous growth. In common with the earlier version of the strategy, target CSB savings are included for 2020/21 to 2021/22. Additional savings on the new leisure management contract and salary savings from the people strategy have helped achieve the savings required for 2018/19. However, on top of known predicted savings, net savings targets of £300,000 for both 2020/21 and 2021/22 are needed.
 - b) DDF – all of the known items for the four-year period have been included and at the end of the period a balance of £1.09m is still available. This is only possible after the transfer in of £2.8m from the General Fund Reserve in earlier years due to the high level of expenditure on the Local Plan.
 - c) Grant Funding – the amounts included are those from the draft settlement, including the negative amount in 2019/20.
 - d) Other Funding – the amounts included for New Homes Bonus have been reduced further in line with the draft settlement. Only limited growth in funding has been anticipated from growth in the non-domestic rating list. It has been assumed that the allowance for losses on appeals will be adequate but there are hundreds of appeals still outstanding, including one against the largest item on our rating list. It has been assumed that the remaining three units on the shopping park will be let before the end of March 2018.
 - e) Council Tax Increase – Members have indicated that they wish to increase the Council Tax by 2.48% for 2018/19 and then reverse this in 2021/22.
9. This revised medium term financial strategy has deficits in the final two years of the period, although these are increasing and the use of reserves in 2021/22 is £557,000. The predicted revenue balance at the end of the period is £4.8m, which represents 37% of the NBR for 2021/22 and thus exceeds the target of 25%.
10. It is worth repeating that savings of £0.6m are still to be identified for the last two years of the strategy and that identified savings of £3.4m in 2018/19 and £2.3m in 2019/20 will have to be delivered. In approving the medium term financial strategy Members are asked to note these targets. The strategy will be monitored during the year and updated for the July 2018 meeting of the Finance and Performance Management Cabinet Committee.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2021/22

ORIGINAL 2017/18	REVISED 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21	FORECAST 2021/22
£'000 NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
13,567 Continuing Services Budget	13,370	13,363	13,475	13,269	13,890
595 CSB - Growth	792	1,956	583	531	0
-1,053 CSB - Savings	-1,473	-3,409	-2,283	-200	0
0 Additional Savings Target	0	0	0	-300	-300
13,109 Total C.S.B	12,689	11,910	11,775	13,300	13,590
2,100 One - off Expenditure	2,423	4,282	581	-399	-642
15,209 Total Net Operating Expenditure	15,112	16,192	12,356	12,901	12,948
-210 Contribution to/from (-) Other Res	-215	-226	0	0	0
-1,890 Contribution to/from (-) DDF Balances	-2,301	-4,058	-581	399	642
-100 Contribution to/from (-) Balances	527	994	814	-387	-557
13,009 Net Budget Requirement	13,123	12,902	12,589	12,913	13,033
FINANCING					
610 RSG-Parish Support Grant	610	186	0	0	0
3,699 District Non-Domestic Rates Precept	3,724	3,359	4,300	4,500	4,700
801 Section 31 Grant	890	1,541	0	0	0
7,889 District Council Tax Precept	7,889	8,166	8,289	8,413	8,333
10 Collection Fund Adjustment	10	-350	0	0	0
To be met from Government 13,009 Grants and Local Tax Payers	13,123	12,902	12,589	12,913	13,033
Band D Council Tax	148.77	152.46	152.46	152.46	148.77
Percentage Increase/(Decrease) %		2.48	0	0	-2.40

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2021/22

	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21	FORECAST 2021/22
REVENUE BALANCES	£'000	£'000	£'000	£'000	£'000
Balance B/forward	6,208	5,735	5,429	5,743	5,356
Transfer out	-1,000	-1,300	-500	0	0
RCCO	0	0	0	0	0
Surplus/Deficit(-) for year	527	994	814	-387	-557
Balance C/Forward	5,735	5,429	5,743	5,356	4,799
DISTRICT DEVELOPMENT FUND					
Balance B/forward	4,188	2,887	129	48	447
Transfer in	1,000	1,300	500	399	642
Transfer Out	-2,301	-4,058	-581	0	0
Balance C/Forward	2,887	129	48	447	1,089
INVEST TO SAVE					
Balance B/forward	406	284	60	60	60
Transfer in	0	0	0	0	0
Transfer Out	-122	-224	0	0	0
Balance C/Forward	284	60	60	60	60
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	0	0	4,030	0	0
New Usable Receipts	5,341	8,662	3,682	2,289	2,289
Use of Capital Receipts	-5,341	-4,632	-7,712	-2,289	-220
Balance C/Forward	0	4,030	0	0	2,069
TOTAL BALANCES	8,622	9,588	5,791	5,803	7,957

The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2018/19 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 2018/19. 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 2018/19 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 2018/19.**

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 uncertainty around the overall economic position makes this more difficult. We have already seen growth in inflation being caused by the weakness of the pound after the Brexit vote. How the Brexit negotiations proceed and the general state of other economies across the world will have implications for the United Kingdom.
12. The Consumer Price Index (CPI) rose by 2.7% in the year to December 2017, down from 2.8% in November. This figure was below market expectations of 2.8%. It is likely that CPI will continue at a similar level through 2018 and the Bank of England's target rate of 2% will not be achieved. This is likely to result in reductions in real wage growth and restrain household spending. Pay increases for the year to October 2017 were running at 2.5%, inclusive of bonuses. However, 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 2% for pay awards for 2018/19 and 2019/20 and 1% for subsequent years. In the budgets the centrally held vacancy allowance has been maintained at 1.5%. This reflects the level of salary underspend currently being seen in 2017/18.

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, the only significant disposal anticipated in 2018/19 is the St Johns road site.
14. The exception to this is 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 rise to 53, with a further 46 in 2014/15. This dipped back to 20 for 2015/16 but a higher level was evident again in 2016/17 with 46 sales for the year. Going forward, it is anticipated that there will be 30 sales in 2017/18 and that this will then reduce to 24 per annum for subsequent years.
15. Even with the Authority's substantial capital programme, which exceeds £127m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2022 will be just under £2.1m. 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 have stabilised on the benefits and homelessness services and the additional resources previously allocated appear adequate. It is disappointing that none of the £0.5m of CSB growth for the waste contract included in the 2016/17 revised budget has been recovered through changes to the service. Key income streams are generally on target, with the exception of development control. The income from development control should be greater in 2018/19 as some large developments are currently stalled by the local plan process.
17. The net savings for the budget have arisen from two main areas. Firstly, the treatment of capital as part of the new leisure management contract has been different to what was anticipated. This has had the effect of increasing capital expenditure but has generated greater CSB savings. Payments fluctuate over the life of the contract so the MTFS will need to be reviewed and updated accordingly. Secondly, the saving from the People Strategy which, like the new leisure contract, is spread over the period of the MTFS. With the phases of the restructure expected to take varying times to complete a saving of £437,000 has been included for 2018/19 followed by further amounts of £858,000 in 2019/20 and £200,000 in 2020/21. A number of other smaller savings have also been identified and together these provide a sound base for the 2018/19 budget. However, there is still a need for further savings in 2020/21 and beyond and action is needed to take forward a new development scheme.

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, as at 1 February 2018, 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 support the house building programme meant the HRA business plan had to be re-examined in 2017/18 and it will be kept under review.
20. It has been evident for a while 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 funding from both Revenue Support Grant and New Homes Bonus has been allowed for in the MTFS. The reductions in the draft settlement were larger than had been anticipated in the MTFS, with the combined effect for 2018/19 being £100,000 worse than anticipated.
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. However, significant concerns remain about the new 2017 rates list and changes to transitional relief and the appeals process. The combination of changes makes it difficult to predict the amount of our income. There also remain several hundred appeals outstanding on the current rating list, 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 2018/19 with the widening of the pool.

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 2018/19. 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 is in a 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 2017 had a balance of £1.01m.

i. Pension liabilities

27. The latest triennial valuation as at 31 March 2016 showed an increase in the funding level of the scheme to 85% (the value of the scheme's assets cover 85% 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 15.9% to 18% and this results in small amounts of CSB growth in 2018/19 and 2019/20.

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 2019 is £5.4m as shown in the Annex 9 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	20	100
Failure to achieve savings from People Strategy and other transformation projects	3,000	40	1,200
Pay award being settled 1% in excess of estimate for 18/19 and future years	800	25	200
Inflationary pressures between 1-4% higher than budget	600	40	240
Loss of North Weald Market Income	2,800	10	280
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
Additional costs arising on waste contract and not being mitigated	2,000	40	800
Renegotiating External contracts and partnership arrangements	4,000	25	1,000
Emergency Contingency	800	20	160
Total	19,500		5,880

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 £13.6m, which suggests a figure of £682,000.
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 £1.07m in 2016/17 (after use of £1m to fund the capital programme) to leave a balance of £6.21m at 31 March 2017.
34. Policies have been determined previously to bring about reductions, including the use of revenue to finance the capital programme, and the current MTF5 has deficit budgets in the final two years. 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 £12.9m therefore 25% of that figure equates to £3.2m. The current four-year forecast shows balances still at £4.8m at the end of 2021/22.
35. The risk assessment undertaken above suggests that 20-25% of NBR is an appropriate range for this authority to be maintaining its balances within. By 31 March 2022 balances will represent 37% of NBR, which is adequate. However, Members are aware that this situation can only be achieved with both the planned CSB savings being delivered and significant further savings or income being identified in the final two years of the MTF5.
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 2018/19. Further borrowing is affordable but Members have stated that new borrowing should only be for capital schemes with positive revenue consequences.
37. 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 2017 the balance on the DDF was £4.19m, which was an increase of £0.45m in the year. The DDF is predicted to have a balance of £1.09m at the end of 2021/22, although this requires transfers in from the General Fund Reserve of £2.8m over the period of the MTF5. The only other earmarked reserve with a significant balance is the Insurance Reserve, which stood at £1.01m at the end of 2016/17. There were no significant movements in the year on this fund.
38. The HRA revenue balance of £3.85m at 31 March 2017 is expected to decrease by £1.35m in 2017/18 and then a further £0.45m in 2018/19 to remain above £2m. The balance on the Housing Repairs Fund is expected to reduce slightly over the next year, from £1.26m to £1.23m. The Housing Major

Repairs Reserve is predicted to decrease from £12.2m to £11.4m. The HRA business plan will be reviewed during 2018/19 to assess any further steps necessary to respond to the ongoing reductions in rent levels.

- 39. The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2018/19 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term. There are particular concerns about the delivery of the savings from transformation, the introduction of a new system of “Fair Funding” and the difficulties of estimating income from the retention of business rates.**

Report to Council

Date of meeting: 22 February 2018

Subject: Overview and Scrutiny Report to Council

**Contact for further information: Councillor M Sartin
(Chairman, Overview and Scrutiny Committee)**

Committee Secretary: Adrian Hendry, ext.4246



Recommendations/Decisions Required:

That the Overview and Scrutiny progress report from January 2018 to the present be noted.

