

EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES

Committee: Council **Date:** 20 February 2014

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 10.08 pm

Members Present: Councillors Mrs M Sartin (Chairman), A Boyce (Vice-Chairman), K Angold-Stephens, K Avey, R Bassett, W Breare-Hall, K Chana, T Church, Mrs R Gadsby, P Gode, Mrs A Grigg, D Jacobs, Mrs S Jones, Ms H Kane, P Keska, J Knapman, Ms Y Knight, Mrs J Lea, L Leonard, A Lion, Mrs M McEwen, H Mann, J Markham, S Murray, Mrs C Pond, B Rolfe, B Sandler, Ms G Shiell, Mrs P Smith, P Spencer, D Stallan, Ms S Stavrou, Mrs T Thomas, H Ulkun, Mrs L Wagland, G Waller, A Watts, Mrs E Webster, C Whitbread, Mrs J H Whitehouse, J M Whitehouse, D Wixley, N Wright and J Wyatt

Apologies: Councillors Mrs H Brady, R Butler, G Chambers, Mrs T Cochrane, R Cohen, L Girling, J Hart, Ms J Hart, A Mitchell MBE, G Mohindra, R Morgan, J Philip and Ms S Watson

Officers Present: G Chipp (Chief Executive), D Macnab (Deputy Chief Executive), R Palmer (Director of Finance and ICT), I Willett (Assistant to the Chief Executive), G Lunnun (Assistant Director (Democratic Services)), S G Hill (Senior Democratic Services Officer), J Leither (Democratic Services Assistant) and S Mitchell (PR Website Editor)

90. WEBCASTING INTRODUCTION

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

91. MINUTES

RESOLVED:

That the minutes of the meeting held on 17 December 2013 be taken as read and signed by the Chairman as a correct record.

92. DECLARATIONS OF INTEREST

(a) Declarations

(i) Pursuant to the Council's Code of Member Conduct, Councillors Shiell and J H Whitehouse declared an interest in agenda item 12 (Report of the Cabinet – Budgets and Council Tax Declaration 2014/15) by virtue of being Trustees of Epping Forest Re-use which was proposed to receive a grant from the District Development Fund. The Councillors had determined that their interest was pecuniary and that they

would leave the meeting for this item if there was specific discussion about this aspect of the proposed budget.

(ii) Pursuant to the Council's Code of Member Conduct, Councillor Stavrou declared an interest in agenda item 12 (Report of the Cabinet – Budgets and Council Tax Declaration 2014/15) by virtue of having been a Trustee of Epping Forest Re-Use in the past. The Councillor had determined that her interest was not pecuniary and that she would remain in the meeting for the consideration of that aspect of the budget.

(b) Dispensations

The Council noted that the Monitoring Officer had granted dispensations to the following "dual hatted" District Councillors (who were also Parish or Town Councillors) to enable them to take part and vote on agenda item 12 (Report of the Cabinet – Budgets and Council Tax Declaration 2014/15) and in particular the Local Support Grant to Parish and Town Councils: K Angold-Stephens, K Avey, H Brady, W Breare-Hall, G Chambers, K Chana, A Church, R Gadsby, L Girling, P Gode, A Grigg, S Jones, H Kane, J Knapman, J Lea, A Lion, A Mitchell, G Mohindra, R Morgan, S Murray, J Phillip, C Pond, B Sandler, P Smith, D Stallan, S-A Stavrou, T Thomas, H Ulkun, L Wagland, S Watson, A Watts, E Webster, J M Whitehouse, D Wixley, N Wright, J Wyatt.

93. ANNOUNCEMENTS

(a) Announcements by the Chairman of the Council

(i) "Youth Makes Music" Concert

The Chairman reported that she had attended the Rotary Club of Epping "Youth Makes Music" concert held at St John's Church, Epping. She advised that the concert had showcased the exceptional talent of young musicians from local schools in the District and the standard had been very high.

(ii) Commonwealth Day Flag

Commonwealth Day Flag – the Chairman advised that she had attended Ingatestone Hall together with representatives of other Essex councils to receive a Commonwealth Flag which was to be flown at the Civic Offices on 10 March 2014 (Commonwealth Day). Members noted that this would be the first occasion on which the flag had been flown throughout the UK and that the intention was to extend the flying of this flag to all countries forming the Commonwealth in 2015.

(iii) Councillor S Murray

The Chairman congratulated Councillor Murray who had received a lifetime achievement award in the Essex Teaching Awards 2014. The Chairman's congratulations were echoed by all members of the Council.

(iv) Epping Forest District Council Anniversary

The Chairman reported that 1 April 2014 would be the 40th anniversary of the Council.

The Chairman announced that she intended sending the flowers from tonight's meeting to Beechlands Care Home, Alderton Hill, Loughton.

(b) Announcements by the Leader of the Council

The Leader advised that he had no announcements to make under this heading.

(c) Announcements by Portfolio Holders

(i) Housing Portfolio Holder

Councillor Stallan reported that a meeting had been arranged for 10 March 2014 to progress the Oakwood Hill Environmental Improvement Scheme. He agreed to keep members informed of further progress at future meetings.

(ii) Safer, Greener and Transport Portfolio Holder

Councillor Waller referred to an article in the local Guardian newspaper which had suggested that burglary was a particular problem in the Epping Forest District. He said that he was glad to have this opportunity to reassure residents that homes in the Epping Forest District were not the most likely to be burgled in Essex. He stated that the Analyst in the Council's Community Safety Team had provided him with Home Office figures and that of all the districts and boroughs in Essex, Epping Forest District ranked eighth out of fourteen in terms of all burglary. Although this was not as good as one would wish it was nothing like as bad as reported in the newspaper.

Councillor Waller continued that the true figure reflected the fact that the District abutted Greater London, with excellent transport links which unfortunately enabled many burglars to enter and leave the District quickly making the task of detection especially difficult.

The Portfolio Holder pointed out that in the District there had been a 15% reduction in all burglary in 2013 and an 18% reduction in domestic burglaries in that year. He referred to a meeting he had attended earlier in the day at which the Chief Constable had stated that he regarded domestic burglary as one of his top priorities.

Councillor Waller expressed disappointment that the true situation had been misrepresented because undue fear of crime could act as a severe limitation on people's lives. In conclusion he stated that whilst there was absolutely no cause for complacency, people should know that the Epping Forest District was a safe place in which to live and work.

(iii) Planning Portfolio Holder

Councillor Bassett advised that an appeal had been lodged against the decision of the Secretary of State to refuse planning permission and uphold an Enforcement Notice concerning a Gypsy, Roma and Traveller site at Sunnyside, Carthegena Estate. The Portfolio Holder advised that normally such appeals were defended by the Secretary of State without the need for any input from the local planning authority but that Council Officers were liaising with Counsel in order to determine whether the Council should have an input into this appeal.

(iv) Leisure and Wellbeing Portfolio Holder

Councillor Webster reported that the Epping Forest Sports and Health Inclusion Project had been recognised as best practice and had received funding from Essex County Council of £38,500 for the delivery of the programme for a further year.

The Portfolio Holder advised that the Epping Forest Youth Council had been nominated for a High Sheriff's award for their work concerning safety around young people. The Chairman asked the Portfolio Holder to pass on the District Council's congratulations to the Youth Council.

94. PUBLIC QUESTIONS (IF ANY)

The Council noted that there were no public questions to be considered at this meeting.

95. QUESTIONS BY MEMBERS UNDER NOTICE**(a) Dog Fouling****(i) By Councillor Leonard to Councillor Breare-Hall, Environment Portfolio Holder**

"I would like to ask the Portfolio Holder for Environment:

(a) whether he is aware of the on-going concern of Loughton residents (including those in my own ward) about the irresponsible activities of dog owners and walkers and the potential health hazards from dog fouling that this nuisance poses;

(b) if he has any plans to educate local residents and enforce bye laws to improve the situation;

(c) whether he can offer support to Loughton Town Council in dealing with dog fouling on the football pitches in the Roding Valley and take specific action on footways around the Council flats in Oakwood Hill; and

(d) if he is prepared to meet me to discuss some innovative actions being taken by other councils in addressing this widespread problem?"

Response by Councillor Breare-Hall, Environment Portfolio Holder

"I am indeed aware of the concern that is caused to residents through dog fouling and the irresponsible behaviour of some dog owners and walkers. I'm sure Councillor Leonard will recall that, for this very reason, in December 2012 I asked the Cabinet to agree three new Dog Control Orders. These included placing a requirement upon dog owners to remove dog faeces deposited on any public land, and dog waste bins exist throughout the District to assist owners in this requirement.

Officers have checked their records for the last 12 months and, of 160 complaints received, 59 related to Loughton generally, 2 to the Roding Valley Park and Recreation Ground and none to the Oakwood Hill area. However, I fully appreciate that these statistics do not mean that dog fouling is not occurring in these areas, and I have therefore asked officers to visit the locations mentioned.

Officers are always willing to engage with Town and Parish Councils to see what assistance can be provided, including targeted enforcement activity. I have therefore also asked that contact be made with the Clerk to Loughton Town Council.

With regard to meeting to discuss this matter further, I'm pleased that Councillor Leonard and I have already had an opportunity to do this, and I am grateful to Councillor Leonard for bringing to my attention the unusual approach adopted by another local authority. I am always happy to consider innovative ideas that may be applied here in Epping Forest, and will be asking officers to look further at these, mindful of course, on this budget night, of the financial practicalities".

Supplementary Question from Councillor Leonard arising directly out of the original Question or the Reply

"Do you agree that the Dog Control Orders should be enforced more strictly?"

Response by Councillor Breare-Hall

"Dog fouling is a difficult issue especially with limited resources but if there is a particularly bad problem in an area more resources can be devoted to it".

96. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET

The Council received written reports from the Asset Management and Economic Development Portfolio Holder, the Environment Portfolio Holder, the Finance and Technology Portfolio Holder, the Housing Portfolio Holder, the Leisure and Wellbeing Portfolio Holder, the Planning Portfolio Holder, the Safer, Greener and Transport Portfolio Holder and the Support Services Portfolio Holder.

The Chairman invited the Leader to provide an oral report and other members of the Cabinet to give an oral update of their written reports.

(a) The Leader of the Council

Councillor Whitbread referred to the recent inclement weather and, whilst expressing greatest sympathy with the people who lived in the worst affected areas in Somerset and the Thames Valley, drew attention to a number of flooding incidents which had occurred in this District. He advised that as usual when faced with an emergency, the community had pulled together to support and help each other. He referred to the assistance given by Town and Parish Councils and expressed thanks to the District Council's own Land Drainage Team who had worked extremely hard monitoring and reacting to rising water levels, ensuring that storm grills and culverts were kept clear and that sandbags were available to those householders at immediate risk.

The Leader stated that several years ago, when a number of responsibilities had been taken back by the Environment Agency, this Council had taken the decision to retain and resource its own Land Drainage Team. This had been in recognition that flooding was the highest risk on the Council's Emergency Planning Risk Register, and a topic of serious concern to many local people. He expressed the view that in the light of the recent bad weather this had proved to be the correct decision.

Councillor Whitbread reported that he had met with the Leader and Planning Portfolio Holder of Harlow Council to consider Local Plans. He reminded members that under the "Duty to Co-operate" the Council was required to consult with neighbouring

authorities and said he was pleased that the dialogue with Harlow was leading to a clearer understanding of the major issues facing both councils.

The Leader stated that he had attended the Master Planning Workshop at North Weald Village Hall on 25 January 2014. He stated that the workshop had been well attended by local residents who should be congratulated for their positive approach to the exercise.

Councillor Whitbread reported that he had attended the launch of the Investors in Youth Awards at the Marriott Hotel, hosted by Eleanor Laing, MP. He advised that this had been another very positive event aimed at encouraging businesses to provide employment opportunities to local young people. He pointed that the Council's own Apprentice Scheme was proving very successful and he expressed the hope that as many local businesses as possible would give local young people a chance to gain employment and develop new skills.

The Council noted that on 6 February 2014, the Leader had attended the Essex Leaders' and Chief Executives' Forum in Chelmsford. The topics considered had included a draft Economic Development Strategy for the County in respect of which he had sought to ensure that Epping Forest District received a fair share of any external funding. He continued that the meeting had also received presentations on the progress being made on Health and Social Care Integration and the implications of the new Care Bill, which would lift the cap on care costs, and place considerable financial strain on the County Council. He reported that the meeting had also been advised of some review work that was due to start shortly on the Inter-Authority Waste Agreement.

(b) Other Portfolio Holders

There were no updates from other Portfolio Holders on their written reports.

97. QUESTIONS BY MEMBERS WITHOUT NOTICE

(a) Housing Portfolio

Councillor Murray asked the Housing Portfolio Holder which of the five achievements summarised in his written report was he most proud.

Councillor Stallan, Housing Portfolio Holder, said he was very proud of the Council House Building Programme which, if the estimated timescale and budget were met, would result in completion in 2015 of the first Council-built residential units for 30 years in Harveyfields, Waltham Abbey. He continued that the increase in the provision of off-street parking throughout the District was important and was being well received by residents in the areas where schemes had already been provided. The Portfolio Holder said that due to careful financial management a sum of £200,000 was being provided for the Oakwood Hill Environmental Improvement Scheme in Loughton. He said that little work had been undertaken on the Estate since he had first visited it in the 1980s and that there had been a marked deterioration of the environment. He was pleased therefore that match funding was being provided by Essex County Council and he said he hoped that Loughton Town Council would also contribute towards the proposed improvements. Councillor Stallan said that the Welfare Reform Mitigation Plan was very important because it was helping to minimise the effects of the Government's Welfare Reforms. In summary, Councillor Stallan said that he was proud of all of the five achievements mentioned in his written report.

(b) Bridge between Buckhurst Hill and Chigwell

Councillor Spencer asked the Safer, Greener and Transport Portfolio Holder if he would ask the Essex County Council Highways Portfolio Holder why the contractors working on the bridge had not built their site office on stilts as the area was known to flood and now that the site office had flooded there would presumably be an even longer delay in completing the works.

Councillor Waller, Safer, Greener and Transport Portfolio Holder said that he had little influence over the County Council Highways Portfolio Holder on this matter or any other County Council highways and transportation issues. He agreed, however, to pass on Councillor Spencer's comments to the County Council Portfolio Holder.

(c) Food Banks

Councillor Murray asked the Leader of Council for a comment about the continued use of a food bank in Loughton. He pointed out that the results of national research published during the day had stated that rising food prices, low pay and reducing income had led to an increased demand for food banks.

Councillor Whitbread, Leader of the Council, stated that food banks provided a much needed resource at a time when the country had suffered one of its hardest recessions. He said he would be happy to visit the food bank in Loughton. He agreed that the need for food banks had been due to rising food prices and in particular the rise in prices in relation to basic foods.

(d) St John's Road Area, Epping

Councillor J H Whitehouse referred to the statement made at the last Council meeting by the Asset Management and Economic Development Portfolio Holder about a report being submitted shortly regarding the future of the St John's Road area of Epping and asked if a progress report could now be made as it had been two months since the last Council meeting.

Councillor Grigg, Asset Management and Economic Development Portfolio Holder, said that a report would be submitted to the next Cabinet meeting regarding the District Council, Essex County Council and Epping Town Council entering into negotiations with a mixed development preferred bidder for a fixed period.

(e) Street Lighting

Councillor Knapman referred to the majority of street lights in the District being switched off at midnight with only a few in the vicinity of bus stops being left on. He said that he thought agreement had been reached with Essex County Council for street lights in the vicinity of London Underground stations to be kept on later. He asked the Safer, Greener and Transport Portfolio Holder if he agreed and if he would make further representations to the County Council on this matter. He also pointed out that Parish or Town Councils could take on responsibility for street lights.

Councillor Waller, Safer, Greener and Transport Portfolio Holder, said it was also his understanding that street lights in the vicinity of London Underground stations in the District would be kept on until the trains stopped running in the early hours. He said he would make further representations to the County Council. On the wider issue he advised that there had been no noticeable increase in road traffic accidents or crime as a result of street lights being switched off. The Portfolio Holder continued that the

matter had been discussed earlier in the day at a meeting of the Police and Crime Panel and discussions would continue. In relation to Parish and Town Councils taking over responsibility for street lighting, he said that this should be encouraged if they were prepared to accept the costs and responsibilities.

(f) Council House Building

Councillor Markham referred to a statement made by the Prime Minister about the delivery of affordable homes during the term of the current Government and asked the Housing Portfolio Holder how many affordable homes had been built since 2010.

Councillor Stallan, Housing Portfolio Holder, said he did not have a figure for the country but would ask officers to provide members with details. He stated that in relation to the Epping Forest District there had been no affordable properties built by the Council for 30 years which was the reason for introducing the Council House Building Programme.

(g) Parking Enforcement

Councillor Pond asked the Safer, Greener and Transport Portfolio Holder why parking restrictions were not enforced in the evenings or on Sundays.

Councillor Waller, Safer, Greener and Transport Portfolio Holder, stated that parking enforcement should not be restricted to 9 until 5 although it should be accepted that the majority of enforcement would be undertaken during the working day. He said that the North Essex Parking Partnership needed to be reminded of the need to enforce restrictions which applied outside of the normal working day and he agreed to raise this matter with the senior officer for the western area of the North Essex Parking Partnership at a meeting due to be held shortly.

(h) Parking Bays in Loughton High Road

Councillor Mann advised that the white lines denoting some 20/30 parking bays in Loughton High Road had been worn away and this resulted in drivers parking in such a way that they used an area larger than a parking bay and thereby exacerbated the lack of parking. He pointed out that this practice also led to confrontations between drivers. He asked the Portfolio Holder if the lines could be repainted.

Councillor Waller, Safer, Greener and Transport Portfolio Holder, said that this was another matter to be discussed with the senior officer for the western area of the North Essex Parking Partnership. He said it was not just a matter of repainting the lines but also of maintaining them. He pointed out, however, that there would be a need to await better weather before repainting the lines.

(i) Planning Application Forms

Councillor Wagland said that approximately one year ago she had made representations to the Government about the need to include a "statement of truth" at the end of planning application forms as this was common practice on many other documents. She said that the Government had agreed to do so and having recently seen an application form from another authority it had included such a statement. Councillor Wagland said she assumed, therefore, that the necessary regulations had been made to include the statement and she asked the Planning Portfolio Holder if he supported this approach and if this Council had amended its forms to include such a statement. She suggested that the requirement should be published locally.

Councillor Bassett, Planning Portfolio Holder, said that he totally agreed with the inclusion of a “statement of truth” on planning applications forms and that he had a meeting arranged with Planning Officers on the following day at which he would raise the issue in order to establish the current situation.

(j) Discretionary Housing Payments

Councillor J M Whitehouse said that this Council had been included on a list of authorities which had allocated a low level of Discretionary Housing Payments to those in need. He sought views on why this had been the case and on details of the amount spent to date.

Councillor Stavrou, Finance and Technology Portfolio Holder, advised that £54,232 had been spent out of a total Discretionary Housing Payments budget of £206,998, consisting of 51 awards to Council tenants, 28 awards to RSL tenants and 23 awards to private tenants. She continued that exceptional hardship payments expenditure amounted to £1,844 from the total budget of £20,670 for 12 claimants. Councillor Stavrou stated that she was working with officers to identify those who were really struggling with a view to spending the total budget.

98. MOTIONS

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

99. REPORT OF THE CABINET - TRANSFER OF HOUSING REVENUE CAR PARKS TO THE GENERAL FUND

Mover: Councillor Stavrou, Finance and Technology Portfolio Holder

Councillor Stavrou presented a report stating that there were two car parks which were still accounted for within the Housing Revenue Account (HRA). She reminded members that on the introduction of HRA self financing, the Council had resolved that the HRA should be maintained predominantly as a landlord account and HRA assets that were not held for social housing purposes should be accounted for within the General Fund. Members noted that the two car parks in question were provided for any resident of the District wishing to shop at The Broadway, Loughton and were therefore unrelated to the social housing activity of the HRA.

Report as first moved **ADOPTED**

RESOLVED:

That, with effect from 1 April 2014, the car parks at Burton Road and Vere Road, Loughton currently accounted for within the Housing Revenue Account be transferred to the General Fund.

100. REPORT OF THE CABINET - TREASURY MANAGEMENT STRATEGY AND INVESTMENT STRATEGY 2014/15 AND 2016/17

Mover: Councillor Stavrou, Finance and Technology Portfolio Holder

Councillor Stavrou presented a report on the Council's Treasury Management Strategy and Investment Strategy.

The Portfolio Holder advised that the Council had £61 million of investments and £185 million of borrowing so it was important to have strategies in place setting out how those balances were managed. She stated that the strategies were updated annually and came before the Council as part of the budget process. She advised that the strategies were based on advice from the Council's Treasury Management Advisers to ensure that all the necessary requirements were met.

Councillor Stavrou stated that the Finance and Performance Management Cabinet Committee and the Audit and Governance Committee received mid year and end of year reports on Treasury Management and the most recent report received in the November 2013 cycle of meetings had shown that there had been no breach of Prudential Indicators for the first half of the financial year 2013/14.

The Council noted that the current capital programme could be financed without any additional borrowing.

Councillor Stavrou stated that the strategies also set out who the Council invested with, how much was invested and for how long. She assured the Council that the lists were updated regularly to take account of changes in credit ratings and other relevant information.

Councillor Stavrou invited Councillor Watts, Chairman of the Audit and Governance Committee to present the views of that Committee.

Councillor Watts advised that the Audit and Governance Committee had considered the strategies to be comprehensive and sound. He expressed support of the increased use of building societies on the counter party list and drew attention to the possibility of investing in housing association schemes. He advised that the Audit and Governance Committee had requested reports on the authorised limit and operational boundary for external debt.

Report as first moved **ADOPTED**

RESOLVED:

That the following documents attached to these minutes as Appendix 1 be adopted:

- (a) Treasury Management Strategy Statement and Annual Investment Strategy 2014/15 to 2016/17;
- (b) Minimum Revenue Provision Statement;
- (c) Treasury Management Prudential Indicators for 2014/15 to 2016/17;
- (d) the rate of interest to be applied to any Inter-Fund Balances; and
- (e) Treasury Management Policy Statement.

101. REPORT OF THE CABINET - BUDGETS AND COUNCIL TAX DECLARATION 2014/15

The Chairman announced that she proposed to take the items on holding a recorded vote before the report of the Cabinet.

(a) Recorded Votes at Budget Meetings

The Council received a letter dated 4 February 2014 from Brandon Lewis MP, Parliamentary Under Secretary of State, Department for Communities and Local Government stating that the Government's expectation was that at this year's budget meetings, all principal councils would adopt the practice of recorded votes on any decision relating to the budget or council tax, not only on the substantive budget motions agreeing the budget, setting council taxes or issuing precepts, but also on any amendments proposed at the meeting.

Members noted that to facilitate the Government's wishes, the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 which would come into force on 25 February 2014 would make it mandatory for councils as soon as it was practicable to amend their Standing Orders so as to include provisions requiring recorded votes at budget meetings. Recognition that it might not be possible to amend Standing Orders before budget meetings this year, Brandon Lewis had stated that he expected councils to adopt the practice of recorded votes by resolving to do so in line with the regulations.

RESOLVED:

That recorded votes be taken on any decision relating to the budget or council tax for 2014/15.

(b) The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014**Motion moved by Councillor Watts and seconded by Councillor Whitbread:**

"That the Council's Constitution be amended to include provisions requiring recorded votes at budget meetings".

Carried

RESOLVED:

That Council Procedure Rule 17 (Voting) be amended by the addition of the following new sub-paragraph:

"17.6 Voting at Budget Decision Meetings

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, immediately after any vote is taken at a budget decision meeting there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

"Budget decision" means a meeting at which:

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

(b) a precept is issued under Chapter 4 of Part 1 of that Act,

and includes a meeting where making the calculation or issuing the precept as the case may be was included as an item of business on the agenda for that meeting.

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

(c) Report of the Cabinet

Mover Councillor Stavrou, Finance and Technology Portfolio Holder

Councillor Stavrou presented a report on the Council's Budgets and the Council Tax Declaration 2014/15.

The Portfolio Holder apologised to members for the postponement of this Council meeting for two days which had arisen because when the referendum limit for a council tax increase for 2014/15 had been announced on 5 February 2014, the Police and Crime Commissioner's budget had exceeded the limit and had to be reconsidered. She advised that it had only been this afternoon when the revised precept figure had been received which together with precepts from other authorities enabled the setting of the overall council tax.

Councillor Stavrou referred to the Council's lengthy and robust process for setting its own budget. Detailed growth lists had been considered by the Finance and Performance Management Cabinet Committee and the Cabinet itself whilst the Joint Finance and Performance Management Cabinet Committee and Finance and Performance Management Scrutiny Panel meeting had received detailed Directorate budgets and had been given the opportunity to question all the Directors and Portfolio Holders.

The Portfolio Holder stated that 2013/14 had been a difficult year in terms of the budget. Draft grant figures from central Government issued in late summer had been worse than previously indicated and had necessitated substantially increasing the need for net savings in the Council's Medium Term Financial Strategy. Councillor Stavrou stated that fortunately the Government's proposal to top slice the New Homes Bonus by diverting funds to Economic Partnerships had resulted in a national outcry and had led to this idea not being pursued.

The Council noted that although Council Tax collection rates had reduced it had not been to the extent anticipated and the provision of hardship funds for supporting local Council Tax and Discretionary Housing Payments were likely to be adequate this year.

Councillor Stavrou stated that the final report on the restructuring of the Council's top management had not been submitted to the Council until late December 2013 leaving the accountants a lot of work to do in a short space of time to align budgets with the new four Directorate structure from April 2014. The Portfolio Holder stated that business rates retention was an ongoing problem with the Department for Communities and Local Government (DCLG) making up the rules as matters progressed. She said it had been known that additional grant would be payable to councils where DCLG had changed the system and in doing so had caused a reduction in a council's income. It had been known that this Council would receive a grant but the amount of £400,000 had only been confirmed at the beginning of February 2014 and as a result that sum had been added to the District Development

Fund. Members noted that a sum of £250,000 had been provided in 2014/15 to meet the cost of potential business rate appeals.

