



NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the EPPING FOREST DISTRICT COUNCIL to be held in the COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING at 7.30 pm on Tuesday, 29 September 2015 for the purpose of transacting the business set out in the agenda.

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

Glen Chipp
Chief Executive

**Democratic Services
Officer:**

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

WEBCASTING/FILMING NOTICE

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

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

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

If you have any queries regarding this, please contact Democratic Services on 01992 564249.

BUSINESS**1. WEBCASTING INTRODUCTION**

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

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

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

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

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

2. MINUTES (Pages 7 - 34)

To approve and sign as a correct record the minutes of the meetings held on 28 July 2015 and 10 September 2015. (attached)

3. DECLARATIONS OF INTEREST

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

4. ANNOUNCEMENTS**(a) Apologies for Absence****(b) Announcements**

To consider any announcements by:

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

5. PUBLIC QUESTIONS (IF ANY)

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

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

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

6. QUESTIONS BY MEMBERS UNDER NOTICE

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

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

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

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

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

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

7. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 35 - 68)

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

- (a) Report of the Leader;
- (b) Report of the Assets and Economic Development Portfolio Holder; (attached)
- (c) Report of the Environment Portfolio Holder; (attached)
- (d) Report of the Finance Portfolio Holder; (attached)
- (e) Report of the Governance and Development Management Portfolio Holder; (attached)
- (f) Report of the Housing Portfolio Holder; (attached)
- (g) Report of the Leisure and Community Services Portfolio Holder; (attached)
- (h) Report of the Planning Policy Portfolio Holder; (attached)

- (i) Report of the Safer, Greener and Transport Portfolio Holder; (attached) and
- (j) Report of the Technology and Support Services Portfolio Holder (attached).

8. QUESTIONS BY MEMBERS WITHOUT NOTICE

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

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

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

- (a) direct oral answer from the Leader or, at the request of the Leader, from another member of the Cabinet;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication;
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner; or
- (d) where the question relates to an operational matter, the Leader or a member of the Cabinet will request that a response be given direct to the questioner by the relevant Chief Officer.

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

9. MOTIONS

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

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

Reports of the Cabinet

10. DISABLED FACILITIES GRANTS IN 2015/16 (Pages 69 - 70)

(Housing Portfolio Holder) To consider the attached report.

11. STATUTORY STATEMENT OF ACCOUNTS 2014/15 (Pages 71 - 158)

To consider the attached report and the Statutory Statement of Accounts 2014/15 being submitted to the Audit and Governance Committee on 21 September 2015.

The Chairman of the Audit and Governance Committee will report orally on that

Committee's consideration of and recommendations regarding the Statutory Statement of Accounts 2014/15.

12. OVERVIEW AND SCRUTINY (Pages 159 - 162)

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

13. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS (Pages 163-164)

- (a) To receive the attached report from Councillor H Kane, as the Council's representatives for the Royal Gunpowder Mills;
- (b) To receive from Council representatives any other reports on business of joint arrangements and external organisations and to receive answers to any questions on those bodies which may be put without notice; and
- (c) To request written reports from representatives on joint arrangements and external organisations for future meetings.

14. EXCLUSION OF PUBLIC AND PRESS

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

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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

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

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

report rather than decision.

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

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

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

EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES

- Committee:** Council **Date:** 28 July 2015
- Place:** Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 8.45 pm
- Members Present:** Councillors E Webster (Chairman), J Lea (Vice-Chairman), K Angold-Stephens, N Avey, R Bassett, N Bedford, A Boyce, H Brady, W Breare-Hall, R Butler, G Chambers, K Chana, T Church, D Dorrell, L Girling, A Grigg, J Hart, L Hughes, R Jennings, S Jones, H Kane, S Kane, H Kauffman, P Keska, J Knapman, Y Knight, A Lion, M McEwen, L Mead, G Mohindra, R Morgan, S Murray, A Patel, J Philip, C P Pond, C C Pond, C Roberts, B Rolfe, B Sandler, M Sartin, G Shiell, D Stallan, B Surtees, L Wagland, G Waller, S Watson, C Whitbread, J H Whitehouse, J M Whitehouse and D Wixley
- Apologies:** Councillors R Gadsby, H Mann, A Mitchell MBE, S Neville, S Stavrou, T Thomas, S Weston and N Wright
- Officers Present:** G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), S G Hill (Assistant Director (Governance & Performance Management)), P Maddock (Assistant Director (Accountancy)), T Carne (Public Relations and Marketing Officer), R Perrin (Democratic Services Officer) and G J Woodhall (Senior Democratic Services Officer)
-

23. WEBCASTING INTRODUCTION

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

24. MINUTES

RESOLVED:

That the minutes of the Council meeting held on 23 June 2015 be taken as read and signed by the Chairman as a correct record.

25. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor E Webster and J Lea declared a non-pecuniary interest on item 9 - Motions (a) Chairman and Vice Chairman of Council – Mileage Allowances. After taking advice from the Monitoring Officer and in accordance with section 10.2 (iii) of the Council's Code of Conduct, where a matter of allowances or payments to Councillors was under consideration, no pecuniary interest would be created for any member of the Council and they would remain in the meeting for the consideration of the item but indicated they would abstain from voting on the matter..

(b) The Chief Executive declared a non-pecuniary interest for himself as the Head of Paid Service, the Deputy Monitoring Officer, S Hill, the Deputy Section 151

Officer, P Maddock and Director of Neighbourhoods, D Macnab on item 13 - Officer Employment Procedure Rules, which related to changes proposed to any dismissal arrangements for relevant officers under those rules. There was no discretion for the Council in admitting the rules into the Constitution and Officers proposed to remain present during the consideration of the item.

26. ANNOUNCEMENTS

(a) Announcements by the Chairman of Council

(i) Events;

The Chairman advised that the Chairman's Charity Golf Day had raised £740 for the Royal British Legion. She thanked all the people involved in the event in particular the organizers Gary Woodhall, Trevor Johnson and Chigwell Golf Club.

The Chairman advised that there were two events for Members diary's which were the Civic Carol service on Tuesday 8 December 2015 at Waltham Abbey Church and the Chairman's Civic Awards on Friday 18 March 2016 at Gilwell Park.

(ii) Flowers;

The Chairman advised that she intended the flowers from tonight's meeting to be sent to Mrs A Merrick, the wife of the former Chief Works Officer who had passed away recently.

27. PUBLIC QUESTIONS (IF ANY)

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

28. QUESTIONS BY MEMBERS UNDER NOTICE

The Council noted that there were no Members questions made with notice to be considered at this meeting.

29. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET

The Council received written reports from the Members of the Cabinet.

The Chairman invited the Leader to provide an oral report and other Members of the Cabinet to give an oral update.

(a) The Leader of Council

The Leader of the Council advised that he had attended the first Essex Leaders and Chief Executive meeting of the municipal year, where devolution had been high on the agenda. Whilst scoping work was being carried out on what powers could be devolved from Central Government, he was concerned by a number of issues such as the governance arrangements and how it would benefit the Council. The Leader stated that the Council, now needed to give careful consideration about what was required from the arrangement and what would provide best value for the residents in the future.

The Leader attended the South East Local Enterprise Partnership (SELEP), where he was advised that on the 20 July 2015 the Chairman of the Greater Business Board had wrote to the Secretary of State for Communities and Local Government

regarding a proposal for a Greater Essex Local Enterprise Partnership, which similarly the Kent and Medway Economic Partnership had also proposed. The proposals contained appropriate transitional arrangements which ensured that the funding already committed to SELEP was spent and that delivery would be secured for Essex.

The Council hosted the Locality Board on the 28 June 2015, which was attended by County Council Divisional Members, Cabinet and the local MP E Laing. Updates were received on the Local Plan; progression on the potential new Junction 7A on the M11, which was the subject of further public consultation; the North Essex Parking Partnership and a possible review of the future Council's participation; and the Government's Consultation on Gypsy and Traveller Sites.

The Leader advised that he had been heavily engaged with Councillor W Breare-Hall, Environment Portfolio Holder, in trying to ensure improvements to the immediate problems with the Waste and Recycling Collection arrangements which had included regular meetings with Biffa's Managing Director and Commercial Director about the Council's feelings regarding the unacceptable performance. There had also been a push to get the contract stabilised and provide a better service than had been delivered since the 12 May 2015.

