

Supplementary Committee Agenda



Epping Forest District Council

Finance and Performance Management Cabinet Committee Thursday, 14th November, 2013

Place: Committee Room 1, Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services: Rebecca Perrin, The Office of the Chief Executive
Tel: 01992 564532 Email:
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10A. TRIENNIAL VALUATION OF PENSION SCHEME (Pages 99 - 108)

(Director of Finance and ICT) To consider the attached report (FPM-017-2013/4).

In accordance with Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution, the Chairman has agreed that this urgent item of business not specified in the agenda may be transacted.

10B. DRAFT GENERAL FUND CSB AND DDF LISTS AND SAVINGS UPDATE (Pages 109 - 118)

(Director of Finance and ICT) To consider the attached report (FPM-018-2014/14).

In accordance with Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution, the Chairman has agreed that this urgent item of business not specified in the agenda may be transacted.

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

**Report Reference: FPM-017-2013/14
Date of meeting: 14 November 2013**

Portfolio: Finance & Technology

Subject: Triennial Valuation of Pension Scheme

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

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

Recommendations/Decisions Required:

- 1. That the option to fund the deficit over 22.5 years is recommended to Cabinet; and**
- 2. That subject to 1 above, Option B as set out in the Essex County Council consultation is recommended to Cabinet.**

Executive Summary:

Essex County Council has provided a number of different options for the Council's pension contributions for the next three years. The ongoing contribution is the same under each scenario but the deficit contributions vary. The first choice is whether to fund the deficit over 22 or 22.5 years. For both 22 and 22.5 years there is then a further choice to be made about the timing of the payments.

The option of 22.5 years is recommended as the reduction in CSB growth is felt to offer good value relative to the small extension in timescale for repaying the deficit. It should also be noted that this deficit recovery period is still ahead of the schedule set at the previous valuation.

The payment options allow for the deficit payment for the whole period to be paid at the start of the period, at the start of each year or on a monthly basis. Option B is recommended as it allows for the increase in deficit payments to be phased over the three years and takes advantage of the discount allowed for earlier payment without compromising the Council's cashflow position.

Reasons for Proposed Decision:

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

Other Options for Action:

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

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

Report:

Introduction

1. Essex County Council administers the Local Government Pension Scheme (LGPS) within Essex on behalf of the district councils and other various admitted bodies. In order to ensure that the fund is adequately resourced and able to meet its commitments, both now and in the future, valuations are conducted by actuaries on a triennial basis. The outcome of each valuation determines the contributions necessary for the following three years, to achieve the long term objective of the scheme's assets being at least equal to its liabilities.
2. Contributions are made up of ongoing amounts to fund future benefits and deficit contributions to make good the current position of the scheme being under funded. The ongoing contributions are set as a percentage of pay, whilst the deficit contributions are set as lump sums.

Valuation as at 31 March 2010

3. This valuation revealed that the improvement in funding level between 2004 and 2007 had been reversed and the scheme funding had reduced from 81 % to 71% (the value of the scheme's assets only cover 71% of the liabilities). There was some good news as the County confirmed that there was no need for any further increase in ongoing contributions, with a small reduction from 13.1% to 13% being suggested in all scenarios.
4. Deficit contributions had been calculated to recover the deficit over 20 years, with the maximum period allowed under the draft 2010 Funding Strategy being 30 years. Rather than move immediately to this position, and thereby limit any future flexibility, the County calculated extended deficit contribution periods based on maintaining stable contributions. For this Council the suggested period was 27 years and Member's chose this option, together with a phased increase in the deficit payments.

Valuation as at 31 March 2013

5. The valuation shows an improvement in funding level between 2010 and 2013 with the scheme now at a 77% funding level. This position is better than the previous valuation had anticipated and this is what has created the opportunity to recover the remaining deficit over a shorter period. If performance had been in line with expectations then three years on from a 27 year recovery we would be looking at a 24 year recovery.
6. Initially figures were provided for a 22 year recovery period, and these are provided at Annex 1. Due to the level of increases in annual contributions, the actuary was contacted and asked to provide an alternative scenario with the longest possible recovery period. As the scheme Funding Strategy does not allow for a reduction in contributions while the scheme is in deficit, the longest period allowable is 22.5 years, see Annex 2. The difference in annual increases is summarised below using Option A for both recovery periods –

Financial Year	Increase – 22 Years	Increase – 22.5 Years	Difference
2014/15	£30,006	£2,877	£27,129
2015/16	£65,237	£64,006	£1,231
2016/17	£68,196	£66,910	£1,286

7. Given the level of net savings already required for 2014/15, an option with a £27,129 lower increase is welcome. This is particularly the case as the recovery period is only

extended by 6 months and the overall position is still 1.5 years better than had been anticipated previously.