Councillor Stavrou reminded members that the financial issues paper considered in September 2013 had set a target of achieving £700,000 net savings. She reported that the target had been achieved mainly due to the Top Management Restructure which in a full year would achieve savings of £350,000, the investment of capital in acquiring a long lease at Torrington Drive, Loughton which would boost revenue by approximately £200,000 per annum, and changes to fees and charges which were estimated to achieve approximately £150,000. The Portfolio Holder explained that the proposed changes in parking tariffs would be the first for five years and were being introduced not only to increase income but also to address the representations from local traders about town centre parking spaces being taken by commuters. Councillor Stavrou advised that the revised proposals would provide an opportunity to better manage parking spaces and make them available to shoppers.

The Council noted that a key theme in the budget was Economic Development and provision had been made for an Assistant Director post to have specific responsibility as well as additional funding being provided.

Councillor Stavrou reported that it had been possible to achieve a balanced budget and investment in priority areas without increasing the District Council Tax. She continued that Epping Forest District Council had been a low Council Tax Council for many years and the Cabinet intended it to remain so. She cautioned that whilst the recession might be over, austerity for the public sector was likely to continue for some time.

Councillor Stavrou expressed her thanks to Bob Palmer, Peter Maddock and their staff for the work in preparing the budget under more difficult circumstances than normal.

Councillor Murray expressed support for the District Council budget but not those of the County Council and the Police and Crime Commissioner having regard to the services they provided. Councillor Angold-Stephens supported Councillor Murray's views.

Councillor J M Whitehouse expressed support for the District Council budget but expressed concern that the Council was being asked to include additional income of £150,000 from fees and charges before knowing what changes would be made to car parking tariffs. He also urged caution about some District Council services which whilst continuing were showing signs of strain. He also referred to the current spend on consultants and asked that careful consideration be given to this in future.

Councillor Knapman drew attention to the savings forced upon the County Council, the level of which would not have been achieved without cutting services. He also expressed concern about the budget of the Police and Crime Commissioner.

Councillor McEwen echoed Councillor Knapman's comments about the County Council's budget.

Councillor Stavrou thanked members for their comments. She re-emphasised the reasons for revising car parking tariffs and said that consultants were only engaged when the Council officers did not have the necessary expertise.

Councillor Waller advised that a report on the details of the proposed car parking tariffs would be submitted to the Cabinet at which time other members would be able

to contribute to the debate and, if necessary, call in the decision for further consideration.

Councillor Whitbread thanked Councillor Stavrou for her work in progressing the budget.

Councillor Sartin reminded members that at the Annual Council meeting in May 2013 she had advised that it was not her intention during her year of office as Chairman of Council to vote at Council meetings and she would therefore be abstaining from voting on this matter.

Report as first moved **ADOPTED**

RESOLVED:

Budget

- (1) That the list of CSB growth and savings for the 2014/15 budget (set out in Annex 1 to these minutes) be approved;
- (2) That the list of District Development Fund items for the 2014/15 budget (set out in Annex 2 to these minutes) be approved;
- (3) That the revenue estimates for 2014/15 and the draft Capital Programme for 2014/15 be approved as set out in Annexes 3, 4 (a-g) and 5 to these minutes including all contributions to and from reserves as set out in the attached Annexes;
- (4) That the Medium Term Financial Forecast be approved as set out in Annexes 8 a and 8 b to these minutes;
- (5) That the 2014/15 HRA budget be approved and that the application of rent increases and decreases resulting in an average increase of 4.91% from £91.10 to £95.59, 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 2016/17 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 2017/18;
- (7) That the report of the Chief Financial Officer on the robustness of the estimates for the purposes of the Council's 2014/15 budgets and the adequacy of the reserves (Annex 9 attached to these minutes) be noted.

Declaration of Council Tax

- (8) That it be noted that under delegated authority the Director of Finance & ICT, in consultation with the Finance and Technology Portfolio Holder, calculated the Council Tax Base 2014/15:
 - (a) for the whole Council area as 50,679.4 (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 6 attached to these minutes:

| | Tax Base |
|--------------------------------------|----------|
| Abbess, Beauchamp & Berners Roding | 202.4 |
| BuckhurstHill | 5,016.0 |
| Chigwell | 5,737.7 |
| Epping Town | 4,828.3 |
| Epping Upland | 403.0 |
| Fyfield | 404.4 |
| High Ongar | 527.5 |
| Lambourne | 825.0 |
| Loughton Town | 11,828.2 |
| Matching | 415.5 |
| Moreton, Bobbingworth and The Lavers | 541.2 |
| Nazeing | 1,975.9 |
| North Weald Bassett | 2,422.4 |
| Ongar | 2,609.1 |
| Roydon | 1,264.7 |
| Sheering | 1,274.0 |
| Stanford Rivers | 343.6 |
| Stapleford Abbots | 493.8 |
| Stapleford Tawney | 77.4 |
| Theydon Bois | 1,938.3 |
| Theydon Garnon | 81.3 |
| Theydon Mount | 108.7 |
| Waltham Abbey Town | 7,131.1 |
| Willingale | 229.9 |

(9) That the following amounts be calculated for the year 2014/15 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:

- (a) £123,761,841 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) £113,144,884 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
- (c) £10,616,957 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) £209.49 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) £3,077,383 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Annex 6 attached to these minutes);

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

(10) That it be noted that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the category of dwellings in the Council's area as shown in Annex 7 attached to these minutes;

(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 7 Part B (attached to these minutes) as the amounts of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings; and

(12) That in accordance with section 52ZB of the Local Government Finance Act 1992, Council determines that the amount of Council Tax shown at (9) (f) of £148.77 for 2014/15, being unchanged from 2013/14 is not excessive and therefore there is no need to hold a local referendum.

There voted for the recommendation: (43) namely: Councillors Angold-Stephens, Avey, Bassett, Boyce, Breare-Hall, Chana, Church, Gadsby, Gode, Grigg, Jacobs, Jones, Kane, Keska, Knapman, Knight, Lea, Leonard, Lyon, McEwen, Mann, Markham, Murray, Pond, Rolfe, Sandler, Shiell, Smith, Spencer, Stellan, Stavrou, Thomas, Ulkun, Wagland, Waller, Watts, Webster, Whitbread, J H Whitehouse, J M Whitehouse, Wixley, Wright, Wyatt.

Abstentions (1) namely: Councillor Sartin (non voting Chairman)).

102. OVERVIEW AND SCRUTINY

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

The Council received a written report from Councillor Morgan, the Chairman of the Overview and Scrutiny Committee.

Members were encouraged to attend the next meeting of the Committee to be held on 25 February 2014 at which a presentation would be made from officers from the Mental Health Services of the West Essex Clinical Commissioning Group.

(b) Reports of the Overview and Scrutiny Committee

The Chairman announced that there were no reports to be considered under this item.

(c) Reports of Overview and Scrutiny Panels:

(i) Report of the Constitution and Member Services Scrutiny Panel – Annual Review of Contract Standing Orders and Financial Regulations.

Mover: Councillor Watts, Vice-Chairman of the Panel, in the absence of the Chairman

Councillor Watts presented a report of the Panel following the annual review of Contract Standing Orders and Financial Regulations which provided controls on contract procedures and financial governance.

Report as first moved **ADOPTED**

RESOLVED:

That the proposed changes to CSOs listed below be adopted and published in the Council's Constitution:

(a) CSO 35 (Local Businesses)

That CSO 35 (Local Businesses) be re-positioned within CSOs to give it greater prominence and an index at the beginning of CSOs to aid navigation by officers be added to the published version;

(b) CSO 16 (Receipt, Custody and Opening of Quotations)

That CSO 16 (Opening of Tenders and Quotations – Contracts in Excess of £25,000) be amended as follows:

“Quotations and tenders received in accordance with these Standing Orders shall be opened at one time, as follows:

(i) in respect of contracts with an estimated value exceeding £25,000 but not exceeding £50,000, the relevant Chief Officer in the presence of or at least one of his principal or senior officers and a representative of the Director of Governance, shall open the quotations received; and shall maintain a record of all such quotations;

(ii) in respect of contracts with an estimated value in excess of £50,000 the Portfolio Holder concerned, in the presence of authorised representatives of the Director of Governance and the relevant Chief Officer, shall open the tenders which, in the normal course of events, will not be less than three working days after the closing date for receipt of those tenders; and

(iii) the Director of Governance or his/her authorised representative shall maintain and sign a record of all tenders opened, which record shall also be signed by the member of the Cabinet in attendance (in respect of contracts valued in excess of £50,000 only) and the representative of the Chief Officer concerned.”

(c) CSO 19 (Acceptance of Quotations/Evaluation of Tenders)

That CSO 19 (Acceptance of Quotations – Contracts Exceeding £25,000 but Not Exceeding £50,000) be amended as shown below:

“(1) a Chief Officer may, subject to the provisions of Standing Order C4 (Contracts exceeding £25,000 but not exceeding £50,000) accept the lowest quotation received in respect of a contract not exceeding £50,000 in value or amount; a quotation other than the lowest received shall not be accepted until the relevant Portfolio Holder has considered a report from the appropriate Chief Officer or other person.

- (3) Paragraph (1) above shall not apply where:
- (i) the tender documentation prepared by the Chief Officer and submitted to prospective tenderers specifies that the acceptance of any tender will be not only based on consideration of price but also on an assessment of quality; and
 - (ii) where sub-paragraph (i) above applies, the methodology for assessing tenders on the basis of price and quality shall be documented and signed by the Chief Officer prior to the opening of tenders and retained as part of the contract documentation.
 - (iii) the relevant Chief Officer has obtained approval in advance of the terms under which quotations will be accepted from the Cabinet or the relevant Portfolio Holder and acceptance of a quotation is fully in compliance with that decision in which case the results of the evaluation process shall be reported back to the Cabinet or the Portfolio Holder as appropriate.
 - (iv) in cases where quotations received exceed the limit of £50,000, provided that the lowest quotation exceeds the pre-contract estimate by no more than 10%.”

(d) CSO 12 (Contract Extensions)

That a new CSO (to be numbered C12) be approved as follows:

“C12 Contract Extensions

- (a) No contract in excess of £25,000 shall be extended (other than extensions provided for under CSO 11 (serial contracts) without prior approval by a Portfolio Holder or the Cabinet. Any such proposal shall explain the circumstances which leads the relevant Chief Officer to recommend that course of action and indicate the terms on which the contract is to be extended and a date on which the proposed extension will terminate.
 - (b) No more than two contract extensions shall be approved in respect of any one contract.”
- (2) That any further alterations to CSOs and Financial Regulations to reflect any other changes arising from the recent Directorate restructuring be delegated to the Assistant to the Chief Executive for incorporation in final version before publication.

(ii) Report of the Constitution and Member Services Scrutiny Panel – Review of Officer Delegation

Mover: Councillor Watts, Vice-Chairman of the Panel, in the absence of the Chairman

Councillor Watts presented a report of the Panel following the annual review of Officer Delegation.

Members noted that the report dealt with those delegated authorities which needed to be approved by the Council (ie. non-Cabinet functions). Councillor Watts advised that the review had taken account of the new Directorate structure to come into effect on 1 April 2014.

By leave of the Council, Councillor Watts replaced the schedule of Planning Services delegations circulated with the agenda with a tabled schedule as the former had not account of changes approved by the Council on 5 November 2013.

Report as amended **ADOPTED**

RESOLVED:

(1) That the alterations (shown in black highlighting) to the attached schedules of officer delegation (Appendix 2 to these minutes) reflecting the new Directorate structure be approved with effect from 1 April 2014;

(2) That the revised schedule of Council functions be published in the Council's Constitution; and

(3) That as the delegated authorities in respect of Deputy Monitoring Officer, Deputy Electoral Registration Officer and Deputy RIPA Officer cannot be finalised at present due to pending appointments required under the implementation of the new Directorate structure, once an appointment has been made, the decisions of the Director of Governance and the Chief Executive be added to the Schedule.

(iii) Report of the Constitution and Member Services Scrutiny Panel – Vice Chairman of Council – Review of Appointment Procedure

Mover: Councillor Watts, Vice Chairman of the Panel, in the absence of the Chairman

Councillor Watts presented a report of the Panel following a review of the process for the nomination to and appointment of the Vice-Chairman of Council.

By leave of the Council, Councillor Watts amended the recommendations of the Panel in order to resolve a duplication, by deleting the proposed paragraph (c) of Article 5.03 and replacing it with the proposed paragraph (h).

Amendment moved by Councillor Angold-Stephens and seconded by Councillor Mann

That the proposed paragraph (a) of Article 5.03 be amended by the addition of the words "from two or more groups or an independent member" after the words "District Councillors".

Lost

Report as amended **ADOPTED**

RESOLVED:

That Paragraphs 5.02 and 5.03 of Article 5 in the Constitution (Chairman of Council) be amended as set out in Appendix 3 to these minutes so as to provide a new process for appointing a Vice-Chairman of Council.

(Recorded in accordance with paragraph 17.5 of the Council Procedure Rules, that Councillor Murray voted against the motion).

103. EPPING FOREST DISTRICT REMUNERATION PANEL ANNUAL REPORT 2013/14

The Chairman welcomed Mr S Lye, Member of the Independent Remuneration Panel to the meeting.

Mr Lye presented the Panel's Annual Report for 2013/14.

Councillor Waller, on behalf of all councillors, thanked S Lye, Ms R Kelly and D Jackman, the three independent members of the Panel for their work during the year and for compiling the Annual Report and the Review Report which was the next item on the agenda. Councillor Waller drew attention to the Panel's comments about the amount of the Council's Basic Allowance.

RESOLVED:

That the Epping Forest District Remuneration Panel Annual Report 2013/14 be noted.

104. MEMBERS' ALLOWANCES SCHEME REVIEW

S Lye, Independent Member of the Remuneration Panel presented a report following the Panel's annual review of the Members' Allowances Scheme.

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

That the recommendations of the Remuneration Panel be amended by the addition of the recommendation set out below to be numbered (4) and the renumbering of the remaining recommendations:

(4) That a sum equivalent to £35 per councillor be retained each year by the Council from the total Basic Allowance budget so that the registration of all councillors as data controllers can be achieved without the need for individual applications.

Carried

Report as amended **ADOPTED**

RESOLVED:**Basic Allowance**

(1) That no change be made to the amount of Basic Allowance of £4300 per member per annum currently included in the adopted Members' Allowances Scheme;

Implementation

(2) That the level of implementation of the Basic Allowance for 2014/15 be increased from £3,150 per member per annum to £3,400 by

discontinuing the IT Connectivity Allowance of £250 per member per annum and incorporating that amount in the Basic Allowance;

(3) That the level of implementation of the Basic Allowance be further increased from £3,400 to £3,435 to meet the cost of a member registering as a Data Controller with the Information Commissioner and members be reminded of the requirements for registration and the risks of not registering (thereby increasing the level of implementation from 73% to 80% of the full amount at “zero” cost ;

(4) That a sum equivalent to £35 per councillor be retained each year by the Council from the total Basic Allowance budget so that the registration of all councillors as data controllers can be achieved without the need for individual applications;

(5) That in formulating future budgets the Council considers increasing further the level of implementation of the Basic Allowance to achieve payment of the full amount of £4,300 in the adopted Members’ Allowances Scheme by either:

- (a) increasing the level of implementation to the full amount in 2015/16; or
- (b) phasing an increase in the level of implementation to approximately 90% (£3,870 per member) in 2015/16 and 100% (£4,300 per member) in 2016/17;

Special Responsibility Allowances

(6) That no change be made to the current amounts of Special Responsibility Allowances;

(7) That the Panel give further consideration to the amount of the Special Responsibility Allowance for the Chairman of the Standards Committee if the workload for that position increases from the current level;

Independent Persons – Standards Regime

(8) That, although not part of the Members’ Allowances Scheme, the Independent Persons appointed by the Council as part of its standards arrangements continue to be paid an allowance of £250 per member per annum in 2014/15;

(9) That the Panel give further consideration to this allowance if the workload for the position increases from the current level or, if and when, the Council changes the number of Independent Persons;

Connectivity Allowance

(10) That the IT Connectivity Allowance be discontinued with effect from 1 April 2014;

Travel Outside of the District

(11) That no change be made to the Members’ Allowances Scheme regarding the restrictions placed on the amount that can be claimed for travel outside of the District;

HMRC Requirements

(12) That the Members' Allowances Scheme and Guidance Note be amended to reflect the requirements of HMRC in relation to the treatment of mileage and subsistence for taxation and National Insurance purposes;

(13) That the attention of members be drawn to their ability to challenge the HMRC requirements;

Pensions

(14) That the Members' Allowances Scheme be amended to reflect the current entitlement of councillors to join the Local Government Pension Scheme and the Government's intention to discontinue the entitlement of councillors to join the Scheme after 1 April 2014 with existing subscribers' accrued rights protected;

Revised Scheme and Guidance Note

(15) That, subject to the adoption of the above recommendations, the amended Members' Allowances Scheme and Guidance Note attached as Appendix 4 to these minutes incorporating changes indicated in bold type and underlined be adopted.

105. DIRECTORATE RESTRUCTURING

The Head of Paid Service reported on progress being made with the Directorate Restructuring.

Members noted that the four Directors had been appointed and were familiarising themselves with their new responsibilities. All but two of the Assistant Directors had been appointed and job descriptions reviewed by Job Evaluation Panels. Appointments for the outstanding posts were due to be made by mid-March 2014.

The Chief Executive referred to the budget which had been produced in the new Directorate format and to the schedule of delegations approved by the Council which reflected the new posts. He advised that detailed transition plans were being developed by the Directors.

RESOLVED:

That the report of the Head of Paid Service be noted.

106. OFFICER DELEGATION IN RESPECT OF EXECUTIVE FUNCTIONS

The Council noted a decision taken by the Leader of Council to approve the schedule of delegation of Executive functions for the year 2013/14 which would be published as part of the Constitution.

107. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

The Council received a report from Councillor Jennie Hart, one of the Council's representatives on the Loughton Broadway Town Centre Partnership.

CHAIRMAN

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Appendix 1

Treasury Management Strategy Statement and Investment Strategy 2014/15 to 2016/17

Introduction

In April 2002 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management Code (the "CIPFA TM Code") which requires the Authority to approve a Treasury Management Strategy Statement (TMSS) before the start of each financial year.

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

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

The Authority 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 Authority's treasury management strategy.

External Context

Economic background: The Bank of England's Monetary Policy Committee (MPC) through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to certain other conditions. Unemployment was 7.7% in August 2013, but is not forecast to fall below the threshold until 2016, due to the UK's flexible workforce.

The flow of credit to households and businesses is slowly improving but is still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.7% in September 2013 will allow real wage increases (i.e. after inflation) to slowly turn positive and aid consumer spending.

Stronger growth data in 2013 (0.4% in Q1, 0.7% in Q2 and 0.8% in Q3) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual. Arlingclose forecasts the MPC will maintain its resolve to keep interest rates low until the recovery is convincing and sustainable.

In the US expectations for the slowing in the pace of asset purchases ('tapering') by the Federal Reserve and the end of further asset purchases will remain predominant drivers of the financial markets. The Fed did not taper in September and has talked down potential tapering in the near term. It now looks more likely to occur in early 2014 which will be supportive of bond and equity markets in the interim.

Credit outlook: The credit risk of banking failures has diminished, but not dissipated altogether. Regulatory changes are afoot in the UK, US and Europe to move away from the bank bail-outs of previous years to bank resolution regimes in which shareholders, bond holders and unsecured creditors are ‘bailed in’ to participate in any recovery process. This is already manifest in relation to holders of subordinated debt issued by the Co-op which will suffer a haircut on its conversion bail-in to alternative securities and/or equity. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their ‘triple-A’ credit rating wrapper. Diversification of investments between creditworthy counterparties to mitigate bail-in risk will become even more important in the light of these developments.

Interest rate forecast: Arlingclose’s forecast is for the Bank Rate to remain flat until late 2016, the risk to the upside (i.e. rates being higher) are weighted more heavily towards the end of the forecast horizon, as the table below shows. Gilt yields are expected to rise over the forecast period with medium- and long-dated gilts expected to rise by between 0.7% and 1.1%.

A more detailed economic and interest rate forecast provided by the Authority’s treasury management advisor 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 0.8%.

Local Context

The Authority currently has £185m of borrowing and £61m 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

| | 31.3.13 Actual £m | 31.3.14 Estimate £m | 31.3.15 Estimate £m | 31.3.16 Estimate £m | 31.3.17 Estimate £m |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund CFR | 33.6 | 38.6 | 48.6 | 63.6 | 63.6 |
| HRA CFR | 155.1 | 155.1 | 155.1 | 155.1 | 155.1 |
| Total CFR | 188.7 | 193.7 | 203.7 | 218.7 | 218.7 |
| Less: Other long-term liabilities * | 0 | 0 | 0 | 0 | 0 |
| Borrowing CFR | 188.7 | 193.7 | 203.7 | 218.7 | 218.7 |
| Less: External borrowing ** | 185.5 | 185.5 | 200.5 | 215.5 | 215.5 |
| Internal borrowing | 3.2 | 8.2 | 3.2 | 3.2 | 3.2 |
| Less: Usable reserves | 49.1 | 45.4 | 44.6 | 45.8 | 45.0 |
| Less: Working capital | 14.8 | 15.0 | 15.0 | 15.0 | 15.0 |
| Resources Available for Investment | 60.7 | 52.2 | 56.4 | 57.6 | 56.8 |

* finance leases and PFI liabilities that form part of the Authority’s debt

** shows loans which the Authority may make 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 Authority’s current strategy is to maintain borrowing and investments below their underlying levels,

sometimes known as internal borrowing, subject to holding a minimum investment balance of £50m. Borrowing is anticipated in future for Land Purchase or development and the Waste Management Contract, but these are not yet certain.

The Authority has an increasing CFR due to the capital expenditure described above, retaining considerable investments and may therefore be seeking to borrow up to £30m over the forecast period. £15m in each financial year 2014/15 and 2015/16 is possible depending on the many potential development opportunities.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2014/15.

Borrowing Strategy

The Authority currently holds £185 million of loans, the same as the previous year, as part of its strategy for funding Housing Self-Financing. The balance sheet forecast in table 1 shows that the Authority may increase borrowing up to £200.5m in 2014/15. The Authority may also borrow additional sums to pre or post-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £230 million.

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

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2014/15 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

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

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

- Internal
- Public Works Loan Board (effectively part of HM Treasury)
- UK local authorities
- European Investment Bank
- Leasing
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds (except Essex Pension Fund)
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues.

The Authority has previously raised all of its long-term borrowing from the Public Works Loan Board, 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 leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority 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 saving or reduction in risk.

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £54.0 and £61.5 million, and similar levels are expected to be maintained or reduced in the forthcoming year dependent on capital spending and borrowing decisions.

Both the CIPFA Code and the CLG Guidance require the Authority 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 Authority'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.

The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown. The detailed list of counterparties is in Appendix C.

Table 2: Approved Investment Counterparties

| Counterparty | Cash limit | Time limit † |
|---|------------|--------------|
| Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is: | AAA | 10 years* |
| | AA+ | 5 years* |
| | AA | 4 years* |
| | AA- | 3 years* |
| | A+ | 2 years |
| | A | 1 year |
| | A- | |
| The Authority's current account bank (National Westminster Bank plc) if it fails to meet the above criteria | £10m | next day |
| UK Central Government (irrespective of credit rating) | unlimited | 50 years** |
| UK Local Authorities (irrespective of credit rating) | £10m each | 50 years** |
| UK Registered Providers of Social Housing whose lowest published long-term credit rating is A- or higher, or who are recommended | £1m each | 10 years** |

| | | |
|--|-----------|---------|
| by Treasury Advisor | | |
| UK Registered Providers of Social Housing whose lowest published long-term credit rating is BBB- or higher and those without credit ratings or who are recommended by Treasury Advisor | £1m each | 5 years |
| UK Building Societies with credit rating A- or above | £10m each | 1 year |
| UK Building Societies without credit ratings - seeking to add at A- or above or equivalent as recommended by Treasury Advisor | £1m each | 1 year |
| Money market funds and other pooled funds | £5m each | n/a |

† the time limit is doubled for investments that are secured on the borrower's assets

* but no longer than 2 years in fixed-term deposits and other illiquid instruments

** but no longer than 5 years in fixed-term deposits and other illiquid instruments

Current Account Bank: Following a competitive tender exercise held in 2012, the Authority's current accounts are held with National Westminster Bank plc which is currently rated A-/A-2 the minimum being A- rating in table 2. The credit ratings fell below A- in November 2013. the Authority continues to deposit surplus cash with National Westminster Bank plc providing that the investments can be withdrawn on the next working day, and that the bank maintains a credit rating no lower than BBB- (the lowest investment grade rating). In line with Arlingclose's recommendations.

Registered Providers: Formerly known as Housing Associations, Registered Providers of Social Housing are tightly regulated by the Homes and Communities Agency and retain a high likelihood of receiving government support if needed. The Authority will consider investing with unrated Registered Providers with adequate credit safeguards, subject to receiving independent advice.

Building Societies: The Council takes additional comfort from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Authority's deposits would be paid out in preference to retail depositors. The Authority will therefore consider investing with un-rated building societies where independent credit analysis shows them to be suitably creditworthy. The Government has announced plans to amend the building society insolvency regime alongside its plans for wide ranging banking reform, and investments in lower rated and unrated building societies will therefore be kept under continuous review.

Money Market Funds: These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the Authority. Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods. Arlingclose have removed the requirement for AAA ratings following EU proposals to stop money market funds from having credit ratings.