(b) Environment Portfolio Holder

The Environment Portfolio Holder, W Breare-Hall advised that there had been continued improvement in the services delivered by the Waste, Recycling and Street Cleansing contractor. On the 20 July 2015 he had met with the Biffa's Managing Director and Commercial Director and had raised the areas of main concern, namely that the collections had been repeatedly being missed and the need for better communication between Biffa personnel and the Council's staff. Biffa accepted that further improvement were required and reconfirmed their commitment to resolving the issues. The Portfolio Holder reported that the daily average number of missed collections were currently 46, out of 27,000, which had been reduced from around 200 in June 2015. The number of telephone calls was now below 200 per day from a peak of 550 in late May and he accepted that this was still too high. Councillor W Breare Hall advised that he was acutely aware of the number of collections still being missed and pressure would be applied to Biffa, whilst hoping that residents could see the notable improvement and that the service was closer to being stabilised. He apologised to all the residents who had been inconvenienced and gave his sincere thanks to staff that had put the service back on track.

(c) Governance and Development Management Portfolio Holder

The Governance and Development Management Portfolio Holder, J Philip advised that 55% of households had responded to the Individual Electoral Registration (IER) with 50% of those responses being via the automated services. This had translated into around 25,000 households that were still to respond. He advised that the reminder process would be starting shortly, and asked Members to encourage residents to reply.

(d) Planning Policy Portfolio Holder

The Planning Portfolio Holder, R Bassett advised that on 8 July 2015 the Chancellor had signalled a fresh focus for planning performance with a proposal for new scrutiny on the pace of local plan production and a tightening of the special measures regime that would penalised councils for being too slow in determining major applications. The Productivity Plan Fixing the Foundations, set out a number of proposed planning

changes to ensure that more houses were built which had included releasing land for the homes people needed, a zonal system for brownfield land, improving the planning process – ensuring planning decisions were made on time, more devolved planning powers, starter homes and right to buys.

The Portfolio Holder advised that the Secretary of State for Housing and Planning had stated that authorities were also required to produce a Local Plan by early 2017. The Council was currently aiming to compile a full and total Local Plan with the requirement of 'duty to co-operate' with adjoining authorities and partners, although delays had occurred because of inspectors decisions on other authority's plans.

30. QUESTIONS BY MEMBERS WITHOUT NOTICE

(a) Reduction in Housing Rents

Councillor S Murray asked the Portfolio Holder for Housing, Councillor D Stallan about whether the implications of the Chancellor's announcement in the Summer budget regarding rent reductions by 1% per annum over the next four years for councils and housing associations;

(i) had come to him as a surprise; and

(ii) whether any further information was available on the options suggested within his Portfolio Holder report, which included;

- Reductions in the amount of new Council Housebuilding;
- Further borrowing to fund the Council Housebuilding Programme; and
- Reduced investment in the Council's housing stock, resulting in a revised approach to the Council's recently-introduced Modern Home Standard.

Councillor D Stallan agreed that the reduction would have significant impact on the Housing Revenue Account (HRA) and options were being discussed and Members were being fully consulted. He advised that because of the good financial management of the HRA in previous years, the Council was in a better position than most to deal with the reduction.

(b) Electoral Registration Process

Councillor B Surtees asked the Portfolio Holder for Governance and Development Management, Councillor J Philip whether there was a possibility that some of the shortfall of responses to the Electoral Registration could be down to the limited ability of residents in dealing with the complicated paperwork and whether guidance could be provided to assist with a simpler explanation of the requirements of the form.

Councillor J Philip advised that the Electoral Registration letters were produced at an appropriate level and it was clearly stated on the form that if anyone had problems completing the form there was a helpline to call. He advised that there were various technological methods available to complete the form, alongside completing a paper copy. He advised that the Council had not wanted to frighten residents, although it was very important to register and complete the required forms.

(c) Local Plan

Councillor J M Whitehouse asked the Planning Policy Portfolio Holder, Councillor R Bassett whether he planned to make any amendments to the Local Plan time table in response to the Secretary of State for Housing and Planning announcement about a deadline for a Local Plan to be produced by early 2017.

Councillor R Bassett advised that he would look into the progression of the Local Plan, although there had been measured progress because of the need for the duty to co-operate across the bordering authorities and production of a consistent approach. The Council would be producing a document, although with inspector's decisions being taken into account, there had been further delays to the Council's Plan. Councillor R Bassett advised that a Local Plan would be produced as soon as possible and hoped that everyone would have been consulted and opinions taken into account.

(d) Transport for London (TfL) - Addition Car Park Spaces

Councillor K Angold-Stephens asked the Governance and Development Management Portfolio Holder, Councillor J Philip whether the pre-application consultation with TfL on the provision of additional car parking spaces at Epping and Theydon Bois stations had included:

- (i) the capacity issues on the tubes in a morning directed towards London;
- (ii) the effect it could have further down the line; and
- (iii) whether discussions could be made with the Town and Parishes effected.

Councillor J Philip advised that the Council was aware of the interest TfL had with the carparks capacity and following the recent outcome of a General Permitted Development Order, TfL had decided to go through the planning application process. He advised that this would allow each decision to be taken with the proper consultation and planning requirements.

(e) Requirement to Sell "High Value" Empty Council Properties

Councillor C C Pond asked the Housing Portfolio Holder, Councillor D Stallan whether following the Governments announcement for proposals to require councils(only) to sell "higher value" properties as they became vacant, resulting in the probable removal of Loughton and Debden properties from the choice based lettings list in the District; whether the Portfolio Holder had made any representations to senior figures within the Conservative Party on the effects the policy would have on the Council?

Councillor D Stallan advised that he was aware of the policy which had been within the Conservative Manifesto and was awaiting further details on the proposals. There had been no representations as yet and the Council would await the consultations and details of the legislation.

(f) St John's Road Site

Councillor J H Whitehouse asked the Assets and Economic Development Portfolio Holder, Councillor A Grigg whether Epping Town Councillors would be involved in the consultations regarding the St John's site before the planning application stage.

Councillor A Grigg advised that the land was not yet within the Council ownership but hoped to be by September 2015. With regards to consultation on the site, it had been suggested that it would be through the planning considerations, which would form part of discussions with the Town Council beforehand and this would be with the agents, Frontier.

(g) Waste Collection

Councillor J Knapman asked the Environment Portfolio Holder, Councillor W Breare Hall for clarification between the daily average of 46 missed collections and the daily number of phone calls received by the Neighbourhoods Customer Services Team.

Councillor W Breare-Hall advised that not all of the 200 calls received were about the waste collections; they also included calls regarding other environmental issues such as fly tipping. Although officers had estimated that around 90% of the calls had still been about missed waste collections.

(h) Royal Gun Powder Mill

Councillor R Butler asked the Leisure and Community Services Portfolio Holder, Councillor H Kane whether following media speculation concerning the selling off of the Royal Gun Powder Mills in Waltham Abbey, whether any influence could be used to keep open the facilities for residents and wider public's enjoyment.

Councillor H Kane advised that although it was not relation to the Portfolio Holder Report, as the Outside Representative of the Council for the Royal Gun Powder Mills, she would report back to the Council following the board meeting scheduled for 11 August 2015.

(i) Flying Tipping – Pyrles Lane, Loughton

Councillor D Wixley asked the Portfolio Holder for Environment, Councillor W Breare Hall whether more publicity could be gained with regards to the prosecutions of fly tipping that could act as a warning, advise residents of the proper way to get rid of waste and that the Council does take action against these types of incidents. He also advised that flying tipping had also occurred again in this area.

Councillor W Breare-Hall advised that fly tipping caused significant nuisance and cost to the Council and a firm line was taken against these types of offenses. The Council had issued press releases to the local press but unfortunately they were not always picked up and it was at their discretion. He would liaise with the Public Relations team to encourage publicity within the local news papers.

(j) Reduction Essex Police Reducing Their Anti-Social Behaviour Work

Councillor C P Pond asked the Portfolio Holder for Safer, Greener and Transport, Councillor G Waller whether the reduction on anti-social behaviour work by Essex Police:

(i) had been discussed at the partnership meetings;

(ii) whether the Council would have enough staff in the safety communities section to cope; and

(iii) whether it would help if the Council wrote to the Police about their concerns?