8. If the 22.5 year recovery period is assumed, it is then necessary to choose between the five options set out in Annex 2. As Option C has the same total payments over three years as Option A but frontloads the increase in payments, Option A is preferable to Option C. Similarly, Option D has the same total payment as Option B but frontloads the increase and so Option B is preferable to Option D. This gets us to the position where the Options A, B and E need to be compared.
9. Options A and B both phase in the increase in payments over three years, the difference is that A spreads payments throughout each year whilst B requires the deficit amount to be paid in one lump in April each year. Option E has one deficit payment for the entire three year period at the start of the three years. As Options B and E have frontloaded payments some element of discount is allowed which reduces the total amounts to be paid.
10. The different options are set out on Annex 3. The comparison shows that total payments are £123,056 lower for B than A and that this equates to an approximate discount of 5.56%. As 5.56% greatly exceeds the 0.73% currently being earned on temporary investments Option B is preferable to Option A. Paying £1.4 million in one amount instead of spreading it over the year will be manageable within the cashflow as there is still sufficient time to adjust for this.
11. The second comparison on Annex 3 evaluates Options B and E. It shows that Option E provides a discount rate of 5.8% which is slightly higher than the 5.56% for Option B. This means E is the most attractive option in terms of total payments necessary. However, making £4.1 million available to pay in April 2014 has implications for the Council's cashflow. Firstly, in order to make the funds available it would be necessary to negotiate an early break in one of the two long term investments of £5 million each. This would require the agreement of the other counterparties involved and may necessitate some compensation. Secondly, the Council is currently working on a number of projects that may require significant funds at short notice and taking £4.1 million out of the cashflow would make it difficult to meet any further demands. Therefore, in considering both the total payments necessary and the Council's cashflow Option B is the recommended option.

Ongoing Contributions

12. Having concentrated on the deficit payments, as that is the subject of the decision, it is worth mentioning the ongoing payments as these have increased. The ongoing contribution rate is expressed as a percentage of pensionable pay and is increasing from 13% to 15.9%, in monetary terms this is an increase of £395,114. The comments of the scheme actuary on ongoing contributions are given below –

An ongoing contribution rate is needed to obtain the level of contributions required to meet the cost of new pension benefits and this is usually based on the same assumptions as are used for the deficit.

For the 2013 valuation, the ongoing rate has been affected by the following.

- *Membership movements – this is very employer specific. With all else equal the younger the employer's members the lower the cost as the contributions can be invested for longer. Overall we have seen the membership age slightly. In the case of Epping Forest their active membership has aged by one and half years increasing the ongoing rate.*
- *Financial assumptions – outlook of investment returns has deteriorated since the last funding valuation pushing up the cost of the benefits. This has been the main reason for the increase in the ongoing rate.*
- *Change in assumptions – after performing an analysis of the mortality over the intervaluation*

period we have adjusted the mortality assumption to be more in line with the observation that members will live longer in retirement, increasing the cost of pensions benefits.

- *Change of benefits – The effect varies by employer but for Epping Forest, the change to the 2014 scheme is a cost. In general we have seen a slight increase in the rate due to the accrual rate of 1/60ths moving to 1/49ths for each year of pensionable service.*
- *50/50 scheme – we have made the assumption that 10% of members will opt for the 50/50 scheme (pay half the contributions to receive half the benefits). This reduces the ongoing rate by almost 1% of salary.*

Capitalisation of Deficit Payments

13. In some previous years it was possible to gain capitalisation directions, in part or whole, for the pension deficit payments. The qualification criteria for obtaining a capitalisation direction have tightened in recent years and there is no realistic prospect of being able to obtain a direction at this time.

Resource Implications:

The increase in ongoing contributions is partly off-set by the reduction in deficit payments. If Option B is adopted there will be a saving of £36,336 in 2014/15 to credit to the District Development Fund. This is followed by Continuing Service Budget growth of £25,891 in 2015/16 and £65,050 in 2016/17. Both the saving and the growth will need to be apportioned between the Housing Revenue Account and the General Fund.

Legal and Governance Implications:

There are no legal or governance implications.