Report:

Overview and Scrutiny Committee Meeting – 09 January 2018

1. At our meeting on Tuesday 09th January, we received a speaker from Transport for London, a Mr Mark Hart, the Transport for London Community Partnership Specialist (West) who was there to speak to and answer questions from members on their concerns in regards to the operation of local bus services within the Epping Forest District run by TfL.
2. He told us that bus routes 167, 397 and 549 had been reviewed in March 2016 in preparation for a new contract with a service provider that was let in March 2017.
3. TfL reviewed all their services looking at capacity, reliability and, increasingly, costs, as they were also a publically funded organisation. They were now in a tighter financial position as TfL had lost financial support from Essex County Council and the grant from Central Government, which was roughly about £700 million per year.
4. The meeting was then opened up for questions from members. Unfortunately, Mr Hart did not have all the information needed with him and had to defer a lot of his answers to later date.
5. We then went on to consider the Quarter 2 performance of the Key Objectives Plans, Key Action Plan for 2017/18.
6. We then reviewed our ongoing scrutiny of external organisations. We noted that the Principal of Epping Forest College was due to attend our next meeting on 27 February. In preparation for this the committee was asked to identify areas that they wished to be covered at this meeting. Some of the topics identified were:
 - (1) The support, assistance and facilities provided by the College for disabled or disadvantaged students;
 - (2) The support, and assistance provided by the College for students from areas of identified social deprivation;
 - (3) The educational subjects and qualifications in which the performance of the College was currently regarded to be 'failing' and those subjects and qualifications where the College was presently performing well in terms of attainment;

- (4) The success of the College's proposed improvements and achievements outlined to the Committee in February 2017;
- (5) The current position with regard to Luctons Field and the intentions of the College with regard to the future use of this area;
- (6) The success of the College's relationship with its 'sister' college (Barnet and Southgate College) in terms of the support, assistance and facilities provided to students; and
- (7) The success of the links and partnership arrangements that the College has established with the local community, including the commercial and charitable sectors.

7. The Committee also agreed that that they would like to receive the East of England Ambulance Service at their April 2018 meeting and to ask for officers from Essex County Council to attend the first meeting in the new municipal year to speak about ECC Passenger Transport services.

Report to the Council

Report of: Constitution Working Group
(Councillor M. McEwen)

Date: 22 February 2018

Subject: Procurement Rules - Review

Recommending:

That the Council's updated Procurement Rules, attached as Appendix 1 to this report, be adopted.

1. The new Procurement Rules were adopted by the Council in April 2016 and replaced the authority's former Contract Standing Orders. At our meeting on 25 January 2018, we considered the findings of a review of the Procurement Rules that had been undertaken in accordance with good practice, after twelve months of operation.

2. Whilst we consider that the introduction of the new Procurement Rules has been very successful and has resulted in fewer breaches of the Council's procurement procedures than the previous Contract Standing Orders, we have considered a number minor changes to further improve their effectiveness, including:

- the inclusion of a requirement for Spending Control Officers to consult the Council's Legal Team on the use of all Framework Agreements, to ensure that Spending Control Officers do not by-pass the Legal Team before using Framework Agreements and issue purchase orders instead of contracts;
- the inclusion of a requirement for reports to the Cabinet and Portfolio Holders in relation to the award of tenders to include details within the recommendations about any proposed contract extensions and for officers to consult the relevant Portfolio Holder with regard to proposed extensions of contracts with values over £1m, before contracts are extended;
- the removal of the requirement for Performance Bonds or Parent Company Guarantees, with a proviso that Spending Control Officers may consider it appropriate to use one of these arrangements for certain types of contracts where they are considered to be both appropriate and beneficial for the Council;
- the inclusion of a requirement for Spending Control Officers to calculate the appropriate level of damage using standard spreadsheets, without reference to the Finance Team; and
- the removal of the requirement for the Corporate Procurement Manager to obtain the procurement information required by Part 2.1 of the Local Government Transparency Code from Spending Control Officers every three months.

3. As part of our review of the Procurement Rules, we also considered whether the thresholds for the total contract values within the various contract categories should be amended. However, we concluded that no changes to the total contract values were necessary at this stage.
4. The proposed draft revised Procurement Rules, incorporating the changes we have considered, are attached as an appendix to this report. We understand that, once the new Procurement Rules have been adopted, further training sessions will be held for relevant staff to provide a refresher and to advise them of the changes.
5. We recommend as set out at the commencement of this report.

Procurement Rules

May 2017

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1. Introduction
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4. Contract Conditions
5. Rules for identifying and selecting Contractors/suppliers to be invited to submit Tenders
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11. Additional rules for inviting and accepting Tenders based on the Most Economically Advantageous Tender (MEAT) (i.e. price and quality) and/or a Schedule of Rates
12. Rules for the receipt, custody and opening of Tenders with Total Contract Values within Category 1 of Appendix 1 or higher
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17. Procurement Process (“Regulation 84”) Report
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Appendix 1 Table of Tendering Requirements for Nos. of Tenders, Returns and Openings

Appendix 2 Glossary and Definitions of Terms used in the Procurement Rules

Documents referred to in (and that support the Operation of) these Procurement Rules:

- | | |
|--|------------------------------------|
| (a) Council’s Procurement Toolkit | [Available here] |
| (b) Council’s Corporate Procurement Checklist | [Available here] |
| (c) A Basic Guide to Public Sector EU Procurement Legislation | [Available here] |
| (d) Council’s Standard Pre-Qualification Questionnaire (PQQ) | [Available here] |
| (e) Council’s Procedure Note on Financial Checks for Tender Processes | [Available here] |
| (f) Crown Commercial Service’s Guidance on Electronic Procurement & Electronic Communication | [Available here] |
| (g) Council’s EFDC Guidance of Electronic Tendering | [Available here] |
| (h) Council’s Tender Return Label | [Available here] |
| (i) Council’s Certificate of Bona Fide Tendering | [Available here] |
| (j) Council’s Formal Declaration of Tender Offer | [Available here] |
| (k) EFDC Corporate MEAT Assessment Methodology | [Available here] |
| (l) Standard Procurement Process (“Regulation 84”) Report | [Available here] |
| (m) Council’s Standard Consultants Agreement | [Available here] |

(Note: A Glossary and Definitions of Terms used in these Procurement Rules is provided at Appendix 2. Reference to such terms in these Procurement Rules are denoted with a capital letter)

1. Introduction

- 1.1 These Procurement Rules set out the procedures that must be followed by all officers for the procurement of Contracts for any Works, Supplies or Services on behalf of the Council, including Official Orders issued through the Council's Marketplace electronic ordering system. A serious/wilful failure to comply with these Procurement Rules could result in disciplinary action being taken.
- 1.2 They seek to adopt a modern and flexible approach to procurement, that is easy to follow and comply with, and are responsive to the Council's current and future procurement needs, whilst ensuring appropriate controls and probity to safeguard the use of public money. They are also set out in a logical, sequential order to help lead officers through the procurement process.
- 1.3 These Procurement Rules also relate to certain disposals of land and property, and other property transactions, which are covered in Section 25 below. Associated delegations to officers are covered by the Schedule of Officer Delegations within the Council's Constitution. However, these Procurement Rules do not relate to the acquisition of land or properties, which must be authorised through reports to the relevant Portfolio Holder or Cabinet as appropriate.
- 1.4 The transitional arrangements to apply when these Procurement Rules are first introduced is that, wherever possible, any procurement activities for procurements commenced before the adoption of these Procurement Rules must comply with these Procurement Rules. For example, if a Select List was formulated before the adoption of these Procurement Rules (under the Council's previous Contract Standing Orders), but Tenders had not been invited at the time of adoption, the Tenders should still be invited in accordance with these Procurement Rules.
- 1.5 These Procurement Rules represent the Council's Contract Standing Orders for the purposes of Section 135 of the Local Government Act 1972. The Council's useful Procurement Toolkit can be [\[downloaded here\]](#).

2. General rules

(a) Responsibility

- 2.1 It is the responsibility of the designated Spending Control Officer for the budget that will be used to fund the resultant Contract to ensure that these Procurement Rules are followed.
- 2.2 When the Total Contract Value of a Contract or Official Order to be issued is less than the minimum for Contract Category 1 at Appendix 1, subject to the requirements at Section 2.9 below (Total Contract Values over a 12-month period), these Procurement Rules do not have to be followed. However, it is the responsibility of all Spending Control Officers to try to obtain value for money, in terms of price and quality, through any Contract or Official Order that they issue, irrespective of its value. Spending Control Officers should therefore be aware of what constitutes appropriate price and quality for the Works, Supplies or Services sought.

(b) Approach to procurement

- 2.3 In order to help ensure compliance, and to provide a documented audit trail, Spending Control Officers must use and complete the Council's "**Corporate Procurement Checklist**" which can be [\[downloaded here\]](#) throughout the procurement process for any Contracts with a Total Contract Value within Category 2 of Appendix 1 or higher. They must also keep a copy of the completed "**Corporate Procurement Checklist**" on

the relevant Contract file, both throughout the procurement process and for at least 3 years after the completion of the Contract.

- 2.4 Reference to “Directors” throughout these Procurement Rules also includes the relevant Assistant Director responsible for providing the service to which the relevant procurement relates, except where an Assistant Director is also the Spending Control Officer responsible for undertaking the procurement. Where a Director is responsible for a procurement, the Chief Executive will take the role of the Director.

(c) Compliance with EU Regulations additional to these Procurement Rules

- 2.5 These Procurement Rules do **not** set out or duplicate the legal requirements that must be followed for EU Regulated Contracts with Total Contract Values above the value thresholds set out in the Public Contracts Regulations 2015. For such EU Regulated Contracts, officers **must** comply with the requirements of the Public Contracts Regulations 2015. If there is any conflict between these Procurement Rules and the Public Contracts Regulations 2015 or any other legislation, then the relevant legal requirements take precedence. Advice on the Public Contracts Regulations 2015 can be obtained from the Corporate Procurement Officer. A **“Basic Guide to Public Sector EU Procurement Legislation”** can be [\[downloaded here\]](#). However, these Procurement Rules do set out the Council’s own requirements for complying with EU Regulated Contracts specified within the Public Contracts Regulations 2015, which are shown in italic text. Particular attention is drawn to Section 17 of these Procurement Rules, which explains the Council’s requirements, in respect of EU Regulated Contracts, for Spending Control Officers to complete and maintain the required Procurement Process Report under Regulation 84 of the Public Contracts Regulations 2015 throughout the procurement process.

(d) Framework Agreements

- 2.6 Where appropriate, Spending Control Officers are encouraged to use central contracts and existing Framework Agreements – either through the Essex Procurement Hub or with other organisations to which the Council has access. Where such central contracts or existing Framework Agreements are used, Spending Control Officers must inform the Council’s Legal Team of their proposed use, so that they can provide guidance and advice on the Council’s corporate legal requirements. Some parts of these Procurement Rules do not have to be followed – except where competitive tendering is undertaken amongst Contractors on Framework Agreement Select Lists. Spending Control Officers should seek advice, and receive confirmation in writing, from the Council’s Corporate Procurement Officer on which parts of these Procurement Rules do not have to be followed in such circumstances.

(e) Exemption from Procurement Rules

- 2.7 These Procurement Rules do not have to be followed in the following circumstances:

- (a) Where the relevant Director or Asst. Director obtains formal approval from the relevant Portfolio Holder or the Cabinet, confirming that he/she/it is satisfied that the work required could reasonably only be undertaken by one specialist contractor/supplier, together with the reasons.

Such approval is required from:

- (i) A Portfolio Holder for Contracts with a Total Contract Value within Contract Categories 1-3 at Appendix 1; and
- (ii) The Cabinet for Contracts with a Total Contract Value within Contract Category 4.