Councillor G Waller advised that there had been no discussion with the Police and Crime Commissioner before the decision and he had expressed concerns already and hoped to discuss the issue at the Partnership meeting, Safer Essex Panel and Essex Police Panel. The impact of the reduction had not yet been assessed and a probable impact would be felt by the Safety Communities team although this would not yet be known.

31. MOTIONS

Chairman and Vice Chairman of Council – Mileage allowances

By leave of the Council, Councillor Whitbread mover of this motion added an additional recommendation to the motion set out in the agenda.

Revised Motion moved by Councillor C Whitbread and Seconded by Councillor J Philip

“(1) That section (5)(1) of the Members Allowances Scheme be amended to include payment of mileage claims for approved civic duties carried out by the Chairman and Vice Chairman of the Council including Schedule 2 of that scheme which shall include a further subparagraph (p) for which payment can be made, as follows:

‘(p) Attendance at any civic event to which the Chairman or Vice Chairman is attending in that capacity (or representative) for which Council funded transport is not provided’

(2) That payment of such claims be met from the within the existing members allowances budget; and

(3) That the budget for Chairman and Vice Chairman of the Council’s be review and referred to the Governance Select Committee.”

Amendment moved by Councillor Pond and seconded by Councillor Whitbread

“That the words “and public transport” be inserted after “mileage” in paragraph (1).”

Carried

Motion as amended ADOPTED

RESOLVED:

That this Council:

“(1) That section (5)(1) of the Members Allowances Scheme be amended to include payment of mileage and public transport claims for approved civic duties carried out by the Chairman and Vice Chairman of the Council including Schedule 2 of that scheme which shall include a further subparagraph (p) for which payment can be made, as follows:

‘(p) Attendance at any civic event to which the Chairman or Vice Chairman is attending in that capacity (or representative) for which Council funded transport is not provided’

(2) That payment of such claims be met from the within the existing members allowances budget; and

(3) That the budget for Chairman and Vice Chairman of the Council's be review and referred to the Governance Select Committee.”

32. OVERVIEW AND SCRUTINY

The Council received the Annual Report of the Overview and Scrutiny Committee, Standing and Task and Finish Panels for 2014/15 from the Chairman of the Overview and Scrutiny Councillor R Morgan.

Councillor J M Whitehouse enquired about the timescale for the Waste Service review and what steps would be taken to collate information of resident's problems and experiences.

Councillor M Sartin, the Chairman of the Neighbourhoods and Communities Select Panel advised that the panel would scope out the details at their first meeting in September 2015 and further dates had been looked at for full scrutiny of the issues.

Councillor B Surtees enquired about Mental Health Services in the District referred to in the annual report, which was regarding young peoples mental health services and advised that there was a need for Adult Services to be reviewed, owing the great stress being placed on the service.

Councillor R Morgan advised that this could be looked at in the future.

Councillor Murray thanked the Chairman of Overview and Scrutiny Committee and the Executive for the commitment and attendance at scrutiny meetings and the positive relationship the Executive had with the Select Panels.

33. APPOINTMENTS TO VACANCIES ON COMMITTEES AND ADDITIONAL MEMBERS ON OUTSIDE BODIES

Mover: Councillor C Whitbread, Leader of the Council.

Councillor C Whitbread reported on the outcome of the Council's request for additional representations on Outside Bodies and a vacancy on the Standards Committee from Annual Council.

Report as first Moved **ADOPTED**

RESOLVED:

That the following appointments be made for the remainder of the current municipal year:

(a) Councillor C P Pond as the Vice Chairman of the Standards Committee;

(b) Councillor T Boyce as the third representative on the Epping Forest District Local Strategic Partnership (Executive);

(c) Councillor K Angold-Stephens as an additional representative on the Epping Forest Citizens' Advice Bureau;

(d) That Councillor G Shiell be the representative with voting rights appointed to the Epping Forest Citizens' Advice Bureau and Councillors K Angold-Stephens and K Chana be in advisory/observer capacity only; and

(e) That it be noted that an additional representative on the North Essex Parking Partnership (NEPP) was not permissible under its constitution.

34. CALL-IN AND URGENCY FOR THE LICENCE FOR NORTH WEALD MARKET, PROVISION OF NEW DEPOT – OAKWOOD HILL, LOUGHTON AND TENDER FOR INSURANCE POLICIES

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

Assets and Economic Development Portfolio Holder

(a) Licence for North Weald Market

(1) That the Cabinet agreed the recommended course of action proposed by the Asset Management and Economic Development Cabinet Committee that, given the unlikely prospect of an improved trading position by the current market operator, (Hughmark International), the Council exercised its rights to determine the licence, giving six months notice, by 30 June 2015;

(2) That the Council re-tenders the opportunity to hold regular outdoor events on the current market area at North Weald Airfield to include, but not restricted to outdoor markets; and

(3) That the results of this procurement exercise be reported to a future Cabinet meeting.

(b) Provision of New Depot – Oakwood Hill, Loughton

(1) That the tender of £2,385,176 from T. J. Evers Ltd to undertake the design, build and construction of the new depot at Oakwood Hill for Grounds Maintenance and Fleet Operations was accepted.

Finance Portfolio Holder

(c) Tender for Insurance Policies

(1) That the outcome of the tender exercise for the Council's insurance policies and the entering into an agreement with Zurich Municipal for five years with an option to extend for a further two years be noted.

35. OFFICER EMPLOYMENT PROCEDURE RULES

Mover: Councillor M McEwen, Chairman of the Constitution Working Group

Councillor M McEwen submitted a report regarding revised Officer Employment Procedure Rules.

Report as first moved **ADOPTED**

RESOLVED:

- (1) That the revised Officer Employment Procedure Rules attached be adopted and incorporated into the Council's Constitution; and
- (2) That the proposed rules be subject to further revision based on Government guidance in 6 months time.

36. REVIEW OF TERMS OF REFERENCE FOR THE STANDARDS COMMITTEE

Mover: Councillor G Chambers, the Chairman of the Standards Committee

Councillor G Chambers presented a report on the new Terms of Reference for the Standards Committee.

Report as first moved **ADOPTED**

RESOLVED:

- (1) That the following be approved as the new Terms of Reference for the Standards Committee:
 - (a) promoting and maintaining high standards of conduct by Councillors and Co-Opted Members;
 - (b) assisting Councillors and Co-Opted Members to observe the Members' Code of Conduct;
 - (c) advising the Council on the adoption or revision of the Members' Code of Conduct;
 - (d) monitoring the operation of the Members' Code of Conduct;
 - (e) advising, training or arranging to train Councillors and Co-Opted Members on matters relating to the Members' Code of Conduct
 - (f) considering dispensations to Councillors and Co-Opted Members (including Parish and Town Councillors) from requirements relating to interests set out in the Members' Code of Conduct
 - (g) dealing with any reports referred from or on behalf of the Monitoring Officer on any matter, including investigations relating to Councillor conduct;
 - (h) the exercise of (a) to (g) above in relation to the Parish Councils wholly or mainly in its area and the members of those Parish Councils either directly or through joint arrangements from time to time agreed; and
 - (i) adjudication on complaints regarding the operation of District Council protocols annexed to the Constitution; and
- (2) That the Terms of Reference may be further revised as part of the ongoing review of the Constitution.

37. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

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

Councillor S Murray requested a report on the Grange Farm Trust and grants received by the Trust.

The Chairman advised that any general reports from joint arrangements and external organisations would be included within the Members Bulletin, although any reports requested directly by Members would be reported directly to Council.