Safer, Cleaner, Greener Implications:

There are no environmental implications.

Consultation Undertaken:

None.

Background Papers:

None.

Impact Assessments:

Risk Management

The options recommended are intended to balance the financial and cashflow risks faced by the Council.

Equality and Diversity:

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

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

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

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

Epping Forest D C

11/10/2013 12:29

Valuation	2010 £'000	2013 £'000
Assets	76,902	93,054
Liabilities	111,542	120,918
Deficit	-34,640	-27,865
Funding level	68.9%	77.0%

	2010 Valuation	2013/14 Expected £
Ongoing rate	13.0%	1,763,370
Deficit	1,802,933	1,802,933
Deficit duration in years	27	
Total Contribution		3,566,303

Pensionable
Pay as at:
31-Mar-13
13,564,387

OPTION A (22 yrs)
Ongoing rate: FULL INCREASE (no stepping)
Deficit Duration: 22 YEARS
Deficit increase year on year: 4.5%
Deficit Payment Profile: 12 MONTHLY PAYMENTS

22 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,437,825	1,503,062	1,571,258
Total Contribution		3,596,309	3,661,546	3,729,742
Increase compared to 2013/14		30,006	95,242	163,439
Year on Year increase		30,006	65,237	68,196

OPTION B (22 yrs)
Ongoing rate: FULL INCREASE (no stepping)
Deficit Duration: 22 YEARS
Deficit increase year on year: 4.5%
Deficit Payment Profile: ONE ANNUAL PAYMENT IN APRIL EACH YEAR

22 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,397,858	1,461,282	1,527,582
Total Contribution		3,556,342	3,619,766	3,686,066
Increase compared to 2013/14		-9,961	53,462	119,763
Year on Year increase		-9,961	63,423	66,301

OPTION C (22 yrs)
Ongoing rate: FULL INCREASE (no stepping)
Deficit Duration: 22 YEARS
Deficit increase year on year: 0% (FLAT RATE FOR 3 YEARS)
Deficit Payment Profile: 12 MONTHLY PAYMENTS

22 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,504,048	1,504,048	1,504,048
Total Contribution		3,662,532	3,662,532	3,662,532
Increase compared to 2013/14		96,229	96,229	96,229
Year on Year increase		96,229	0	0

OPTION D (22 yrs)
Ongoing rate: FULL INCREASE (no stepping)
Deficit Duration: 22 YEARS
Deficit increase year on year: 0% (FLAT RATE FOR 3 YEARS)
Deficit Payment Profile: ONE ANNUAL PAYMENT IN APRIL EACH YEAR

22 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,462,241	1,462,241	1,462,241
Total Contribution		3,620,725	3,620,725	3,620,725
Increase compared to 2013/14		54,422	54,422	54,422
Year on Year increase		54,422	0	0

OPTION E (22 yrs)
Ongoing rate: FULL INCREASE (no stepping)
Deficit Duration: 22 YEARS
Deficit increase year on year: NOT APPLICABLE
Deficit Payment Profile: ONE TRIENNIAL PAYMENT IN APRIL 2014

22 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		4,143,720	0	0
Total Contribution		6,302,204	2,158,484	2,158,484
Increase compared to 2013/14		2,735,901	-1,407,819	-1,407,819
Year on Year increase		2,735,901	-4,143,720	0

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Valuation	2010 £'000	2013 £'000
Assets	76,902	93,054
Liabilities	111,542	120,918
Deficit	-34,640	-27,865
Funding level	68.9%	77.0%

	2010 Valuation	2013/14 £ Expected
Ongoing rate	13.0%	1,763,370
Deficit	1,802,933	1,802,933
Deficit duration in years	27	
Total Contribution		3,566,303

Pensionable Pay as at: 31-Mar-13
13,564,387

OPTION A (22.5 yrs)

Ongoing rate: FULL INCREASE (no stepping)

Deficit Duration: 22.5 YEARS

Deficit increase year on year: 4.5%

Deficit Payment Profile: 12 MONTHLY PAYMENTS

22.5 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,410,696	1,474,702	1,541,612
Total Contribution		3,569,180	3,633,186	3,700,096
Increase compared to 2013/14		2,877	66,883	133,792
Year on Year increase		2,877	64,006	66,910

OPTION B (22.5 yrs)

Ongoing rate: FULL INCREASE (no stepping)