This provision does not apply for EU Regulated Contracts with a Total Contract Value within Contract Category 5 (i.e. above the EU Procurement Thresholds); or

(b) Where it is essential to meet an immediate need, subject to the Spending Control Officer seeking advice from the Corporate Procurement Officer where the Total Contract Value is within Contract Category 5 at Appendix 1 (i.e. above the EU Procurement Thresholds), which;

- (i) Has been created by a sudden emergency; or
- (ii) Is outside the Council's control (e.g. by order of the Courts or another body with an equivalent power), or
- (ii) Has some other over-riding urgency.

In such circumstances, the Spending Control Officer must provide a report to the next available meeting of the Corporate Governance Group explaining the reasons why the matter had to be treated as a matter of urgency and why these Procurement Rules could not be followed.

If it is necessary to incur expenditure outside of the Council's budgetary framework, Spending Control Officers must comply with the additional relevant requirements within the Council's Financial Regulations

2.8 In other circumstances, where a Spending Control Officer feels that there are good reasons why specific parts of these Procurement Rules should not be followed for a particular procurement, they may seek a waiver from compliance with that part of the Procurement Rules. Requests for such waivers must be made in writing by the Spending Control Officer. Approvals can only be given in writing (or through a Portfolio Holder Decision or Cabinet minute as appropriate) by the relevant person/body listed at Appendix 1 who is responsible for accepting Tenders for the Contract Category relating to the Total Contract Value of the proposed Contract.

(f) Cumulative value of Contracts

2.9 When seeking to procure a Contract, Spending Control Officers must:

- (a) Consider and assess the likely total value of Contracts and/or Official Orders to be provided to a potential Contractor by their Directorate over a 12 month period for similar Works, Supplies and/or Services *(or over a 4-year period where the total value would exceed the thresholds for EU Regulated Contracts set out in the Public Contracts Regulations 2015 and reproduced at Appendix 1)* that could, alternatively, be procured through one or more Contracts or Framework Agreements over that period; and
- (b) If the total value of such Contracts over any 12 month period is likely to be more than the threshold for Contract Category 1 listed at Appendix 1, seek Tenders and procure a Contract in accordance with these Procurement Rules.

2.10 Contracts must not be artificially separated to avoid compliance with either these Procurement Rules or the Public Contracts Regulations 2015.

(g) Breaches of Procurement Rules

2.11 If it comes to light that these Procurement Rules have not been followed, the relevant Assistant Director must submit a report to the next available meeting of the Corporate Governance Group (or successor officer group) explaining the reason for the breach and, if appropriate, the proposed remedy for correcting or mitigating the effects of the breach. The CGG will identify any breaches that it considers to be sufficiently serious to be reported to the Audit and Governance Committee (or successor member body).

2.12 The provision of in-house Council Services is excluded from the requirement of these Procurement Rules.

(h) Suspension of Contractors

- 2.13 Contractors can only be suspended from consideration for future contracts on the grounds of one of the mandatory and discretionary exclusions set out in the Public Contracts Regulations 2015 and only for the periods specified in the Public Contracts Regulations 2015.
- 2.14 If any Spending Control Officer considers that a Contractor should be suspended from consideration for future Contracts with the Council for a specified period, they must submit a report to the Corporate Governance Group;
- (a) Explaining the reasons for suspending the Contractor;
 - (b) Recommending a proposed period of suspension; and
 - (c) Seeking approval to such a decision.
- 2.15 If the Corporate Governance Group agrees that a Contractor should be suspended, the Spending Control Officer must:
- (a) Advise the Corporate Procurement Officer of the decision, who must in turn notify all Directors and Assistant Directors of the decision; and
 - (b) Advise the Contractor of the reasons for the suspension and the period of the suspension.

(i) Conflicts of interest

- 2.16 No person or body who has given material advice to the Council, or a Consultant acting on behalf of the Council, on a proposed Contract can then submit a Tender for that Contract, where more than one Tender is required (i.e. for Contracts with a Total Contract Value within Contract Category 1 of Appendix 1 or higher).

(j) Absence of post-holder

- 2.17 In the absence of the post-holder, the responsibilities of specifically named posts within these Procurement Rules, can be discharged by:
- (a) Their Director or Assistant Director; or
 - (b) An officer designated by them.
- 2.18 All designations of committees, portfolio holders, other bodies and officers referred to in these Procurement Rules also include successor bodies and posts.

3. Exceptions for Central Purchasing Bodies

- 3.1 These Procurement Rules do not apply for the procurement of Contracts by a Central Purchasing Body, of which the Council is a member, or under which the Council is entitled to benefit by virtue of its status as a public authority. In such circumstances, the rules for procurement that relate to the member of the Central Purchasing Body undertaking the procurement on behalf of the Central Purchasing Body will apply.
- 3.2 However, where Tenders are invited by an officer of the Council on behalf of a Central Purchasing Body, these Procurement Rules must be followed.
- 3.3 In any event, if the value of the Works, Supplies or Services that the Council will be required to fund itself through a Central Purchasing Body or collaborative arrangement is:

- (a) Within Contract Categories 1 or 2 at Appendix 1 - The relevant Director or Asst. Director must be satisfied that the terms and conditions of the proposed Contract are appropriate under all the circumstances, taking any legal advice from the Asst. Director (Legal Services) that the Spending Control Officer, Director and/or Asst. Director considers necessary.
 - (b) Within Contract Category 3 at Appendix 1 or higher - The Spending Control Officer must report to the relevant Portfolio Holder on the proposed arrangements for the procurement of the Contract and obtain a formal Portfolio Holder Decision agreeing to the proposed arrangements;
- 3.4 Where the Council is considering sharing services with other public bodies or arranging for services to be provided to the Council by a company in which the Council has an interest, legal advice should be obtained.

4. Contract Conditions

(a) Compliance with Procurement Rules by Consultants

- 4.1 Where one or more Consultants are appointed to advise or act on behalf of a Spending Control Officer in respect of the procurement or administration of a Contract, the Contract for their appointment(s) must include a condition that the Consultant must comply with these Procurement Rules and the Consultant must be provided with a hard or electronic copy of these Procurement Rules.
- 4.2 It is the responsibility of the Spending Control Officer to ensure that Consultants appointed by them are aware of the requirements of these Procurement Rules, and that they comply with them.

(b) Standard Contract terms

- 4.3 If the Council's Standard Form of Contract or Official Order is used, no amendments can be made without consulting the Asst. Director (Legal Services). If the Council's Standard Form of Contract is not used, the Contract must include standard contract terms, which are available on the Council's Intranet, unless the Asst. Director (Legal Services), in consultation with the Spending Control Officer, determines that individual standard terms are not required for a particular Contract.

(c) Liquidated and Ascertained Damages

- 4.4 For Contracts with Total Contract Values within Contract Category 3 of Appendix 1 or higher, and where late completion or non-completion of the Contract would result in a quantifiable financial loss to the Council, the Contract must include a condition that Liquidated and Ascertained Damages will be payable in such circumstances.
- 4.5 In such circumstances, the Contract must set out the level of Liquidated and Ascertained Damages that will be payable, which must be the Spending Control Officer's best estimate of the loss to the Council for each week of late or non-completion. Advice regarding the calculation can be obtained from the Council's Asst. Director (Accountancy) or his/her designated officer.

(d) Performance Bonds and Parent Company Guarantees

- 4.6 It is not a requirement of these Procurement Rules that contractors must provide either a Performance Bond for the Contract's due performance, or a Parent Company Guarantee or deposit as security. However, Spending Control Officers may consider it appropriate to use one of these arrangements for certain types of contracts - where they are considered to be both appropriate and beneficial for the Council.

If any of these arrangements are to be used, they must be arranged in consultation with the Asst. Director (Accountancy).

(e) Retentions

4.6 Where a Contract includes provision for a Defects Liability Period, a condition must be included within the Contract allowing the Council to hold a Retention for:

- (a) At least 5% of the Contract Sum during the course of the Contract Period; and
- (b) At least 2.5% of the Contract Sum on Practical Completion;

which must not be finally released until the end of the Retention Period.

(f) Insurances

4.7 Subject to Section 4.8 below, conditions must be included within:

- (i) All Contracts that require Contractors to have in effect, at the time of signing the Contract:
 - A minimum third party insurance cover of £5 million; and
 - A minimum employer liability cover of £10 million; and
- (ii) All appointments of Consultants that require them to have in effect, at the time of signing the Contract:
 - Professional Indemnity Insurance with a minimum cover of £2million for any one claim or such other sum as may be determined.

4.8 Subject to obtaining written advice from the Council's Insurance Officer, Spending Control Officers may include conditions within Contracts specifying lower levels of insurance than set-out at Section 4.7 above, dependent on the risk assessed by the Spending Control Officer, based on the advice of the Council's Insurance Officer.

4.9 The Contractor shall also be required:

- (i) To show to the Spending Control Officer evidence of all relevant insurance policies, both in place at the time of signing the Contract and any new policies obtained on the expiry of insurance policies, who must check that all required insurances are in effect throughout the duration of the Contract for the required levels of cover; and
- (ii) For construction contracts only, with Total Contract Values within Contract Category 4 of Appendix 1, to have the interest of the Council noted on the insurance policies.

(g) Assignment

4.10 A condition must be included within every Contract which prohibits the Contractor from transferring or assigning (directly or indirectly) any part of the Contract to another person or body without the written permission of the Council. *It should be noted that EU Regulated Contracts may only be assigned in limited circumstances.*

4.11 On receipt of a request from a Contractor to assign all or part of a Contract, the Spending Control Officer must undertake the checks of the proposed assignee required by Sections 7 and 8 below, before approving the assignment.

(h) Cancellation

4.12 All Contracts must include conditions relating to the cancellation of the Contract, in terms specified by the Assistant Director (Legal), either generally or for specific contracts.

4.13 *All EU Regulated Contracts must include a condition providing an express right for the Council to terminate the contract in specified circumstances, in the form prescribed in Regulation 73 of the Public Contracts Regulations 2015.*

(i) Appointment of Sub-Contractors and alternative suppliers

4.14 A condition must be included within every Contract which prohibits the Contractor from appointing a sub-contractor or alternative supplier to perform any part of the Contract without the prior written consent of the Council.

(j) Access to sites and documentation for audit purposes

4.15 All Contracts must contain a provision allowing an officer designated by the relevant Director, Asst. Director and/or Chief Internal Auditor access, for audit purposes, to:

(i) A site where a Contract is being performed; and/or

(ii) Relevant documentation relating to a Contract.

(k) Payments to Contractors

4.16 In order to comply with Regulation 113 of the Public Contracts Regulations 2015, a condition must be included within every Contract requiring that all payments made by the Council to Contractors, and by Contractors to any sub-contractors, must be made no later than 30 days from the date a valid and undisputed invoice is received. Spending Control Officers must then ensure that this Contract condition is complied with.

5. Rules for identifying and selecting Contractors/suppliers

5.1 Subject to 2.9 above, where a Total Contract Value is below Contract Category 1 at Appendix 1, there is no requirement for Spending Control Officers to obtain competitive Tenders for procurements. In such circumstances, Spending Control Officers can decide the most appropriate Contractor to select to perform the Contract. However, for the avoidance of doubt, Spending Control Officers can seek competitive Tenders if they consider it appropriate.