CHAIRMAN

This page is intentionally left blank

OFFICER EMPLOYMENT PROCEDURE RULES

CONTENTS

Rule

1. Definitions
2. Responsibility for Appointment, Dismissal and Disciplinary Action
3. Recruitment and Appointment – General Requirements
4. Recruitment of Chief Officers
5. Appointment of the Chief Executive
6. Appointment of other Chief Officers
7. Appointment of Assistants to Political Groups
8. Objection by the Executive – Appointment of Chief Officers
9. Disciplinary Action
10. Disciplinary Panels
11. Objection by the Executive – Dismissal of a Chief Officer
12. Redundancy Procedures

Appendix

- 1 Operational Standing Orders – Staff

M1

Z:\OCE\DS\CONSTITUTION\M1-M11 OFFICER EMPLOYMENT PROCEDURE RULES Rev 6

OFFICER EMPLOYMENT PROCEDURE RULES

A. DEFINITIONS AND RESPONSIBILITIES

1. Definitions

In these rules:

- (a) "the 1989 Act" means the Local Government and Housing Act 1989;
- (b) "the 2000 Act" means the local Government Act 2000;
- (c) **"the 2011 Act" means the Localism Act 2011(b);**
- (d) **"chief financial officer", "disciplinary action", "head of the authority's paid service" and "monitoring officer"** have the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001;
- (e) "Chief Executive" means the most senior officer of the Council in terms of managerial status and may include any person designated as Head of Paid Service pursuant to s4 of the Local Government and Housing Act 1989 and Deputy Chief Executive shall be construed accordingly;
- (f) "Chief Financial Officer" means the individual who has responsibility for financial administration pursuant to and for the purposes of s151 of the Local Government Act 1972;
- (g) "Chief Officer" means
 - (i) ~~Chief Executive, Deputy Chief Executive, Director of Corporate Support Services, Director of Finance and ICT, Director of Housing, Director of Planning and Economic Development, Director of Environment and Street Scene, Assistant to the Chief Executive~~ **Director of Communities, Director of Governance, Director of Neighbourhoods, Director of Resources;**
 - (ii) Further for the purposes of these Rules alone the Chief Financial Officer and Monitoring Officer, Deputy Financial Officer and Deputy Monitoring Officer are included within the definition of Chief Officer;
 - (iii) Further this definition will also include any post which is subsequently created to these Rules and whose terms of appointment expressly state that these Rules will apply as if to a Chief Officer.
- (h) "Executive" and "Executive Leader" have the same meaning as in Part II of the 2000 Act;
- (i) "Member of Staff" means a person appointed to or holding a paid office or employment under the authority;
- (j) "Pro Rata Rules" mean the principles set out in s15 of the 1989 Act;
- (k) "Proper Officer" means an officer appointed by the authority for the purposes of the relevant provisions in these Rules;

M3

Rev 6

Z:\OCE\DS\CONSTITUTION\M1-M11 OFFICER EMPLOYMENT PROCEDURE RULES

- (l) "The Rules" means the Officers Employment Rules;
- (m) ***"independent person" means a person appointed under section 28(&) of the 2011 Act;***
- (n) ***"local government elector" means a person registered as a local government elector in the register of electors in the authority's area in accordance with the Representation of the People Acts;***
- (o) ***"the Panel" means a committee appointed by the authority under the Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of relevant officers of the authority;***
- (p) ***"relevant meeting" means a meeting of the authority to consider whether or not to approve a proposal to dismiss a relevant officer; and***
- (q) ***"relevant officer" means the chief finance officer, head of the authority's paid service or monitoring officer as the case maybe.***

2. Responsibility for Appointment, Dismissal and Disciplinary Action

- 2.1 Save as otherwise provided for by these Rules and subject to the exceptions in sub paragraphs 2.2 and 2.3 below, the function of appointment and dismissal of, and taking disciplinary action against, a Member of Staff of the authority must be discharged, on behalf of the authority, by the Chief Executive or by a Member of Staff nominated by him.
- 2.2 The exceptions referred to in sub paragraph 2.1 are as follows:
 - (a) the Chief Officers of the Council as defined above; and
 - (b) any person appointed in pursuance of Section 9 of the 1989 Act (assistants for political groups).
- 2.3 Nothing in paragraph 2.2 above shall prevent a person from serving as a member on any panel, committee or sub-committee established by the authority to consider an appeal by:
 - (a) another person against any decision relating to the appointment of that other person as a Member of Staff of the authority; or
 - (b) a Member of Staff of the authority against any decision relating to the dismissal of, or taking disciplinary action against, that Member of Staff.

B. RECRUITMENT

3. Recruitment and Appointment – General Requirements

3.1 Declarations

- 3.1.1 The Council will draw up a statement requiring any candidate for appointment

as a Member of Staff to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing councillor or Member of Staff of the Council; or of the partner of such persons.

- 3.1.2 No candidate so related to a councillor or a Member of Staff will be appointed without the authority of the relevant Chief Officer of the service to which that candidate has applied or a Member of Staff nominated by him/her for this purpose.

3.2 Seeking Support for Appointment

- 3.2.1 The Council will disqualify any applicant who directly or indirectly seeks the support of any councillor for any appointment with the Council.
- 3.2.2 No councillor will seek support for any person for any appointment with the Council.
- 3.2.3 The Council will disqualify any applicant who directly or indirectly seeks the support of any Member of Staff for any appointment with the Council save where the applicant is an existing Member of Staff and seeks a reference from another Member of Staff in support of such application.
- 3.2.4 The content of Rule 3.2 shall be included in any recruitment information.

4. Recruitment of Chief Officers

- 4.1 Where the Council proposes to appoint a Chief Officer and it is not proposed that the appointment be made exclusively from among their existing Members of Staff, the Council will:
- (a) Draw up a statement specifying (i) the duties of the Chief Officer role concerned; and (ii) any qualifications or qualities to be sought in the person to be appointed;
 - (b) Make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
 - (c) Make arrangements for a copy of the statement mentioned in Rule 4.1 (a) to be sent to any person on request.

5. Appointment of Chief Executive

- 5.1 The full Council will approve the appointment of the Chief Executive following the recommendation of such an appointment by a panel of seven councillors allocated between political groups in accordance with the Pro Rata Rules who will interview applicants for this position. Such a panel shall include at least one Executive member.
- 5.2 All councillors appointed to such a panel is required to have undertaken recruitment and selection training before taking part in interviews.
- 5.3 The appointment panel will not seek the approval of the full council for the proposed appointment until it has complied with the procedure at Rule 8 below.

M5

Rev 6

Z:\OCE\DS\CONSTITUTION\M1-M11 OFFICER EMPLOYMENT PROCEDURE RULES

6. Appointment of other Chief Officers.

- 6.1 A panel of not less than seven councillors allocated between political groups in accordance with the Pro Rata Rules will interview and, where authorised following the procedure referred to in Rule 8, appoint to these positions. Such a panel shall include at least one Executive member.
- 6.2 All councillors appointed to such a panel are required to have undertaken recruitment and selection training before taking part in interviews.

7. Appointments of Assistants to Political Groups

- 7.1 Appointments of assistants to a political group shall be made in accordance with the wishes of that political group.

8. Objection by the Executive – Appointment of Chief Officers

- 8.1 In relation to any proposed appointment for any Chief Officer post an offer of appointment should not be made until the Proper Officer has been notified of the name of the person that is proposed is to be offered such position and any other particulars which are considered to be relevant to the appointment and the Proper Officer has notified every member of the Executive of the authority of:
- (a) the name of the person to whom it is proposed to make the offer;
 - (b) any other particulars relevant to the appointment which have been notified to the Proper Officer; and
 - (c) the period within which any objection to the making of the offer is to be made by the Executive Leader on behalf of the executive to the Proper Officer; and
- 8.2 Upon such notification having been made then the appointment will only be offered if:
- (a) the Executive Leader has, within the period specified above notified the appropriate appointment panel or individual that neither he nor any other member of the Executive has any objection to the making of the offer;
 - (b) the Proper Officer has notified the appropriate appointment panel, that no objection was received by him within that period from the Executive Leader; or
 - (c) the relevant appointment panel is satisfied that any objection received from the Executive Leader within that period is not material or is not well founded.

C. DISCIPLINARY ACTION

9. Disciplinary Action

9.1 Suspension

- 9.1.1 Any Chief Officer may be suspended whilst an investigation takes place into alleged misconduct.

9.1.2 The Chief Executive, in consultation with the Monitoring Officer and the Chief Financial Officer as appropriate, shall have delegated authority to suspend a Chief Officer where, in his/her opinion the presence at work of the Chief Officer concerned could compromise an investigation of any alleged misconduct, for a maximum period of 10 working days. Any decision to suspend any Chief Officer for a longer period shall be taken by a Panel of councillors comprising not less than seven Councillors allocated between political groups in accordance with the pro rata rules and convened within the 10 day period of the temporary suspension.