Deficit Duration: 22.5 YEARS

Deficit increase year on year: 4.5%

Deficit Payment Profile: ONE ANNUAL PAYMENT IN APRIL EACH YEAR

22.5 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,371,484	1,433,710	1,498,760
Total Contribution		3,529,968	3,592,194	3,657,244
Increase compared to 2013/14		-36,336	25,891	90,941
Year on Year increase		-36,336	62,227	65,050

OPTION C (22.5 yrs)

Ongoing rate: FULL INCREASE (no stepping)

Deficit Duration: 22.5 YEARS

Deficit increase year on year: 0% (FLAT RATE FOR 3 YEARS)

Deficit Payment Profile: 12 MONTHLY PAYMENTS

22.5 Year Deficit	2013 Valuation	2014/15 £	2015/16 £	2016/17 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,475,670	1,475,670	1,475,670
Total Contribution		3,634,154	3,634,154	3,634,154
Increase compared to 2013/14		67,851	67,851	67,851
Year on Year increase		67,851	0	0

OPTION D (22.5 yrs)				
Ongoing rate: FULL INCREASE (no stepping)				
Deficit Duration: 22.5 YEARS				
Deficit increase year on year: 0% (FLAT RATE FOR 3 YEARS)				
Deficit Payment Profile: ONE ANNUAL PAYMENT IN APRIL EACH YEAR				
22.5 Year Deficit	2013 Valuation	2014/15	2015/16	2016/17
Updated Ongoing rate		£	£	£
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		1,434,651	1,434,651	1,434,651
Total Contribution		3,593,135	3,593,135	3,593,135
Increase compared to 2013/14		26,832	26,832	26,832
Year on Year increase		26,832	0	0

OPTION E (22.5 yrs)				
Ongoing rate: FULL INCREASE (no stepping)				
Deficit Duration: 22.5 YEARS				
Deficit increase year on year: NOT APPLICABLE				
Deficit Payment Profile: ONE TRIENNIAL PAYMENT IN APRIL 2014				
22.5 Year Deficit	2013 Valuation	2014/15	2015/16	2016/17
Updated Ongoing rate		£	£	£
Ongoing rate (estimated £ contribution)	15.9%	2,158,484	2,158,484	2,158,484
Deficit		4,065,536	0	0
Total Contribution		6,224,020	2,158,484	2,158,484
Increase compared to 2013/14		2,657,717	-1,407,819	-1,407,819
Year on Year increase		2,657,717	-4,065,536	0

Deficit Payment Options - A v B

Notes

1. As the amount and timing of the ongoing contributions is identical in each option these are ignored.
2. Under Option A payments are split equally over each year. This means the whole amount is available to be invested at the start of the year and nothing at the end. As a reasonable approximation for this analysis half the total is treated as available for the whole year.
3. Under Option B payments are made at the start of the year.
4. The average rate currently being earned on short term deposits is 0.73% and this is unlikely to vary significantly over this period.

Deficit Payments

	2014/15	2015/16	2016/17	Total
	£	£	£	£
Option A	1,410,696	1,474,702	1,541,612	4,427,010
Option B	<u>1,371,484</u>	<u>1,433,710</u>	<u>1,498,760</u>	<u>4,303,954</u>
Saving on B	<u>39,212</u>	<u>40,992</u>	<u>42,852</u>	<u>123,056</u>

Investment Comparison

	2014/15	2015/16	2016/17	Total
	£	£	£	£
Option A	1,410,696	1,474,702	1,541,612	
Half Invested	<u>705,348</u>	<u>737,351</u>	<u>770,806</u>	
Interest Earned	5,149	5,383	5,627	16,159
Saving on B	39,212	40,992	42,852	123,056
Net Saving on B	<u>34,063</u>	<u>35,609</u>	<u>37,225</u>	<u>106,897</u>
Rate of Interest to equal B	5.56%	5.56%	5.56%	

It is extremely unlikely that the Council will be able to earn more than 5% on temporary investments during this period. Therefore, Option B is recommended as it is less expensive than Option A.

Deficit Payment Options - B v E

Notes

1. To fund E would probably require calling back early a long term deposit currently earning 1.3% per annum, and so this rate has been used in the calculation below.
2. All payments are made at the start of the year.