Other Pooled Funds (Collective Investment Schemes): Table 1 above indicates that the Authority will have substantial cash balances available for investment over the medium term. It will therefore consider using pooled bond, equity and property funds that offer enhanced returns over the longer term, but are potentially more volatile in the shorter term. These allow the Authority 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 Authority's investment objectives will be monitored regularly. Investments in Pooled Funds will be undertaken with advice from Arlingclose Ltd. The Council currently has none of these investments.

Risk Assessment and Credit Ratings: The Authority uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody’s Investors Service and Standard & Poor’s Financial Services to assess the risk of investment default. The lowest available counterparty credit rating will be used to determine credit quality, unless an investment-specific rating is available. Credit ratings are obtained and monitored by the Authority’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 A- 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 Authority 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 Authority 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 Authority’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

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

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

The Authority defines “high credit quality” organisations 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 Authority 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 | £30m |
| Total investments without credit ratings or rated below A- | £5m |
| Total investments in foreign countries rated below AA+ | £5m |
| Total maximum non-specified investments | £40m |

Investment Limits: The Authority’s total useable reserves theoretically available to cover investment losses are forecast to be £30 million on 31st March 2014. In order that no more than 25% 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 £10 million. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers’ nominee accounts, foreign countries and industry sectors. Arlingclose Ltd. Will also advise on individual investment links.

Table 4: Investment Limits

| | Cash limit |
|---|-----------------|
| Any single organisation, except the UK Central Government | £10m each |
| UK Central Government | unlimited |
| Any group of organisations under the same ownership | £10m per group |
| Any group of pooled funds under the same management | £5m per manager |
| Foreign countries | £10m per group |
| Registered Providers | £5m in total |

Approved Instruments: The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits and loans where the Authority may demand repayment at any time (with or without notice),
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £10 million in total,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- shares in money market funds and other pooled funds.

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

Liquidity management: The Authority uses cash flow forecasting calculations to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority’s medium term financial plan and cash flow forecast calculations.

Treasury Management Indicators

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

Security: The Authority 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,A-=7 etc.) and taking the arithmetic average, weighted by the size of each investment.

| | Target |
|---------------------------------|--------|
| Portfolio average credit rating | A- |

Liquidity: The Authority 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 | £5m |

Interest Rate Exposures: This indicator is set to control the Authority’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:-

| | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---------|---------|
| Upper limit on fixed interest rate exposure | 100% | 100% | 100% |
| Upper limit on variable interest rate exposure | 25% | 25% | 25% |

(Investments count as negative borrowing.)

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

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

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

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

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

| | 2014/15 | 2015/16 | 2016/17 |
|---|---------|---------|---------|
| Upper Limit on principal invested beyond year end | £30m | £30m | £30m |

Other Items

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

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

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives 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.

The Council will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.

Policy on Apportioning Interest to the HRA: From 1st April 2012, the Council can notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will probably be assignable 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) can be identified/ credited to the respective account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Investment Training: The needs of the Authority's treasury management staff for training in investment management are assessed every month as part of the Treasury Management meetings, and additionally when the responsibilities of individual members of staff change.

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

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

Investment of Money Borrowed in Advance of Need: The Authority 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 Authority 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 Authority's overall management of its treasury risks.

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

Financial Implications

The budget for investment income in 2014/15 is £399.0 thousand, based on an average investment portfolio of £57 million at an interest rate of 0.8%. The budget for debt interest paid in 2014/15 is £5.5 million, based on an average debt portfolio of £185 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 Finance and ICT, having consulted the Portfolio Holder for Finance and Technology, 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 | Reduced risk of losses from credit related defaults |
| 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 |
| 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 will 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 will 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 will be less certain |

Appendix A - Arlingclose Economic & Interest Rate Forecast December 2013

Underlying assumptions:

- Growth continues to strengthen with the second estimate for Q3 growth coming in at an unrevised 0.8%. The service sector remains the main driver of growth, boosted by a contribution from construction.
- The unemployment rate has fallen to 7.6%. The pace of decline in this measure will be dependent on a slower expansion of the workforce than the acceleration in the economy, alongside the extent of productivity.
- The CPI for December has fallen to 2.0%, a much more comfortable position for the MPC. Utility price increases are expected to keep CPI above the 2% target in 2014, before falling back again.
- The principal measure in the MPC's Forward Guidance on interest rates is the Labour Force Survey (LFS) unemployment rate. The MPC intends not to raise the Bank Rate from its current level of 0.5% at least until this rate has fallen to a threshold of 7%.
- The reduction in uncertainty and easing of credit conditions have begun to unlock demand, much of which has fed through to the housing market. In response to concerns over a house price bubble, the Bank of England announced a curtailment of the Funding for Lending Scheme, which will henceforth concentrate on business lending only.
- The MPC will not hesitate to use macro prudential and regulatory tools to deal with emerging risks (such as curtailing the FLS). Absent risks to either price stability or financial stability, the MPC will only tighten policy when it is convinced about the sustained durability of economic growth.
- Federal Reserve monetary policy expectations - the slowing in the pace of asset purchases ('tapering') and the end of further asset purchases - will remain predominant drivers of the financial markets. Tapering of asset purchases will begin in Q1 2014. The US political deadlock over the debt ceiling will need resolving in Q1 2014.
- The European backstop mechanisms have lowered the risks of catastrophic meltdown. The slightly more stable economic environment at the aggregate Eurozone level could be undone by political risks and uncertainty in Italy, Spain and Portugal (doubts over longevity of their coalitions). The ECB has discussed a third LTRO, as credit conditions remain challenging for European banks.
- China data has seen an improvement, easing markets fears. Chinese leaders have signalled possible monetary policy tightening.
- On-going regulatory reform and a focus on bail-in debt restructuring is likely to prolong banking sector deleveraging and maintain the corporate credit bottleneck.

Forecast:

- Our projected path for short term interest rates remains flat. Markets are still pricing in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. The MPC will not raise rates until there is a sustained period of strong growth. However, upside risks weight more heavily at the end of our forecast horizon.
- We continue to project gilt yields on an upward path through the medium term. The recent climb in yields was overdone given the soft fundamental global outlook and risks surrounding the Eurozone, China and US.

| | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 | Jun-16 | Sep-16 | Dec-16 | Mar-17 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Official Bank Rate | | | | | | | | | | | | | |
| Upside risk | | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 0.75 | 1.00 |
| 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 |
| Downside risk | | | | | | | | | | | | | |
| 3-month LIBID rate | | | | | | | | | | | | | |
| Upside risk | 0.20 | 0.25 | 0.30 | 0.35 | 0.40 | 0.50 | 0.55 | 0.60 | 0.65 | 0.70 | 0.75 | 0.90 | 0.95 |
| Arlingclose Central Case | 0.45 | 0.45 | 0.50 | 0.55 | 0.65 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.80 | 0.80 | 0.80 |
| Downside risk | | | 0.05 | 0.10 | 0.20 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | -0.35 | -0.35 | -0.35 |
| 1-yr LIBID rate | | | | | | | | | | | | | |
| Upside risk | 0.35 | 0.30 | 0.35 | 0.40 | 0.45 | 0.50 | 0.60 | 0.70 | 0.75 | 0.75 | 0.75 | 0.80 | 0.80 |
| Arlingclose Central Case | 0.90 | 0.95 | 0.95 | 0.95 | 1.00 | 1.05 | 1.10 | 1.15 | 1.20 | 1.25 | 1.30 | 1.40 | 1.40 |
| Downside risk | -0.25 | -0.25 | -0.25 | -0.30 | -0.35 | -0.40 | -0.45 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 |
| 5-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.50 | 0.75 | 0.75 | 0.75 | 0.85 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 1.45 | 1.50 | 1.55 | 1.60 | 1.65 | 1.70 | 1.75 | 1.85 | 1.95 | 2.10 | 2.30 | 2.50 | 2.50 |
| Downside risk | -0.50 | -0.50 | -0.50 | -0.50 | -0.55 | -0.60 | -0.60 | -0.60 | -0.65 | -0.75 | -0.80 | -0.80 | -0.80 |
| 10-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.50 | 0.50 | 0.50 | 0.65 | 0.75 | 0.85 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 2.55 | 2.60 | 2.65 | 2.70 | 2.75 | 2.80 | 2.85 | 2.90 | 3.00 | 3.10 | 3.30 | 3.50 | 3.50 |
| Downside risk | -0.50 | -0.50 | -0.50 | -0.50 | -0.55 | -0.60 | -0.60 | -0.60 | -0.65 | -0.75 | -0.80 | -0.80 | -0.80 |
| 20-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.50 | 0.75 | 0.75 | 0.75 | 0.85 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 3.25 | 3.30 | 3.35 | 3.40 | 3.45 | 3.50 | 3.55 | 3.65 | 3.75 | 3.85 | 4.05 | 4.15 | 4.15 |
| Downside risk | -0.50 | -0.50 | -0.50 | -0.50 | -0.55 | -0.60 | -0.60 | -0.60 | -0.65 | -0.70 | -0.75 | -0.80 | -0.80 |
| 50-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.50 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 3.45 | 3.50 | 3.55 | 3.60 | 3.65 | 3.70 | 3.75 | 3.80 | 3.85 | 3.95 | 4.05 | 4.15 | 4.15 |
| Downside risk | -0.50 | -0.50 | -0.50 | -0.50 | -0.55 | -0.60 | -0.60 | -0.60 | -0.65 | -0.70 | -0.75 | -0.80 | -0.80 |

Appendix B - Existing Investment & Debt Portfolio Position

| | 31.12.13 Actual Portfolio £m | 31.12.13 Average Rate % |
|-------------------------------------|------------------------------------|-------------------------------|
| External Borrowing: | | |
| PWLB - Fixed Rate | 153.656 | 3.000 |
| PWLB - Variable Rate | 31.800 | 0.620 |
| Local Authorities | 0 | 0 |
| LOBO Loans | 0 | 0 |
| Total External Borrowing | 185.456 | |
| Other Long Term Liabilities: | | |
| PFI | 0 | |
| Finance Leases | 0 | |
| Total Gross External Debt | 185.456 | |
| Investments: | | |
| <i>Managed in-house</i> | | |
| Short-term investments | 43.06 | 0.632 |
| Long-term investments | 10.0 | 1.15 |
| <i>Managed externally</i> | | |
| Fund Managers | 0 | 0 |
| Pooled Funds (<i>please list</i>) | 7.0 | 0.4 |
| Total Investments | 60.06 | |
| Net Debt | 125.396 | |

Appendix B

Prudential Indicators 2014/15 - 2016/17

1. Background:

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

2. Gross Debt and the Capital Financing Requirement:

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

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

The Director of Finance reports that the Authority had no difficulty meeting this requirement in 2013/14, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

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

| Capital Expenditure | 2013/14 Approved £m | 2013/14 Revised £m | 2014/15 Estimate £m | 2015/16 Estimate £m | 2016/17 Estimate £m |
|---------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|
| Non-HRA | 4.293 | 4.555 | 8.629 | 1.417 | 1.397 |
| HRA* | 13.918 | 11.130 | 17.823 | 15.490 | 15.187 |
| Total | 18.211 | 15.685 | 26.452 | 16.907 | 16.584 |

3.2 Capital expenditure will be financed or funded as follows:

| Capital Financing | 2013/14 Approved | 2013/14 Revised | 2014/15 Estimate | 2015/16 Estimate | 2016/17 Estimate |
|--------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £m | £m | £m | £m | £m |
| Capital receipts | 4.315 | 3.402 | 7.895 | 2.040 | 1.938 |
| Government Grants | 0.987 | 1.254 | 2.346 | 0.549 | 0.495 |
| Major Repairs Allowance | 8.709 | 6.679 | 10.511 | 8.618 | 8.451 |
| Revenue contributions | 4.200 | 4.350 | 5.700 | 5.700 | 5.700 |
| Total Financing | 18.211 | 15.685 | 26.452 | 16.907 | 16.584 |

Table 1 shows that the capital expenditure plans of the Authority can be funded entirely from sources other than external borrowing.

4. Ratio of Financing Costs to Net Revenue Stream:

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

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

| Ratio of Financing Costs to Net Revenue Stream | 2013/14 Approved | 2013/14 Revised | 2014/15 Estimate | 2015/16 Estimate | 2016/17 Estimate |
|---|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | % | % | % | % | % |
| Non-HRA | -3.28 | -0.25 | -0.05 | -0.06 | -0.83 |
| HRA | 16.97 | 16.30 | 16.05 | 15.81 | 15.03 |

5. Capital Financing Requirement:

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

| Capital Financing Requirement | 2012/13 Actual £m | 2013/14 Revised £m | 2014/15 Estimate £m | 2015/16 Estimate £m | 2016/17 Estimate £m |
|-------------------------------|----------------------|-----------------------|------------------------|------------------------|------------------------|
| HRA | 155.1 | 155.1 | 155.1 | 155.1 | 155.1 |
| Non-HRA | 33.6 | 38.6 | 48.6 | 63.6 | 63.6 |
| Total CFR | 188.7 | 193.7 | 203.7 | 218.7 | 218.7 |

5.2 The Council is to embark on a house building programme. The preliminary work started during 2012/13 with the works themselves having started in 2013/14. Whilst the business plan includes a very modest allocation for this, it is expected that the programme will be expanded in years beyond 2014/15 once the first schemes have been completed successfully and following the Government announcement with regards to "Reinvigorating Right to Buy and One for One Replacement" where the Government desire is at a national level every additional home sold under Right to Buy will be replaced by a new home for affordable rent. Given the need to borrow for any additional house building the Council took advantage of the competitive borrowing rates whilst it could, rather than borrowing in a few years time when those rates will be unavailable. In the meantime this will allow the General Fund to continue (as it has done for a number of years) to internally borrow from the Housing Revenue Account at an appropriate rate, resulting in no detrimental impact on the General Fund from self-financing and would be fair to the HRA as it will still broadly receive the same level of income that it would have had if it had invested the money, rather than loaned internally to the GF.

6. Incremental Impact of Capital Investment Decisions:

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

| Incremental Impact of Capital Investment Decisions | 2013/14 Estimate £ | 2014/15 Estimate £ | 2015/16 Estimate £ | 2016/17 Estimate £ |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Increase in Band D Council Tax | 2.69 | -0.45 | -0.28 | 0.15 |
| Increase in Average Weekly Housing Rents | -2.84 | -0.48 | 0.02 | 0.01 |

7. Authorised Limit and Operational Boundary for External Debt:

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

7.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

7.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

7.4 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

7.5 The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

| | 2013/14 Approved £m | 2013/14 Revised £m | 2014/15 Estimate £m | 2015/16 Estimate £m | 2016/17 Estimate £m |
|---|---------------------------|--------------------------|---------------------------|---------------------------|---------------------------|
| Authorised Limit for Borrowing | 200.00 | 200.00 | 230.00 | 230.00 | 230.00 |
| Authorised Limit for External Debt | 200.00 | 200.00 | 230.00 | 230.00 | 230.00 |
| Operational Boundary for Borrowing | 188.00 | 188.00 | 204.00 | 219.00 | 219.00 |
| Operational Boundary for External Debt | 188.00 | 188.00 | 204.00 | 219.00 | 219.00 |

8. Adoption of the CIPFA Treasury Management Code:

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

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

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

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

9.1 These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net interest paid (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments)

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

| | Maximum during 2012/13 % | 2013/14 Approved % | 2013/14 Revised % | 2014/15 Estimate % | 2015/16 Estimate % | 2016/17 Estimate % |
|---|------------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <u>Fixed</u> | | | | | | |
| Upper Limit for Fixed Interest Rate Exposure on Debt | 96 | 100 | 100 | 100 | 100 | 100 |
| Upper limit for Fixed Interest Rate Exposure on Investments | (76) | (100) | (100) | (100) | (100) | (100) |
| <u>Variable</u> | | | | | | |
| Upper Limit for Variable Interest Rate Exposure on Debt | 4 | 25 | 25 | 25 | 25 | 25 |
| Upper Limit for Variable Interest Rate Exposure on Investments | (24) | (75) | (75) | (75) | (75) | (75) |

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

10. Maturity Structure of Fixed Rate borrowing:

10.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

10.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

| Maturity structure of fixed rate borrowing | Existing level (or Benchmark level) at 31/03/13 % | Lower Limit for 2014/15 % | Upper Limit for 2014/15 % |
|--|---|---------------------------|---------------------------|
| under 12 months | 0 | 0 | 100 |
| 12 months and within 24 months | 0 | 0 | 100 |
| 24 months and within 5 years | 0 | 0 | 100 |
| 5 years and within 10 years | 0 | 0 | 100 |
| 10 years and within 20 years | 0 | 0 | 100 |
| 20 years and within 30 years | 100 | 0 | 100 |
| 30 years and within 40 years | 0 | 0 | 100 |
| 40 years and within 50 years | 0 | 0 | 100 |
| 50 years and above | 0 | 0 | 100 |

11. Credit Risk:

11.1 The Authority considers security, liquidity and yield, in that order, when making investment decisions.

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

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

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

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

12. Upper Limit for total principal sums invested over 364 days:

12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

| Upper Limit for total principal sums invested over 364 days | 2013/14 Approved £m | 2013/14 Revised £m | 2014/15 Estimate £m | 2015/16 Estimate £m | 2016/17 Estimate £m |
|---|------------------------|-----------------------|------------------------|------------------------|------------------------|
| | 30 | 30 | 30 | 30 | 30 |

Appendix C - Current Recommended Sovereign and Counterparty List as at 31/12/2013

| Country/ Domicile | Counterparty | Maximum Counterparty Limit £m | Maximum Group Limit (if applicable) £m | Maximum Maturity Limit |
|----------------------|--|-------------------------------------|--|------------------------------|
| UK | Santander UK Plc (Banco Santander Group) | 10.0 | | 6 months |
| UK | Bank of Scotland (Lloyds Banking Group) | 10.0 | 10.0 | 6 months |
| UK | Lloyds TSB (Lloyds Banking Group) | 10.0 | | 6 months |
| UK | Barclays Bank Plc | 10.0 | | 1 year |
| UK | HSBC Bank Plc | 10.0 | | 1 year |
| UK | Nationwide Building Society | 10.0 | | 1 year |
| UK | NatWest (RBS Group) | 10.0 | 10.0 | Overnight |
| UK | Royal Bank of Scotland (RBS Group) | 10.0 | | Overnight |
| UK | Standard Chartered Bank | 10.0 | | 1 year |
| Australia | Australia and NZ Banking Group | 10.0 | | 1 year |
| Australia | Commonwealth Bank of Australia | 10.0 | | 1 year |
| Australia | National Australia Bank Ltd (National Australia Bank Group) | 10.0 | | 1 year |
| Australia | Westpac Banking Corp | 10.0 | | 1 year |
| Canada | Bank of Montreal | 10.0 | | 1 year |
| Canada | Bank of Nova Scotia | 10.0 | | 1 year |
| Canada | Canadian Imperial Bank of Commerce | 10.0 | | 1 year |
| Canada | Royal Bank of Canada | 10.0 | | 1 year |
| Canada | Toronto-Dominion Bank | 10.0 | | 1 year |
| Finland | Nordea Bank Finland | 8.0 | | 12 months |
| Finland | Pohjola Bank | 8.0 | | 6 months |
| France | BNP Paribas | Suspended | | Suspended |
| France | Credit Agricole CIB (Credit Agricole Group) | Suspended | | Suspended |

| | | | | |
|-------------|--|-----------|--|-----------|
| France | Credit Agricole SA (Credit Agricole Group) | Suspended | | Suspended |
| France | Société Générale | Suspended | | Suspended |
| Germany | Deutsche Bank AG | 8.0 | | 1 year |
| Germany | Landesbank Hessen-Thuringen | 8.0 | | 100 days |
| Netherlands | ING Bank NV | 8.0 | | 100 days |
| Netherlands | Rabobank | 8.0 | | 1 year |
| Netherlands | Bank Nederlandse Gemeenten | 8.0 | | 1 year |
| Sweden | Svenska Handelsbanken | 8.0 | | 1 year |
| Switzerland | Credit Suisse | 8.0 | | 100 days |
| US | JP Morgan | 8.0 | | 1 year |

***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.

The Council is not currently investing with the Euro Zone counterparties but the limits above are those recommended by Arlingclose.

Appendix D - 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 | 20 | No | |
| Deposits with registered providers | 5 years | 20 | No | |
| Gilts | 5 years | 10 | No | |
| Bonds issued by multilateral development banks | 5 years | 5 | No | <i>EIB Bonds, Council of Europe Bonds etc.</i> |
| Sterling denominated bonds by non-UK sovereign governments | 5 years | 5 | No | |
| Money Market Funds and Collective Investment Schemes | 5 years | 20 | No | <i>Investec Target Return Fund; Elite Charteris Premium Income Fund; LAMIT; M&G Global Dividend Growth Fund</i> |
| Corporate and debt instruments issued by corporate bodies purchased from 01/04/12 onwards | 5 years | 5 | No | |
| Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573 | These funds do not have a defined maturity date | 10 | Yes | <i>Way Charteris Gold Portfolio Fund; Lime Fund</i> |

Appendix E - MRP Statement 2014/15

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

The four MRP options available are:

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

NB This does not preclude other prudent methods.

MRP in 2013/14: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.

The MRP Statement will be submitted to Council before the start of the 2014/15 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.

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

The Authority may in 2014/15 borrow additional funds to pre or post fund future capital requirements. If this happens the MRP will not be effective until 2015/16.

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 Finance & ICT 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 Authority’s investments followed by the yield earned on investments remain important but are secondary considerations.

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) | | | | |
| | Directorate Restucture | Savings | | | (70) | (20) | | |
| | Total Chief Executive | | (22) | (22) | (70) | (20) | 0 | 0 |
| Communitites | All Weather Pitch | Townmead Project | (32) | (9) | (23) | | | |
| | Youth Council | Youth Council | 12 | 12 | | | | |
| | CCTV Cameras | Transfer replacement cameras to capital | (25) | (25) | | | | |
| | Policy Unit Group | Grant Finder subscription discontinued | (4) | (4) | | | | |
| | Directorate Restucture | Savings/Increase | | | 5 | | | |
| Total Communities | | | (49) | (26) | (18) | 0 | 0 | 0 |
| Governance | Local Land Charges | ECC Charge for highways LLC search | (9) | (9) | | | | |
| | Democratic Services | Democratic Services Assistant (Premises Licences) | | | 22 | | | |
| | Development Control | Planning Fees increase | (50) | (24) | | | | |
| | Development Control | Pre Application Fees Increase | | (32) | | | | |
| | Development Control | Publicity | | (8) | | | | |
| | Building Control Ring Fenced Acc | Savings from removal Vacant Posts | (29) | (29) | | | | |
| | Building Control Ring Fenced Acc | Savings from removal Vacant Posts | 19 | 19 | | | | |
| | Building Control Ring Fenced Acc | Reduction in Fee Income | | 73 | | | | |
| | Building Control Ring Fenced Acc | Reduction in Fee Income | | (73) | | | | |
| | Planning Policy & Conservation | Economic Development Assistant | | | 21 | | | |
| | Conservation Policy | Conservation Advice SLA | | | 12 | | | |
| | Performance Management | Staff Suggestion scheme | | (2) | | | | |
| | Governance Directorate | Savings from removal Vacant Posts | (8) | (8) | | | | |
| | Directorate Restucture | Savings | | | (73) | (19) | | |
| | Directorate Savings | General | (5) | (5) | | | | |
| Total Governance | | | (82) | (86) | (28) | (19) | 0 | 0 |