5.2 *Except for EU Regulated Contracts, where the procedure for inviting Tenders must comply with Public Contracts Regulations 2015, Spending Control Officers may use any of the following methods that they consider most appropriate, under all the circumstances, to determine which Contractors should form a Select List to be invited to submit Tenders, subject to a written explanation of the criteria adopted for selecting Contractors being held on the relevant Contract file and a copy being provided to the Corporate Procurement Officer at the time of formulating the Select List:*

(a) Use of Constructionline – Spending Control Officers may reduce a Long List produced by Constructionline for the type and value of Contract required to an appropriate Short List (comprising the required number of Tenderers set out in Appendix 1) using a method previously considered appropriate, and approved in writing, by their Director or Asst. Director;

(b) Use of an existing or new Framework Agreement – including a Framework procured by the Essex Procurement Hub;

- (c) Use of Contractors known to be able to meet the Council's requirements to a good quality and to provide good value for money;
 - (d) Use of Contractors who have previously been successful in Tendering for similar work for the Council in the past; and
 - (e) Through the formulation of a Select List by:
 - (i) The inclusion of Contractors considered to be able to perform the Contract; and/or
 - (ii) Advertising for potential Contractors as appropriate (but note 5.3 below).
- 5.3 Where Contractors are invited to express an interest in being considered for specific procurements for Contracts with a Total Contract Value in excess of £25,000, through the placement of an advertisement in any media, the Corporate Procurement Officer must be notified and provided with the details of the procurement. The Corporate Procurement Officer must then publish the required information on the Government's Contracts Finder website, in accordance with the Public Contracts Regulations 2015.
- 5.4 Unless there are good reasons, if an in-house Council service can meet the requirements of the Specification to the required quality, they must be used in preference to an external Contractor. This includes the Council's Reprographics and Building Control Services.
- 5.5 When Spending Control Officers are deciding which Contractors should be invited to provide Tenders, they must take account of the following:
- (a) *If the Contract is for a Total Contract Value in excess of the thresholds for EU Regulated Contracts set out in the Public Contracts Regulations 2015, the selection of Contractors to Invite to Tender must be in accordance with these Regulations;*
 - (b) *With the exception of EU Regulated Contracts, where appropriate and possible, at least one business with its headquarters located in the Epping Forest District should be invited to Tender;*
 - (c) Contractors who have previously provided good quality Works, Supplies or Services with good value for money should be invited to Tender in preference to Contractors with whom the Council has not had any previous experience; and
 - (d) It may be appropriate to seek references for Contractors from other local authorities or public bodies for whom they have previously undertaken Works or provided Supplies or Services.
- 5.6 In accordance with the Public Contracts Regulations 2015, Pre-Qualification Questionnaires (PQQs) must not be used for any procurement exercises that are not EU Regulated Contracts. It is still possible to ask questions relating to Contractors' suitability, provided that they are relevant to the subject matter of the procurement, are proportionate and are only used to establish whether Contractors meet minimum requirements of suitability, capability, legal status and financial standing. All candidates meeting the minimum criteria must be invited to tender.
- 5.7 *For EU Regulated Contracts, if Pre-Qualification Questionnaires (PQQs) are used, unless there are good reasons, the "Council's Standard Pre-Qualification Questionnaire (PQQ)" should be used, which can be [downloaded here](#). If a different form of PQQ is required, or the questions in the Council's Standard PQQ are not considered to be reasonable or proportionate, the amendments must be agreed with the Council's Corporate Procurement Officer.*

6. Nominated Sub-Contractors and Suppliers

6.1 Nominations made by the Council to a main Contractor for a sub-contractor or a supplier must be made following Tenders being sought in accordance with these Procurement Rules to select the Nominated Sub-Contractor or Supplier, except where a supplier has previously been used by the Council and the likely overall cost to the Council of changing supplier is considered by the relevant Director or Assistant Director to be greater than any reduced costs that could reasonably be obtained through a further Tendering process.

7. Checks to be undertaken on the experience, abilities and financial standing of Tenderers

7.1 If Tenders are to be invited from Contractors listed on Constructionline or an existing Framework Agreement no further checks are required, subject to the required checks of financial standing referred to in Section 8 below.

7.2 If Tenders are to be invited for Contracts with Total Contract Values covered by Contract Categories 1 or 2 in Appendix 1 no checks of Contractors are required, subject to:

- (a) The required checks of financial standing referred to in Section 8 below; and
- (b) If the Contract has any material health and safety implications, evidence of a good track record of health and safety and the adoption and use of satisfactory health and safety policies being obtained, to the satisfaction of the Spending Control Officer.

7.3 However, if the Spending Control Officer considers it appropriate, any (further) checks (including those listed at Section 7.3 and 7.4 below), can be undertaken for any Contracts with Total Contract Values covered by Contract Categories 1 or 2 in Appendix 1 (provided that they are in line with Section 5.6 above).

7.4 For all Contracts with Total Contract Values covered by Contract Category 3 in Appendix 1 or higher, the following checks must be undertaken of all Tenderers intended to be invited to submit Tenders, prior to issuing Invitations to Tender, in a form considered appropriate by the Spending Control Officer. *For EU Regulated Contracts, the wording provided by the Crown Commercial Service's Standard Pre-Qualifying Questionnaire (PQQ) must be used:*

- (a) Details of each potential Tenderer's previous experience and ability to undertake the work - to ensure that they are able to perform the Contract to the required standard;
- (b) If the Contract has any material health and safety implications, evidence of a good track record of health and safety and adoption and use of satisfactory health and safety policies;
- (c) The financial standing of proposed tenderers, if/as required by the Council's "**Procedures for Financial Checks of Contractors**" referred to in Section 8 below, which can be [\[downloaded here\]](#);
- (d) Details of each Contractor's approach to equality and diversity, to ensure that both the Contractor and the Council comply with the requirements of the Equality Act 2010; and
- (e) If the Contractor or their staff are likely to identify any Safeguarding issues relating to the wellbeing of either adults with care and support needs or children in the performance of the Contract, details of each Contractor's approach to Safeguarding, to ensure that the Contractor and its employees are able to assist the Council to comply with its legal requirements under the Care Act 2014 and the Children Act 2004.

8. Checks of financial standing

8.1 Checks of Contractors' financial standing should be undertaken as shown below, for the types of Contracts set out below:

- (a) **Supplies** Not required.
- (b) **Works** For all Contracts with a Total Contract Value within Contract Category 2 of Appendix 1 or higher.
- (c) **Services** For all Contracts with a Total Contract Value within Contract Category 5 of Appendix 1.

8.2 If checks of Contractor's financial standing are required in accordance with Section 8.1 above, the checks must be undertaken in accordance with the Council's "***Procedures for Financial Checks of Contractors***", which can be [\[downloaded here\]](#), and which sets out:

- (a) At what point in the procurement process financial checks should be undertaken;
- (b) Who has responsibility for undertaking the checks;
- (c) What checks should be undertaken and the methodology to be followed; and
- (d) What action should be taken based on the outcome of the checks.

9. Obtaining value for money for Contracts where Tenders are not required from more than one Contractor

9.1 Tenders are not required from more than one Contractor for Contracts with a Total Contract Value below the Total Contract Values of Category 1 at Appendix 1. However, Tenders can still be sought in such circumstances - with the manner in which such Tenders are sought being determined by the Spending Control Officer and which does not have to comply with these Procurement Rules.

9.2 If Spending Control Officers do not seek Tenders from more than one Contractor, they must still take reasonable and appropriate steps to ensure that the Council obtains good value for money from Contractors, in terms of price and quality.

10. Rules for inviting Tenders where more than one Tender is required

10.1 For Contracts with a Total Contract Value within Category 1 of Appendix 1 or higher (including the value of any potential Contract Extensions), Spending Control Officers must invite Tenders from at least the number of Contractors shown in Appendix 1 for the relevant Contract Category.

10.2 Where Spending Control Officers consider that increased value for money may be obtained by inviting more Contractors to Tender for a Contract than the number required for the relevant Contract Category at Appendix 1, they should invite more Contractors to Tender as appropriate.

10.3 Where the Total Contract Value (including the value of any potential Contract Extensions) is close to the upper threshold for a Contract Category in Appendix 1, Tenders should be sought based on the Contract Category with the higher Total Contract Values.

10.4 Spending Control Officers must give Tenderers sufficient time to properly complete and return Tenders before the Tender Return Date.

- 10.5 For EU Regulated Contracts with a Total Contract Value above the thresholds within the Public Contracts Regulations 2015 (i.e. within Category 5 of Appendix 1), Spending Control Officers must comply with the e-communication requirements of Regulations 22(8-21) and 53 of the Public Contracts Regulations 2015. With effect from 18th October 2018, Spending Control Officers must comply with the full e-communication requirements of Regulation 22 and any other provisions of the Public Contracts Regulations 2015 relating to e-communications. A copy of the Crown Commercial Service’s **“Guidance on Electronic Procurement & Electronic Communication”**, to comply with the Public Contracts Regulations 2015, can be [\[downloaded here\]](#).
- 10.6 Any electronic procurements undertaken by Spending Control Officers on behalf of the Council must comply with the **“Council’s Guidance on Electronic Tendering”** which can be [\[downloaded here\]](#).
- 10.7 For procurements within Categories 1-4 of Appendix 1, Invitations to Tender can be issued either by post or electronically. However issued, Invitations to Tender provided in accordance with this Section must:
- (a) Include a copy of the Council’s standard **“Tender Return Label”** (which can be [\[downloaded here\]](#)) within the Tender Documents, giving:
 - (i) A brief description of the Tender;
 - (ii) The designation of the person listed in Appendix 1 to whom the Tender must be returned;
 - (iii) The time (which must be Noon) and date by which the Tender must be received by the person designated within Appendix 1; and
 - (iv) Notification in large letters that the return document is a “TENDER”.
 - (b) Include, in the form prescribed by the Asst. Director (Governance and Performance Management):
 - (i) A **“Certificate of Bona Fide Tendering”** (which can be [\[downloaded here\]](#)); and
 - (ii) A **“Formal Declaration of Tender Offer”** (which can be [\[downloaded here\]](#)).
 - (c) Advise Tenderers that Tenders must be returned:
 - (i) In a plain envelope;
 - (ii) Which must be securely sealed; and
 - (iii) Which must not bear any distinguishing matter or mark to indicate the identity of the sender.
 - (d) Advise Tenderers that details of their Tender may be published:
 - (i) In the public agenda or minutes of the Council or become available as a background paper; or
 - (ii) By means of a request under the Freedom of Information (FOI) Act 2000 or the Environmental Information (EI) Regulations 2004, in response to which the Council would provide any information which is not covered by any of the statutory exemptions of the FOI Act or EI Regulations.
- 10.8 At the same time as sending the Invitations to Tender, Spending Control Officers must:
- (a) Advise the person listed in Appendix 1, to whom the Tender must be returned, of the return details of the Tenders; and
 - (b) Request the person to whom Tenders must be returned to arrange a time, date and venue for a Tender Opening.
- (a) Invitations to Tender by post*
- 10.9 Invitations to Tender must be sent to all Tenderers on the same date.