Deficit Payments

	2014/15	2015/16	2016/17	Total
	£	£	£	£
Option B	1,371,484	1,433,710	1,498,760	4,303,954
Option E	<u>4,065,536</u>	<u>0</u>	<u>0</u>	<u>4,065,536</u>
	<u>-2,694,052</u>	<u>1,433,710</u>	<u>1,498,760</u>	<u>238,418</u>

Start balance	2,694,052	2,729,075	1,312,204
Less payment	<u>0</u>	<u>-1,433,710</u>	<u>-1,498,760</u>
Invested	2,694,052	1,295,365	-186,556
Add interest	<u>35,023</u>	<u>16,840</u>	<u>-2,425</u>
End balance	<u>2,729,075</u>	<u>1,312,204</u>	<u>-188,981</u>

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This shows that retaining the funds and investing them at 1.3% would leave a £189,000 shortfall compared to Option E.

Break even - using 5.8% as the interest rate

	2014/15	2015/16	2016/17
	£	£	£
Start balance	2,694,052	2,850,307	1,498,760
Less payment	<u>0</u>	<u>-1,433,710</u>	<u>-1,498,760</u>
Invested	2,694,052	1,416,597	0
Add interest	<u>156,255</u>	<u>82,163</u>	<u>0</u>
End balance	<u>2,850,307</u>	<u>1,498,760</u>	<u>0</u>

This shows that if it was possible to invest the balance at 5.8% there would be no overall saving from Option E. As stated above, it is unlikely that an interest rate close to 5.8% will be seen before the end of 2016/17.

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FPM-018-2013/14

Date of meeting: 14 November 2013

Portfolio: Finance and Technology

Subject: Draft General Fund CSB and DDF Lists and Savings Update

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

Democratic Services Officer: Rebecca Perrin - (01992 - 56 4470)

Recommendations

To note the draft Continuing Services Budget (CSB) and District Development Fund (DDF) schedules.

Executive Summary

The report provides the first draft of the Continuing Services Budget (CSB) growth and District Development Fund (DDF) Schedules for 2014/15.

Reasons for proposed action

Members are asked to note the first draft of these schedules and make comments as appropriate.

Other options for action

No other options applicable.

Report

1. The Financial Issues Paper was presented to this committee on 19 September 2013. The report highlighted a number of financial uncertainties and risk facing the Authority including the reductions in Central government funding, Retention of Business Rates, Welfare reform and Waste and Leisure Management Contract Renewals.
2. The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that further savings of around £2.3 million were required over the forecast period. The savings required in 2014/15 are £0.7 million after savings of £0.094 million already identified had been taken into account. The lists attached show the current position however with the recent triennial valuation of the pension fund and resulting additional on-going employer contributions and deficit payments, further reductions in Housing Benefit Admin Grant and reductions in revenue support for Waste management this target is going to be extremely challenging.
3. As in previous years there was again a saving on the revenue budget in 2012/13. The outturn for 2012/13 was considered by this Committee on 20 June 2013 it was noted that the General Fund budget was underspent by a little under £500,000 this was a smaller underspend than the previous year but still reasonably significant. Salary savings made up a smaller proportion of overall savings but there was also an underspend on Housing Benefits of around £195,000. The underspend on Supplies

and Services was therefore lower than in previous years suggesting that a large proportion of the historical underspends have been extracted from the budget already. The exercise to identify further savings on underspent budget has again been carried out but nothing significant has been identified so far.

4. There are some CSB budgets that either have a one off element within them or in some cases are budgets where there is a degree of uncertainty around whether they will be spent or not. In both cases treating an appropriate element as DDF rather than CSB should make managing those budgets easier and give a degree of flexibility.
5. The schedules of CSB growth/savings and DDF expenditure are attached and these are at Annexes 1 & 2. Work is on-going on these lists and this represents the position so far. An updated list will be tabled at the meeting.
6. There are a number of areas where further work is required before figures to be included within the budget can be finalised. Clearly the emphasis in this budget cycle will need to be on CSB savings rather than growth but there are some areas as previously mentioned where growth is inevitable. The figures generally need to be viewed in the context of this being quite early in the budget preparation process and will clearly need to be revisited over the next two months or so as the budget comes together.

Consultations Undertaken

This is the first draft of the CSB and DDF schedules. Consultations with spending officers regarding their budgets are ongoing at the moment but apart from this further consultation will take place later in the budget cycle.

Resource Implications

The schedules represent potential additions and reductions to the budget depending on decisions made during the budget process.

Legal and Governance Implications

The preparation of budgets well in advance of the financial year to which they apply, enable sound financial planning to take place. They subsequently provide a basis against which financial monitoring can take place during the year in question.