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

| Directorate | Service | Original | Revised | Estimate | 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 | 2017/18 £000's | | |
| 64 Neighbourhoods | Grounds Maintenance | | Leasing costs Ransome Mowers | (10) | (10) | | | | | |
| | Leisure Facilities | | Loughton Leisure management fee reduction | (66) | (66) | | | | | |
| | Land and Property | | Increased Rental Income - Brooker Road | (70) | (136) | | | | | |
| | Land and Property | | Increased Rental Income - David Lloyd Centre | | (11) | | | | | |
| | Land and Property | | Oakwood Hill Workhop Units Voids | | 25 | | | | | |
| | Land Drainage & Flood Defence | | Flood Defence Income from ECC | | | (6) | | | | |
| | Licensing | | Licencing Officer (Premises Licences) | | | 26 | 5 | | | |
| | Land and Property | | Bridgeman House Income | | (20) | (20) | | | | |
| | Land and Property | | 2-18 Torrington Drive | | (224) | | | | | |
| | North Weald Airfield | | Loss of income Market Rents | 174 | 348 | | | | | |
| | Off Street Parking | | Change of contractor | (23) | (23) | | | | | |
| | Off Street Parking | | Loss of Penalty Notice income | | 52 | | | | | |
| | Off Street Parking | | NPASJ Levy | | (6) | | | | | |
| | Off Street Parking | | HRA car parks transferred to General Fund | | | (10) | | | | |
| | Off Street Parking | | Parking Fee Increases | | | (107) | | | | |
| | Fleet Operations | | Reduced Income | | 20 | | | | | |
| | Estates | | Senior Surveyor | | 11 | 33 | | | | |
| | 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 | | |
| | Directorate Restructure | | Savings | | | (150) | (24) | | | |
| | Total Neighbourhoods | | | | (204) | (74) | (418) | (31) | 19 | 0 |
| | Resources | Directorate Savings | | General | (3) | (3) | | | | |
| | | External Audit | | BDO fees | (30) | (30) | | | | |
| Civic Offices | | | Out of Hours Service | | | (13) | (5) | | | |
| Civic Offices | | | NNDR Re-assessment | 13 | (87) | | | | | |
| Offices Waltham Abbey | | | Area Office Rent | (12) | (12) | | | | | |
| Offices Trapps Hill | | | Area Office Rent | (4) | (4) | | | | | |
| Finance & ICT | | | Savings from removal Vacant Posts | (63) | (63) | | | | | |
| Finance Miscellaneous | | | Stationery- procurement savings | (15) | (16) | | | | | |
| Finance Miscellaneous | | | Car Leasing (excluding HRA) | (24) | (41) | (15) | (9) | (7) | | |
| Finance Miscellaneous | | | Employers Superannuation on Non-Contracted Overtime | | | 38 | | | | |
| Finance Miscellaneous | | | Additional Employers Pension re Auto Enrolement | | 40 | 57 | | | | |
| Housing Benefits | | | Housing Benefit Admin Subsidy settlement reductions | 104 | 104 | 26 | 55 | | | |
| Council Tax | | | Reduction in Court Cost Income | | 35 | | | | | |
| NNDR | | | Fees re Enforcement action on Bad Debts | 25 | 31 | | | | | |
| Directorate Restructure | | | Savings | | | (3) | | | | |
| Total Resources | | | | (9) | (46) | 90 | 41 | (7) | 0 | |
| Other Items | | Investment Interest | | Reduction due to shops transfer | 60 | 60 | 109 | 45 | | |
| | New Homes Bonus | | | (550) | (566) | (535) | | | | |
| | Pensions | | Deficit Payments | 53 | 53 | | 17 | 43 | | |
| Total CSB | | | | (803) | (707) | (870) | 33 | 55 | 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 |
| Chief Executive | Corporate Policy Making | | | 14 | 14 | | | |
| | Corporate Policy Making | | | | | | | 150 |
| | Corporate Policy Making | | | 100 | 78 | | | 22 |
| | Corporate Policy Making | | | (22) | (17) | | | (5) |
| | Corporate Policy Making | | | | | | | 48 |
| Total Chief Executive | | 0 | 92 | 75 | 215 | 0 | 0 | 0 |
| Communitites | Community & Culture | | | 6 | 8 | | | |
| | Grants to Voluntary Orgs | | | | | | | 20 |
| | Grants to Voluntary Orgs | | | | | | | (16) |
| | Grants to Voluntary Orgs | 16 | | | | | | 32 |
| | Safer Communities | 14 | | | | | | 27 |
| | Safer Communities | | | | | | | 28 |
| | Safer Communities | | | | | | | (28) |
| | Safeguarding | | | | | | | 44 |
| | Homelessness | 52 | | | | | | 52 |
| | Homelessness | (52) | | | | | | (52) |
| | Private Sector Housing | 14 | | | | | | 14 |
| | Communities | 94 | | | | | | 188 |
| Communities | (94) | | | | | | (188) | |
| Total Communitites | | 44 | 21 | 20 | 110 | 0 | 0 | 0 |
| Governance | Elections | | | | | | | (110) |
| | Elections | | | | | | | (100) |
| | Electoral Registration | | | | | | | (7) |
| | Electoral Registration | | | | | | | (53) |
| | Electoral Registration | | | | | | | 7 |
| | Democratic Services | | | | | | | 17 |
| | Democratic Services | | | | | | | 7 |
| | Members Allowances | | | | | | | 5 |
| | Civic & Member | | | | | | | 11 |
| | Public Relations & Information | | | | | | | 11 |
| | Public Relations & Information | | | | | | | (14) |
| | Public Relations & Information | | | | | | | (14) |
| | Local Land Charges | | | | | | | (20) |
| | Local Land Charges | | | | | | | (30) |
| | Local Land Charges | | | | | | | 5 |
| | Local Land Charges | | | | | | | 93 |
| | Planning Admin | | | | | | | (20) |
| | Planning Admin | | | | | | | 55 |
| | Planning Policy | | | | | | | 24 |
| Building Control Group | | | | | | | (36) | |
| Building Control Group | | | | | | | (79) | |
| Building Control Group | | | | | | | (89) | |
| Development Control | | | | | | | 24 | |
| Development Control | | | | | | | 62 | |
| Development Control | | | | | | | 69 | |
| Development Control | | | | | | | (2) | |
| Development Control | | | | | | | 48 | |
| Development Control | | | | | | | (55) | |
| Development Control | | | | | | | (10) | |
| Development Control | | | | | | | (10) | |
| Development Control | | | | | | | (4) | |
| Development Control | | | | | | | (5) | |
| Planning Services | | | | | | | 17 | |
| Planning Services | | | | | | | 7 | |
| Governance | | | | | | | | 104 |
| Governance | | | | | | | | 46 |
| Performance Management | | | | | | | | (18) |
| Total Governance | | (104) | 108 | (72) | 211 | 3 | 0 | 0 |

DISTRICT DEVELOPMENT FUND

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| Directorate | Description | Original | B/F from | Revised | 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 |
| Neighbourhoods | Food Safety | | | | | | |
| | Inspections | 4 | 1 | 5 | 4 | | |
| | Inspection of Workplaces | 10 | 6 | 16 | | | |
| | Inspection of Workplaces | | | 8 | | | |
| | Inspection of Workplaces | | | (70) | | | |
| | Estates & Valuation | 91 | 21 | 112 | 160 | | |
| | Estates & Valuation | (13) | (3) | | | | |
| | Estates & Valuation | | | 11 | 33 | | |
| | Land and Property | | | 35 | | | |
| | Land and Property | 11 | | 11 | | | |
| | Public Conveniences | 21 | | 21 | | | |
| | Licensing | | | 19 | 4 | | |
| | Parks & Grounds | 10 | | | | | |
| | Parks & Grounds | (10) | | | | | |
| | Countrycare | 5 | 1 | 4 | 4 | 0 | |
| | Countrycare | 9 | | 9 | 9 | 8 | |
| | Planning Policy | | | | 45 | | |
| | Economic Development | Business Promotion & Support | | 10 | | 10 | |
| | Economic Development | Town Centres Support/Portas Funding | 35 | 10 | 41 | 39 | |
| | Economic Development | Project Assistant | | | 10 | | |
| | Economic Development | Food Task Force | | | | 30 | |
| | Economic Development | Tourism Task Force | | | | 25 | |
| | Forward Planning | Local Plan | 282 | 292 | 400 | 321 | 30 |
| | Forward Planning | Maternity Cover | | | 39 | 13 | |
| | Town Centre Regeneration | Waltham Abbey Regeneration Projects | 21 | 28 | 45 | | |
| | North Weald Airfield | Loss of Income - Hangar 5 | 14 | | 14 | 4 | |
| | North Weald Airfield | Loss of Income - Market Rents | 125 | | 11 | | |
| | North Weald Airfield | Safety of Bund | 2 | 1 | 3 | 3 | 3 |
| | NWA Strategy Action Plan | Aviation Consultant | | 12 | | | |
| | NWA Strategy Action Plan | NWA Consultancy exercise | 76 | 64 | 152 | | |
| | Contaminated Land & Water Quality | Contaminated land investigations | 14 | 22 | 40 | 25 | |
| | Waste Management | Waste contract procurement consultants | 100 | | 60 | 40 | |
| Waste Management | Wheeled bin replacements | 9 | | 9 | | | |
| Waste Management | Publicity | | 10 | 10 | | | |
| Waste Management | Advertising | | 1 | | | | |
| Off Street Parking | Loss of Pay & Display income | | | 43 | | | |
| Street Cleansing | Surplus on recycling of street cleansing arisings | | | (4) | (18) | | |
| Abandoned Vehicles | Abandoned vehicles contract | 4 | 4 | 4 | 4 | | |
| Neighbourhoods | Restructure - Severance Pay | | | 107 | 66 | | |
| Total Neighbourhoods | | 820 | 480 | 1,165 | 821 | 5 | 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 | |
| Resources | Insurance Services | | | (3) | | | | | |
| | NNDR | | | 6 | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Council Tax Collection | | | | | | | | |
| | Housing Benefits | | | | | | | | |
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| | Housing Benefits | | | | | | | | |
| | Procurement | | | | | | | | |
| | Civic Offices | | | | | | | | |
| Civic Offices | | | | | | | | | |
| Civic Offices | | | | | | | | | |
| Non HRA Building Maintenance | | | | | | | | | |
| Total Resources | | 171 | 122 | (219) | 196 | 42 | 30 | 66 | |
| Total Service Specific District Development Fund | | 931 | 823 | 969 | 1,553 | 19 | (23) | 66 | |
| Lost Investment Interest | | 201 | | 201 | 151 | 115 | 78 | | |
| Council Tax Freeze | | (80) | | (80) | (80) | (80) | | | |
| Right to Challenge Grants | | | 13 | | 13 | | | | |
| Revenue Contributions to Capital | Langston Road Development | | | 150 | | | | | |
| Non Domestic Rates | S31 Grant | | | (400) | | | | | |
| NDR Income | Reduction due to appeals | | | | 250 | | | | |
| Pensions | Deficit Payments | | | | (24) | | | | |
| Reimbursement of Principal re Heritable | | (68) | | (169) | | | | | |
| Total District Development Fund | | 984 | 836 | 671 | 1,863 | 54 | 55 | 66 | |

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REVENUE EXPENDITURE, INCOME AND FINANCING

| 2013/14 ORIGINAL ALL REVENUE ITEMS £ | 2013/14 REVISED ALL REVENUE ITEMS £ | | GENERAL FUND ACCOUNT £ | 2014/15 ORIGINAL HOUSING REVENUE ACCOUNT £ | ALL REVENUE ITEMS £ |
|--|--|--|---------------------------------|---|------------------------------|
| Gross Expenditure | | | | | |
| 1,070,450 | 1,091,200 | Office of the Chief Executive | 4(a) 1,170,660 | 0 | 1,170,660 |
| 4,542,480 | 4,446,420 | Governance | 4(b) 4,638,750 | 0 | 4,638,750 |
| 17,774,074 | 18,006,270 | Neighbourhoods | 4(c) 18,120,390 | 0 | 18,120,390 |
| 40,974,980 | 41,193,770 | Resources | 4(d) 42,004,740 | 0 | 42,004,740 |
| 37,675,350 | 31,675,390 | Communities | 4(e) 4,705,740 | 27,712,950 | 32,418,690 |
| 246,490 | 261,330 | Internal Trading Organisations | 4(f) 258,990 | 0 | 258,990 |
| 102,283,824 | 96,674,380 | Total Expenditure on Services | 70,899,270 | 27,712,950 | 98,612,220 |
| 5,602,000 | 5,559,000 | Interest Payable (Inc HRA) | 451,000 | 5,130,000 | 5,581,000 |
| (68,000) | (169,000) | Return of heritable funds | 0 | 0 | 0 |
| 12,909,000 | 11,029,000 | Revenue Contribution to Capital | 0 | 16,211,000 | 16,211,000 |
| 320,270 | 320,270 | Parish Support Grants | 280,238 | 0 | 280,238 |
| 2,989,715 | 2,989,715 | Precepts Paid to Parish Councils | 3,077,383 | 0 | 3,077,383 |
| 124,036,809 | 116,403,365 | Total Gross Expenditure | 74,707,891 | 49,053,950 | 123,761,841 |
| Gross Income | | | | | |
| 38,819,690 | 38,712,290 | Government Subsidies | 39,366,390 | 0 | 39,366,390 |
| 31,080,440 | 30,966,280 | Rents from Dwellings | 0 | 31,814,570 | 31,814,570 |
| 5,183,290 | 5,026,900 | Miscellaneous Rents, Trading Operations etc. | 4,211,690 | 875,460 | 5,087,150 |
| 5,057,990 | 5,011,030 | Fees and Charges | 3,174,660 | 1,574,880 | 4,749,540 |
| 447,200 | 428,200 | Interest on Mortgages and Investments | 399,000 | 1,200 | 400,200 |
| 5,236,280 | 6,355,940 | Grants and Reimbursements by other Bodies | 5,990,260 | 0 | 5,990,260 |
| 85,824,890 | 86,500,640 | Total Operational Income | 53,142,000 | 34,266,110 | 87,408,110 |
| (81,850) | 54,956 | Contribution from/(to) Revenue Reserves | 242,993 | 799,840 | 1,042,833 |
| (672,000) | (305,000) | FRS 17 Adjustment | (62,000) | 0 | (62,000) |
| 984,000 | 671,000 | Contribution from/(to) District Development Fund | 1,863,000 | 0 | 1,863,000 |
| (3,169,112) | (3,471,112) | Contribution from/(to) Other Reserves | (104,000) | (2,738,000) | (2,842,000) |
| 23,528,000 | 15,330,000 | Contribution from/(to) Capital Reserves | 2,633,000 | 16,726,000 | 19,359,000 |
| 7,169,494 | 7,169,494 | Exchequer Support | 6,375,941 | 0 | 6,375,941 |
| 113,583,422 | 105,949,978 | Total Gross Income | 64,090,934 | 49,053,950 | 113,144,884 |
| 10,453,387 | 10,453,387 | To be met from Local Taxation | 10,616,957 | 0 | 10,616,957 |
| Financed by: | | | | | |
| 7,463,672 | 7,463,672 | District Precept | | | 7,539,574 |
| 2,989,715 | 2,989,715 | Parish Council Precepts | 9e | | 3,077,383 |
| 10,453,387 | 10,453,387 | Total Financing | | | 10,616,957 |

Office of the Chief Executive

Programme 2014/15

| 2013/14 Original | | 2013/14 Probable | | | 2014/15 Original | |
|------------------|-----------|------------------|-----------|---|------------------|-----------|
| £ | £ | £ | £ | Revenue Expenditure | £ | £ |
| 1,467,430 | | 1,475,940 | | Corporate Activities | 1,590,020 | |
| | 1,467,430 | | 1,475,940 | Total Expenditure | | 1,590,020 |
| | 396,980 | | 384,740 | Income from Internal Charges | | 419,360 |
| | 1,070,450 | | 1,091,200 | Net Expenditure (see Annex 3) | | 1,170,660 |
| | 1,070,450 | | 1,091,200 | To be met from Government Grant and Local Taxation | | 1,170,660 |
| | - | | - | Capital Expenditure (see Annex 5) | | - |

| Governance | | | | | | |
|--------------------------|-----------|-------------------------|-----------|---|-----------|-----------|
| Programme 2014/15 | | | | | | |
| 2013/14 Original | | 2013/14 Probable | | 2014/15 Original | | |
| £ | £ | £ | £ | Revenue Expenditure | £ | £ |
| 449,360 | | 324,330 | | Elections | 543,430 | |
| 1,295,780 | | 1,304,730 | | Member Activities | 1,328,850 | |
| 2,584,300 | | 2,505,620 | | Planning Services | 2,521,020 | |
| 430,480 | | 420,100 | | Other Activities | 504,030 | |
| 3,417,118 | | 3,496,720 | | Support Services | 3,582,123 | |
| | 8,177,038 | | 8,051,500 | Total Expenditure | | 8,479,453 |
| | 3,634,558 | | 3,605,080 | Income from Internal Charges | | 3,840,703 |
| | 4,542,480 | | 4,446,420 | Net Expenditure (see Annex 3) | | 4,638,750 |
| | | | | Service Generated Income | | |
| 1,252,520 | | 1,304,330 | | Fees and Charges | 1,211,610 | |
| 199,100 | | 76,870 | | Grants and Reimbursements by other Bodies | 128,000 | |
| | 1,451,620 | | 1,381,200 | Total Income | | 1,339,610 |
| | 3,090,860 | | 3,065,220 | To be met from Government Grant and Local Taxation | | 3,299,140 |
| | - | | - | Capital Expenditure (see Annex 5) | | - |

Neighbourhoods

Programme 2014/15

| 2013/14 Original | | 2013/14 Probable | | Revenue Expenditure | 2014/15 Original | |
|------------------|------------|------------------|------------|---|------------------|------------|
| £ | £ | £ | £ | | £ | £ |
| 1,417,340 | | 1,452,890 | | Environmental Health | 1,463,560 | |
| 277,350 | | 364,460 | | Licensing | 382,100 | |
| 2,016,830 | | 1,961,340 | | Leisure Management | 2,012,160 | |
| 1,020,300 | | 1,111,670 | | North Weald | 969,420 | |
| 189,780 | | 197,410 | | Emergency Planning | 205,310 | |
| 7,691,454 | | 7,547,950 | | Waste Management | 7,716,830 | |
| 758,910 | | 753,940 | | Land Drainage & Sewerage | 755,200 | |
| 978,430 | | 1,035,020 | | Parks and Grounds | 1,079,830 | |
| 1,312,200 | | 1,222,410 | | Technical Services | 1,313,780 | |
| 1,253,250 | | 1,418,500 | | Forward Planning & Economic Development | 1,443,230 | |
| 710,880 | | 671,570 | | Land & Property | 696,490 | |
| 4,544,210 | | 4,390,700 | | Support Services | 4,501,940 | |
| | 22,170,934 | | 22,127,860 | Total Expenditure | | 22,539,850 |
| | 4,396,860 | | 4,121,590 | Income from Internal Charges | | 4,419,460 |
| | 17,774,074 | | 18,006,270 | Net Expenditure (see Annex 3) | | 18,120,390 |
| | | | | Service Generated Income | | |
| 4,132,860 | | 4,124,160 | | Miscellaneous Rents, Trading Operations etc | 4,184,690 | |
| 1,398,800 | | 1,352,900 | | Fees and Charges | 1,559,290 | |
| 2,904,100 | | 3,074,110 | | Grants and Reimbursements by other Bodies | 3,039,950 | |
| | 8,435,760 | | 8,551,170 | Total Income | | 8,783,930 |
| | 9,338,314 | | 9,455,100 | To be met from Government Grant and Local Taxation | | 9,336,460 |
| | 1,414,000 | | 1,703,000 | Capital Expenditure (see Annex 5) | | 4,324,000 |

Resources

Programme 2014/15

| 2013/14 Original | | 2013/14 Probable | | | 2014/15 Original | |
|------------------|------------|------------------|------------|---|------------------|------------|
| £ | £ | £ | £ | Revenue Expenditure | £ | £ |
| 39,278,870 | | 38,873,600 | | Housing Benefits | 39,707,570 | |
| 1,801,500 | | 1,843,050 | | Local Taxation | 1,828,540 | |
| (98,010) | | 462,810 | | Other Activities | 456,990 | |
| 2,681,770 | | 2,627,370 | | Accommodation Services | 2,940,550 | |
| 3,056,700 | | 2,989,810 | | ICT Services | 3,105,830 | |
| 2,482,000 | | 2,369,390 | | Financial Services | 2,513,980 | |
| 1,346,900 | | 1,402,750 | | Other Support Services | 1,393,620 | |
| | 50,549,730 | | 50,568,780 | Total Expenditure | | 51,947,080 |
| | 9,574,750 | | 9,375,010 | Income from Internal Charges | | 9,942,340 |
| | 40,974,980 | | 41,193,770 | Net Expenditure (see Annex 3) | | 42,004,740 |
| | | | | Service Generated Income | | |
| 38,406,860 | | 38,382,290 | | Government Subsidies | 39,000,390 | |
| 33,280 | | 27,000 | | Miscellaneous Rents, Trading Operations etc | 27,000 | |
| 48,050 | | 39,200 | | Fees and Charges | 29,200 | |
| 455,200 | | 578,700 | | Grants and Reimbursements by other Bodies | 534,080 | |
| | 38,943,390 | | 39,027,190 | Total Income | | 39,590,670 |
| | 2,031,590 | | 2,166,580 | To be met from Government Grant and Local Taxation | | 2,414,070 |
| | 1,048,000 | | 955,000 | Capital Expenditure (see Annex 5) | | 1,087,000 |

Communities

Programme 2014/15

| General Fund £ | 2013/14 Original | | General Fund £ | 2013/14 Probable | | Revenue Expenditure | 2014/15 Original | | |
|---------------------------------|----------------------|-------------|-------------------|----------------------|-------------|---|-------------------|----------------------|-------------|
| | Housing Revenue £ | Total £ | | Housing Revenue £ | Total £ | | General Fund £ | Housing Revenue £ | Total £ |
| | | 0 | | | 0 | | | | |
| | 32,501,850 | 32,501,850 | | 26,607,670 | 26,607,670 | Council Housing | | 27,712,910 | 27,712,910 |
| 1,696,620 | | 1,696,620 | 1,213,530 | | 1,213,530 | Private Sector Housing | 1,196,150 | | 1,196,150 |
| 489,880 | | 489,880 | 492,420 | | 492,420 | Homelessness | 444,350 | | 444,350 |
| 447,010 | | 447,010 | 420,660 | | 420,660 | Voluntary Sector Support | 482,170 | | 482,170 |
| 867,140 | | 867,140 | 1,052,260 | | 1,052,260 | Community services | 1,034,680 | | 1,034,680 |
| 1,400,360 | | 1,400,360 | 1,623,640 | | 1,623,640 | Sports Development | 1,576,630 | | 1,576,630 |
| 1,033,090 | 976,670 | 2,009,760 | 873,730 | 972,180 | 1,845,910 | Support Services | 609,770 | 1,034,340 | 1,644,110 |
| 5,934,100 | 33,478,520 | 39,412,620 | 5,676,240 | 27,579,850 | 33,256,090 | Total Expenditure | 5,343,750 | 28,747,250 | 34,091,000 |
| 760,640 | 976,630 | 1,737,270 | 608,560 | 972,140 | 1,580,700 | Income from Internal Charges | 638,010 | 1,034,300 | 1,672,310 |
| 5,173,460 | 32,501,890 | 37,675,350 | 5,067,680 | 26,607,710 | 31,675,390 | Net Expenditure (see Annex 3) | 4,705,740 | 27,712,950 | 32,418,690 |
| Service Generated Income | | | | | | | | | |
| 412,830 | | 412,830 | 330,000 | | 330,000 | Government Subsidies | 366,000 | | 366,000 |
| | 31,080,440 | 31,080,440 | | 30,966,280 | 30,966,280 | Rents from Dwellings | | 31,814,570 | 31,814,570 |
| 119,500 | 897,650 | 1,017,150 | | 875,740 | 875,740 | Miscellaneous Rents, Trading Operations etc | | 875,460 | 875,460 |
| 455,790 | 1,651,670 | 2,107,460 | 417,940 | 1,665,610 | 2,083,550 | Fees and Charges | 143,510 | 1,574,880 | 1,718,390 |
| | 1,200 | 1,200 | | 1,200 | 1,200 | Interest on Mortgages and Investments | | 1,200 | 1,200 |
| 328,880 | | 328,880 | 861,260 | 0 | 861,260 | Grants and Reimbursements by other Bodies | 651,230 | | 651,230 |
| | (1,003,000) | (1,003,000) | | (6,795,000) | (6,795,000) | HRA Interest & Reversal of Depn | | (7,353,000) | (7,353,000) |
| | (126,070) | (126,070) | | (106,120) | (106,120) | Use of Balances | | 799,840 | 799,840 |
| 1,317,000 | 32,501,890 | 33,818,890 | 1,609,200 | 26,607,710 | 28,216,910 | Total Income | 1,160,740 | 27,712,950 | 28,873,690 |
| 3,856,460 | - | 3,856,460 | 3,458,480 | - | 3,458,480 | To be met from Government Grant and Local Taxation | 3,545,000 | - | 3,545,000 |
| 1,831,000 | 13,868,000 | 15,699,000 | 1,897,000 | 11,048,000 | 12,945,000 | Capital Expenditure (see Annex 5) | 3,218,000 | 17,773,000 | 20,991,000 |

Internal Trading Organisations

Programme 2014/15

| 2013/14 Original | | 2013/14 Probable | | | 2014/15 Original | |
|------------------|-----------|------------------|-----------|---|------------------|-----------|
| £ | £ | £ | £ | Revenue Expenditure | £ | £ |
| 2,262,900 | | 2,315,780 | | Housing Maintenance | 2,414,070 | |
| 429,300 | | 440,110 | | Fleet Operations | 445,630 | |
| | 2,692,200 | | 2,755,890 | Total Expenditure | | 2,859,700 |
| | 2,445,710 | | 2,494,560 | Income from Internal Charges | | 2,600,710 |
| | 246,490 | | 261,330 | Net Expenditure (see Annex 3) | | 258,990 |
| | | | | Service Generated Income | | |
| 251,160 | | 231,050 | | Fees and Charges | 231,050 | |
| | 251,160 | | 231,050 | Total Income | | 231,050 |
| | (4,670) | | 30,280 | To be met from Government Grant and Local Taxation | | 27,940 |
| | 50,000 | | 82,000 | Capital Expenditure (see Annex 5) | | 50,000 |

Non Service Budgets

Programme 2014/15

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| General Fund £ | 2013/14 Original Housing Revenue £ | Total £ | General Fund £ | 2013/14 Probable Housing Revenue £ | Total £ | Revenue Expenditure | General Fund £ | 2014/15 Original Housing Revenue £ | Total £ |
|-------------------|---|-------------|-------------------|---|-------------|---|-------------------|--|-------------|
| (446,000) | | (446,000) | (427,000) | | (427,000) | Interest & Investment Income | (399,000) | | (399,000) |
| (68,000) | | (68,000) | (169,000) | | (169,000) | Return of heritable funds | | | - |
| | 12,909,000 | 12,909,000 | 150,000 | 10,879,000 | 11,029,000 | Revenue Contribution to Capital | | 16,211,000 | 16,211,000 |
| (1,349,000) | | (1,349,000) | (1,765,000) | | (1,765,000) | Other Items | (1,637,000) | | (1,637,000) |
| 425,000 | 5,177,000 | 5,602,000 | 451,000 | 5,108,000 | 5,559,000 | Interest Payable (Inc HRA) | 451,000 | 5,130,000 | 5,581,000 |
| (3,265,000) | (58,000) | (3,323,000) | (2,686,000) | (36,000) | (2,722,000) | Depreciation Reversals & Other Adjs. | (2,633,000) | (29,000) | (2,662,000) |
| (4,703,000) | 18,028,000 | 13,325,000 | (4,446,000) | 15,951,000 | 11,505,000 | | (4,218,000) | 21,312,000 | 17,094,000 |
| - | 20,263,000 | 20,263,000 | - | 12,644,000 | 12,644,000 | Transferred to Housing Summary | - | 16,726,000 | 16,726,000 |
| (4,703,000) | 38,291,000 | 33,588,000 | (4,446,000) | 28,595,000 | 24,149,000 | | (4,218,000) | 38,038,000 | 33,820,000 |
| | | (44,220) | | | (160,000) | Contribution (from)/to Revenue Reserves | | | (243,000) |
| | | 672,000 | | | 305,000 | FRS 17 Adjustment | | | 62,000 |
| | | 10,888 | | | (19,112) | Contribution (from)/to Other Reserves | | | (104,000) |
| | | (3,180,000) | | | (3,452,000) | Transfer (from)/to Housing Revenue Account | | | (2,738,000) |
| | | (984,000) | | | (671,000) | Contribution from District Development Fund | | | (1,863,000) |
| | | 30,062,668 | | | 20,151,888 | Reduction in Amount to be met from Government Grant and Local Taxation & other Housing Revenue Account items | | | 28,934,000 |