9.1.3 The Leader of the Council, in consultation with the Monitoring Officer and the Chief Financial Officer, shall have delegated authority to suspend the Chief Executive for a maximum period of 10 working days where, in his/her opinion the presence at work of the Chief Executive could compromise the investigation of any alleged misconduct. Any decision to suspend the Chief Executive for a period of more than 10 working days up to a maximum of 2 months shall be made by a Panel of not less than 7 Councillors allocated between political groups in accordance with pro rata rules.

9.1.4 Any assistant to a political group may be suspended by the leader of that political group.

9.1.5 Any suspension will be on full pay and for a period of not more than two months ~~save as provided for in 9.2.2 below~~ and shall be kept under constant review.

9.2 Independent Person

~~9.2.1 No Disciplinary Action other than the suspension referred to in paragraph 9.1 above may be taken in respect of the Chief Executive, the Monitoring Officer or the Chief Financial Officer except in accordance with a recommendation in a report made by a designated independent person within the meaning of Regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001.~~

~~9.2.2 Further, in respect of any period for which the Chief Executive, the Monitoring Officer or the Chief Financial Officer may be suspended, the independent person may terminate or extend any period of that suspension (including extending it beyond two months should it appear to that independent person as being necessary) and vary the terms of any suspension as he or she sees fit.~~

~~9.2.3 The independent person may inspect any documents or have questions answered by any Member of Staff of the Council in connection with such investigation.~~

9.2 Dismissal

9.2.1 A relevant officer may not be dismissed by an authority unless the procedure set out in paragraphs 9.2.1 (i) – (vi) is complied with.

- (i) The Council will invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two independent persons to the Panel.**

- (ii) ***“Relevant independent person” means any independent person who has been appointed by the Council or, where there are fewer than this, such independent persons as have been appointed by another authority or authorities as the Council considers appropriate.***
- (iii) ***Subject to 9.2.1 (iv) the Council must appoint to the Panel such relevant independent persons who have accepted an invitation issued in accordance 9.2.1 (i) in accordance with the following priority order;-***
 - (a) ***a relevant independent person who has been appointed by the Council and who is a local government elector;***
 - (b) ***any other relevant independent person who has been appointed by the Council;***
 - (c) ***a relevant independent person who has been appointed by another authority or authorities.***
- (iv) ***The Council is not required to appoint more than two relevant independent persons in accordance with paragraph (iii) but could if it wished.***
- (v) ***The Council must appoint any Panel at least 20 working days before the relevant meeting.***
- (vi) ***Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the authority must take into account, in particular;***
 - (a) ***Any advice, views or recommendations of the Panel;***
 - (b) ***The conclusions of any investigation into the proposed dismissal; and***
 - (c) ***Any representations from the relevant officer.***

9.3 Councillors

9.3.1 Councillors will not be involved in the disciplinary action against any member of staff below Chief Officer level, ***(except relevant officers referred to in paragraph 1(q))*** except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Council’s disciplinary, capability and related procedures, as adopted from time to time or as otherwise provided for by these Rules.

9.3.2 Other Councillors may participate in such proceedings where there is a right of appeal to members in respect of disciplinary action.

10. Disciplinary Panels

10.1 Disciplinary Action short of dismissal in respect of the Chief Executive, Monitoring Officer and Chief Financial Officer may be made by a panel ***Committee*** comprising not less than seven councillors allocated between political groups in accordance with the Pro Rata Rules and including at least one member of the Executive to consider the report on any disciplinary matters. ~~produced by the independent person referred to in~~

~~paragraph 9.2.1 above and must be in accordance with any recommendation made in that report.~~

- 10.2 The full Council ~~may~~ **will** approve the dismissal of the Chief Executive, Monitoring Officer and Chief Financial Officer following the recommendation of such a dismissal by the Panel **referred to in 9.2.1 and Committee referred to in 10.1** provided that
- (i) such dismissal is in accordance with any recommendation made in the report produced by the ~~independent person~~ Panel referred to in paragraph 9.2.1 above; and
 - (ii) the procedure referred to in paragraph 11 below has been complied with.
- 10.3 Disciplinary Action, including dismissal, in respect of any individuals in the positions of Chief Officers, other than the Chief Executive, Monitoring Officer and Chief Financial Officer, may be taken by a panel of seven councillors allocated between political groups in accordance with the Pro Rata Rules including at least one member of the Executive and provided that the procedure referred to in paragraph 11 below has been complied with.
- 10.4 Disciplinary Action, including dismissal, in respect of any assistants to political groups, may be taken by a panel made up of not less than three councillors from that political group (unless there are less than three councillors affiliated to that party when the panel should be made up of all councillors affiliated to that party).

11. Objection by the Executive - Dismissal

- 11.1 In relation to any proposed dismissal of an individual in a Chief Officer post notice of dismissal should not be given until the Proper Officer has been notified of the name of the person that is proposed is to be dismissed and the reasons for the proposed dismissal and the Proper Officer has notified every member of the executive of the authority of:
- (a) the name of the person it is proposed to dismiss;
 - (b) the reasons for the proposed dismissal;
 - (c) the period within which any objection to the dismissal is to be made by the executive leader on behalf of the executive to the Proper Officer.
- 11.2 No notice of dismissal or recommendation for dismissal as the case may be shall be given until either -
- (a) the Executive Leader has, within the period specified above notified the panel proposing to dismiss that neither he nor any other member of the Executive has any objection to the proposed dismissal;
 - (b) the Proper Officer has notified the panel that no objection was received by him within that period from the Executive Leader; or
 - (c) the relevant panel is satisfied that any objection received from the Executive Leader within that period is not material or is not well founded.

12. Redundancy Procedures

12.1 The Epping Forest District Council Redundancy and Redeployment Policy and Procedure does not apply to Chief Officers. However the principles referred to within that policy will be adhered to so far as is appropriate when considering a potential redundancy situation affecting any individuals who hold any of the above posts and whether to dismiss any such person. The Epping Forest District Council Policy for Redundancy and/or Early Retirement shall apply in full to Chief Officers.

12.2 A panel of members comprising not less than seven councillors allocated between political groups in accordance with Pro Rata Rules including at least one member of the Executive will consider whether any persons holding any post referred to in 12.1 above shall be made redundant when it appears there is a need to consider such matters (“the Redundancy Panel”).

12.3 The Redundancy Panel will, in addition to any other steps that appear to them to be appropriate as referred to in the Redundancy and Redeployment Procedure, be responsible to ensure that:

(a) any individuals that may be affected by any decisions relating to redundancy are informed at an early stage of the fact that they may so be affected and the reasons for this. Thereafter any such individuals should be kept informed of relevant information pertaining to the redundancy decision making process as it continues.

(b) individuals are meaningfully consulted during the redundancy process and, in particular, sufficient information is given to them such as to enable them to understand why such redundancies are being considered and an opportunity is given to those individuals to comment on such information and make alternative proposals with a view to avoiding redundancy.

(c) that consideration is given to whether any alternative positions may be available to the affected individuals.

The Redundancy Panel shall ensure that notification is given to the Executive of any proposed decision to dismiss by reason of redundancy in accordance with paragraph 11 above. Such notification is to be made before the Redundancy Panel notifies the individual concerned that it is proposed to recommend to the Council to make that individual redundant in accordance with paragraph 12.5 below.

12.4 If the Redundancy Panel decides that a notice of redundancy should be issued to any individual then it should inform the individual concerned of its intention to recommend the Council to do so and inform that individual that they have a right to appeal and the Panel should set a reasonable period for the individual to make such an appeal.

12.5 If the individual does not appeal within the set timescale then the full Council will approve the dismissal of the individual concerned following the recommendation of the Redundancy Panel.

12.6 If the individual does appeal within the set timescale then a Redundancy Appeal Panel will be appointed which will consist of not less than seven councillors, drawn

from political groups in accordance with Pro Rata Rules and including at least one member of the Executive, who will hear and adjudicate upon the appeal.

- 12.7 If the appeal is dismissed then the full Council will approve the dismissal of the individual concerned following the recommendation of the Redundancy Appeal Panel.

EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES

Committee: Council **Date:** 10 September 2015

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 8.35 pm

Members Present: Councillors E Webster (Chairman), J Lea (Vice-Chairman), N Avey, R Bassett, N Bedford, G Chambers, K Chana, D Dorrell, R Gadsby, L Girling, A Grigg, L Hughes, R Jennings, S Jones, H Kane, S Kane, H Kauffman, J Knapman, Y Knight, A Lion, M McEwen, L Mead, A Mitchell MBE, G Mohindra, R Morgan, S Murray, S Neville, A Patel, J Philip, C P Pond, C C Pond, B Rolfe, B Sandler, G Shiell, D Stallan, S Stavrou, B Surtees, T Thomas, L Wagland, G Waller, S Weston, C Whitbread, J H Whitehouse, J M Whitehouse and D Wixley

Apologies: Councillors K Angold-Stephens, A Boyce, H Brady, W Breare-Hall, R Butler, T Church, J Hart, P Keska, C Roberts and M Sartin

Officers Present: G Chipp (Chief Executive), C O'Boyle (Director of Governance), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), S G Hill (Assistant Director (Governance & Performance Management)), N Richardson (Assistant Director (Development Management)), R Perrin (Democratic Services Officer), S Kits (Licensing Officer) and G J Woodhall (Senior Democratic Services Officer)

38. WEBCASTING INTRODUCTION

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

39. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct Councillor D Stallan declared a prejudicial interest in item 4 – EPF/1007/15 Land and Garages off Burton Road, Debden, Loughton by virtue of being the Chairman of Council Housebuilding Cabinet Committee that made the decision to submit the proposal for planning consent. He had received advice from the Monitoring Officer that he was not able to speak on the application or vote and therefore he would leave the meeting for the consideration of the application and voting.

(b) Pursuant to the Council's Code of Member Conduct, Councillors R Bassett, G Waller and S Stavrou declared a non pecuniary interest item 4 – EPF/1007/15 Land and Garages off Burton Road, Debden, Loughton by virtue of being members of the Housebuilding Cabinet Committee that made the decision to submit the proposal for planning consent. They had received advice from the Monitoring Officer that they were able to speak and vote on the item and would remain in the meeting for the consideration of the application and voting.

(c) Pursuant to the Council's Code of Member Conduct, Councillor A Lion declared a non pecuniary interest item 4 – EPF/1007/15 Land and Garages off

Burton Road, Debden, Loughton by virtue of being a substitute member of the Housebuilding Cabinet Committee that made the decision to submit the proposal for planning consent. He had received advice from the Monitoring Officer that he was able to speak and vote on the item and would remain in the meeting for the consideration of the application and voting.

40. ANNOUNCEMENTS

There were no announcements for this meeting.

41. PLANNING APPLICATION EPF/1007/15 - LAND AND GARAGES OFF BURTON ROAD, DEBDEN

Mover: Councillor B Sandler, Chairman of District Development Management Committee

The Assistant Director of Governance (Development Management) presented a report regarding the redevelopment of land and garages off Burton Road in Debden to provide 51 affordable dwellings with 28 parking spaces.

Following a debate on the application, Councillor B Sandler moved the recommendations on the agenda including the 18 conditions and a Unilateral Undertaking.

Councillor H Kauffman, S Murray, C C Pond, C P Pond and D Wixley requested a recorded vote.

There voted for the recommendation: (28) namely: Avey, Bedford, Bassett, Chambers, Chana, Gadsby, Grigg, Hughes, Jones, H Kane, S Kane, Knight, Lea, Lion, McEwen, Mitchell, Morgan, Patel, Philip, Rolfe, Sandler, Shiell, Stavrou, Wagland, Waller, Webster, Whitbread and J M Whitehouse.

There voted against the recommendation: (13) namely: Councillors Dorrell, Girling, Jennings, Kauffman, Knapman, Murray, Mead, Neville, C C Pond, C P Pond, Thomas, Weston and Wixley.

There abstaining from the vote: (3) namely: Councillors Mohindra, Surtees and J H Whitehouse. Councillor Mohindra abstained from the vote following advice from the Monitoring Officer because he had arrived after the Planning Officer's presentation.

Report as first moved **ADOPTED**

RESOLVED:

(1) That the Council considers the recommendation of the District Development Management Committee that planning permission for the above site be granted subject to a Unilateral Undertaking in respect of a contribution of £16,720 towards healthcare provision in the locality and the following conditions:

1. The development hereby permitted must be begun not later than the expiration of three years beginning with the date of this notice.

2. The development hereby permitted will be completed strictly in accordance with the approved drawings nos: 612/033/PL01/A, 612/033/PL02/B, 612/033/PL03/B, 612/033/PL04/G, 612/033/PL05/E,

612/033/PL06/J, 612/033/PL07/D, 612/033/PL08/E, 612/033/PL09/F,
612/033/PL10/G, 612/033/PL11/J, 612/033/PL12/B, 612/033/PL13/A,
612/033/PL14/A, 612/033/PL15/A, 612/033/PL16/D, 612/033/PL17/C,
612/033/PL18/D, 612/033/PL19/E and 612/033/PL20/C

3. The development hereby approved shall be finished in accordance with the details indicated on drawing number 612/033/PL19/E, unless otherwise previously approved in writing by the Local Planning Authority, in writing.

4. No development shall take place, including site clearance or other preparatory work, until full details of both hard and soft landscape works (including tree planting) and implementation programme (linked to the development schedule) have been submitted to an approved in writing by the Local Planning Authority. These works shall be carried out as approved. The hard landscaping details shall include, as appropriate, and in addition to details of existing features to be retained: proposed finished levels or contours; means of enclosure; car parking layouts; other minor artefacts and structures, including signs and lighting and functional services above and below ground. The details of soft landscape works shall include plans for planting or establishment by any means and full written specifications and schedules of plants, including species, plant sizes and proposed numbers /densities where appropriate. If within a period of five years from the date of the planting or establishment of any tree, or shrub or plant, that tree, shrub, or plant or any replacement is removed, uprooted or destroyed or dies or becomes seriously damaged or defective another tree or shrub, or plant of the same species and size as that originally planted shall be planted at the same place, unless the Local Planning Authority gives its written consent to any variation.

5. Prior to commencement of the above development a detailed drainage strategy must be submitted for approval to the local authority. It should be based on principles of Sustainable drainage, in line with the approved surface water drainage statement Surface Water Drainage Statement July 2015 v.2 permitted by this planning permission. The detailed drainage scheme should follow mitigation measures detailed within the FRA including:

- Limiting the discharge from the site to 7l/s for all events up to the 1 in 100 year storm plus a 30%.
- Provide attenuation storage (including locations on layout plan) for all storm events up to and including the 1:100 year storm event inclusive of climate change and urban creep.
- Ensuring the appropriate level of treatment for all runoff leaving the site, in line with table 3.3 of the CIRIA SuDS guide.
- Provide information about exceedance routes should be provided to indicate what route flows would take should a feature become blocked and cause surface water flooding.

The mitigation measures shall be fully implemented prior to occupation and subsequently in accordance with the timing / phasing arrangements embodied within the scheme, or within any other period as may subsequently be agreed, in writing, by the local planning authority.

6. The development hereby permitted shall not be commenced until such time as a scheme to minimise the risk of offsite flooding caused by surface water run-off and groundwater during construction works has been submitted

to, and approved in writing by, the local planning authority. The scheme shall be implemented as approved.

7. Prior to commencement of the development the applicant must submit a Maintenance Plan detailing the maintenance arrangements including who is responsible for different elements of the surface water drainage system and the maintenance activities/frequencies.

8. The applicant must keep yearly Maintenance Logs of maintenance which should be carried out in accordance with any approved Maintenance Plan.

(new recommendations 5-8 above were inserted by the agreement of the DDMC following further representations of Essex County Council on 22 July 2015)

9. No development shall take place until a Phase 1 Land Contamination investigation has been carried out. A protocol for the investigation shall be submitted to and approved in writing by the Local Planning Authority before commencement of the Phase 1 investigation. The completed Phase 1 report shall be submitted to and approved in writing by the Local Planning Authority prior to the commencement of any necessary Phase 2 investigation. The report shall assess potential risks to present and proposed humans, property including buildings, crops, livestock, pets, woodland and service lines and pipes, adjoining land, groundwaters and surface waters, ecological systems, archaeological sites and ancient monuments and the investigation must be conducted in accordance with DEFRA and the Environment Agency's "Model Procedures for the Management of Land Contamination, CLR 11", or any subsequent version or additional regulatory guidance.