Safer, Cleaner, Greener Implications

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

Background Papers

Various budget working papers held in Accountancy.

Impact Assessments

Risk Management

The setting of the budget has an impact on all areas of the Council there is a risk that the budget might be set at an unaffordable level, however setting guidelines early in the process means that the level of budget that is acceptable is known in advance.

Equality and Diversity:

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

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

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

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

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original	Revised	Estimate	Estimate	Estimate	Estimate
			2013/14 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's
Chief Executive	Corporate Management	Chief Executive Post- Salary savings	(22)	(22)				
	Policy Unit Group	Grant Finder subscription discontinued	(4)	(4)				
	Directorate Savings	General	(5)	(5)				
	Total Chief Executive		(31)	(31)	0	0	0	0
Corporate Support Services	Local Land Charges	ECC Charge for highways LLC search	(9)	(9)				
	Land and Property	Increased Rental Income - Brooker Road	(70)	(66)				
	Land and Property	Increased Rental Income - David Lloyd Centre		(11)				
	Offices & Depots	NNDR Re-assessment Civic Offices	13	(87)				
	Offices Waltham Abbey	Area Office Rent	(12)	(12)				
	Offices Trapps Hill	Area Office Rent	(4)	(4)				
	Fleet Operations	Reduced Income		20				
	Total Corporate Support Services		(82)	(169)	0	0	0	0
Deputy Chief Executive	All Weather Pitch	Townmead Project	(32)	(18)	(17)			
	Youth Council	Youth Council	12	12				
	DCE directorate	Savings from removal Vacant Posts	(8)	(8)				
	Total Deputy Chief Executive		(28)	(14)	(17)	0	0	0
Environment & Street	CCTV Cameras	Transfer replacement cameras to capital	(25)	(25)				
	Grounds Maintenance	Leasing costs Ransome Mowers	(10)	(10)				
	Leisure Facilities	Loughton Leisure management fee reduction	(66)	(66)				
	North Weald Airfield	Loss of income Market Rents	174	348				
	Off Street Parking	Change of contractor	(23)	(23)				
	Waste Management	Gate Fees saving		(42)				
	Waste Management	Contract savings		(31)				
	Waste Management	Recycling Credits Reduction		7				
	Waste Management	Avoided Disposal Payment	(176)	(179)				
	Environmental	Savings from removal Vacant Posts	(33)	(33)				
	Waste Management	Inter Authority Agreement, reduced ECC Income			40	8	19	
	Total Environment & Street Scene		(159)	(54)	40	8	19	0

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service	Original 2013/14 £000's	Revised 2013/14 £000's	Estimate 2014/15 £000's	Estimate 2015/16 £000's	Estimate 2016/17 £000's	Estimate 2017/18 £000's
Finance & ICT	Directorate Savings						
	General	(3)	(3)				
	External Audit	(30)	(30)				
	Finance & ICT	(63)	(63)				
	Finance Miscellaneous	(15)	(15)				
	Finance Miscellaneous	(24)	(24)	(29)	(11)	(7)	
	Housing Benefits	104	104	195			
	NNDR	25	31				
	Total Finance and ICT	(6)	0	166	(11)	(7)	0
Housing							
	Total Housing						
Planning & Economic Development	Development Control	(50)	(25)	15			
	Building Control Ring Fenced Acc	(29)	(29)				
	Building Control Ring Fenced Acc	19	19				
	Building Control Ring Fenced Acc			73			
	Building Control Ring Fenced Acc			(73)			
	Conservation Policy			12			
	Development Control			(32)			
	Total Planning & Economic Development	(60)	(55)	(115)	0	0	0
Other Items	Investment Interest	60	60	109	45		
	New Homes Bonus	(550)	(550)				
	Pensions			263			
	Pensions	53	53		17	43	
	Total CSB	(803)	(760)	446	59	55	0