Capital Programme

Programme 2014/15

| General Fund £ | Housing Revenue £ | 2013/14 Original | General Fund £ | Housing Revenue £ | 2013/14 Probable | Gross Expenditure | General Fund £ | 2014/15 Original Housing Revenue £ | Total £ |
|---------------------|----------------------|---------------------|-------------------|----------------------|---------------------|---|-------------------|---|------------|
| | | Total £ | | | Total £ | | | | |
| - | - | - | - | - | - | Governance | - | - | - |
| 1,414,000 | - | 1,414,000 | 1,703,000 | - | 1,703,000 | Neighbourhoods | 4,324,000 | - | 4,324,000 |
| 1,048,000 | - | 1,048,000 | 955,000 | - | 955,000 | Resources | 1,087,000 | - | 1,087,000 |
| 1,831,000 | 13,868,000 | 15,699,000 | 1,897,000 | 11,048,000 | 12,945,000 | Housing | 3,218,000 | 17,773,000 | 20,991,000 |
| - | 50,000 | 50,000 | - | 82,000 | 82,000 | Internal Trading Organisations | - | 50,000 | 50,000 |
| 4,293,000 | 13,918,000 | 18,211,000 | 4,555,000 | 11,130,000 | 15,685,000 | Total Capital Expenditure | 8,629,000 | 17,823,000 | 26,452,000 |
| - | 12,909,000 | 12,909,000 | 150,000 | 10,879,000 | 11,029,000 | Less: Revenue Contributions to Capital | - | 16,211,000 | 16,211,000 |
| 4,293,000 | 1,009,000 | 5,302,000 | 4,405,000 | 251,000 | 4,656,000 | To be met from Capital Resources | 8,629,000 | 1,612,000 | 10,241,000 |
| Financed by: | | | | | | | | | |
| 3,821,000 | 494,000 | 4,315,000 | 3,341,000 | 61,000 | 3,402,000 | Capital Receipts | 7,051,000 | 844,000 | 7,895,000 |
| 343,000 | - | 343,000 | 780,000 | - | 780,000 | Government Grants | 1,509,000 | - | 1,509,000 |
| 129,000 | 515,000 | 644,000 | 284,000 | 190,000 | 474,000 | Other Grants | 69,000 | 768,000 | 837,000 |
| 4,293,000 | 1,009,000 | 5,302,000 | 4,405,000 | 251,000 | 4,656,000 | Total Financing | 8,629,000 | 1,612,000 | 10,241,000 |

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COUNCIL TAX RATES FOR DISTRICT & PARISH/TOWN COUNCILS 2014/15

ANNEX 6

| Authorities | Tax Base No.'s | Precept 2014/15 | Council Tax Band D | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|--|-----------------|-------------------|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| District Expenses | 50,679.4 | 7,539,574 | 148.77 | 99.18 | 115.71 | 132.24 | 148.77 | 181.83 | 214.89 | 247.95 | 297.54 |
| Abness, Berners and Beauchamp Roding | 202.4 | 5,000 | 24.70 | 115.65 | 134.92 | 154.20 | 173.47 | 212.02 | 250.57 | 289.12 | 346.94 |
| Buckhurst Hill | 5,016.0 | 345,563 | 68.89 | 145.11 | 169.29 | 193.48 | 217.66 | 266.03 | 314.40 | 362.77 | 435.32 |
| Chigwell | 5,737.7 | 270,575 | 47.16 | 130.62 | 152.39 | 174.16 | 195.93 | 239.47 | 283.01 | 326.55 | 391.86 |
| Epping Town | 4,828.3 | 404,805 | 83.84 | 155.07 | 180.92 | 206.76 | 232.61 | 284.30 | 335.99 | 387.68 | 465.22 |
| Epping Upland | 403.0 | 14,846 | 36.84 | 123.74 | 144.36 | 164.99 | 185.61 | 226.86 | 268.10 | 309.35 | 371.22 |
| Fyfield | 404.4 | 10,780 | 26.66 | 116.95 | 136.45 | 155.94 | 175.43 | 214.41 | 253.40 | 292.38 | 350.86 |
| High Ongar | 527.5 | 12,437 | 23.58 | 114.90 | 134.05 | 153.20 | 172.35 | 210.65 | 248.95 | 287.25 | 344.70 |
| Lambourne | 825.0 | 29,267 | 35.48 | 122.83 | 143.31 | 163.78 | 184.25 | 225.19 | 266.14 | 307.08 | 368.50 |
| Loughton Town | 11,828.2 | 581,700 | 49.18 | 131.97 | 153.96 | 175.96 | 197.95 | 241.94 | 285.93 | 329.92 | 395.90 |
| Matching | 415.5 | 13,586 | 32.70 | 120.98 | 141.14 | 161.31 | 181.47 | 221.80 | 262.12 | 302.45 | 362.94 |
| Moreton, Bobbingworth and the Lavers | 541.2 | 13,647 | 25.22 | 115.99 | 135.33 | 154.66 | 173.99 | 212.65 | 251.32 | 289.98 | 347.98 |
| Nazeing | 1,975.9 | 68,164 | 34.50 | 122.18 | 142.54 | 162.91 | 183.27 | 224.00 | 264.72 | 305.45 | 366.54 |
| North Weald Bassett | 2,422.4 | 138,737 | 57.27 | 137.36 | 160.25 | 183.15 | 206.04 | 251.83 | 297.61 | 343.40 | 412.08 |
| Ongar Town | 2,609.1 | 267,578 | 102.56 | 167.55 | 195.48 | 223.40 | 251.33 | 307.18 | 363.03 | 418.88 | 502.66 |
| Roydon | 1,264.7 | 28,365 | 22.43 | 114.13 | 133.16 | 152.18 | 171.20 | 209.24 | 247.29 | 285.33 | 342.40 |
| Sheering | 1,274.0 | 31,066 | 24.38 | 115.43 | 134.67 | 153.91 | 173.15 | 211.63 | 250.11 | 288.58 | 346.30 |
| Stanford Rivers | 343.6 | 19,900 | 57.92 | 137.79 | 160.76 | 183.72 | 206.69 | 252.62 | 298.55 | 344.48 | 413.38 |
| Stapleford Abbotts | 493.8 | 5,709 | 11.56 | 106.89 | 124.70 | 142.52 | 160.33 | 195.96 | 231.59 | 267.22 | 320.66 |
| Stapleford Tawney | 77.4 | 1,507 | 19.47 | 112.16 | 130.85 | 149.55 | 168.24 | 205.63 | 243.01 | 280.40 | 336.48 |
| Theydon Bois | 1,938.3 | 99,133 | 51.14 | 133.27 | 155.49 | 177.70 | 199.91 | 244.33 | 288.76 | 333.18 | 399.82 |
| Theydon Garnon | 81.3 | 976 | 12.00 | 107.18 | 125.04 | 142.91 | 160.77 | 196.50 | 232.22 | 267.95 | 321.54 |
| Theydon Mount | 108.7 | 1,424 | 13.10 | 107.91 | 125.90 | 143.88 | 161.87 | 197.84 | 233.81 | 269.78 | 323.74 |
| Waltham Abbey Town | 7,131.1 | 708,425 | 99.34 | 165.41 | 192.97 | 220.54 | 248.11 | 303.25 | 358.38 | 413.52 | 496.22 |
| Willingale | 229.9 | 4,193 | 18.24 | 111.34 | 129.90 | 148.45 | 167.01 | 204.12 | 241.24 | 278.35 | 334.02 |
| Town and Parish Total | 50,679.4 | 3,077,383 | 60.72 | 40.48 | 47.23 | 53.97 | 60.72 | 74.21 | 87.71 | 101.20 | 121.44 |
| District, Town and Parish Total | 50,679.4 | 10,616,957 | 209.49 | 139.66 | 162.94 | 186.21 | 209.49 | 256.04 | 302.60 | 349.15 | 418.98 |

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PART A : ANALYSIS OF MAJOR PRECEPTING AUTHORITIES 2014/15

| Authorities | Tax Base No.'s | Precept 2014/15 | Council Tax Band D | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|---|----------------|-----------------|--------------------|--------|--------|--------|----------|----------|----------|----------|----------|
| | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Essex County Council | 50,679.4 | 55,075,838 | 1,086.75 | 724.50 | 845.25 | 966.00 | 1,086.75 | 1,328.25 | 1,569.75 | 1,811.25 | 2,173.50 |
| Police and Crime Commissioner for Essex | 50,679.4 | 7,311,517 | 144.27 | 96.18 | 112.21 | 128.24 | 144.27 | 176.33 | 208.39 | 240.45 | 288.54 |
| Essex Fire Authority | 50,679.4 | 3,366,126 | 66.42 | 44.28 | 51.66 | 59.04 | 66.42 | 81.18 | 95.94 | 110.70 | 132.84 |
| District Expenses | 50,679.4 | 7,539,574 | 148.77 | 99.18 | 115.71 | 132.24 | 148.77 | 181.83 | 214.89 | 247.95 | 297.54 |

PART B : SUMMARY - COUNCIL TAX RATES INCLUDING ALL PRECEPTS 2014/15

| | | | | | | | | | | | |
|--------------------------------------|----------|---------|--------|----------|----------|----------|----------|----------|----------|----------|----------|
| Abbess, Berners and Beauchamp Roding | 202.4 | 5,000 | 24.70 | 980.61 | 1,144.04 | 1,307.48 | 1,470.91 | 1,797.78 | 2,124.65 | 2,451.52 | 2,941.82 |
| Buckhurst Hill | 5,016.0 | 345,563 | 68.89 | 1,010.07 | 1,178.41 | 1,346.76 | 1,515.10 | 1,851.79 | 2,188.48 | 2,525.17 | 3,030.20 |
| Chigwell | 5,737.7 | 270,575 | 47.16 | 995.58 | 1,161.51 | 1,327.44 | 1,493.37 | 1,825.23 | 2,157.09 | 2,488.95 | 2,986.74 |
| Epping Town | 4,828.3 | 404,805 | 83.84 | 1,020.03 | 1,190.04 | 1,360.04 | 1,530.05 | 1,870.06 | 2,210.07 | 2,550.08 | 3,060.10 |
| Epping Upland | 403.0 | 14,846 | 36.84 | 988.70 | 1,153.48 | 1,318.27 | 1,483.05 | 1,812.62 | 2,142.18 | 2,471.75 | 2,966.10 |
| Fyfield | 404.4 | 10,780 | 26.66 | 981.91 | 1,145.57 | 1,309.22 | 1,472.87 | 1,800.17 | 2,127.48 | 2,454.78 | 2,945.74 |
| High Ongar | 527.5 | 12,437 | 23.58 | 979.86 | 1,143.17 | 1,306.48 | 1,469.79 | 1,796.41 | 2,123.03 | 2,449.65 | 2,939.58 |
| Lambourne | 825.0 | 29,267 | 35.48 | 987.79 | 1,152.43 | 1,317.06 | 1,481.69 | 1,810.95 | 2,140.22 | 2,469.48 | 2,963.38 |
| Loughton Town | 11,828.2 | 581,700 | 49.18 | 996.93 | 1,163.08 | 1,329.24 | 1,495.39 | 1,827.70 | 2,160.01 | 2,492.32 | 2,990.78 |
| Matching | 415.5 | 13,586 | 32.70 | 985.94 | 1,150.26 | 1,314.59 | 1,478.91 | 1,807.56 | 2,136.20 | 2,464.85 | 2,957.82 |
| Moreton, Bobbingworth and the Lavers | 541.2 | 13,647 | 25.22 | 980.95 | 1,144.45 | 1,307.94 | 1,471.43 | 1,798.41 | 2,125.40 | 2,452.38 | 2,942.86 |
| Nazeing | 1,975.9 | 68,164 | 34.50 | 987.14 | 1,151.66 | 1,316.19 | 1,480.71 | 1,809.76 | 2,138.80 | 2,467.85 | 2,961.42 |
| North Weald Bassett | 2,422.4 | 138,737 | 57.27 | 1,002.32 | 1,169.37 | 1,336.43 | 1,503.48 | 1,837.59 | 2,171.69 | 2,505.80 | 3,006.96 |
| Ongar Town | 2,609.1 | 267,578 | 102.56 | 1,032.51 | 1,204.60 | 1,376.68 | 1,548.77 | 1,892.94 | 2,237.11 | 2,581.28 | 3,097.54 |
| Roydon | 1,264.7 | 28,365 | 22.43 | 979.09 | 1,142.28 | 1,305.46 | 1,468.64 | 1,795.00 | 2,121.37 | 2,447.73 | 2,937.28 |
| Sheering | 1,274.0 | 31,066 | 24.38 | 980.39 | 1,143.79 | 1,307.19 | 1,470.59 | 1,797.39 | 2,124.19 | 2,450.98 | 2,941.18 |
| Stanford Rivers | 343.6 | 19,900 | 57.92 | 1,002.75 | 1,169.88 | 1,337.00 | 1,504.13 | 1,838.38 | 2,172.63 | 2,506.88 | 3,008.26 |
| Stapleford Abbots | 493.8 | 5,709 | 11.56 | 971.85 | 1,133.82 | 1,295.80 | 1,457.77 | 1,781.72 | 2,105.67 | 2,429.62 | 2,915.54 |
| Stapleford Tawney | 77.4 | 1,507 | 19.47 | 977.12 | 1,139.97 | 1,302.83 | 1,465.68 | 1,791.39 | 2,117.09 | 2,442.80 | 2,931.36 |
| Theydon Bois | 1,938.3 | 99,133 | 51.14 | 998.23 | 1,164.61 | 1,330.98 | 1,497.35 | 1,830.09 | 2,162.84 | 2,495.58 | 2,994.70 |
| Theydon Garnon | 81.3 | 976 | 12.00 | 972.14 | 1,134.16 | 1,296.19 | 1,458.21 | 1,782.26 | 2,106.30 | 2,430.35 | 2,916.42 |
| Theydon Mount | 108.7 | 1,424 | 13.10 | 972.87 | 1,135.02 | 1,297.16 | 1,459.31 | 1,783.60 | 2,107.89 | 2,432.18 | 2,918.62 |
| Waltham Abbey Town | 7,131.1 | 708,425 | 99.34 | 1,030.37 | 1,202.09 | 1,373.82 | 1,545.55 | 1,889.01 | 2,232.46 | 2,575.92 | 3,091.10 |
| Willingale | 229.9 | 4,193 | 18.24 | 976.30 | 1,139.02 | 1,301.73 | 1,464.45 | 1,789.88 | 2,115.32 | 2,440.75 | 2,928.90 |

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PART C : CHANGES IN BAND D CHARGES

| Authorities | Council Tax Requirement | | Council Tax Band D | | Increase |
|---|-------------------------|--------------|--------------------|--------------|----------|
| | 2013/14 £ | 2014/15 £ | 2013/14 £ | 2014/15 £ | % |
| Essex County Council | 54,521,378 | 55,075,838 | 1,086.75 | 1,086.75 | 0.00 |
| Police and Crime Commissioner for Essex | 7,097,938 | 7,311,517 | 141.48 | 144.27 | 1.97 |
| Essex Fire Authority | 3,332,238 | 3,366,126 | 66.42 | 66.42 | 0.00 |
| District Expenses | 7,463,672 | 7,539,574 | 148.77 | 148.77 | 0.00 |
| Abbess, Berners and Beauchamp Roding | 4,700 | 5,000 | 23.26 | 24.70 | 6.19 |
| Buckhurst Hill | 343,089 | 345,563 | 68.90 | 68.89 | -0.01 |
| Chigwell | 270,575 | 270,575 | 47.69 | 47.16 | -1.11 |
| Epping Town | 402,406 | 404,805 | 83.84 | 83.84 | 0.00 |
| Epping Upland | 11,132 | 14,846 | 28.54 | 36.84 | 29.08 |
| Fyfield | 10,095 | 10,780 | 24.77 | 26.66 | 7.63 |
| High Ongar | 12,422 | 12,437 | 23.46 | 23.58 | 0.51 |
| Lambourne | 26,616 | 29,267 | 32.45 | 35.48 | 9.34 |
| Loughton Town | 574,600 | 581,700 | 49.18 | 49.18 | 0.00 |
| Matching | 13,320 | 13,586 | 32.50 | 32.70 | 0.62 |
| Moreton, Bobbingworth and the Lavers | 13,314 | 13,647 | 24.87 | 25.22 | 1.41 |
| Nazeing | 67,367 | 68,164 | 34.37 | 34.50 | 0.38 |
| North Weald Bassett | 138,737 | 138,737 | 57.61 | 57.27 | -0.59 |
| Ongar Town | 229,782 | 267,578 | 90.80 | 102.56 | 12.95 |
| Roydon | 27,826 | 28,365 | 22.26 | 22.43 | 0.76 |
| Sheering | 28,947 | 31,066 | 22.73 | 24.38 | 7.26 |
| Stanford Rivers | 16,627 | 19,900 | 48.42 | 57.92 | 19.62 |
| Stapleford Abbotts | 6,135 | 5,709 | 12.45 | 11.56 | -7.15 |
| Stapleford Tawney | 1,463 | 1,507 | 19.66 | 19.47 | -0.97 |
| Theydon Bois | 97,783 | 99,133 | 51.14 | 51.14 | 0.00 |
| Theydon Garnon | 970 | 976 | 12.29 | 12.00 | -2.36 |
| Theydon Mount | 1,424 | 1,424 | 13.46 | 13.10 | -2.67 |
| Waltham Abbey Town | 686,203 | 708,425 | 96.92 | 99.34 | 2.50 |
| Willingale | 4,182 | 4,193 | 18.24 | 18.24 | 0.00 |

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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 2014/15 it appears there will be a mixed picture across Essex, with some authorities increasing charges to just below the referendum limit and some considering token reductions.
4. At its 19 September 2013 meeting the Finance and Performance Management Cabinet Committee decided to recommend a continued freeze in the Council Tax. Following questions raised by the Finance and Performance Management Scrutiny Panel a report was presented illustrating the financial effects of a continued freeze compared to modest increases in the charge. Following consideration of that report in November by that Committee, Cabinet decided that the policy of continuing the freeze was appropriate.

Previous Medium Term Financial Strategy

5. The September meeting of the Finance and Performance Management 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 through the local retention of NNDR and the Government's programme of welfare reform. The general state of domestic and world economies remained a concern and this was reflected in poorly performing income streams. There were also questions over the New Homes Bonus, Development Opportunities and the Organisational Review.
6. Against this background of risk and uncertainty a forecast was constructed that set a target of £14.07m for CSB expenditure for 2014/15 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 2018 of £6.98m represented 53% of the anticipated Net Budget Requirement (NBR) for 2017/18 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be £1.4m left in the DDF at 1 April 2018.

Updated Medium Term Financial Strategy

8. In the period since the Financial Issues Paper the Government has provided the draft settlement figures for the next two years. The reductions in funding were somewhat larger than had been anticipated but this has been partially off set by savings to date exceeding their target. 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 2014/15 have been found, but budgets will be re-visited during the course of 2014/15 to seek further reductions. In common with the earlier version of the strategy, target CSB savings are included for the period 2015/16 to 2017/18. The top management restructure, the removal of the threatened top slicing of new homes bonus, and additional income from the property portfolio and parking have helped achieve the savings required for 2014/15. However, annual net savings targets of £0.7m for 2015/16 and 2016/17 are likely to prove challenging.
 - 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 £0.872m is still available. This is a worsening on the position in the current year's budget, where the MTFS adopted in February 2013 showed a closing balance at the end of the period of £1.5m.
 - c) Grant Funding – beyond 2015/16 it has been assumed that there will be a 3% reduction in grant over the remaining two years of the MTFS. These figures will be subject to change following the General Election and the next Comprehensive Spending Review.
 - d) Other Funding – no amounts have been included for any additional New Homes Bonus that may arise for years after 2014/15. No growth, or reduction, in funding has been anticipated from changes in the non-domestic rating list. An additional allowance of £250,000 has been made in the DDF in 2014/15 to supplement the allowance for losses on appeals of £2.6m as there are approximately 500 appeals still outstanding.
 - e) Council Tax Increase – Members have confirmed they wish to freeze the charge for 2014/15 and 2015/16. Increases of 2.5% have been allowed for subsequent years. These assumptions have been built into the strategy.
9. This revised medium term financial strategy has deficits throughout the period, although these are reducing and the use of reserves in 2017/18 is £591,000 lower than in 2015/16. The predicted revenue balance at the end of the period is £7.53m, which represents 59% of the NBR for 2017/18 and thus comfortably exceeds the target of 25%.
10. It is worth repeating that savings of £0.7m are still necessary in the next two years of the strategy and 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 September 2014 meeting of the Finance and Performance Management Cabinet Committee.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2013/14 - 2017/18

| ORIGINAL 2013/14 | REVISED FORECAST 2013/14 | FORECAST 2014/15 | FORECAST 2015/16 | FORECAST 2016/17 | FORECAST 2017/18 |
|---|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| £'000 NET REVENUE EXPENDITURE | £'000 | £'000 | £'000 | £'000 | £'000 |
| 15,171 Continuing Services Budget | 15,161 | 14,644 | 14,294 | 13,838 | 13,314 |
| -803 CSB - Growth Items | -707 | -870 | 33 | 55 | 0 |
| 0 Net saving | 0 | 0 | -700 | -700 | -200 |
| 14,368 Total C.S.B | 14,454 | 13,774 | 13,627 | 13,193 | 13,114 |
| 984 One - off Expenditure | 671 | 1,863 | 54 | 55 | 66 |
| 15,352 Total Net Operating Expenditure | 15,125 | 15,637 | 13,681 | 13,248 | 13,180 |
| 0 Contribution to/from (-) Insurance Res | 30 | 10 | 0 | 0 | 0 |
| -984 Contribution to/from (-) DDF Balances | -671 | -1,863 | -54 | -55 | -66 |
| -44 Contribution to/from (-) Balances | -160 | -243 | -931 | -465 | -340 |
| 14,324 Net Budget Requirement | 14,324 | 13,541 | 12,696 | 12,728 | 12,774 |
| FINANCING | | | | | |
| 6,849 Government Support (NNDR+RSG) | 6,849 | 6,095 | 5,156 | 5,001 | 4,851 |
| 6,849 Total External Funding | 6,849 | 6,095 | 5,156 | 5,001 | 4,851 |
| 7,464 District Precept | 7,464 | 7,540 | 7,540 | 7,727 | 7,923 |
| 11 Collection Fund Adjustment | 11 | -94 | 0 | 0 | 0 |
| To be met from Government 14,324 Grants and Local Tax Payers | 14,324 | 13,541 | 12,696 | 12,728 | 12,774 |
| Band D Council Tax | 148.77 | 148.77 | 148.77 | 152.46 | 156.33 |
| Percentage Increase % | | 0.0 | 0.0 | 2.5 | 2.5 |

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2013/14 - 2017/18

| | REVISED FORECAST 2013/14 | FORECAST 2014/15 | FORECAST 2015/16 | FORECAST 2016/17 | FORECAST 2017/18 |
|--|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUE BALANCES | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance B/forward | 9,670 | 9,510 | 9,267 | 8,336 | 7,871 |
| Surplus/Deficit(-) for year | -160 | -243 | -931 | -465 | -340 |
| Balance C/Forward | 9,510 | 9,267 | 8,336 | 7,871 | 7,531 |
| DISTRICT DEVELOPMENT FUND | | | | | |
| Balance B/forward | 3,581 | 2,910 | 1,047 | 993 | 938 |
| Transfer Out | -671 | -1,863 | -54 | -55 | -66 |
| Balance C/Forward | 2,910 | 1,047 | 993 | 938 | 872 |
| CAPITAL FUND (inc Cap Receipts) | | | | | |
| Balance B/forward | 13,900 | 12,630 | 5,613 | 4,662 | 3,733 |
| New Usable Receipts | 2,243 | 1,029 | 1,001 | 966 | 958 |
| Use of Capital Receipts | -3,513 | -8,046 | -1,952 | -1,895 | -1,564 |
| Balance C/Forward | 12,630 | 5,613 | 4,662 | 3,733 | 3,127 |
| TOTAL BALANCES | 25,050 | 15,927 | 13,991 | 12,542 | 11,530 |

The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2014/15 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 2014/15. 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 2014/15 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 Finance Scrutiny Panel to challenge and debate the detailed budgets with the Finance 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 2014/15.**

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

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

Factor Assessment

a. Inflationary pressures

11. Every year base budget estimates are produced and then different inflation factors are applied to the resultant figures to take budgets to out-turn prices. It is inevitable that there will be either over or under provision for the full cost of inflation, as prices will vary against the estimates made. Efforts have been made to predict the level of inflation in the coming year, although the difficulty in making these predictions is highlighted by inflation remaining stubbornly high and above the target for, and predictions of, the Monetary Policy Committee. Only the most recent figures for the year to December 2013, released on 14 January, have shown inflation actually at the target level of 2%, reducing from 2.1% for November. However, whilst recovery in the overall economy remains weak the Monetary Policy Committee are likely to continue their cautious stance and not intervene with increases in interest rates to reduce inflation. This has been re-affirmed in the forward guidance provided by the Bank of England's new Governor.
12. Inflation, as measured by CPI, has come down from its peak close to 3% but had remained above 2% and contributed to pressure for a pay award. Pay rates had been frozen for several years prior to the 1% increase for 2013/14. The Medium Term Financial Strategy (MTFS) includes an allowance of 1% for pay awards for 2014/15 and 2015/16. In the budgets the centrally held vacancy allowance has been reduced from 2.5% to 1.5%. This reflects the deletion of many vacant posts in January 2013 and the consequent reduction in the levels of salary under spends.

b. Estimates on the level and timing of capital receipts

13. The Council has always adopted a prudent view on the level and timing of capital receipts. Capital receipts are not recognised for budgetary purposes unless they have been received or their receipt is contractually confirmed prior to the budget being ratified. Currently, no significant disposals are anticipated in 2014/15.
14. The exception to this relates to receipts from council house sales. In this instance because sales occur throughout the year assumptions are made about their generation. Following the increase in Right to Buy discounts the number of sales has increased from previous years. The pattern of less than 10 sales per annum will end in 2013/14 with more than 30 sales likely, although this is expected to reduce to 20 for 2014/15. This indicates that the various Government initiatives to encourage lending have been effective and that it has become easier to obtain a mortgage.
15. Even with the Authority's substantial capital programme, which exceeds £91m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2018 will be £3.1m. The Capital Strategy continues to emphasise that priority will be given to capital schemes that will create future revenue benefit, either through increased income or reduced costs.

c. Treatment of demand led pressures and savings

16. Demand led pressures have been evident on the benefits and homelessness services as the Welfare Reforms begin to impact. Although the pressure has been eased in part by the slow improvement in the economy. Locally the stagnation in the housing market seems to be improving, with some increases in key income streams like planning and land charges. The income from both these areas will be greater in 2013/14 than 2012/13.
17. The net savings for the 2014/15 budget have been achieved from three main areas. Firstly, the restructuring of top management has provided an ongoing saving in excess of £350,000. Secondly, the use of capital to invest in the long leasehold at Torrington Drive has boosted income by more than £220,000. The third significant item is changing pay and display parking fees, after five years of freezing them, which should provide £150,000. A number of other smaller savings have also been identified and together these provide a sound base for the 2014/15 budget. However, there is still a need for further savings in 2015/16 and 2016/17 and work is ongoing on a number of ideas to reduce net costs.

d. Risks inherent in partnership arrangements etc

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

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

19. The Authority is no longer debt free, due to self-financing for the Housing Revenue Account (HRA). Although this is not a significant concern as the 30 year business plan for the HRA has demonstrated that the Authority will be considerably better off in the long term. Revenue reserves for both the General Fund and the HRA are in a healthy state.
20. A major threat to the Authority's financial standing is further substantial reductions in central government funding. The period from 2011/12 to 2015/16 will see grant funding reduced by approximately 60%. The period beyond 2015/16 will be the subject of the next Comprehensive Spending Review and by then the improvement in the economy may have strengthened and there may have been a change of Government. This means predicting beyond 2015/16 is hazardous although if current trends are maintained there will be further reductions in revenue support grant and an increasing reliance on retained business rates.
21. Last year I expressed concern at the transfer of large financial risks to local authorities at a time of economic uncertainty. These risks were the localisation of Council Tax Benefit and the local retention of non-domestic rates. The implementation of Local Council Tax Support has been a success and the scheme has been managed within budget. In view of the success so far the scheme has been left largely unchanged for 2014/15. However, it may prove to be a concern again for 2015/16 if significant changes are necessitated by funding reductions.
22. Local retention of non-domestic rates has been more problematic and still represents a considerable financial risk. The major concern here arises from

the treatment of appeals and refunds. Even though DCLG have already had the benefit of non-domestic rates paid in respect of periods prior to 1 April 2013, all appeals regardless of start date are accounted for within the new system. This means billing authorities are refunding money that they have not benefited from in the first place. There are still more than 500 appeals outstanding and it is difficult to robustly predict what the combined outcomes will be.