[Note: This condition must be formally discharged by the Local Planning Authority before the submission of details pursuant to the Phase 2 site investigation condition that follows]

10. Should the Phase 1 Land Contamination preliminary risk assessment carried out under the above condition identify the presence of potentially unacceptable risks, no development shall take place until a Phase 2 site investigation has been carried out. A protocol for the investigation shall be submitted to and approved by the Local Planning Authority before commencement of the Phase 2 investigation. The completed Phase 2 investigation report, together with any necessary outline remediation options, shall be submitted to and approved by the Local Planning Authority prior to any redevelopment or remediation works being carried out. The report shall assess potential risks to present and proposed humans, property including buildings, crops, livestock, pets, woodland and service lines and pipes, adjoining land, ground waters and surface waters, ecological systems, archaeological sites and ancient monuments and the investigation must be conducted in accordance with DEFRA and the Environment Agency's "Model Procedures for the Management of Land Contamination, CLR 11", or any subsequent version or additional regulatory guidance.

[Note: This condition must be formally discharged by the Local Planning Authority before the submission of details pursuant to the remediation scheme condition that follows]

11. Should Land Contamination Remediation Works be identified as necessary under the above condition, no development shall take place until a

detailed remediation scheme to bring the site to a condition suitable for the intended use has been submitted to and approved by the Local Planning Authority. The development shall be carried out in accordance with the approved remediation scheme unless otherwise agreed in writing by the Local Planning Authority. The remediation scheme must include all works to be undertaken, proposed remediation objectives and remediation criteria, timetable of works and site management procedures and any necessary long term maintenance and monitoring programme. The scheme must ensure that the site will not qualify as contaminated land under Part 2A of the Environmental Protection Act 1990 or any subsequent version, in relation to the intended use of the land after remediation.

[Note: This condition must be formally discharged by the Local Planning Authority before the submission of details pursuant to the verification report condition that follows]

12. Following completion of measures identified in the approved remediation scheme and prior to the first use or occupation of the development, a verification report that demonstrates the effectiveness of the remediation carried out must be produced together with any necessary monitoring and maintenance programme and copies of any waste transfer notes relating to exported and imported soils shall be submitted to the Local Planning Authority for approval. The approved monitoring and maintenance programme shall be implemented.

13. In the event that any evidence of potential contamination is found at any time when carrying out the approved development that was not previously identified in the approved Phase 2 report, it must be reported in writing immediately to the Local Planning Authority. An investigation and risk assessment must be undertaken in accordance with a methodology previously approved by the Local Planning Authority. Following completion of measures identified in the approved remediation scheme, a verification report must be prepared, which is subject to the approval in writing of the Local Planning Authority in accordance with the immediately above condition.

14. All construction/demolition works and ancillary operations, including vehicle movement on site which are audible at the boundary of noise sensitive premises, shall only take place between the hours of 07.30 to 18.30 Monday to Friday and 08.00 to 13.00 hours on Saturday, and at no time during Sundays and Public/Bank Holidays unless otherwise agreed in writing by the Local Planning Authority.

15. No development shall take place, including any works of demolition, until a Construction Method Statement has been submitted to, and approved in writing by, the Local Planning Authority. The approved Statement shall be adhered to throughout the construction period. The Statement shall provide for:

1. The parking of vehicles of site operatives and visitors;
2. Loading and unloading of plant and materials;
3. Storage of plant and materials used in constructing the development;
4. The erection and maintenance of security hoarding including decorative displays and facilities for public viewing, where appropriate;
5. Measures to control the emission of dust and dirt during construction, including wheel washing; and

6. A scheme for recycling/disposing of waste resulting from demolition and construction works.

16. Prior to first occupation of the development hereby approved, those windows shown to be obscure glazed on drawing numbers 612/033/PL09/F, 612/033/PL10/G and 612/033/PL11/J shall be entirely fitted with obscured glass and have fixed frames to a height of 1.7 metres above the floor of the room in which the window is installed and shall be permanently retained in that condition.

17. Access to the areas of sedum flat roof system of Block C and Block D, identified on drawing numbers 612/033/PL10/G and 612/033/PL12/B, shall be for maintenance or emergency purposes only and those areas of flat roof shall not be used as a seating area, roof garden, terrace, patio or similar amenity area.

18. Notwithstanding the provisions of the Town and Country Planning General Permitted Development Order 2015 (or any other Order revoking, further amending or re-enacting that Order) no extensions, alterations to external materials, roof additions, porches or outbuildings with a volume in excess of 10 cubic metres generally permitted at dwellinghouses by virtue of Classes A, B, D and E of Part 1 of Schedule 2 to the Order shall be undertaken without the prior written permission of the Local Planning Authority.

CHAIRMAN

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Asset and Economic Development

Portfolio Holder: Councillor A Grigg

Recommending:

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

Business Support / Growth Hub

The brand new online business support, advice and growth hub has now been launched for businesses in Greater Essex. The BEST (Business Essex, Southend, & Thurrock) Growth Hub is being provided by the South East Local Enterprise Partnership and acts as a portal to enable local businesses to access the support they require. A tender exercise is nearing completion to procure a contractor to offer one-to-one business support as part of the Growth Hub package. We will be running a feature on the Growth Hub in the next edition of One Business Briefing and will be working with partners to capitalise on other opportunities to raise awareness of the Growth Hub's offer. New business enquiries received by the Economic Development team are being directed to the Hub for support.

Stakeholder Engagement

The Economic Development team has been actively engaging with local stakeholders to understand some of the issues they are facing. Meetings have been held with representatives of Buckhurst Hill and Loughton High Road town partnerships. Economic Development in conjunction with Waltham Abbey Town Partnership has been invited to submit a full application to the Essex County Council Community Infrastructure Fund (CIF) in respect of a wayfinding project in Waltham Abbey Town Centre after a successful Expression of Interest. Considerable efforts have also been made to promote the Town & Village Centres Opportunities Fund to the various town partnerships and to encourage some positive applications.

Superfast Broadband

A more detailed breakdown of the current position has been included within the Technology & Support Services Portfolio Holder's report. To sum up, the detailed design stage and subsequent rollout of the Rural Challenge Project has now begun in earnest and will hopefully see the first residents and businesses benefiting by the year-end.

Major Projects

The Cabinet are in receipt of regular monitoring reports on progress on the Epping Forest Shopping Park, which provide Members with a considerable amount of detail regarding the key issues and programme. However, I can advise Council, that since the Council purchased the interest of our previous development partner, the Project Team has maintained good momentum. The next most significant milestone is the competitive tender of the Section 278 Highways Works, which when completed will not only facilitate access to the Shopping Park, but should have a wider benefit in improving congestion in the wider locality.

Work has commenced on site on the new Depot at Oakwood Hill, which will accommodate both Grounds Maintenance and Fleet Operations relocated from Langston Road. It is hoped that the new depot will be ready for occupancy by May 2016. In the intervening period, the Museum Collection has been temporarily moved from Langston Road to a rented unit on the Oakwood Hill Estate, prior to final transfer on the opening of the refurbished District Museum in Sun Street, Waltham Abbey.

Essex County Council has made an application to the Secretary of State regarding the issue of State Aid. The Secretary of State has requested additional information which may delay this approval to the purchase until the end of September 2015. Dialogue is ongoing with Epping Town Council and Frontier Estates to facilitate their relocation. The other current user of the site, the Council's Housing Repairs Service, are actively exploring options for alternative accommodation.

As a result of a marketing exercise undertaken by the Council's Consultants Savills, four Expressions of Interest in partnering with the Council to maximise aviation activity have been received. Interviews are currently being held with the interested parties and an evaluation being undertaken, the results of which, will be reported to the Asset Management Cabinet Committee in October.

Finally, I can report that the Ongar Academy, who have leased an area of land to the rear of Ongar Leisure Centre, (prior to their purchase of the playing fields to provide a new Secondary School), successfully opened their new interim premises earlier this month. The temporary school are utilising facilities in the adjacent Leisure Centre to deliver their physical education curriculum. The new permanent school will be subject to a full planning application later this year.