- 10.10 On the same day as sending the Invitations to Tender by post, Spending Control Officers must also send an email to all the Tenderers, but not revealing the names of other tenderers, to:
- (a) Advise them that Invitations to Tender have been despatched; and
 - (b) Request Tenderers to confirm safe receipt of the Tender Documents when received.
- 10.11 If safe receipt is not confirmed by a Tenderer within 3 working days of an Invitation to Tender being sent, Spending Control Officers must contact the Tenderer(s) concerned again to check receipt, and must continue to make appropriate periodic checks until all Tenders have been safely received.
- 10.12 Where it is apparent that Tender Documents have not been received by a Tenderer within a reasonable period, the Spending Control Officer must make appropriate arrangements to send duplicate Tender Documents as soon as reasonably possible (e.g. by hand or by courier).
- (b) Invitations to Tender by email*
- 10.13 Where Invitations to Tender are emailed to Tenderers, they must all be sent on the same date.
- 10.14 The email Invitation to Tender must require Tenderers to notify the Spending Control Officer of the safe receipt of the Tender Documents when received.
- 10.15 If safe receipt of Tender Documents is not confirmed within 24 hours of an Invitation to Tender being sent, Spending Control Officers must contact the Tenderer(s) concerned by telephone (not email) to check receipt.
- 10.16 Where it is apparent that Tender Documents have not been received by a Tenderer, the Spending Control Officer must make appropriate arrangements to immediately re-send the Tender Documents, either by email again or by post as appropriate, and then check receipt in accordance with Section 10.14 above.
- 11. Additional rules for inviting and accepting tenders based on the Most Economically Advantageous Tender (MEAT) (i.e. price and quality) and/or a Schedule of Rates**
- (a) Most Economically Advantageous Tenders (MEATs)*
- 11.1 If the assessment of Tenders is to be based on an evaluation to assess the Most Economically Advantageous Tender (MEAT), i.e. taking account of both price and quality, Spending Control Officers must follow the Council's "**Corporate MEAT Assessment Methodology**", which can be [\[downloaded here\]](#).
- 11.2 Prior to Invitation of Tenders being issued, a MEAT Evaluation Assessment must be formulated by the Spending Control Officer and:
- (i) (A copy) must be provided to the Corporate Procurement Officer, prior to the Invitation of Tenders being issued, for audit purposes;
 - (ii) Must not be changed after Invitations to Tender have been issued; and
 - (iii) Must be held on the relevant Contract file for at least 1 year after the Contract has been let.
- 11.3 A copy of the MEAT Evaluation Assessment must be provided to Tenderers as part of the Tender Documents.
- (b) Schedule of Rates*
- 11.4 Where Tenders are based on a Schedule of Rates, a reasonable Pre-estimate of Quantities for each of the rates contained in the Tender must:

- (i) Be produced prior to Invitations to Tender being issued;
- (ii) Be lodged with the Corporate Procurement Officer for audit purposes;
- (iii) Not be changed after Invitations to Tender have been issued;
- (iv) Be held on the relevant Contract file for at least 6 years after the Contract has been let;
- (v) Be used to multiply the rates provided by Tenderers to reach an Estimated Tender Sum, which shall be the Tender Sum reported for consideration of acceptance by the relevant person/body specified in Appendix 1.

12. Rules for the receipt, custody and opening of Tenders with Total Contract Values within Category 1 of Appendix 1 or higher

- 12.1 All Tenders received through electronic procurements must be received, held and opened in accordance with EFDC's "**Guidance on Electronic Tendering**" which can be [\[downloaded here \]](#).
- 12.2 For Tenders with Total Contract Values within Category 1 of Appendix 1 or higher, the Assistant Director (Governance) must:
- (a) Make appropriate arrangements to hold returned Tenders in a secure location; and
 - (b) Maintain a Record of Tenders received by the Council, together with their time and date of receipt.
- 12.3 Unless it is known that all expected Tenders have been received, Tenders must not be opened on the same day as the Tender Return Date. This is to ensure that any Tenders that may have been delivered to the Civic Offices in time still reach the Asst. Director (Governance & Performance Management) before the Tender Opening.
- 12.4 Tenders must be opened, all at the same time, by the person(s) listed in Appendix 1 for the Contract Category related to the expected Total Contract Value and, if possible, the Spending Control Officer or their representative.
- 12.5 Tenders must not be accepted if they:
- (a) Are not in a plain envelope;
 - (b) Are not securely sealed;
 - (c) Do not have a "**Tender Return Label**";
 - (d) Bear any distinguishing matter or mark to indicate the identity of the sender;
 - (e) Do not include a "**Certificate of Bona Fide Tendering**"; or
 - (f) Do not include a "**Formal Declaration of Tender Offer**".
- 12.6 The Asst. Director (Governance & Performance Management) must ensure that a Democratic Services Officer maintains a record of all Tenders opened, which must be signed by all those in attendance at the Tender Opening.

13. Late receipt of Tenders

- 13.1 Any Tenders received after the Tender Return Date must be examined, unopened, by the person designated within Appendix 1 to open the Tenders and shall be dealt with in accordance with this section.
- 13.2 Where Tenders have been received after the Tender Return Date, but the other Tenders have not yet been opened, and the person responsible for opening the Tenders is satisfied that there is evidence that the Tender was sent in time for delivery by the Tender Return Date, a Late Tender can be opened at the same time as the other Tenders, provided that:
- (a) The details relating to the Late Tender are noted in the Record of Tenders kept by the Democratic Services Officer at the time the Tenders are opened; and
 - (b) The circumstances are reported to the body or individual responsible for accepting the successful Tender.
- 13.3 Where other Tenders have already been opened or, in the opinion of the person responsible for opening the Tenders, there is no evidence that the Tender was sent in time to reach the Council by the Closing Date:
- (a) The Tender must be opened by the Asst. Director (Governance & Performance Management), in the presence of a Democratic Service Officer and, if possible, the Spending Control Officer or their representative;
 - (b) The Record of Tenders received must be annotated with details that a Late Tender was received, but was disqualified;
 - (c) The relevant Spending Control Officer must advise the Tenderer, as soon as reasonably possible, of the disqualification and the reason; and
 - (d) The circumstances must be reported to the body or individual responsible for approval of the successful Tender.

14. Alterations

- 14.1 Tenders must not be altered after they have been opened. However, *except in the case of EU Regulated Contracts*, the Spending Control Officer can recommend to the person or body responsible for accepting the Tender that it is appropriate to accept the correction of Arithmetical Errors, if the Spending Control Officer is satisfied that such errors were made inadvertently. *For EU Regulated Contracts, any proposed alterations to Tenders after they have been opened must be discussed with the Council's Legal Services.*
- 14.2 If an error is identified within the Tender Documents before the Tender Return Date, all the Tenderers must be informed of the error and invited to adjust their Tenders prior to submission.
- 14.3 If an error in the Tender Documents is identified after the Tender Return Date, all Tenderers must be given details of the error and afforded the opportunity of withdrawing their Tender or submitting an amended Tender.

15. Post-Tender Negotiations

- 15.1 No Post-Tender Negotiations are permitted, unless the Contract has been advertised and Tendered under the Competitive Dialogue Procedure and the relevant Director or Asst. Director is satisfied, and determines, that Post-Tender Negotiations are appropriate to the procurement process.

- 15.2 Seeking clarification from Tenderers on queries related to their Tenders does not constitute Post-Tender Negotiations. However, the Spending Control Officer must first consult with the Corporate Procurement Officer for advice and, if necessary, seek further legal advice.
- 15.3 If the Specification for a Contract needs to be amended, due to the lowest Tender exceeding the available budget, or if the Council's requirements have changed since the Tenders were invited, all Tenderers must be given the opportunity to submit revised Tenders based on the revised Specification.
- 16. Rules for accepting Tenders**
- 16.1 Tenders must only be accepted by the person/body listed in Appendix 1 for the relevant Contract Category relating to the Total Contract Value.
- 16.2 The report to the person/body listed in Appendix 1 on the proposed award of a Contract must seek approval from that person/body to the proposed arrangements for any proposed Contract extensions, including a recommendation on whether subsequent decisions to extend Contracts, in accordance with the Contract Terms, will be agreed by the:
- (a) The Spending Control Officer;
 - (b) The relevant Director (or Assistant Director);
 - (c) The relevant Portfolio Holder; or
 - (d) The Cabinet.
- 16.3 Where the actual Total Contract Value of the Tender to be recommended for acceptance exceeds the expected Total Contract Value for the relevant Contract Category at Appendix 1, and results in Tenders not having been invited and/or opened in accordance with the higher Contract Category, the Tenders must be reported to, and approved by, the person/body authorised to accept Contracts for the higher Contract Category, together with an explanation of why the actual Total Contract Value is above the expected Contract Value.
- 16.4 For Contracts that are not EU Regulated Contracts, if a Tender, other than either:
- (a) The lowest Tender (for Tenders based only on price); or
 - (b) The Tender with the highest weighted Tender Evaluation Score (for procurements undertaken to assess the Most Economically Advantageous Tender (MEAT))
- is recommended by the Spending Control Officer, it may only be approved by:
- (c) A Director or the relevant Asst. Director - where the Tender would normally be accepted by the Spending Control Officer;
 - (d) The relevant Portfolio Holder - where the Tender would normally be accepted by a Director, Asst. Director or the Portfolio Holder; or
 - (e) The Cabinet - where the Tender would normally be accepted by the Cabinet.
- 16.5 *For EU Regulated Contracts, there are only limited circumstances when a Tender, other than either the lowest-priced Tender or having the highest weighted Tender Evaluation Score, can be accepted. If acceptance of a different Tender is proposed, Spending Control Officers are required to seek the advice of the*

Corporate Procurement Officer and follow the requirements of the Public Contracts Regulations, and/or undertake a further Tender exercise.

- 16.6 For audit purposes, where the circumstances in Sections 16.3 and 16.4 above apply, the Spending Control Officer must provide an explanation in writing to the person/body accepting the Tender of why the lowest Tender or highest weighted Tender Evaluation Score should not be accepted, and must retain a copy of the written explanation on the Contract file.
- 16.7 Prior to a Tender being accepted, evidence of valid satisfactory insurances required under Section 4.8 above to the amount, and on the terms, determined by the Council's Insurance Officer must be received from the Preferred Tenderer by the Spending Control Officer.
- 16.8 Spending Control Officers are authorised to enter into Contracts or issue Official Orders that have been Tendered and approved in accordance with these Procurement Rules.
- 16.9 For all procurement exercises with Total Contract Values in excess of £25,000, Spending Control Officers must provide details of all Tenders received, and the name of the successful Tenderer, to the Council's Corporate Procurement Officer within 5 working days of a Contract being entered into, in order to:
- (a) Maintain a central record of all procurement exercises; and
 - (b) Enable the Corporate Procurement Officer to provide the required information to the Contracts Finder website, in order to comply with the requirements of the Public Contracts Regulations 2015.
- 16.10 On receipt of the information provided by the Spending Control Officer, the Corporate Procurement Officer must upload the required information to the Crown Commercial Service's Contracts Finder website as soon as reasonably possible.