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

23. 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.
24. 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.
25. The quarterly budget monitoring reports on key budgets to both the Finance and Performance Management Cabinet Committee and Scrutiny Panel will continue throughout 2014/15. 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

26. The Authority 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 Authority 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

27. On 23 July 2012 Cabinet decided to exercise the two year extension option to the three year contract which commenced in June 2010. The 2010 contract was entered into following a collaborative procurement exercise with twelve other authorities. Market intelligence suggested a re-tender at this time was unlikely to provide good value for money, particularly as Zurich had offered to freeze premiums in the first year of the extension. The Authority still maintains an insurance fund, which as at 31 March 2013 had a balance of £1.13m.

i. Pension liabilities

28. The latest triennial valuation as at 31 March 2013 showed an increase in the funding level of the scheme to 77% (the value of the scheme's assets only cover 77% of the liabilities). This has allowed the actuaries to reduce both the deficit payments and the projected recovery period. However, ongoing contributions have increased from 13% to 15.9% and this leaves the combined payment figure for 2014/15 and the two subsequent years similar to the current level.

29. In earlier years annual applications were made to DCLG for capitalisation directions, as separate directions are required for the Housing Revenue Account and the General Fund. It has been increasingly difficult to obtain capitalisation directions and for 2011/12 the qualifying criteria were doubled. Even though the applications for 2011/12 met the tougher criteria they were still rejected by DCLG. In view of this no applications were made for 2012/13 or 2013/14 and the full amounts of the deficit payments have been included in the CSB.

Statement on the adequacy of the reserves and balances

30. 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 2015 is £9.27m as shown in the Annex 4 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.
31. 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 level of financial risk £000 | Level of risk % | Adjusted level of risk £000 |
|---|---|--------------------|--------------------------------|
| Basic 5% of Net Operating Expenditure | | | 800 |
| Grant reduction being 10% instead of 3% beyond 2015/16 | 750 | 40 | 300 |
| Pay award being settled 1% in excess of estimate for 14/15 and future years | 800 | 25 | 200 |
| Inflationary pressures between 1-4% higher than budget | 600 | 20 | 120 |
| Loss of North Weald Market Income | 3,000 | 40 | 1,200 |
| General Income between 1-4% less than budget | 600 | 10 | 60 |
| 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 | 1,000 | 35 | 350 |
| Renegotiating External contracts and partnership arrangements | 4,000 | 25 | 1,000 |
| Emergency Contingency | 800 | 20 | 160 |
| New Homes Bonus, income over MTFs greater than anticipated | (1,200) | 30 | (400) |
| Total | 13,350 | | 3,940 |

32. The estimates for income generated from the market at North Weald airfield have been reduced but this remains a key source of income. Uncertainties surrounding the future of the airfield create a risk to the Authority that needs to be recognised and quantified hence its inclusion in the list above.
33. A number of contracts have been granted to outside bodies for the provision of Council services. The failure of any of these contracts would inevitably 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.
34. 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.
35. 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 £14.5m, which suggests a figure of £725,000.
36. The Council has always been conscious of its balances position as can be demonstrated by budget reports over many years. Fortunately for the Authority the question had not been whether it had a sufficient level of balance but rather that it had too much. Balances increased by £469,000 in 2012/13 to leave a balance of £9.67m at 31 March 2013.
37. A number of policies have been determined previously to bring about reductions and the current policy reflects that deficit budgets are necessary to support the structured reduction in spending. The current policy allows for balances to fall to no lower than 25% of Net Budget Requirement (NBR). This is slightly different from the NOE stated above, the average NBR figure for the next four years is expected to be £13.2m therefore 25% of that figure equates to £3.3m. The current four-year forecast shows balances still at £7.5m at the end of 2017/18.
38. The risk assessment undertaken above suggests that 20-25% of NBR is about the range that this authority should be maintaining its balances within. By 31 March 2018 balances will represent 59% of NBR, which is more than adequate. However, Members are aware that this situation can only be achieved with CSB savings and have stated a clear target of reducing expenditure throughout the period of the medium term financial strategy.
39. It has already been stated that the capital fund is expected to remain in a surplus position beyond 2017/18 and the capital programme is fully funded.
40. The main earmarked reserve is the District Development Fund (DDF) which is used to keep one off items of income and expenditure separate from the base budget. At 31 March 2013 the balance on the DDF was £3.6m, which was an increase of £0.1m in the year. The DDF is predicted to have a balance of £0.9m at the end of 2017/18, although this is likely to be reduced by the Local Plan and any further organisational changes. The only other earmarked reserve with

a significant balance is the Insurance Reserve, which stood at £1.1m at the end of 2012/13. There were no significant movements in the year on this fund.

41. The HRA revenue balance of £3.375m at 31 March 2013 is expected to increase, by £107,000 in 2013/14 and then decrease by £800,000 in 2014/15. The balance on the Housing Repairs Fund is expected to reduce over the next year, from £2.99m to £2.33m. Similarly the Housing Major Repairs Reserve is predicted to decrease from £9.998m to £6.532m. The 30 year business plan has demonstrated that under self-financing the overall financial standing of the HRA will improve significantly and its reserves going into 2014/15 remain healthy.
42. **The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2014/15 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term.**

**PART TWO – COUNCIL AND
REGULATORY FUNCTIONS**

**DELEGATION APPROVED BY
OR ON BEHALF OF THE COUNCIL**

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-----------|--|--|--|
| 88 CL1 | Council - 29.10.85 (Minute 57(2)) | DIRECTOR OF GOVERNANCE | <p>ACCESS TO INFORMATION ACT 1985 – PROPER OFFICER</p> <p>To act as Proper Officer for the purposes of the Act generally and in particular for the purposes of –</p> <ul style="list-style-type: none"> Section 100(B)(2) – circulation of reports and agenda Section 100(B)(7)(c) – supply of documents to the press Section 100(C)(2) – summaries of minutes Section 100(D)(1)(a) – compilation of lists of background papers Section 100(D)(5)(a) – identification of background papers Section 100(F)(2) – papers not open to members |
| CL2 | Policy & Co-ordinating Committee (Minute 62(1) - 11.2.86) | CHIEF EXECUTIVE SERVICE DIRECTORS | <p>ACCESS TO INFORMATION ACT 1985 – DEPOSIT OF BACKGROUND DOCUMENTS</p> <p>Proper Officers for the purpose of Section 100(D)(1)(b) – provision of one copy of relevant background papers to be open for inspection by the public at all reasonable times.</p> |
| CL3 | Policy & Co-ordinating Committee (Minute 56 – 30.9.97) | DIRECTOR OF GOVERNANCE | <p>AFFIDAVITS – SWEARING OF</p> <p>To secure sworn affidavits from any member of Council staff where required by the Council.</p> |
| CL4 | Council (Minute 104(5) – 19.4.83) | CHIEF EXECUTIVE SERVICE DIRECTORS | <p>APPRAISAL OF TOP MANAGEMENT*</p> <p>To implement the Council’s scheme for staff performance development reviews (*NB. ‘Top Management’ includes Service Directors)</p> <p>APPRAISAL OF STAFF</p> <p>To implement the Council’s scheme for staff performance development reviews (NB excluding Service Directors).</p> |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|------------|--|--|---|
| CL5 | Personnel Sub-Committee (Minute 13 – 7.6.88) | CHIEF EXECUTIVE SERVICE DIRECTORS | ATTENDANCE ALLOWANCES FOR OFFICERS To authorise, in cases where the Service Directors determine that time off in lieu cannot be allocated due to workload, the attendance of such officers at any function or meeting and to grant payments on rates applicable for weekend working, in the same way as currently applies to Members' approved duties. |
| CL6 | Council (Minute 78(5) – 27.2.90) | DIRECTOR OF RESOURCES | BORROWING DETERMINATION (a) To discharge all powers regarding sources of borrowing available to the Council under Section 43(2) of the Local Government and Housing Act 1989 subject to regular monitoring reports to the Cabinet, and (b) To compile and maintain a register of loan instruments. |
| CL7 | Policy & Resources Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | BYELAWS – CERTIFICATION To act as Proper Officer for the purposes of Section 238 of the Local Government Act 1972. |
| CL8 | Policy & Resources Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | BYELAWS – PARISH & COUNTY COUNCIL COPIES To act as Proper Officer for the purposes of Section 236(a) of the Local Government Act 1972. |
| CL9 | Policy & Co-ordinating Committee (Minute 48 – 3.12.85) | CHIEF EXECUTIVE SERVICE DIRECTORS | CAR LEASING SCHEME (a) To approve applications from eligible staff under the Scheme; (b) To check eligibility of applicants, approve ordering of vehicles, notify users of outcome of applications; and (c) To be responsible for the financial administration of the Scheme; |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|---|---|---|
| 06 | Cabinet (Minute 61 – 1.9.08) Personnel Sub-Committee (Minute 37 – 25.7.89) | MANAGEMENT BOARD CHIEF EXECUTIVE SERVICE DIRECTORS | (d) To determine essential car user status for relevant staff posts. (e) To authorise early termination charges to members of staff with leased cars who receive redundancy notices; (f) To determine the appropriate user business mileage contribution banding for each member of staff receiving authorisation for a leased car. |
| CL10 | Policy & Resources Committee (Minute 3 – 11.10.73) | CHIEF EXECUTIVE | CHAIRMAN OF COUNCIL – CASUAL VACANCY To act as Proper Officer for the purposes of Section 88(2) of the Local Government Act 1972 (Convening of special Council meeting to fill casual vacancy in the office of Chairman of the Council). |
| CL11 | Finance Sub-Committee (Minute 13 – 14.11.73) | DIRECTOR OF RESOURCES (or other duly authorised signatory) | CHEQUES – SIGNING To sign cheques on behalf of the Council. |
| CL12 | Council (Minute 90(4) – 22.4.97) S.O. F1(3), F1(4) | MR R PALMER DIRECTOR OF RESOURCES (MR PETER MADDOCK, ASSISTANT DIRECTOR AS DEPUTY) | CHIEF FINANCIAL OFFICER Designated as Chief Finance Officer being the officer having responsibility under Section 151 of the Local Government Act 1972, Section 73 of the Local Government Act 1985 and Section 114 of the Local Government Finance Act 1988. |
| CL13 | Policy & Co-ordinating Committee (Minute 51 – 4.1.94) | DIRECTOR OF RESOURCES | COLLECTION FUND To calculate the surplus or deficit on the Collection Fund in accordance with the Local Authorities (Funds) (England) Regulations 1992. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|--|--|
| CL14 | Council (Minute 90(4) – 22.4.97) | CHIEF EXECUTIVE DEPUTY CHIEF EXECUTIVE DIRECTOR OF GOVERNANCE ASSISTANT DIRECTOR (LEGAL SERVICES) | COMMON SEAL – ATTESTATION OF To attest the Common Seal of the Council. |
| CL15 | Personnel Sub-Committee (Minute 13 – 15.11.73) | CHIEF EXECUTIVE SERVICE DIRECTORS | COMPASSIONATE LEAVE To grant to staff up to five days leave (with pay) per year for compassionate reasons. (Note: Leave in excess of five days to be granted at the discretion of the Management Board). |
| CL16 | Council (Minute 18 - 18.6.12) | MONITORING OFFICER (or in the absence of, the DEPUTY MONITORING OFFICER) | CONDUCT OF COUNCILLORS In accordance with Sections 26-37 of the Localism Act 2011: (a) To determine whether a complaint merits formal investigation after consultation with the independent person; (b) To arrange any such investigation; (c) To seek resolution of complaints without formal investigations wherever practicable; (d) To submit regular reports to the Standards Committee on the exercise of this delegated authority under (a), (b) and (c) above; (e) To refer decisions on whether to investigate any complaint to the Standards Committee, if it is considered that this is appropriate; (f) To close any complaint where an investigation finds no breach of the Code of Conduct, subject to the report and the findings from the investigation being provided to the subject councillor, the independent person and to the Standards Committee; |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|---|--|
| 92 | Standards Committee (Minute 21 – 13.12.12) | MONITORING OFFICER (or in the absence of, the DEPUTY MONITORING OFFICER) | <p>(g) To seek local resolution of any complaint where an investigation finds evidence of a failure to comply subject to the following:</p> <ul style="list-style-type: none"> (i) consultation with the independent person and the complainant; (ii) a summary report being made to the Standards Committee on the action taken; <p>(h) To refer any investigation report where local resolution is not possible to a hearing Sub-Committee of the Standards Committee for consideration;</p> <p>(i) To prepare, maintain and publish registers of members' interests in respect of this Council and all Parish and Town Councils in the District and to make these available for public inspection at the Civic Offices, Epping, on the District Council's website and (where appropriate) on the websites of parish and town councils; and</p> <p>(j) To determine applications for dispensations from the effect of Section 31(4) of the Localism Act 2011 in the following categories: Section 33(2)(a) (Quorum) Section 33(2)(b) (Political Balance) Section 33(2)(d) (Executive Business)</p> |
| CL17 | Policy & Resources Committee (Minute 3 – 11.10.73) | CHIEF EXECUTIVE | <p>COUNCIL MEETINGS – NOTICES AS TO ADDRESSES FOR DELIVERY OF SUMMONS</p> <p>To act as Proper Officer in accordance with Schedule 12 (paragraph 4(3) of the Local Government Act 1972 as to the receipt of these notices.</p> |
| CL18 | Council (Minute 127 – 23.4.13) | MONITORING OFFICER | <p>CONSTITUTION – MINOR AMENDMENTS</p> <p>To make amendments to the Constitution to reflect the following:</p> <ul style="list-style-type: none"> (a) statutory changes over which the Council has no control; and (b) minor drafting and clerical errors. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|-------------------------------|---|
| CL19 | Policy & Resources Committee (Minute 3 – 11.10.73) | CHIEF EXECUTIVE | COUNCIL MEETINGS – SIGNATURE OF SUMMONS TO ATTEND To act as Proper Officer in accordance with Schedule 12 (paragraph 4(2)(b) of the Local Government Act 1972 as to the signing of the summons. |
| CL20 | Policy & Resources Committee (Minute 3 – 11.10.73) | CHIEF EXECUTIVE | COUNCILLORS – ACCEPTANCE OF OFFICE To act as Proper Officer under Section 83(1)-(4) of the Local Government Act 1972 in respect of the witness and receipt of declarations and acceptances of office by councillors. |
| CL21 | Policy & Resources Committee (Minute 3 – 11.10.73) | CHIEF EXECUTIVE | COUNCILLORS – RESIGNATION FROM OFFICE To act as Proper Officer for the purposes of Section 84 of the Local Government Act 1972, in respect of the receipt of notices of resignation from office by councillors. |
| CL22 | Council (Minute 49 – 18.12.01) | DIRECTOR OF GOVERNANCE | COUNCILLORS – SUBSTITUTES To receive notices from Group Leaders regarding the appointment of substitute members, subject to certain conditions. |
| CL23 | Council (Minute 100(7) – 18.4.2000) | DIRECTOR OF GOVERNANCE | COURT, TRIBUNAL, INQUIRY PROCEEDINGS – ENGAGEMENT OF STAFF AND ADVICE To appoint appropriate staff and/or external Solicitors and/or Counsel to appear for, conduct and settle proceedings on behalf of the Council in Courts, tribunals, inquiries and other similar venues. |
| CL24 | Council (Minute 78(4) – 17.2.85) | DIRECTOR OF GOVERNANCE | DATA PROTECTION ACT 1984 To act as Proper Officer for the purposes of the Data Protection Act 1984 for the receipt of notices. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|---|---|
| CL25 | Finance Sub-Committee (Minute 67(iii) – 6.3.74) | DIRECTOR OF RESOURCES | DIRECT DEBITING To execute a direct debiting indemnity on behalf of the Council. |
| CL26 | Policy & Co-ordinating Committee (Minute 44 – 29.11.83) | SERVICE DIRECTORS/ DIRECTOR OF RESOURCES | DISTURBANCE COMPENSATION To grant disturbance allowances following home loss in appropriate cases and subject to the budgetary provision of the Council, in any one year, not being exceeded and in accordance with the Land Compensation Acts. |
| CL27 | Policy & Resources Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | DOCUMENTS – AUTHENTICATION To act as Proper Officer for the purposes of Section 234(1) – (2) of the Local Government Act 1972 for the purposes of authentication of documents. |
| CL28 | Policy & Resources Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | DOCUMENTS – CERTIFICATION OF PHOTOGRAPHIC COPIES To act as Proper Officer for the purposes of Section 229(5) of the Local Government Act 1972 for the purposes of certifying photographic copies of documents. |
| CL29 | Policy & Resources Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | DOCUMENTS – DEPOSIT To act as Proper Officer for the purposes of Section 225(1) of the Local Government Act 1972 in relation to the deposit of documents. |
| CL30 | Standing Order A32 Council (Minute 24(1) – 9.7.91) | CHIEF EXECUTIVE (or in his absence the DEPUTY CHIEF EXECUTIVE) | DOCUMENTS – INSPECTION AND SUPPLY FOR COUNCILLORS To determine requests by members of the Council to inspect or to be provided with copies of Council documents. |
| CL31 | Council Minute – 19.4.05 | G CHIPP CHIEF EXECUTIVE (Deputy registration officer : TBD) | ELECTORAL MATTERS (a) Registration Officer under section 8(2)(a) of the Representation of the People Act (RPA) 1983 and |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|----|--|------------------------------|---|
| 95 | | | <p>(i) through Section 28 of the RPA, Acting Returning Officer for the purposes of UK Parliamentary elections; and</p> <p>(ii) through Section 6 of the European Elections Act 2002, Local Returning Officer for European Parliamentary elections.</p> <p>(Duties: responsibility for the electoral register, for EU parliamentary elections (under the direction of the Regional Returning Officer) and for UK Parliamentary elections.)</p> <p>(b) Counting Officer for the purposes of Section 61E of the Town & Country Planning Act 1990 and the Localism Act 2011 (Section 116)</p> <p>(Duties: responsibility for the local referendums on Neighbourhood Plans)</p> <p>(c) District Returning Officer for the Epping Forest District under Section 35(1) of the RPA 1983</p> <p>(Duties: responsibility for the 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.)</p> <p>(d) Proper Officer under Sections 34, 35 and 105(2) of the Local Government Act 2000</p> <p>(Duties: responsibility for petitions and referendums in connection with the Executive Constitution of the Council).</p> <p>(e) Nominated Deputy County Returning Officer under Section 35(1) of the RPA 1983</p> <p>(Duties: responsibility for County Council elections as appointed by and under the direction of the County Returning Officer.)</p> <p>continued</p> |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|--------------------------------------|--|
| 96 | | | <p>(f) Nominated Local Returning Officer under Section 54 of the Police & Social Responsibility Act 2011</p> <p>(Duties: conduct of elections for Police & Crime Commissioners under the direction of County Returning Officer.)</p> <p>(g) Nominated Local Counting Officer for the purposes of Section 128 of the Political Parties, Elections and Referendums Act 2000.</p> <p>(Duties: conduct of national referendums under the direction of the Chief Counting Officer (i.e. the Chief Executive of the Electoral Commission).</p> |
| CL32 | Council Minute 75(8) – 14.12.04 | G CHIPP RETURNING OFFICER | <p>ELECTIONS – DISCRETIONARY FEES AND CHARGES</p> <p>To determine annually the scale of discretionary fees and charges, for which there is no statutory amount, by allowing for inflation and rounding up to the nearest whole number.</p> |
| CL33 | Council Minute 115 – 19.4.05 | G CHIPP RETURNING OFFICER | <p>ELECTIONS – FEES AND EXPENSES</p> <p>To determine the scale of fees and expenses payable by the Returning Officer at elections of District and Parish Councils, adjusting the schedule for inflation and rounding up to the nearest whole number.</p> |
| CL34 | Policy & Co-ordinating Committee (Minute 101 – 1.12.98) | DIRECTOR OF GOVERNANCE | <p>ELECTORAL REGISTRATION – PROSECUTIONS</p> <p>To institute and pursue proceedings in relation to electoral registration offences.</p> |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|---|--|
| CL35 | Council (Minute 71 – 17.12.02) | DIRECTOR OF GOVERNANCE (or, in the absence of the office holder, a nominated deputy) | ENFORCEMENT ACTION 1. Authority to prosecute the unauthorised display of advertisements, unauthorised works to a listed building or in a conservation area breach of Tree Preservation or Hedgerow Regulations, and non-compliance where enforcement action has previously been authorised. 2. Authority to take the appropriate enforcement action, including serving an injunction where the Director of Governance , or his nominee, considers the circumstances to be urgent. |
| CL36 | Cabinet (Minute 138 – 25.11.02) Council (Minute 29 - 28.6.11) | DIRECTOR OF GOVERNANCE SERVICE DIRECTORS | FREEDOM OF INFORMATION ACT 2001/RE-USE OF PUBLIC SECTOR INFORMATION To be responsible for co-ordinating compliancy with the requirements of the Freedom of Information Act throughout the Council, including providing guidance and promoting compliance with the Act so as to assist with the easy, appropriate and timely retrieval of information. To be responsible for establishing and operating procedures for their service areas for managing requests for information under the Act and ensuring that requests are dealt with in accordance with statutory deadlines. |
| CL37 | Council (Minute 19.12.06) | DIRECTOR OF NEIGHBOURHOODS | GAMBLING ACT 2005 – LICENSING FUNCTIONS See Appendix A. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|------|---|---|---|
| CL38 | District Development Control Committee (Minute 49 (3) - 26.6.13) | DIRECTOR OF COMMUNITIES | <p>GROWTH AND INFRASTRUCTURE ACT 2013</p> <p>To determine applications received under Section 7 to modify, remove or discharge affordable housing obligations, subject to:</p> <p>(a) Prior consultation with the Director of Governance; the Chairman (or in his/her absence, the Vice-Chairman) of the relevant Area Plans Sub-Committee and local ward members; and</p> <p>(b) Details of the application and the resultant Determination being reported in the following issue of the Council Bulletin.</p> |
| CL39 | Development Committee (Minute 31 – 25.8.92) | DIRECTOR OF GOVERNANCE | <p>HAZARDOUS SUBSTANCES</p> <p>To determine applications for hazardous substances consent under the Planning (Hazardous Substances) Regulations 1992 except where there are objections from interested parties, which shall be determined by the Plans Sub-Committees.</p> |
| CL40 | Council (Minute 12(11)(a) – 27.2.90) | CHIEF EXECUTIVE (or in his absence the DEPUTY CHIEF EXECUTIVE) | <p>HEAD OF PAID SERVICE</p> <p>In accordance with Section 4 of the Local Government and Housing Act 1989 designated as Head of the Authority's Paid Service.</p> |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|---|---|
| CL41 | <p>Council (Minute 54(4) – 20.12.77)</p> <p>Personnel Sub-Committee (Minute 49(6) – 4.10.88)</p> | <p>CHIEF EXECUTIVE</p> <p>SERVICE DIRECTORS</p> <p>ALL MANAGERS OR SUPERVISORS RESPONSIBLE FOR ONE OR MORE STAFF</p> | <p>HEALTH AND SAFETY AT WORK – IMPLEMENTATION</p> <p>(a) To be responsible on behalf of the Council for the general policy for the safety, health and welfare of employees as set out in the Council’s statement of policy;</p> <p>(b) To be directly responsible for the implementation in each Directorate of the Council’s general policy for safety, health and welfare;</p> <p>(c) To ensure that adequate budgetary provision is made to meet the cost of any safety programme; and</p> <p>(d) To be responsible in the work area under their control for:</p> <ul style="list-style-type: none"> (i) implementation of general policy of health, safety and welfare; (ii) annual review of work areas to assess training needs and priorities for improvements; (iii) identification of hazards for employees and the public; (iv) consultation with employee representatives on safety matters; and (v) setting an example in safe behaviour. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|------------|--|---|---|
| 100 L42 | Council (Minute 52(c) – 12.12.00) | DIRECTOR OF GOVERNANCE (or nominated Deputy) | <p>HIGH COURT ACTION</p> <p>To instigate High Court action in the following circumstances:</p> <p>(a) appeals lodged in accordance with Sections 288 and 289 of the Town and Country Planning Act 1990 (as amended) which shall be authorised by the Director of Governance;</p> <p>(b) applications for High Court injunctions to secure planning enforcement under the Town and Country Planning Act 1990 (as amended) which shall be authorised by the District Development Control Committee or an Area Plans Sub-Committee, or to deal with breaches of Abatement Notices under the Environment Act 1995 or Amendments thereof which shall be authorised by the Cabinet;</p> <p>(c) any applications for High Court injunctions where immediate emergency action is required to prevent serious distress to public safety or residential amenity which shall be authorised by the Director of Governance in consultation with the appropriate Portfolio Holder.</p> <p>(d) any other category of High Court action which shall not admit of delay resulting from reference to the full Council – which shall be authorised by the Cabinet or any appropriate committee or subcommittee; and</p> <p>(e) to make applications in consultation with the appropriate members under High Court injunctions where immediate emergency action is required to prevent serious distress to public safety or residential amenity.</p> |
| | Council (Minute 100(5) – 18.4.00) | DIRECTOR OF GOVERNANCE (or nominated Deputy) | To defend High Court Proceedings instituted against the Council (subject to reporting on action taken to the next Cabinet meeting). |
| | Council (Minute 29(2) – 15.7.86) | DIRECTOR OF GOVERNANCE (or nominated Deputy) | To lodge, after prior consultation, appeals in the High Court in accordance with the provisions of Sections 288 and 289 of the Town and Country Planning Act 1990, as amended, subject to a report being made to the next appropriate meeting on the action taken. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|--|--|
| CL43 | Council (Minute 34 – 22.7.97) | DIRECTOR OF GOVERNANCE | INSOLVENCY – ENFORCEMENT OF DEBTS To issue statutory demands pursuant to Section 268(1)(a) of the Insolvency Act 1986. To take steps to enforce a debt following the commencement of bankruptcy proceedings, subject to action taken being reported to the next appropriate Cabinet meeting. |
| CL44 | Council (Minute 100(6) – 18.4.2000) | DIRECTOR OF RESOURCES (or nominated Deputy) | INSURANCE – INSTITUTION OF LEGAL PROCEEDINGS To institute, defend, appeal, withdraw or agree a compromise in connection with any legal proceedings concerning the Council's insurance matters, subject to reporting on any significant issues to the next appropriate Cabinet meeting. |
| CL45 | Policy & Resources Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | LAND CHARGES To act as proper officer to the Council for the purposes of Section 212(1) and (2) of the Local Government Act 1972 (local registrar of land charges) |
| CL46 | Cabinet (Minute 184 – 10.4.06) | DIRECTOR OF NEIGHBOURHOODS ASSISTANT DIRECTOR (NEIGHBOURHOOD SERVICES) Appropriate Portfolio Holder | LICENSING To authorise suitably qualified officers to exercise those functions relating to licensing set out in the attached list of environmental health legislation as set out in Appendix B, subject to the policies from time to time agreed by the Licensing Committee. To delegate appropriate powers to the Director of Neighbourhoods relating to the management and provision of service set out in the attached list of environmental health legislation as set out in Appendix B. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|---|--|
| 102 CL47 | Licensing Committee (Minute 12 – 15.10.08) | DIRECTOR OF NEIGHBOURHOODS ASSISTANT DIRECTOR (NEIGHBOURHOOD SERVICES) SENIOR LICENSING OFFICER or suitably qualified officer authorised by them | LICENSING – HACKNEY CARRIAGE AND PRIVATE VEHICLE LICENCES To determine Licences in respect of hackney carriage and private hire licensing (as set out in Appendix C) except in those circumstances where under the Council’s policy they stand referred to the Licensing Sub Committee (see Minute 12 opposite). |
| CL48 | Council (Minute 48 – 26.9.13) | DIRECTOR OF NEIGHBOURHOODS ASSISTANT DIRECTOR (NEIGHBOURHOOD SERVICES) | LICENSING – SCRAP METAL DEALERS ACT 2013 To implement Appendix D (Schedule of delegations under the Act) insofar as they relate to matters to be undertaken by officers. To authorise officers to carry out inspections of the sites and vehicles used and conduct investigations and to issue and undertake prosecutions that may arise under the Act. |
| CL49 | Policy & Co-ordinating Committee (Minute 24(2) – 8.10.91) | DIRECTOR OF RESOURCES | LOCAL GOVERNMENT AND HOUSING ACT 1989 – DETERMINATIONS UNDER PART IV To make determinations under the following sections of the Local Government and Housing Act 1989: Section 42(2)(g) – Reimbursable expenditure Sections 50(3)(b) and 60(2) – Usable capital receipts |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|---|---|--|
| CL50 | Council (Minute 24(1)(2) – 9.7.91) | DIRECTOR OF RESOURCES | <p>LOCAL GOVERNMENT AND HOUSING ACT 1989 – PROPER OFFICER DESIGNATIONS</p> <p>Proper Officer designations made for the purposes of the Sections of the Local Government and Housing Act 1989 indicated:</p> <p>Section and Purpose</p> <p>Section 2 (preparation and maintenance of lists of politically restricted posts).</p> <p>Section 37 (deposit and preparation of statements as to the provision of financial assistance).</p> |
| CL51 | Council (Minute 34 – 22.7.97) (Minute 168 - 20.4.10) | DIRECTOR OF GOVERNANCE ASSISTANT DIRECTOR (LEGAL SERVICES) | <p>MAGISTRATES’ AND COUNTY COURTS – DEFENCE AND PURSUIT OF PROCEEDINGS</p> <p>To institute, defend, pursue and settle proceedings on behalf of the Council and to appear on the Council’s behalf, in any proceedings before the Magistrates’ and County Courts.</p> |
| | Personnel Sub-Committee (Minute 88 – 21.11.89 and 88(b) – 1.12.92) | MR G OAKLEY (MANAGING LEGAL EXECUTIVE) | To appear for the Council in legal proceedings pursuant to Section 223(1) of the Local Government Act 1972 and Section 60(2) of the County Courts Act 1982. |
| CL52 | Council (Minute 10 – 15.5.2001) | C O’BOYLE DIRECTOR OF GOVERNANCE | MONITORING OFFICER AND DEPUTY To act as Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989 and Sections 26-37 of the Localism Act 2011 for the purpose of performing the duties imposed by those sections. |
| | Council (Minute 70 – 6.11.12) | C O’BOYLE DIRECTOR OF GOVERNANCE | To be responsible for any Parish or Town Councils which are affiliated for the time being to the Epping Forest Standards Committee under Chapter 7 of the Localism Act. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|--|----------------------------------|--|
| 104 | Council (Minute 10 – 15.5.01) | TBD | To act as Deputy Monitoring Officer with the power to act in the absence or during any illness of the Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989. |
| CL53 | Policy and Resources Committee (Minute 3(3) – 11.10.73) | DIRECTOR OF RESOURCES | OFFICERS – RECEIPT OF MONEY DUE To act as Proper Officer for the purposes of Section 115 of the Local Government Act 1972). |
| CL54 | Council (Minute 86 – 15.2.05) | DIRECTOR OF GOVERNANCE | OMBUDSMAN – NOTICES To act as proper officer for the purposes of Section 30(5) of the Local Government Act 1974 (publication of notice on receipt of a report from the Local Ombudsman). |
| CL55 | Council (Minute 87 – 15.2.05) | G CHIPP RETURNING OFFICER | PARISH POLLS To act as Returning Officer for the purposes of a Parish Poll in the District in accordance with the Parish and Community Meetings (Polls) Rules 1987, |
| CL56 | Personnel Sub-Committee (Minute 139 – 20.3.90) | DIRECTOR OF RESOURCES | POLITICALLY RESTRICTED POSTS (a) To notify all politically restricted postholders of their designations; (b) To incorporate the designation as to politically restricted status in contracts of employment; and (c) To maintain and issue revised lists when necessary and notify the independent Adjudicator. |
| CL57 | Policy and Resources Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | PROTECTED BUILDINGS To act as Proper Officer for the purposes of paragraph 28 of Schedule 16 to the Local Government Act 1972 (receipt and deposit of lists of protected buildings). |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated | | | | | | |
|----------------|---|---|--|----------------|----------------|----------|---|----------|---|
| CL58 | Council (Minute 117 – 20.4.04) | MONITORING OFFICER | REGISTRATION OF INTERESTS – DISTRICT COUNCIL Receipt, custody and public deposit of registration of interests of District Councillors under the Local Government Acts 2000 and 2007 and regulations made thereunder. | | | | | | |
| CL59 | Council (Minute 117 - 20.4.04) | MONITORING OFFICER | REGISTRATION OF INTERESTS – TOWN AND PARISH COUNCILS Receipt, custody and public deposit of registration of interests of Parish and Town Councillors in accordance with the Local Government Acts 2000 and 2007 and regulations made thereunder. | | | | | | |
| CL60 | Council (Minute 23 – 15.5.08) | DIRECTOR OF GOVERNANCE (TBD AS DEPUTY) | REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 – DESIGNATION OF RIPA OFFICER AND DEPUTY For the purposes of the Regulation of Investigating Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2003, the following officers of the Council be appointed to exercise on behalf of the Council, the power to authorise the carrying out of directed surveillance under the following articles: <table border="1"> <thead> <tr> <th>Article</th> <th>Purpose</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>Section 28(3)(b) of the Regulation of Investigatory Powers Act 2000 (Directed Surveillance) – for the purpose of preventing or detecting crime or of preventing disorder (subject to the restrictions set out in Articles 7, 8 and 9 of the Regulations).</td> </tr> <tr> <td>4</td> <td>Section 29(3)(b) of the Regulation of Investigatory Powers Act 2000 (Covert Human Intelligence Sources) – for the purpose of preventing or detecting crime or of preventing Disorder (subject to the restrictions set out in Articles 7, 8 and 9 of the Regulations).</td> </tr> </tbody> </table> | Article | Purpose | 4 | Section 28(3)(b) of the Regulation of Investigatory Powers Act 2000 (Directed Surveillance) – for the purpose of preventing or detecting crime or of preventing disorder (subject to the restrictions set out in Articles 7, 8 and 9 of the Regulations). | 4 | Section 29(3)(b) of the Regulation of Investigatory Powers Act 2000 (Covert Human Intelligence Sources) – for the purpose of preventing or detecting crime or of preventing Disorder (subject to the restrictions set out in Articles 7, 8 and 9 of the Regulations). |
| Article | Purpose | | | | | | | | |
| 4 | Section 28(3)(b) of the Regulation of Investigatory Powers Act 2000 (Directed Surveillance) – for the purpose of preventing or detecting crime or of preventing disorder (subject to the restrictions set out in Articles 7, 8 and 9 of the Regulations). | | | | | | | | |
| 4 | Section 29(3)(b) of the Regulation of Investigatory Powers Act 2000 (Covert Human Intelligence Sources) – for the purpose of preventing or detecting crime or of preventing Disorder (subject to the restrictions set out in Articles 7, 8 and 9 of the Regulations). | | | | | | | | |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|-------------|---|--|---|
| 108 CL61 | Policy & Co-ordinating Committee (Minute 3 – 11.10.73) | DIRECTOR OF GOVERNANCE | RESOLUTIONS – CERTIFICATION To act as Proper Officer for purposes of paragraph 25 of Schedule 4 to the Local Government Act 1972 (certification of resolutions). |
| CL62 | Council (Minute 29 – 28.6.11) Council (Minute 29 – 28.6.11) | DIRECTOR OF GOVERNANCE DIRECTOR OF NEIGHBOURHOODS | RE-USE OF PUBLIC SECTOR INFORMATION REGULATIONS 2005 To be responsible in accordance with the Council's policy for administering requests for information under the Re-use of Public Sector Information Regulations 2005, including the level of fees and charges to be made if information supplied is to be re-used. To be responsible for administering requests under the 2005 Regulations in respect of use of CCTV data, taking account of the Council's policy and charging arrangements. |
| CL63 | Personnel Sub-Committee (Minute 2 – 4.10.73) (As amended by Personnel Sub-Committee Minute 169 – 26.9.78) | CHIEF EXECUTIVE SERVICE DIRECTORS | STAFF – APPOINTMENTS PROCEDURE To make all external appointments to each service in respect of posts graded below Assistant Director level except appointments where member involvement is considered desirable. |
| CL64 | Policy & Co-ordinating Committee (Minute 59(b) – 8.2.94) | CHIEF EXECUTIVE SERVICE DIRECTORS | STAFF – MISCELLANEOUS DELEGATIONS To determine staff issues in terms of grading, structure and local conditions of service (including car leases, posts requiring an increase in hours of up to 1 or 2 per week, creation of junior posts in direct substitution of more senior ones, restructurings which reduce the number of posts and costs within a section, minor re-ranging subject to prior consultation with staff representatives, no increase in budget, maintenance of a register. |