DISTRICT DEVELOPMENT FUND

Directorate	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
		2013/14 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's
Chief Executive	Elections	(110)		(110)				
	Electoral Registration				(33)			
	Electoral Registration				33			
	Grants to Voluntary Orgs		15	15				
	Grants to Voluntary Orgs	16		(16)	32			
	Corporate Policy Making		14	14				
	Corporate Policy Making		100	78	22			
	Corporate Policy Making		(22)	(17)	(5)			
	Civic & Member	5		5				
	Total Chief Executive	(89)	107	(31)	49	0	0	0
Corporate Support Services	Estates & Valuation	91	21	112				
	Estates & Valuation	(13)	(3)	(16)				
	Estates & Valuation			11	33			
	Land and Property			35				
	Land and Property	11		11				
	Land and Property			150				
	Local Land Charges	(20)		(30)				
	Local Land Charges		93	5	88			
	Offices & Depots			(209)				
	Non HRA Building Maintenance	154	76	171	199	42	30	66
	Public Conveniences	21		21				
Total Corporate Support Services	244	187	261	320	11	(23)	66	
Deputy Chief Executive	Community & Culture		6	8				
	Public Relations & Information	11		11	11	3		
	Public Relations & Information	(14)		(14)				
	Deputy Chief Executive	94		188	137			
	Deputy Chief Executive	(94)		(188)	(137)			
	NWA Strategy Action Plan	76	12	152				
NWA Strategy Action Plan		64						
Total Deputy Chief Executive	73	82	157	11	3	0	0	

DISTRICT DEVELOPMENT FUND

Directorate	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate	
		2013/14 £000's	2013/14 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	
Environment & Street	Food Safety								
	Inspections	4	1	5	4				
	Inspection of Workplaces	10	6	16					
	Inspection of Workplaces			8					
	Inspection of Workplaces			(70)					
	Safer Communities	14		27	14				
	Safer Communities			(28)					
	Parks & Grounds	10							
	Parks & Grounds	(10)							
	North Weald Airfield	14		14	4				
	North Weald Airfield	125		11					
	North Weald Airfield	2	1	3	3	3			
	Contaminated Land & Water Quality	14	22	40	25				
	Waste Management	100		60	40				
	Waste Management	9		9					
	Waste Management		10	10					
	Waste Management		1		3				
	Abandoned Vehicles	4	4	4	4				
	Total Environment & Street Scene		296	45	109	97	5	0	0
	Finance & ICT	Insurance Services	(3)		(3)				
Council Tax Collection			2	(35)					
Council Tax Collection		98		108	49				
Council Tax Collection		(98)		(186)	(186)				
Council Tax Collection				(52)	(52)				
Council Tax Collection				(62)					
Housing Benefits			7						
Housing Benefits		44		44					
Housing Benefits		(30)		(30)					
Housing Benefits				(5)					
Housing Benefits				13					
Housing Benefits				(13)					
Housing Benefits			18	18					
Housing Benefits			19	19					
Housing Benefits				(34)					
NNDR		6		6					
Total Finance & ICT	17	46	(212)	(189)	0	0	0		

DISTRICT DEVELOPMENT FUND

Directorate	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate	
		2013/14 £000's	2012/13 2013/14 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	
Housing	Homelessness			DCLG - Rental Loan Scheme	52				
	Homelessness			DCLG - Rental Loan Scheme	(52)				
	Private Sector Housing			ECC re. Mobile Homes/Sites Improvements	14				
Total Housing				14	0	14	0	0	
Planning & Economic Development	Building Control Group			Salary saving re vacant posts (net of Consultants)	(36)		(79)	(89)	
	Building Control Group			Salary saving re vacant posts Ring Fenced Element	24		62	69	
	Countrycare			BRIE - SLA	5	1	6	6	
	Countrycare			Protected species/habitat related consultation	9		9	9	
	Development Control			Contingency for Appeals	50	(2)	48		
	Development Control			Pre Application Consultants Fees - saving	(10)		(10)		
	Development Control			Pre Application Fees Increase	(4)		(5)		
	Economic Development			Business Promotion & Support		10		10	
	Economic Development			Town Centres Support/Portas Funding	35	10	41	4	
	Forward Planning			Local Plan	282	292	417	304	
	Forward Planning			Maternity Cover			39	13	
	Planning Services			Planning Delivery Grant 4		17	17		
	Town Centre Regeneration			Waltham Abbey Regeneration Projects	21	28	10		
	Total Planning & Economic Development				376	356	555	326	0
Total Service Specific District Development Fund				931	823	853	614	19	
Lost Investment Interest				201		201	151	115	
Council Tax Freeze				(80)		(80)	(80)	78	
Right to Challenge Grants					13	13			
Pensions			Deficit Pavments				(24)		
Reimbursement of Principal re Heritable				(68)		(68)			
Total District Development Fund				984	836	919	661	134	
								55	
								66	

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