17. Procurement Process ("Regulation 84") Report

- 17.1 *For EU Regulated Contracts undertaken with a Total Contract Value within Category 5 of Appendix 1, throughout the procurement process, Spending Control Officers must complete and maintain the required Procurement Process Report under Regulation 84 of the Public Contracts Regulations 2015. At the same time as informing Tenderers that their Tenders have been either successful or unsuccessful, Spending Control Officers must provide a copy of the completed Report to the Corporate Procurement Officer, in order to maintain a central record. A template for the "Procurement Process ("Regulation 84") Report" can be [\[downloaded here\]](#).*

18. Contract Documentation and retention

- 18.1 Contracts with a Total Contract Value within Contract Category 1 of Appendix 1 can be dealt with by the use of an Official Order, provided that the relevant Director or Asst. Director is satisfied that there is no need for more extensive terms and conditions to be specified in order to protect the interests of the Council. An Official Order (or formal Contract) is required for all Council Contracts.
- 18.2 All Contracts with a Total Contract Value within Contract Category 2 of Appendix 1 or higher must:
- (a) Be in a standard form of an appropriate formal legal agreement approved by the Council's Asst. Director (Legal Services); and
 - (b) Be under seal, unless the Council's Asst. Director (Legal Services), in consultation with the Spending Control Officer, determines otherwise. This would be on the basis that the period of liability for breach of contract does not need to be extended from six to twelve years.

- 18.3 Spending Control Officers (and their successors) must ensure that:
- (a) All appropriate Contract Documentation is retained in a secure location for a minimum period, following the date of final payment, of at least:
 - (i) Six years if the Contract is not executed as a deed under seal;
 - (ii) Twelve years if the Contract is executed as a deed under seal; and
 - (b) Documentation relating to unsuccessful Tenders is retained in a secure location for a period of at least two years.
- 18.4 Original signed Contracts with Total Contract Values within Contract Category 2 of Appendix 1 or higher must be forwarded to the Asst. Director (Legal Services) for secure storage within 28 days of signing/sealing. Original signed Contracts with Total Contract Values within Contract Category 1 of Appendix 1 can also be forwarded to the Asst. Director (Legal Services) for secure storage if the Spending Control Officer wishes.
- 18.5 The Asst. Director (Governance & Performance Management) must ensure that Records of Tenders are retained indefinitely in a secure location.

19. Rules for negotiated contracts

- 19.1 Contracts with Total Contract Values within Contract Category 1 at Appendix 1 or higher may only be negotiated where the relevant Portfolio Holder (or, for Contracts within Contract Category 4, the Cabinet) has resolved that competitive Tenders need not be invited and that a Contract may be negotiated with just one Contractor.
- 19.2 In such circumstances, the reason for not inviting competitive Tenders must be set out in the report to the Portfolio Holder or Cabinet, which can be for any reason considered appropriate by the relevant Director or Asst. Director, including the following reasons:
- (a) The Contract is urgent and there is insufficient time to invite Tenders;
 - (b) The requirements of the Contract are of a specialist nature, where no other Contractor is known to provide them;
 - (c) No demonstrable material benefit would be obtained from inviting competitive Tenders; or
 - (d) Tenders have previously been sought for a similar Contract within the previous 6 months and no Tenders were received.
- 19.3 *For EU Regulated Contracts, procurements must be undertaken in accordance with the Public Contracts Regulations 2015 in all circumstances.*

20. Use of Consultants

- 20.1 The definition of a "Consultant" is provided at Appendix 2.
- 20.2 The procurement of all Consultants must be undertaken in accordance with these Procurement Rules *and, where appropriate, the EU Regulations.*

- 20.3. Spending Control Officers are responsible for ensuring that any Consultants acting on behalf of the Council comply with these Procurement Rules in full.
- 20.4 Except where a recognised national Form of Contract or other accepted and standard type of agreement is used for the appointment of a Consultant, or where the Asst. Director (Legal Services) determines otherwise, the Council's "**Standard Consultants Agreement**" must be used for the appointment of any Consultant. A template for the "**Standard Consultants Agreement**" can be [\[downloaded here\]](#).
- 20.5 Where a national Form of Contract or other accepted and standard type of agreement is to be used for the appointment of a Consultant, Spending Control Officers must take the advice of the Asst. Director (Legal Services (or staff designated by him/her) on any specific provisions to be included or excluded within the Contract / agreement.

21. Rules for Contract Extensions

- 21.1 Where Contracts allow one or more Contract extensions, Spending Control Officers are authorised to extend existing Contracts up to the maximum period allowed by the Contract in accordance with the decision of the person/body listed in Appendix 1 when they formally accepted the original Tender, as required under Section 16.2 above..
- 21.2 Where a Contract allows a Contract extension, but the original decision to award a tender did not specify the arrangements for proposed extensions in accordance with Section 16.2 above, and the Contract has a Total Contract Value within Category 4 of Appendix 1, Spending Control Officers must consult the relevant Portfolio Holder, in writing, on any intention to extend the Contract prior to the Contract being extended. In response, the Portfolio Holder may either raise no objections to the proposed extension or require that a formal decision on the proposed extension is made through a formal Portfolio Holder or Cabinet Decision.
- 21.2 Spending Control Officers must ensure that arrangements are made for any decisions about whether or not a contract should be extended in compliance with Sections 21.1 and 21.2 above in sufficient time to enable the works, goods, supplies or services to be procured through a new Contract, instead of through the extension of an existing Contract if that is the decision made.

22. Contract monitoring

- 22.1 For all Contracts with a Total Contract Value within Category 4 of Appendix 1, the Spending Control Officer must provide a written progress report to the relevant Portfolio Holder(s) at least every three months, between the Tender Return Date and the date of Practical Completion. The Progress Report must report on the progress with the required Works or Services and the current financial position, in relation to:
- (a) Contract and fee expenditure to date;
 - (b) The latest anticipated Total Contract Cost and the anticipated total cost of all fees;
 - (c) Any variations between the budget approved at the time of the acceptance of the Tender and the latest anticipated Total Contract Cost and anticipated total cost of all fees; and
 - (d) The use of any contingency sums to date and the amount of any contingency sums remaining.
- 22.2 For Contracts with Total Contract Values within Contract Category 3 of Appendix 1 or higher, where the latest anticipated Total Contract Cost is in excess of 20% of the Tender Sum, the Spending Control Officer must submit a written report to the next available meeting of the Council's Corporate Governance Group

after the date the excess has been identified, explaining the reasons for the increase and, if appropriate, any remedial action to be taken to reduce the excess.

23. Final Accounts

- 23.1 The Spending Control Officer responsible for any Contract with a Total Contract Value within Contract Category 4 of Appendix 1 or higher must produce a written Final Account, and provide a copy to the Asst. Director (Accountancy), within 3 months of all financial transactions relating to the Contract being completed. The Final Account must include details of the Tender Sum, Contract variations, Final Account sum, any deducted Liquidated and Ascertained Damages, any extensions of time awarded and any claims agreed with the Contractor.
- 23.2 If considered necessary, the Chief Internal Auditor may examine and audit the Final Account and associated Contract Documentation to satisfy that the Final Account is correct and represents an accurate and appropriate summary of Contract payments and deductions.

24. Publication of procurement information

- 24.1 In order to comply with the Local Government Transparency Code 2015, the Corporate Procurement Officer is responsible for ensuring that the information required by Part 2.1 of the Code is published every 3 months in accordance with the Code.

25. Disposal and freehold/leasehold property transaction

- 25.1 For the purposes of these Procurement Rules:
- (a) All disposals and freehold/leasehold property transactions, including interests in land (such as acquisitions, disposals, new lettings, lease renewals, lease surrenders, rent reviews, sub-lettings, assignments, licences, deeds of variations, easements, wayleaves and land covenants on land) must be dealt with in accordance with the Schedule of Delegation set out in Part 3 of the Council's Constitution and any procedures required by law; and
 - (b) References to Total Contract Value within these Procurement Rules (including in Appendix 1) mean:
 - (i) The anticipated purchase price or premium for the disposal or freehold/leasehold property transaction; or
 - (ii) The annual rent.
- 25.2 Disposals or freehold/leasehold property transactions involving Council land and property may be through:
- (a) Formal tendering (providing for an initial deposit and binding contract if the Tender is successful);
 - (b) Formal tendering (providing for no initial deposit and no binding contract if the Tender is successful);
 - (c) Private treaty; or
 - (d) Public auction.
- 25.3 These Procurement Rules must be followed in full for all disposals or freehold/leasehold property transactions where Tenders from potential purchasers are sought in accordance with Section 25.2 (a) or (b) above.

- 25.4 If the method of disposal or property transaction set-out in Section 25.2(a) or (b) above is followed, the person/body that will be asked to accept the Tender may pre-determine that the relevant sale particulars should make provision for a two-stage offer process, that provides the Council with the option of inviting best and final offers after receipt of initial offers, where this is demonstrated to them to be appropriate:
- (a) By the relevant Spending Control Officer making such a recommendation in a written report to the person/body that will be asked to accept the Tender; and
 - (b) Having considered the case for adopting this method of disposal based on an assessment of the risks involved and concluding that this procedure is the most appropriate for achieving best value.
- 25.5 Disposals or other freehold/leasehold property transactions involving Council land or property sought through the methods set-out in Section 25.2 (c) or (d) above can only be approved:
- (a) In exceptional circumstances and if the person/body that will be asked to accept the Tender has considered a report prepared by the relevant Spending Control Officer which justifies the proposed procedure as the most suitable method of achieving best consideration; and
 - (b) If the transaction is for less than the open market value, the report referred to in Section 25.5(a) above contains an estimate of what the value of the transaction would be if advertised on the open market.
- 25.6 Where disposals or other freehold/leasehold property transactions involving Council land or property are sought through the methods set-out in Section 25.2 (c) or (d) above:
- (a) The relevant Director or Asst. Director may determine the appropriate arrangements to be followed if the anticipated Total Contract Value for the disposal or freehold/leasehold property transaction is within Contract Category 2 of Appendix 1 or lower;
 - (b) The relevant Portfolio Holder must determine the appropriate arrangements to be followed if the anticipated Total Contract Value for the disposal or freehold/leasehold property transaction is within Contract Category 3 of Appendix 1; and
 - (c) The Cabinet must determine the appropriate arrangements to be followed if the anticipated Total Contract Value for the disposal or freehold/leasehold property transaction is within Contract Category 4 of Appendix 1 or higher.
- 25.7 The arrangements referred to in Section 25.6 above may include:
- (a) Determining the most appropriate method of disposal to achieve the Council's statutory duty of obtaining best consideration; or
 - (b) Deciding to sell for less than the open market value, provided that all statutory procedures are complied with, including (where necessary) obtaining the consent of a Secretary of State.
- 25.8 The Chief Estates Officer or Director of Neighbourhoods may agree, on behalf of the Council, to all estates acquisitions, disposals and licences set out within the Schedule of Officer Delegations in Part 3 of the Council's Constitution, where it would be in accordance with good estate management and would not adversely affect the premises concerned.
- 25.9 The relevant Portfolio Holder may take decisions under delegated authority for all estates management matters that, individually, have a cumulative value of between £500,001 and £999,999, subject to all other matters within these Procurement Rules being satisfied and undertaken in accordance with Article 14 (Decision Making) of the Council's Constitution.