| | Authorising Committee and Minute Ref or Other Authority | Officer(s) Authorised | Subject and Function(s) Delegated |
|------|--|---|--|
| CL65 | Council (Minute 90(5) – 23.2.82) | MANAGEMENT BOARD (in consultation with appropriate Service Director and the Portfolio Holder with responsibility for Finance) | STAFF – RETIREMENT To offer enhanced early retirement and redundancy under the terms of the superannuation scheme or gratuity scheme to appropriate staff where the resultant vacated posts can be made available for redeployment of otherwise redundant employees. |
| CL66 | Development Committee (Minute 73 – 2.3.93) (Minute 108 – 6.3.01) | DIRECTOR OF GOVERNANCE | TELECOMMUNICATIONS EQUIPMENT To determine, after prior consultation with ward councillors, whether the prior approval of the Council should be required to the siting and appearance of notified development under the Town and Country Planning (General Permitted Development) Order 1995. To exercise the above-mentioned authority in consultation with the Chairman of the appropriate Committee or Sub-Committee and all ward councillors in respect of those proposals submitted in accordance with the prior approvals procedure where the Director of Governance consider that an objection should not be raised to the development but where opposition has been received. |
| CL67 | Resource Committee (Minute 40 – 28.9.93) | DIRECTOR OF RESOURCES DIRECTOR OF RESOURCES (or staff delegated to act) | TREASURY MANAGEMENT (a) To have control of the aggregated monies under Section 151 of the LGA 1972. (b) To be responsible for all executive decisions on borrowing, investment or financing under Section 151 subject to a requirement to act in accordance with the CIPFA Code for Local Authorities. |
| X | NIL | | |
| Y | NIL | | |
| Z | NIL | | |

GAMBLING ACT 2005 – TABLE OF DELEGATIONS OF LICENSING FUNCTIONS
DIRECTOR OF NEIGHBOURHOODS

| MATTER TO BE DEALT WITH | FULL COUNCIL | SUB-COMMITTEE | ALL OFFICERS |
|---|--------------|--|---|
| Three-year licensing policy | X | | |
| Policy not to permit casinos | X | | |
| Fee Setting – when appropriate | | | X (to be approved by Executive Councillor) |
| Application for premises licences | | Where representations have been received and not withdrawn | Where no representations received/representations have been withdrawn |
| Application for a variation to a licence | | Where representations have been received and not withdrawn | Where no representations received/representations have been withdrawn |
| Application for a transfer of a licence | | Where representations have been received from the Commission | Where no representations received from the Commission |
| Application for a provisional statement | | Where representations have been received and not withdrawn | Where no representations received/representations have been withdrawn |
| Review of a premises licence | | X | |
| Application for club gaming/club machine permits | | Where representations have been received and not withdrawn | Where no representations received/representations have been withdrawn |
| Cancellation of club gaming/club machine permits | | X | |
| Applications for other permits | | | X |
| Cancellation of licensed premises gaming machine permits | | | X |
| Consideration of temporary use notice | | | X |
| Decision to give a counter notice to a temporary use notice | | X | |

DIRECTOR OF NEIGHBOURHOODS

LICENSING

Charities Act 1992

Part III (Street Collections)

Local Government (Miscellaneous Provisions) Act 1976

S16 (Power to obtain particulars of Persons interested in Land)

Local Government (Miscellaneous Provisions) Act 1982

Sections 14, 15, 16 and 17 (Acupuncture, Tattooing, Ear Piercing and Electrolysis)

Section 37 (Temporary Markets)

Schedule 3 Paragraphs 7, 8, 9, 10, 13, 15 to 19 and 25 (Control of Sex Establishments)

Schedule 4 paragraphs 7, 9 and 10 (Street Trading)

Hackney Carriage and Private Hire Licences

Town and Police Clauses Act 1847 (Sections 37, 41, 42, 43, 45, 46, 47, 50, 68)
(except temporary road closures which are the subject of objections which shall be dealt with by the Licensing Sub-Committee)

Town and Police Clauses Act 1889 (Sections 4, 5 and 6)

Local Government (Miscellaneous Provisions) Act 1976 (Part II)

**APPENDIX C
(CL46)**

DIRECTOR OF NEIGHBOURHOODS

LICENSING ACT 2003 – LIST OF FUNCTIONS AND DELEGATED AUTHORITY

| Matter to be dealt with | Full Committee | Sub Committee | Officers |
|---|-----------------------|-----------------------------------|------------------------------------|
| Application for personal licence | | If a police objection | If no objection made |
| Application for personal licence with unspent convictions | | All cases | |
| Application for premises licence/club premises certificate | | If a relevant representation made | If no relevant representation made |
| Application for provisional statement | | If a relevant representation made | If no relevant representation made |
| Application to vary premises licence/club premises certificate | | If a relevant representation made | If no relevant representation made |
| Application to vary designated premises supervisor | | If a police objection | All other cases |
| Request to be removed as designated premises supervisor | | | All cases |
| Application for transfer of premises licence | | If a police objection | All other cases |
| Applications for interim Authorities | | If a police objection | All other cases |
| Application to review premises licence/club premises certificate | | All cases | |
| Decision on whether a complaint is irrelevant frivolous vexatious etc | | | All cases |
| Decision to object when local authority is a consultee and not the relevant authority considering the application | | All cases | |
| Decision to object when local authority is acting as a Responsible Authority | | | All cases |
| Determination of an objection to a temporary event notice | | All cases | |
| Determination of application to vary licence at community premises to include alternative licence conditions | | If a police objection | All other cases |

D60

| Matter to be dealt with | Full Committee | Sub Committee | Officers |
|--|-----------------------|----------------------|-----------------|
| Decision whether to consult other responsible authorities on minor variation | | | All cases |
| Determination of minor variation | | | All cases |
| All policy matters except the formulation of the statement of licensing policy | All cases | | |

D61

**APPENDIX D
(CL48)**

DIRECTOR OF NEIGHBOURHOODS

SCRAP METAL DEALERS ACT 2013 - DELEGATION OF POWERS

| MATTER TO BE DEALT WITH | FULL COUNCIL | SUB-COMMITTEE | OFFICERS |
|---|---------------------|--|---|
| Licensing policy | All cases | | |
| Fee Setting - when appropriate | All fees | | |
| Application for or renewal of a Site or Collector's licences | | Where representations have been received and not withdrawn | Where no representations received / representations have been withdrawn |
| Application for a variation to a licence | | Where representations have been received and not withdrawn | Where no representations received / representations have been withdrawn |
| To issue a closure notice on non-residential premises being used as a scrap metal dealer's site | | All cases | All cases |
| Application to the Magistrates Court for a closure order | | All cases | All cases |
| Termination of a closure order | | All cases | All cases |
| Application to the Magistrates Court to discharge a closure order. | | All cases | All cases |
| Revocation of a licence | | All cases | All cases |
| Consideration of and imposition of conditions | | All cases | All cases |

D62

PLANNING **SERVICES** – DELEGATION OF
COUNCIL FUNCTIONS

Schedule 1 – **Development Management – Director of Governance**

Schedule 2 – **Trees, Conservation and Related Functions – Director of Governance**

DEVELOPMENT CONTROL FUNCTIONS

| Function | Principal Relevant Legislation (*see note) | Relevant Details | Exceptions |
|--|--|--|---------------------------------------|
| Care of the Environment District Development Control Committee (Minute 30 – 7.12.10) | Town and Country Planning (Environmental Impact Assessments) (England and Wales) Regulations 1999 Planning (Hazardous Substances) Act 1990, Section 36, 36A and 36B Planning (Hazardous Substances) Regulations 1992 | To determine the need for and scope of environmental impact assessments required under the Town and Country Planning Acts. To determine applications for hazardous substances consent except those where there are objections from interested parties, which shall be determined by the relevant Area Planning Sub-Committee. To obtain and use necessary powers of entry to the land in relation to the above. | No |
| Development Control District Development Control Committee (Minute 30 – 7.2.10) Council Minute 29 – 28.6.11 | Town and Country Planning Act 1990 Section 70, 70(A), 191-3 etc Planning and Compensation Act 1991, Section 10 Town and Country Planning (Listed Buildings and Conservation Areas) Act 1990, Part 1, Reg. 16-19 Town and Country Planning (Development Management Procedure) (England) Order 2010, Part 6, Article 35 Town and Country Planning (Control of Advertisements) (England) Regulations 2007, Part 3, Reg. 14-15 | 1. Subject to Appendix A below, which are matters to be determined by Committee, to determine or decline to determine any: (a) planning applications; (b) applications for approval of reserved matters; (c) applications arising from any condition imposed on any consent, permission order or notice; (d) advertisement consents; and <u>(e) listed buildings;</u> 2. To agree the precise wording of additional/revised conditions to be attached to planning permissions, at members' request, and discharge of conditions. | Yes (See Appendix A to this Schedule) |

| Function | Principal Relevant Legislation (*see note) | Relevant Details | Exceptions |
|----------|--|--|------------|
| | <p>Town and Country Planning General Permitted Development Order 1995, Part 6 and Part 31 of Schedule 2 as amended by SI 2008 No. 2362 and <u>SI 2013 No. 1101</u></p> <p><u>Town and Country Planning (Development Management Procedure) (Amendment) (England) Order 2013</u></p> | <p>3. To determine whether prior approval of the method of any proposed demolition and any proposed site restoration is required and to give such approval where required except where objections from interested parties are received, which shall be determined by the Area Plans Sub-Committees.</p> <p>4. In relation to telecommunications equipment, to determine, after prior consultation with ward Councillors, whether the prior approval of the Council should be required to the siting and appearance of notified development.</p> <p>5. In relation to agricultural development, to determine whether to require the formal submission of details.</p> <p>6. To determine applications in relation to certificates of lawful use and development.</p> <p>7. To obtain and use necessary powers of entry to the land in relation to the above.</p> <p>8. To determine or decline to determine any non-material amendments.</p> <p>9. <u>To determine applications for prior approval for:</u></p> <p><u>(a) Single storey rear extensions to dwellinghouses;</u></p> <p><u>(b) Class J applications for prior approval for change of use from Class B1a offices to Class C3 residential;</u></p> <p><u>(c) Class K applications for prior approval for change of use from Class B1, C1, C2, C2a and D2 to State funded school; and</u></p> <p><u>(d) Class M development - Change of use from agriculture building (between 150 – 500 square metres) to a flexible use falling either within Class A1(shops), A2 (financial and professional services), A3 (restaurants and cafes), B1 (business), B8 (storage and distribution), Class C1 (hotels) or D2 (assembly and leisure).</u></p> | |

| Function | Principal Relevant Legislation (*see note) | Relevant Details | Exceptions |
|---|--|--|------------|
| | | Subject to consultation with ward members in the cases where a <u>valid objection has been made and officers are minded to grant the application.</u> | |
| Enforcement District Development Control Committee (Minute 30 – 7.12.10) | <p>Town and Country Planning Act 1990 (as amended), Part 7, section 171-190, 196 A, B, C, 198-200 214(A)-(D), 215-219, 220 or 221 and 224, 325, 330</p> <p>Town and Country Planning (Control of Advertisements) (England) Regulations 2007, Part 5, sections 27 and 30</p> <p>Planning (Listed Buildings and Conservation Areas) Act 1990, Chapter 4, sections 38, 88, 88A and 88B</p> <p>Local Government (Miscellaneous Provisions) Act 1982 (Section 37)</p> | <p>Authority for Director of Governance to:</p> <ol style="list-style-type: none"> 1. Issue Stop Notices, Temporary Stop Notices, Enforcement Notices, Breach of Conditions Notices, Building Preservation Notices, Listed Buildings Enforcement Notices, Planning Contravention Notices, Conservation Area Notices, Discontinuance Notices in respect of advertisements and Section 215-219 Notices for all breaches of planning legislation, in accordance with the Council's adopted enforcement policy. 2. Prosecute the unauthorised display of advertisements, unauthorised works to a listed building, and non-compliance where enforcement action has previously been authorised. 3. Take appropriate enforcement action, including serving an injunction where the Director of Governance, or their nominee, having regard to the evidence considers the circumstances to require urgent action. 4. Investigate if a temporary market has been held in breach of Section 37 of the 1982 Act. 5. Vary the requirements for compliance with notices already authorised, including altering the period required for compliance, service of further notices and withdrawal of notices. 6. Determine when action is not expedient in relation to breaches of control considered inconsequential or insignificant. 7. Obtain and use powers of entry necessary in relation to the above. | |

| Function | Principal Relevant Legislation (*see note) | Relevant Details | Exceptions |
|----------|---|--|--|
| | Town and Country Planning Act 1990 (Section 178) (Council Minute 126 – 23.4.13) | 8. To authorise direct action (or re-charge the cost of that action) in pursuit of a valid enforcement notice under Section 178. | Subject to budget provision being available and to local District Councillors being notified |

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APPENDIX A: MATTERS TO BE DETERMINED BY THE RELEVANT COMMITTEE

- (a) Applications contrary to the provisions of an approved draft Development Plan or Development Plan, and which are recommended for approval;
- (b) Applications contrary to other approved policies of the Council, and which are recommended for approval;
- (c) Applications for major commercial and other developments, (e.g. developments of significant scale and/or of wide concern) and which are recommended for approval;
- (d) Applications for residential development consisting of 5 dwellings or more (unless approval of reserved matters only) and which are recommended for approval);
- (e) The Council's own applications on its land or property which are for disposal;
- (f) Those applications recommended for approval where there are more than two expressions of objections received, material to the planning merits of the proposal to be approved, apart from approvals in respect of householder type developments, telecommunication masts, shop fronts and vehicular crossovers and "other" category developments (changes of use, advertisements, listed building consents, conservation area consents), where more than four expressions of objections material to the planning merits of the proposal to be approved are received;
- (g) Applications including certificates of lawfulness in respect of existing use and development, recommended for approval contrary to an objection from a local council which are material to the planning merits of the proposal;
- (h) Applications referred by a District Councillor, whose own ward must be within the remit of the relevant Area Plans Sub-Committee and who has firstly notified the relevant Ward Councillors in advance, so long as the referral has been requested in writing to Officers within 4 weeks of that applications notification in the Council Bulletin;
- (i) Applications where the recommendation conflicts with a previous resolution of a Committee;
- (j) Applications submitted by or on behalf of a Councillor of the Authority (and/or spouse/partner) or on behalf of a member of staff of **Development Control Division of the Governance Directorate and the Forward Planning and Economic Development Division of the Neighbourhoods Directorate** (and/or spouse/partner) and also in those cases where a councillor is an objector in a purely personal capacity;
- (k) Any other application which the Director of **Governance** considers it expedient or appropriate to present to committee for decision (e.g. those raising issues not covered by existing policies, or of significant public interest, or those with a significant impact on the environment);
- (l) An application which would otherwise be refused under delegated powers by the Director of **Governance** but where there is support from the relevant local council and no other overriding planning consideration necessitates refusal.

TREES, CONSERVATION AND RELATED FUNCTIONS

| Function | Relevant Legislation | Relevant Details | Exceptions |
|--|---|--|------------|
| Buildings | Planning (Listed Buildings and Conservation Areas) Act 1990 Section: 3 (1-8) | To serve Building Preservation Notices in urgent cases, subject to report to and review by the next meeting of District Development Control Committee. To obtain and exercise powers of entry to undertake surveys in connection with: (1) Statutory Plans (2) Applications for Planning Permission | Yes |
| Dangerous trees on private land | Local Government (Miscellaneous Provisions) Act 1976 Sections: 23 and 24 | Discretionary power to take action to make safe trees on private land, including to: (1) Obtain and use necessary Powers of Entry to the land; (2) Serve relevant notices; (3) Respond to appeals; (4) Undertake works directly where necessary; and (5) Recover expenses. | No |
| Countryside hedgerows | The Hedgerow Regulations 1997 Sections: 5 to 15 incl. | The responsibility to: (1) Regulate the removal of certain hedgerows; (2) Issue relevant notices, including to require hedgerow replacement; (3) Respond to appeals; (4) Take necessary enforcement or legal action; | No |

| Function | Relevant Legislation | Relevant Details | Exceptions |
|----------------------------|---|--|------------|
| | | <p>(5) Obtain and use necessary powers of entry to the land;</p> <p>(6) Surveying land in connection with any hedgerow removal notice;</p> <p>(7) Ascertaining whether any offences have been committed under Regulation 7; and</p> <p>(8) Determination of whether a notice should be served under Regulation 8.</p> | |
| High Hedges | Anti-social Behaviour Act 2003 (Part 8) Sections: 68, 69, 70, 74, 75, 77, 79 and 80. | <p>The responsibility to:</p> <p>(1) Deal with complaints in relation to the height of domestic hedgerows;</p> <p>(2) Issue, withdraw or relax the requirements or relevant notices;</p> <p>(3) Serve relevant documents regarding notifications;</p> <p>(4) Notify interested parties;</p> <p>(5) Respond to appeals;</p> <p>(6) Take relevant legal or enforcement action, including undertaking works directly and recovering expenses; and</p> <p>(7) Obtain and use powers of entry necessary in relation to (1), (2), (3) and (6).</p> | No |
| Protection of trees | Town and County Planning Act 1990 (as amended) Part VIII Sections: 197, 198, 199, 201, 203, 205, 206, 207, 208, 209, 210, 211, 214, 214A, B, C&D, 324 | <p>The duty and responsibility to:</p> <p>(1) Take all necessary measures to make Tree Preservation Orders where trees are at risk, and are of significant existing or potential amenity value, or where they are of wider or strategic importance, subject to publication of the details in the Council Bulletin;</p> | No |

| Function | Relevant Legislation | Relevant Details | Exceptions |
|----------|----------------------|---|------------|
| | | <p>(2) Amend, confirm, decide not to confirm or revoke such orders (i.e. TPOs) subject to reporting any objections regarding the making of the order to the relevant Area Planning Sub-Committee for this decision;</p> <p>(3) Determine applications for works to preserved trees except as set out below:</p> <p>(i) applications recommended for approval where more than two expressions of objection material to the planning merits of the proposal have been received;</p> <p>(ii) applications recommended for approval contrary to an objection from a local council which are material to the planning merits of the proposal; and</p> <p>(iii) applications which a Councillor representing a ward within the relevant Area Plans Sub-Committee area requests in writing within four weeks of notification in the Council Bulletin should be referred to the appropriate Sub-Committee provided that the member has notified the Ward Councillor in advance;</p> <p>(4) Take any necessary action in respect of claims for compensation;</p> <p>(5) Take action to ensure replacement planting where appropriate, by serving relevant notices, or by undertaking such planting directly and reclaiming the costs, and to publish any decision not to require replacement planting in the Council Bulletin;</p> <p>(6) Respond to appeals;</p> <p>(7) Take legal action in aspect of breaches of Part VIII of the Act where expedient, in conjunction with the Director of Governance, including injunctive action and recovery of costs;</p> <p>(8) Take appropriate action in respect of notification of works to trees in Conservation Areas, including the issue of the Tree Preservation Orders as necessary; and</p> | |

| Function | Relevant Legislation | Relevant Details | Exceptions |
|----------|----------------------|---|------------|
| | | <p>(9) Authorise all expedient measures to gain entry to land in respect of the execution of any of the above, including to:</p> <p>(i) issue a warrant if admission has been refused or if a refusal is reasonably anticipated or if the case is urgent;</p> <p>(ii) to take samples of trees or soil; and</p> <p>(iii) for the authorised person(s) to take with them such other persons as may be necessary.</p> | |

- Note: The authorities to undertake the stated functions, as set under the relevant sections shall be taken to be automatically updated to take into account changes, modifications and updating as they occur in the relevant legislation, subject to no new authorities being created. All references are to the legislation as currently amended.

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Section of Article 5 (5.02 and 5.03) of the Constitution (Chairing the Council)

“5.02 Election of Chairman of the Council

The individual elected to the office of Chairman of Epping Forest District Council shall be elected on merit by the Council at its Annual meeting.

5.03 Appointment of Vice Chairman of Council

The appointment of the Vice Chairman of the Council shall be undertaken by the Council on the basis of merit in accordance with the following provisions:

- (a) nominees for the office of Vice-Chairman of the Council are required to submit a nomination form supported and signed by no fewer than 15 serving District Councillors on the date when the Appointments Panel holds its first meeting in any municipal year;
- (b) nominees for Vice Chairman of the Council may be a Councillor from any political group on the Council or any independent or unaffiliated Councillor;
- (c) the nomination of candidates for the position of Vice-Chairman and the expression of support for any nomination may be notified to the co-ordinating member by electronic mail;
- (d) all nominations shall be considered by the Appointments Panel for onward recommendation to the Annual Council meeting;
- (e) it is expected that the person appointed by the Council as Vice Chairman of the Council shall normally be elected as the Chairman of the Council for the following Council year;
- (f) If for any reason, a Vice Chairman is unable to be elected as Chairman of the Council following their year as Vice Chairman, the procedure outlined in (a) to (c) above shall also apply to the election of a new Chairman;
- (g) the Council may suspend the operation of the appointment process set out above at an Annual Council meeting. A motion to that effect and giving reasons as to why this would be in the best interests of the Council may only be adopted if the equivalent of 65% of Council members present at the meeting vote in favour”.

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PART 6

MEMBERS' ALLOWANCES SCHEME

**SCHEME OF MEMBERS' ALLOWANCES -
STATEMENT CONCERNING IMPLEMENTATION
2014/15**

**The following scheme has been agreed for the period
11 June 2014 to 26 May 2015**

The Council decided at its meeting on 20 February 2014 to implement the amount of Basic, Special Responsibility and Co-optees Allowances provided in the scheme as set out below:

Basic Allowance: £3,435 per annum per Councillor

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

| DUTY | ANNUAL AMOUNT OF SRA |
|---|--|
| Leader | £7,875 |
| Cabinet members (9) | £6,300 each |
| Chairman of District Development Control Committee | £2,362 |
| Chairmen of Area Plans Sub-Committees | £2,362 each |
| Chairman of Overview and Scrutiny Committee | £3,150 |
| Chairmen of Complaints, Staff Appeals Panels and Housing Appeals and Review Panel | £ 110 each (per meeting held) |
| Chairmen of Licensing Sub Committee (6) | £2,362 divided between the 6 Chairmen |
| Chairman of Audit and Governance Committee | £2,150 |
| Chairmen of Standing Scrutiny Panels | £2,150 each |
| Chairman of the Standards Committee | £ 500 |

The amounts payable during the year for independent members are:

| | |
|--|-------|
| Independent Persons affiliated to the Standards Committee | £ 250 |
| Independent Members of the Remuneration and Parish Remuneration Panels | £ 250 |
| Co-opted Members of the Audit & Governance Committee | £ 500 |

A copy of the full scheme is available on request from Democratic Services, Civic Offices, Epping.

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. This scheme may be cited as the Epping Forest District Council Members' Allowance Scheme and shall have effect for the period **11 June 2014 to 26 May 2015**.

2. 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, 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;

"year" means the ~~12 months~~ the period ending with **26 May 2015**.

3. **Basic Allowance**

Subject to paragraph 7, £4,300 shall be paid to each Councillor. ~~An annual supplementary basic allowance of £250 per Councillor (for each year of office) shall be payable in accordance with Appendix 1 to this scheme. Payments are subject to deductions for tax and national insurance dependant on the circumstances of individual councillors.~~

4. **Special Responsibility Allowances**

(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.

(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.

5. **Travelling and Subsistence (including Cycle Allowance)**

(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.

(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).

(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.

6. Child Care and Dependant Carers' Allowances

(1) The maximum rate for this allowance shall be set at a rate equivalent to the Adult National Minimum Wage (currently £6.31 per hour).

(2) A member of the Council 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.

(3) The rate applicable shall be subject to automatic increases on an annual basis in line with uprating of the Adult National Minimum Wage.

(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.

(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

A councillor or independent member may by notice in writing given to the Assistant to the Chief Executive elect to forego any part of his entitlement to an allowance under this scheme.

8. Part-year Entitlements

(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:

(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;

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.

(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.

(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.

(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.

(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

(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 on the last Wednesday of each third month;

(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.

(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. Uprating for Inflation

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

11. Co-optees' Allowance

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

12. Withholding/Recovery of Payments

~~12.1 If any councillor or independent member is wholly suspended or partially suspended under Part III of the Local Government Act 2000, or regulations~~

~~made under that part, the Council shall be entitled to withhold any payments of Basic and Special Responsibility or Travelling and Subsistence Allowances in respect of that period of suspension or partial suspension.~~

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

~~(a) — suspended or partially suspended from their responsibilities or duties as a member of the Authority in accordance with Part III of the Local Government Act 2000 or regulations made under that part; or~~

(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 the Epping Forest District Council under this scheme shall be entitled to pensionable status in accordance with a scheme made under Section 7 of the Superannuation Act 1972, if they opt in to the Essex Superannuation Scheme.

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.

14. Further Guidance

Further guidance on this scheme can be found in Appendix 2.1.

SCHEDULE 1

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 AMOUNT OF SRA |
|---|--|
| Leader of Council | £10,750 |
| Cabinet members | £6,450 (each) |
| Chairman, District Development Control Committee | £3,225 |
| Chairmen of Area Plans Sub-Committees | £3,225 (each) |
| Chairman of Overview and Scrutiny Committee | £4,300 |
| Chairmen of Licensing Sub Committee (6) | £3,225 (divided equally between the six Chairmen). |
| Chairmen of Complaints, Staff Appeals and Housing Appeals and Review Panels | £110 each (per meeting held) |

| | |
|--|---------------|
| Chairman of Audit and Governance Committee | £2,150 |
| Chairmen of Standing Scrutiny Panels | £2,150 (each) |

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:
 - (i) 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
 - (ii) 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 Control 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.

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

| | |
|---|---|
| <p>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.</p> | <p>Appropriate subsistence and travelling expenses (second class return rail fare or car mileage at the appropriate rate whichever is the less if travel outside the Epping Forest District is required).</p> |
|---|---|

| | |
|---|---|
| <p>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.</p> | <p>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).</p> |
|---|---|

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**

| | |
|---|----------------|
| Chairman of the EFD Standards Committee: | £500 per annum |
| Independent Persons affiliated to the EFD Standards Committee: | £250 per annum |
| Co-opted independent members of an Overview and Scrutiny Committee | £500 per annum |
| Co-opted members of the Audit and Governance Committee | £500 per annum |

~~Member Remuneration Scheme~~

~~Members Connectivity Scheme – Agreement between Epping Forest District Council and Members of the Council~~

~~Basic Allowances paid to Councillor by Epping Forest District Council (“the Council”) are made in accordance with Section 18 of the Local Government and Housing Act 1989 as amended by Section 99 of the Local Government Act 2000.~~

~~Relevant regulations applied in formulating this agreement are The Local Authorities (Members Allowances)(England) Regulations 2003.~~

~~Grants in respect of the Member Connectivity Scheme have been considered and agreed by the Council’s Independent Remuneration Panel on 12 October 2005, as being a supplement to the Basic Allowance.~~

~~Terms and Conditions of Agreement~~

~~1. In signing this agreement the Councillor undertakes to:~~

~~(i) provide IT equipment to enable them to view agenda and minutes documents, forward plan and such other documents that may be put on the Council’s extranet or internet site;~~

~~(ii) abide by the Connectivity Scheme (Annex 1) and Standards Committee Guidance on the use of ICT (Annex 2); the Council’s other adopted ICT related policies including the security of any data and remote working policies; and the provisions of the Local Government Act 1972 regarding the transmission of Exempt Business as defined in Schedule 12A (or other exemption categories that may be enacted) outside of the Council and any internal meeting, all of which should be considered confidential until published for public consumption;~~

~~(iii) treat any contact information relating to officers and members that does not appear on the Council’s public website as confidential;~~

~~(iv) cease to receive paper copies of minutes and agenda for those Committees, Sub-committees and Panels of which he/she is not a member.~~

~~2. The Council undertakes to provide:~~

~~(i) An ‘extranet’ (a private intranet) connection to the Council’s IT network using a ‘token’ scheme to control access and a user name and password for each member;~~

~~(ii) Training on the use of the system;~~

~~(iii) ICT support relating to 2(i) above and advice from Democratic Services (DS) on 2(ii) above;~~

~~(iv) A paper copy of the agenda to members of Council, each Committee, Sub-committee or Panel (unless the member indicates in writing otherwise);~~

~~(v) Email notification of publication of agenda and minutes to all members;~~

~~(vi) Headed paper and envelopes for use by members for Councillor correspondence.~~

Payment of Allowances

~~3. The addition to the Basic Allowance will be paid to each Councillor entering into this agreement quarterly in arrears (currently £250 per annum).~~

~~4. The Council may review the payment of such allowances from time to time as necessary and may change or cease payment upon resolution at Full Council.~~

Acceptance

~~I confirm that I have read and accepted the terms and conditions of this agreement.~~

| | |
|---|---------------|
| Signed by Councillor: | Dated: |
| Name (Please print): | |
| Signed on behalf of the Council: | Dated: |
| Ian Willett Assistant to the Chief Executive | |

~~Member Connectivity Scheme~~

~~This document provides information on the Member Connectivity Scheme.~~

~~Introduction~~

~~The Connectivity Scheme has been introduced to enable members to receive electronic notification of and Internet access to papers for Council meetings and associated information. The scheme has been made possible following the introduction of the Committee Management System (CoMS) which publishes our publicly available agenda to the Internet via the Council's website. The Connectivity Scheme will, however, provide members with access to a wider range of information including agenda planning, up to date notification of publication, call in and portfolio holder decision making.~~

~~The Agreed Scheme~~

~~The Connectivity Scheme provides members with an additional allowance (payable as part of the existing Scheme of Members Allowances) towards acquiring computer equipment and to use this equipment to access information on the Council's Agendas and Minutes via the Internet.~~

~~Members would be expected to use this system to access all agenda and minutes information and cease to receive hard copy agenda (except for those of which they are a member or required to attend by virtue of a position).~~

~~Under the scheme you will receive £250 per annum (payable normally quarterly in arrears) from which members will be expected to assist with the cost of a Personal Computer (PC) (if necessary); Internet connection and any consumables. This sum will be subject to tax and National Insurance.~~

~~Equipment Specification~~

~~The minimum specification required for PC equipment is:~~

- ~~(i) — A PC that can access the Internet;~~
- ~~(ii) — A broadband connection to your home;~~
- ~~(iii) — A valid email account;~~
- ~~(iv) — Internet Browser software; and~~
- ~~(v) — A printer capable of printing A4 pages.~~

Data and Equipment Security and Use Guidance

~~The equipment is the individual member's property and can be used for non-council activities. Members must adhere to:~~

- ~~(i) The User Policy Statement for the CoMS system;~~
- ~~(ii) Issued Standards Committee Guidance on the Use of IT by Members;~~
- ~~(iii) The Council's other adopted ICT related policies including the security of any data and remote working policies;~~
- ~~(iv) The provisions of the Local Government Act 1972 regarding the transmission of Exempt Business as defined in Schedule 12A outside of the Council.~~

~~What the Council will provide:~~

~~The Council will:~~

- ~~(i) Provide an 'extranet' (a private intranet) connection using a 'token' scheme to control access and a user name and password for each member;~~
- ~~(ii) Training on the use of the system;~~
- ~~(iii) ICT support relating to (i) above and advice from DS on (ii) above;~~
- ~~(iv) A paper copy of the agenda to members of each Committee (unless the member indicates in writing otherwise);~~
- ~~(v) Email notification of publication of agenda and minutes to all members;~~
- ~~(vi) Headed paper and envelopes for use by members for Councillor correspondence.~~

~~What the Council will not provide:~~

~~The Council will not:~~

- ~~(i) Provide ICT support for PC's or any peripherals purchased by members under the scheme;~~
- ~~(ii) Advise on purchase of equipment or choice of ISP.~~
- ~~(iii) Provide a paper copy of agenda for other Committees if you are not a member. Paper copies of Agenda will be available at the meeting in small quantities.~~
- ~~(iv) Plain paper and print cartridge consumables.~~

Glossary of Terms used in this document

Broadband— a system of connecting to the Internet that allows voice, data, and video to be broadcast over the same medium at the same time. They may also allow multiple data channels to be broadcast simultaneously. It is much faster than traditional dial-up methods of connection.

Browser— Software that allows a computer user to find and view information on the Internet.

Committee Management System— A computer system used by EFDC to publish and archive all Agenda and Minutes of Council meetings and publish these to the Internet and Intranet.

Email account— An account provided by your ISP by which you can receive email. Your current or chosen ISP will be able to provide details of how you can set an account up.

Extranet— An extension of the Council's Intranet giving authorised people controlled access to the Intranet from outside of the Council's network.

Exempt Business— Items of business on an agenda that are confidential to the Council and should not be disclosed to third parties.

Internet— A network that links computer networks all over the world by satellite and telephone, connecting users with service networks such as e-mail and the World Wide Web.

Internet Browser— See Browser.

ISP— Internet service provider. A company that provides Internet connection services

IT helpdesk— The Council provides a helpdesk to support its applications. Its contact number is 01992 564321

Password— In this case means a word that when entered on the password screen allows access to the extranet

Peripherals— A piece of computer hardware such as a printer or a disk drive that is external to but controlled by a computer's central processing unit.

Personal Computer (PC)— A computer with its own operating system and a wide selection of software, intended to be used by one person.

Portfolio holder decision-making— Means an executive decision made by a member of the Cabinet

DS— Democratic Services at EFDC.

Remote working— Is another way of describing someone accessing the Council's network from outside of the building i.e. remotely.

Token— A piece of equipment that provides a secondary form of identification when accessing the Council's extranet.

User name— In this instance means your name on the system. Normally a combination of your initials and your surname.

Extract from the protocol on use of Council Facilities by members:

Guidance on the Use of IT by Councillors

1. Purpose of Guidance

1.1 The Council provides Councillors with an allowance towards the costs of providing and maintaining equipment, software or other consumables necessary to allow them to access the Committee Management System. This protocol gives advice on use of computer equipment in order to minimise risks to both the Council and to individual Councillors.

2. Security

2.1 Under the terms of the Connectivity Scheme, Councillors are responsible for:

- (i) ensuring that their password and secondary authentication equipment remain accessible only by themselves;
- (ii) abiding by the Council's published ICT policies and standards relating to security of systems and data and remote working;
- (iii) meeting the requirements of the Local Government Act 1972 and any subsequent Act in relation to exempt and confidential information; and
- (iv) adhering to specific user policies for systems they are given access to.

3. Use of Equipment

3.1 Councillors should be mindful of the onus placed upon them under 2 above. They should ensure that any material down-loaded via the Intranet is kept securely at any remote location. Councillors should ensure that if the computer is shared, proper arrangements are made to limit access to materials stored by the member, that fall into exempt and confidential categories. Such material will be routinely endorsed "Restricted".

3.2 Councillors should not store or download any material which:

- (i) causes the Council to be brought in to disrepute;
- (ii) contravenes the Access to Information or Data Protection Acts or similar legislation;
- (iii) is illegal or inconsistent with the high standards expected of those in public office;
- (iv) is defamatory; or
- (v) breaches the Council's Code of Conduct (including confidentiality).

~~3.3 — If a Councillor uses their computer for the preparation of any material of a personal or political nature, he/she must make it clear that such material is published in a private capacity and not by or on behalf of the Council, and that no costs have been incurred by the Council as a consequence of its publication. Similarly, a Councillor should not express views on any matter relating to the Council without expressly indicating that the views are personal and not those of the Authority.~~

~~3.4 — Councillors should be aware that the internet is a completely unregulated medium and they are not protected in any way from viruses etc.~~

~~3.5 — The Council accepts no responsibility for Councillors' use of IT equipment.~~

~~For more information see the Member Connectivity Scheme and related ICT Policies.~~

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 elsewhere in the Constitution binder. 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 (INCLUDING SUPPLEMENTARY 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.
- 2.2 A grant of £250 per annum as a supplement to the basic allowance will be payable to assist members in receiving electronic notification of and Internet access to papers for Council meetings and associated information subject to the member signing an agreement to undertake to meet the terms and conditions set out in the Members' Connectivity Scheme (set out in Appendix 1 attached).

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.

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).

4.2 Car Travel

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 reverse of the claim form and are reviewed annually.

4.3 Shortest Distance

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.

- 4.4 Travel Direct from **Place of Employment** etc

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.

4.5 Travel Outside the District – Limit on Amount Claimable

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.

This is subject to consideration of any special circumstances as set out in 4.6 below.

4.6 Travel over Long Distances – Special Circumstances

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.

4.7 Use of Public Transport within Epping Forest District

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.

4.8 Cycle Allowance

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

4.9 Child and Dependant Carer's Allowance

This allowance may be claimed at a rate equivalent to the current rate for the Adult National Minimum 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”)

Her Majesty’s Revenue & Customs (HMRC) deems a councillor’s workplace for the purposes of their role as an elected representative to be the Civic Offices, Epping and therefore that such expenses are subject to tax and national insurance deductions.

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

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**

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 Assistant to the Chief Executive (or the Assistant Director - Democratic Services acting on his 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.