Alan Hall/May 2016

Table of Tendering Requirements for Nos. of Tenders, Returns and Openings

Contract Category	Total Contract Value(*)	Minimum no. of tenders to be invited ^{(+)(@)}	Designation of person to whom tenders must be addressed	Designation of person required to open tenders	Designation of person/body required to accept tender
1	£25,000 - £50,000	Three	Assist. Director (Governance & Performance Mgt)	Spending Control Officer ^(#) + Democratic Services Officer	Spending Control Officer ^(#)
2	£50,001 - £250,000	Three	Assist. Director (Governance & Performance Mgt)	Director or Asst. Director + Democratic Services Officer	Director or Asst. Director
3	£250,001 - £1million	Three	Assist. Director (Governance & Performance Mgt)	Portfolio Holder + Director/Asst. Director + Democratic Services Officer	Portfolio Holder
4	Over £1million	Three	Assist. Director (Governance & Performance Mgt)	Portfolio Holder + Director/Asst. Director + Democratic Services Officer	Cabinet
5	Above the relevant EU Threshold for Works, Supplies or Services	Five	As 1-4 above (dependent on contract value)	As 1-4 above (dependent on contract value)	As 1-4 above (dependent on contract value)

Notes:

(*) Total Contract Value means the total value of the Works, Services and Supplies over the total period of the Contract, including all potential Contract Extensions to the initial Contract Period.

Where the Total Contract Value is within Contract Category 5, the arrangements for Contract Category 5 should be followed, and not the arrangements for any of the other Contract Categories that may also apply to the Total Contract Value.

(+) If the estimated Total Contract Value is in excess of the value thresholds for Works, Supplies or Services, above which the Public Contracts Regulations 2015 apply, the required number of Tenders determined by the Regulations must be applied.

(@) Includes any in-house Tenders submitted.

(#) Spending Control Officer means the person who is the named person responsible for the budget heading under which payments for the contract will be made, and is responsible for all aspects of the procurement process for a Contract and for complying with these Procurement Rules.

Current EU Procurement Thresholds (1st January 2016 – 31st December 2017)

Contract Type	EU Threshold
Services / Supplies	£164,176
Works	£4,104,394
Light Touch Regime Services	£589,148

The EU Thresholds are updated at regular intervals. The latest Thresholds can be [\[downloaded here \]](#)

Glossary and Definitions of Terms used in the Procurement Rules

Term	Definition or Explanation
Arithmetical Error	An error in addition, subtraction, multiplication or division within a submitted Tender.
Cabinet	The Leader of the Council and other councillors appointed by the Leader to form a group of councillors authorised by the Council's Constitution to make decisions on certain issues.
Central Purchasing Body	A contracting authority which either: <ul style="list-style-type: none"> • Acquires supplies and/or services intended for contracting authorities; or • Awards public contracts (concludes framework agreements) for works, supplies or services intended for contracting authorities
<i>“Certificate of Bona Fide Tendering”</i>	A form that Tenderers must complete, sign and return with their Tender to confirm that the Tender they are putting forward is the true offer that will be available to the Council if the Tender is won by the Tenderer (i.e. to confirm that the offer is genuine and is not just a competitive offer to push them forward through the Tender process). The Council's Standard <i>“Certificate of Bona Fide Tendering”</i> can be obtained from the Council's Intranet, and can be [downloaded here] .
Competitive Dialogue Procedure	A formal and complex process, allowed by the Public Contracts Regulation 2015, for procuring a Contract through discussions with Contractors in a structured way.
Constructionline	The UK's leading procurement and supply chain management web-based service that collects, assesses and monitors standard company information through a question set that is aligned to the standardised pre-qualification questionnaire developed by the British Standards Institute, to reduce duplication within the construction industry.
Consultant	A person or organisation who is not employed by the Council, included on the Council's payroll or covering an establishment post, who is procured directly - through a company (or similar commercial undertaking) or an agency and is engaged to perform a specific task over a predetermined period.
Contract Award	The decision to enter into a Contract with a Contractor
Contract Documentation	All documents related to the administration of a Contract, not just the Tender Documents
Contract Extension	The continuation of a Contract for a further period of time allowed by the Contract. There can be more than one Contract Extension for a Contract.
Contracts Finder	A service provided by the Crown Commercial Service, and referred to in the Public Contracts Regulations 2015, that enables Contractors to search

	for information about Contracts worth over £25,000 with the Government, Government agencies and local government.
Contract Period	The period commencing with the date a Contract specifies that the provisions of the Contract are to start to the date the Contract comes to an end.
Contract Sum	The amount to be paid to a Contractor to perform a Contract, prior to any Contract Extensions, and referred to in the formal Contract between the Council and the Contractor.
Contracts	Contracts, agreements or orders for Works, Supplies or Services.
Contractors	Works contractors, Suppliers, Service providers and Consultants.
Corporate Governance Group	A group of officers, chaired by the Chief Executive, comprising members of Management Board, the Chief Internal Auditor and the Deputy Monitoring Officer.
Corporate Procurement Officer	The officer designated by the Director responsible for procurement arrangements within the Council, who co-ordinates procurement matters on the Director's behalf.
Crown Commercial Service	A Government Agency that brings together policy, advice and direct buying information in a single organisation and provides commercial Services to the public sector and saving money for the taxpayer. Much of the CCS's advice gives formal detailed guidance on the operation of the Public Contracts Regulations 2015.
Defects Liability Period	A set period of time after a Works Contract has been completed, during which a Contractor has the right to return to the site to remedy any defects at the Contractor's own cost.
Director	A Director, Assistant Director or the Chief Executive.
e-Communications	The method of using electronic communications, including email and web-based applications, to provide and receive documents and communications to and from Contractors, in accordance with the Public Contracts Regulations 2015 – detailed in the “Guidance on Electronic Procurement & Electronic Communication” produced by the Crown Commercial Service, which can be [downloaded here]
Essex Procurement Hub	A Central Purchasing Body of six local authorities in Essex, including Epping Forest DC, that provides strategic and operational procurement support, advice and guidance in order to add demonstrable value to the procurement process to its members. The Hub lets and manages a number of national Framework Agreements that are accessible to any UK Public Authority.
Estimated Tender Sum	A Tender Sum formulated by applying rates submitted by a Tenderer to Pre-Estimated Quantities that are estimated to apply over the Contract Period and used to compare the Tenders received from different Contractors. This is nearly always different from the Total Contract Cost.

EU Regulated Contracts	Procurements by public bodies in the UK that are above the financial thresholds for Works, Supplies and Services Contracts referred to in the Public Contracts Regulations 2015, which stipulate the way in which any procurements above the financial thresholds must be undertaken. A <i>“Basic Guide to Public Sector EU Procurement Legislation”</i> can be [downloaded here] .
Final Account	A written statement that includes details of the Tender Sum, Contract variations, Final Account sum, any deducted Liquidated and Ascertained Damages, any extension of time awarded and any claims agreed with the Contractor.
<i>“Formal Declaration of Tender Offer”</i>	The form that Tenderers must complete, sign and return with their Tender to state and confirm their Tender Sum. The form includes a number of statements that Tenderers sign to confirm their compliance. The Council’s Standard <i>“Formal Declaration of Tender Offer”</i> is available on the Council’s Intranet, and can be [downloaded here] .
Framework Agreement	An agreement with Contractors to establish terms governing Contracts that may be awarded during the life of the Framework Agreement, or a general term for agreements that set out terms and conditions for making specific purchases (referred to as “call-offs”).
Insurance Officer	The officer designated by the Director responsible for insurance arrangements within the Council, who co-ordinates insurance matters on behalf of the Director.
Invitations to Tender	A letter, email or other communication sent to Tenderers – either by post or electronically – together with Contract Documents, that invites Tenderers to submit a Tender by the Tender Return Date.
Late Tender	A Tender that has not been received by the Asst. Director (Governance & Performance Management) by the Tender Return Date.
Light Touch Regime (LTR) / Procurement	A specific set of rules introduced by the Public Contracts Regulations 2015 for certain Services contracts that tend to be of lower interest to cross-border competition, that replace the previous distinction between “Part A” and “Part B”. These include certain social, health and education services, defined by the Regulations. A relatively high financial threshold is applied to the LTR, below which contracts do not need to be advertised in the OJEU. For LTR contracts above the threshold, contracting authorities have to follow a new light-touch set of procurement rules, set out in the Regulations.
Liquidated and Ascertained Damages	Fixed damages stated in a Contract, and usually set as an amount per week (or part of a week), which the Contractor must pay the Council (or which the Council may deduct from payments to the Contractor) if completion of the Contract is delayed beyond the Contract completion date, as adjusted by any extensions of time. Note that they are void as a penalty if they are not a "genuine pre-estimate" of the Council’s potential loss, in which case the Council can usually recover normal, unliquidated damages for breach of Contract.

Long List	A list of all Contractors expressing an interest in receiving an Invitation to Tender, before any selection process has been undertaken by the Council to produce a Short List.
Most Economically Advantageous Tender (MEAT)	A Tender for a Contract that has been evaluated not only on the basis of the price submitted by a Tenderer, but also on the basis of the assessed quality of both the submitted Tender and the Tenderer. This is in accordance with a pre-determined MEAT Assessment Methodology, with Tenders evaluated using a pre-determined MEAT Evaluation Assessment, which usually provides for pre-determined weightings to be applied to the price and the quality of various aspects of the Tender.
<i>“MEAT Assessment Methodology”</i>	The pre-determined approach agreed by the Council, and available on the Council’s Intranet, to assess the Most Economically Advantageous Tender (MEAT). The Council’s current Methodology can be [downloaded here] .
MEAT Evaluation Assessment	The document that sets out the pre-determined weightings to be applied to the price and the quality of various aspects of the Tender, and used to calculate the relative scores of all the Tenders received.
Nominated Sub-Contractors and Suppliers	Sub-contractors and suppliers that the Council requires a Works Contractor, Service provider or other Supplier to use to perform the Contract.
Official Order	A standard form of Contract placed with a Works Contractor, supplier, service provider or Consultant, that is usually issued through the Council’s Marketplace System or the Northgate Open Housing Management System (OHMS)
Parent Company Guarantee	A guarantee by the parent company of a Contractor in respect of the Contractor’s performance under its Contract with the Council, where the Contractor is a subsidiary of the parent company
Partnering Contract	A broad term used to describe a collaborative management approach that encourages openness and trust between the parties to a Contract. The parties become dependent on one another for success, which often requires a change in culture, attitude and procedures throughout the supply chain. Most commonly used on large, long-term or high-risk contracts, Partnering Contracts can be adopted for a one-off project, or can be a long-term relationship over a number of projects (such as a Framework Agreement).
Performance Bond	A means of insuring a Contractor against the risk of the Contractor failing to fulfil its contractual obligations to the Council. The Performance Bond provides compensation, guaranteed by a third party, up to the amount of the Performance Bond (which is typically set at 10% of the Total Contract Value), to enable the Council to overcome difficulties that have been caused by non-performance of the Contractor, such as, for example, finding a new Contractor to complete Works.
Portfolio Holder	A Councillor appointed by the Leader of the Council as a member of the Cabinet with responsibility for a particular portfolio of services, as set out

	in the Council's Constitution.
Post-Tender Negotiations	Discussions that take place with one or more Tenderers on price and/or other terms of the Contract or Specification after Tenders have been received and opened.
Practical Completion	The completion of all the Works required to fulfil a Contract.
Pre-estimate of Quantities	A Spending Control Officer's best estimate of the quantities of items relating to the Contract that will arise over the Contract Period, that are applied to rates submitted by Tenderers to produce an Estimated Tender Sum, which is used to compare the Tenders received from different Contractors.
Preferred Tenderer	A Tenderer that is being recommended to be awarded a Contract.
Procurement Toolkit	An EFDC Toolkit, that can be [downloaded here] , that provides advice and guidance on procurement issues, that supports and complements the Council's core financial procedures and clearly sets out the Council's corporate processes for procurement. In no circumstances should these be overlooked and all guidance should be considered alongside the relevant procedures.
<i>"Procurement Process ("Regulation 84") Report"</i>	A requirement of Regulation 84 of the Public Contracts Regulations 2015, relating to procurements where the Total Contract Value is above the EU thresholds for EU Regulated Contracts, which is completed throughout the procurement process and is a written statement, in a defined format, that provides information on different aspects of the procurement and must be made available to Tenderers on request. A template for the <i>"Procurement Process ("Regulation 84") Report"</i> can be obtained from the Council's Intranet, and can be [downloaded here] .
Professional Indemnity (PI) Insurance	A liability insurance that helps protect individuals and companies (usually Consultants) from bearing the full cost of defending a negligence claim in respect of professional advice provided to the Council by the Consultant.
Public Contracts Regulations 2015	Regulations made by the UK Government to exercise the powers given by the European Communities Act 1972, relating to procurements by public bodies in the UK and, in particular, for EU Regulated Contracts that are above the financial thresholds for Works, Supplies and Services Contracts referred to in the Regulations.
Record of Tenders	A record of Tenders received for every procurement, where the Total Contract Value is within Contract Category 1 of Appendix 1 or higher, listing the Tender Sums submitted by each Tenderer, together with the Tenderer's names, completed by a Democratic Services Officer and held by the Asst. Director (Governance & Performance Management).
Retention	A percentage of the amount certified as due to a Contractor following their completion of a Contract, which is deducted from the amount due and retained by the Council. The purpose of holding a Retention is to ensure that the Contractor properly completes the activities required of them under the Contract.

Retention Period	The period during which a Retention is held by the Council.
Safeguarding	Ensuring the wellbeing of either adults with care and support needs or children in accordance with the requirements of the Care Act 2014 and the Children Act 2004 respectively.
Schedule of Rates	A list of prices provided by a Tenderer against items within a list produced by the Council for Tenderers to complete. The prices are multiplied by the Pre-Estimate of Quantities to produce an Estimated Tender Sum.
Select List	A list of selected Contractors to which Invitations to Tender are issued.
Services	<i>(According to Volume 1 of the EU Public Procurement: Law and Practice)</i> In relation to public Contracts, means matters which have as their object the provision of services other than those defined as Works.
Short List	A list of Contractors that has been reduced, following a selection process, from a Long List of Contractors expressing an interest in receiving an Invitation to Tender. The Short List often then forms a Select List.
Specification	A document that sets out the detailed requirements of the Council for the undertaking or provision of Works, Supplies or Services, and forms an important part of the Tender Documents and the subsequent Contract issued to a Contractor.
Spending Control Officer	The officer designated by a Director as being responsible for a specified Council budget, from which payments for a Contract will be made, who is responsible for all aspects of the procurement process for a Contract and for complying with these Procurement Rules.
Supplies	<i>(According to Volume 1 of the EU Public Procurement: Law and Practice)</i> In relation to public contracts, means a matter that has as its object the purchase, lease, rental or hire-purchase (with or without an option to buy) of a product or products.
Tender	A written tender, quotation or fee submission submitted by a Tenderer in accordance with these Procurement Rules, that sets out the Tenderer's proposed price for performing a Contract, together with any other information required by the Council and these Procurement Rules.
Tender Documents	A set of documents sent to Contractors with an Invitation to Tender, which explains the Council's requirements for a proposed Contract and includes documents to be returned to the Council for consideration
Tenderer	A person or organisation that is invited to submit a Tender to the Council.
Tender Evaluation Score	The score that results from a MEAT Evaluation Assessment of a Tender, which is used to rank Tenders in order of the Most Economically Advantageous Tender in terms of best price and quality. A Contractor with the highest Tender Evaluation Score is usually offered the Contract.
Tender Sum	The total price set out in a Tender that a Contractor would charge to perform the required Contract, before any Contract Extensions are

	applied. An Estimated Tender Sum is calculated where a Contractor prices a Schedule of Rates.
Tender Opening	A meeting between those designated within Appendix 1 to be present when Tenders received for a Contract are opened, and which must be held no earlier than the day after the Tender Return Date.
Tender Return Date	The time and date specified within an Invitation to Tender by which Tenders must be returned and received by the Council. The time must always be specified as Noon, in order to minimise the potential for Tenders not being received by the Asst. Director (Governance & Performance Management) or his/her staff on the day of the Tender Return Date and to provide time for Tenders received at the Civic Offices before Noon to be passed to the Asst. Director (Governance & Performance Management) before the Tender Opening
<i>“Tender Return Label”</i>	A label provided by the Council to Tenderers to affix to the envelope in which they return their Tender - which gives details of the Contract, the Tender Return Date and the name of the officer to whom the Tender must be returned. A copy of the Council’s <i>“Tender Return Label”</i> can be obtained from the Council’s Intranet, and can be [downloaded here] .
Total Contract Cost	The actual total cost of the Contract at the end of the Contract Period, after any Contract Extensions have been applied.
Total Contract Value	The total value of the Works, Services, and/or Supplies over the Contract Period, including all potential Contract Extensions to the initial Contract Period.
Works	<p><i>(According to Volume 1 of the EU Public Procurement: Law and Practice)</i> means the outcome of building or civil engineering works taken as a whole, which is sufficient in itself to fulfil an economic or technical function.</p> <p>In relation to public contracts, means matters which have as their object any one of the following:</p> <ul style="list-style-type: none"> (a) The execution, or both the design and execution, of works related to one of the activities listed in Schedule 2 to the Public Contracts Regulations 2015; (b) The execution, or both the design and execution, of a work; and/or (c) The realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority “exercising a decisive influence on the type or design of the work”.

Report to the Council

Report of Monitoring Officer: C O'Boyle (Ext 4475) Date: 22 February 2018

Subject: Appointment of Returning and Electoral Registration
Officer and Associated matters

Recommending:

(1) That, in accordance with the Representation of the People Act 1983 and all related legislation, Simon Hill, be confirmed as Electoral Registration Officer (ERO) for the Council with immediate effect with authority to appoint deputy or deputies as may be required;

(2) That, in terms of Section 41 of the Local Government Act 1972 and all related legislation, and with immediate effect, Simon Hill be appointed as Returning Officer for the Council, with authority to act in that capacity for elections to the District Council and all or any parish and town councils within the Epping Forest District, This appointment to continue until a further review of this position when a new chief executive is appointed by the Council;

(3) That the Council's Returning Officer/Electoral Registration Officer be also appointed or authorised to act in respect of all related electoral, poll or referendum duties, including those in relation to County Council elections, elections to the European Parliament (if required), and for national and regional or local polls and referendums;

(4) That, in relation to the duties of Returning Officer or any other electoral, referendum or polling duties arising from such appointment, the Returning Officer shall be entitled to be remunerated in accordance with scale of fees approved by the Council for local elections, or the relevant scale of fees prescribed by a Fees Order in respect of national, regional or European Parliament elections, polls or referendums;

(5) That in all cases where it is a legal requirement or normal practice to do so, fees paid to the Returning Officer shall be superannuable, and the Council shall pay the appropriate employer's contribution to the superannuation fund, recovering such employer's contributions from central government or other local authorities or agencies where this can be done;

(6) That, in relation to the conduct of local authority elections and polls, and elections to the United Kingdom Parliament, and all other electoral duties where the Council is entitled by law to do so, the Council shall take out and maintain in force insurance indemnifying the Council and the Returning Officer against legal expenses reasonably incurred in connection with the defence of any proceedings brought against the Council or the Returning Officer and/or the cost of holding another election in the event of the original election being declared invalid (provided that such proceedings or invalidation are the result of

the accidental contravention of the Representation of the People Acts or other legislation governing the electoral process, or accidental breach of any ministerial or other duty by the Returning Officer or any other person employed by or officially acting for him in connection with the election or poll); and

(7) That any such insurance carrying an 'excess' clause by which an initial portion of risk is not insured, the Council, through its internal insurance fund or otherwise, will indemnify the Returning Officer up to the value of such excess.

1. (Monitoring Officer) The Council's Chief Executive, Mr G. Chipp has tendered his resignation and is anticipated to leave the Council in March 2018. A report elsewhere on this agenda deals with proposals for an officer to be appointed to act in the capacity of Head of Paid service for an interim period.. The Council is required to comply with the requirement of the Representation of the People Act 1983, namely Sections 8, 28(1), 35 and 52(2) respectively, in relation to the appointment of the Council's Returning Officer, and Electoral Registration Officer.

2. It is proposed that Simon Hill, Assistant Director, Governance be appointed to undertake this role until the appointment of a new Chief Executive. The Returning Officer and Registration Officer require full authority to act consolidated into a single resolution as set out in the recommendations.

3. The resolution covers the following:

(a) the Returning Officer's role in respect of District and Parish and Town Council elections (recommendations (1) and (2));

(b) the Registration Officer's role in respect of County Council, European Parliamentary elections and national/local referendums and polls (recommendation (3));

(c) the payment of national scale fees to the Returning Officer (recommendation (4));

(d) superannuable status for payments under (c) (recommendation (5));

(e) authorisation of indemnity insurance by the Council in respect of the Returning and Registration Officer's functions (recommendation (6)); and

(f) indemnification of the Returning and Registration Officer by the Council of any liability insurance excess (recommendation (7)).

4. A full listing of statutory powers of the Returning Officer is given below:

(a) Registration Officer under section 8(2)(a) of the Representation of the People Act (RPA) 1983 and through Section 28 of the RPA, Acting Returning Officer for the purposes of UK Parliamentary elections and through Section 6 of the European Elections Act 2002, Local Returning Officer for European Parliamentary elections;

(b) Counting Officer for the purposes of Section 61E of the Town & Country Planning Act 1990 and the Localism Act 2011 (Section 116) (Local Referendums on Neighbourhood Plans);

(c) District Returning Officer for the Epping Forest District under Section 35(1) of the RPA 1983(Conduct of District Council/Parish Council elections) and through Sections 52ZQ and 113 of Local Government Finance Act 1992, Proper Officer for local referendums in connection with Council Tax precepts);

(d) Proper Officer under Sections 34, 35 and 105(2) of the Local Government Act 2000 (petitions and referendums in connection with the Executive Constitution of the Council);

(e) Nominated Deputy County Returning Officer under Section 35(1) of the RPA 1983 County Council elections as appointed by the County Returning Officer);

(f) Nominated Local Returning Officer under Section 54 of the Police & Social Responsibility Act 2011 (election of Police & Crime Commissioners under the direction of County Returning Officer); and

(g) Nominated Local Counting Officer for the purposes of Section 128 of the Political Parties, Elections and Referendums Act 2000 (National referendums under the direction of the Chief Counting Officer (i e the Chief Executive of the Electoral Commission).

5. These powers and duties are already shown in the schedule of delegation of Council functions in the Constitution which will be amended to reflect the Council's decision on this matter.

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