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Environment

Portfolio Holder: Councillor W Breare-Hall

Recommending:

That the report of the Environment Portfolio Holder be noted.

Waste Management

I am pleased to report that the performance of the Council's waste and recycling contractor, Biffa Municipal, has significantly improved and the number of missed collections and customer complaints has fallen. Street cleansing standards are also much better, and we are now concentrating on ensuring that litter bins and relevant street furniture are cleansed to the frequency and standard we require.

As some issues remain to be resolved, for instance with a small number of Assisted Collections, I continue to put pressure on senior Biffa management, specifically the Managing Director and the Commercial Director, to improve their performance further. These efforts will continue until I am satisfied that the service is operating at the standard the Council and our residents expect.

Flooding and Water

Despite the recent inclement weather, there have only been a small number of flooding incidents and these have generally been associated with foul and surface water sewer surcharging. Officers have, however, responded to residents' requests for technical assistance and guidance, as Thames Water's inconsistent and vague policy on addressing habitual sewer flooding is causing immense frustration.

Further to my last Portfolio Holder Report, the resurrected Thames Water liaison meeting, with other local authorities in Essex and Hertfordshire, took place on 20th August. The meeting provided officers with an opportunity to convey to Thames Water the frustration felt by those affected by sewer flooding. Thames Water were able to provide clearer insight into their priorities, and officers are currently waiting for tangible feedback that can be passed on to residents and Members alike.

The number of planning applications being referred to the EDW Team for consultation remains high and, where these involve the discharge of previously stipulated planning conditions, discussions to achieve the desired outcome can be lengthy and convoluted. However, when agreements are reached, especially with those sites that involve the EDW Team needing to grant Land Drainage Consent, the positive impact on the long term reduction of flood risk posed by a new development is very significant.

Private Water Supplies

The first set of statutory notices under the Private Water Supplies Regulations 2009 has been served on the owners/occupiers of one of the horticultural nursery sites. As inspections

continue on these sites, it's likely further notices will be issued. It is hoped that the recipients of the notices will comply but there is a strong possibility that prosecution for failure to carry out the works will have to be taken. This is the first time formal action under these regulations has been taken.

Grounds Maintenance

Work commenced this month on the construction of a new operations depot at Oakwood Hill, Loughton. This facility is designed to house, amongst others, the Grounds Maintenance Service. It is anticipated that Grounds Maintenance will vacate their existing depot at Langston Road early next year, which will allow for the redevelopment of the site for the Epping Forest Shopping Park.

The Summer grounds maintenance programmes have progressed well, meeting the high standards expected by our residents. With the autumn fast approaching, preparations are being made to carry out various landscaping and general estate enhancement schemes across the district, including numerous tree plantings - the Grounds Maintenance Service aims to plant 200 new trees each year to replace those lost, but also to increase the total number to help ensure the special character of the district is maintained.

Community Protection Notices

Environment and Neighbourhood officers have started to issue Community Protection Warnings (CPW) leading to Community Protection Notices (CPN). These new powers were brought into force by The Anti-Social Behaviour Act 2014. CPW/CPN are available for a range of issues that cause a detrimental effect, of a persistent or continuing nature, on the quality of life of those in the locality. If the conduct in question does not change after a CPW has been served, a CPN can be issued that if not complied with can result in a fixed penalty notice (£75) or maximum penalty of £2500 for an individual or £20,000 in the case of bodies.

This new sanction was brought in to replace Litter Clearance Notices, but has potentially much greater breadth of control over a number of issues that cause residents problems, such as the impact from neighbours smoking drugs, noise in the street, waste in gardens, anti-social behaviour, etc. In common with all formal legal action, evidence is required to substantiate the detriment to quality of life, and that this is attributable to the conduct of a specific person or body, but the new law appears to provide greater control over some issues that have been difficult to address under existing laws.

Essex Litter Campaign

Environment and Neighbourhood Officers have been out on litter patrol in High Road, Loughton, as part of a wider Essex litter campaign. Officers handed out cigarette butt pouches to members of the public smoking in the street, but three members of the public were caught littering cigarette butts before officers had an opportunity to warn them. These incidents are currently being followed up, with the offenders being offered the opportunity to pay a FPN to avoid prosecution. Cigarette related litter makes up the majority of littering that officers witness whilst on patrol.

Littering

On 9th July the Council commenced prosecution proceedings against Mr. Mick Drew of Paradise Road, Waltham Abbey, for littering till receipts and a cigarette packet out of his vehicle before driving off. Mr. Drew was sent a Fixed Penalty Notice (FPN) which he failed to pay. Mr. Drew failed to attend at Chelmsford Magistrates Court and the offence of littering

was proved in his absence. The Magistrates imposed a fine of £400 and ordered that he pay the Council's prosecution costs of £256.87 and a victim surcharge of £40.

Noise Nuisance

At a hearing in Chelmsford Magistrates Court on 9th July, Ms. Hines of Caneland Court, Waltham Abbey, pleaded guilty to breaching a noise abatement notice served on her in April 2015. The Magistrates were informed that a complaint of noise nuisance had been received by the Council on 26 April 2016 at about 01.25 hours. The complaint was passed through to the duty noise officer who visited the complainants and between 01.47 and 02.40 hours he heard shouting, screaming, swearing, singing and banging, which was at a level that would have prevented sleep. Ms. Hines was fined £110 and ordered to pay a contribution towards the costs of the prosecution of £200. She was also ordered to pay a Criminal Court Charge of £150 and a victim surcharge of £20.

This page is intentionally left blank

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Finance

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Finance Portfolio Holder be noted

Accountancy

There is a separate report elsewhere on the agenda on the Statutory Statement of Accounts so I will concentrate on other issues in this section. The Finance and Performance Management Cabinet Committee is scheduled to meet on 17 September and will be considering reports on the Treasury Management Outturn for 2014/15, Financial Monitoring for Quarter 1 of 2015/16 and the quarterly update of the Corporate Risk Register. The Treasury Management Outturn report confirms that the Council operated within the boundaries that were set for the year and complied with all of the Prudential Indicators. Financial Monitoring for Quarter 1 shows that at the moment both expenditure and income are broadly in line with the budget.

The annual Financial Issues Paper went to the July meeting of the Cabinet Committee and provided a discussion of the main financial challenges facing the Council and the budgetary outlook. This report had an update to the Medium Term Financial Strategy and suggested savings targets to work towards. Following agreement by Cabinet on 3 September of the recommendations from the Cabinet Committee, officers have started work on a range of savings proposals that will be reported in due course as part of the normal budget process.

Members should note that there is greater uncertainty than usual this year as the Chancellor of the Exchequer is currently conducting his Comprehensive Spending Review. We will not know until the Autumn the size of the budget reduction faced by the Department for Communities and Local Government and the proportion of that budget reduction that will be passed straight on to local authorities. The Treasury are also conducting a review of business rates and this too is likely to impact on our future funding.

Benefits

The items to be included in the consultation on the Council's scheme for Local Council Tax Support for 2016/17 were agreed by Cabinet on 23 July. In previous years the level of response to this consultation has been low. I am hopeful that this year a number of residents who are not in receipt of benefit will have responded as views on the scheme will not be balanced if we have only received comments from residents who currently receive support. Anyone who has not yet responded can do so by visiting the either the Benefits or consultation areas of the Council's website.

I mentioned earlier the September meeting of the Finance and Performance Management Cabinet Committee and some of the reports going to that meeting. The meeting will also receive a report on progress against the targets for the key performance indicators at the end of the first quarter of 2015/16. For 2015/16 the target for processing new claims was reduced from 25 days to 22 days. At the end of the first quarter performance was slightly worse than target at 22.56 days. However, this is an improvement on last year's first quarter performance of 23.06 and as we went on to achieve 21.74 days by the end of the year I am still confident that the target can be achieved for the year as a whole. The average processing time for changes of circumstance at the end of quarter 1 is 7.03 days, which is better than both the target of 10 days and last year's performance of 8.36 days.

The end of this month will see the transfer of our Benefit Fraud Investigation staff to the Department for Work and Pensions. This is part of the rollout of a national scheme to consolidate anti-fraud work into the Single Fraud Investigation Service. I am sure Members are familiar with the work of our team from the many successful prosecutions that have been publicised. I would like to pay tribute to the courage and dedication of these staff as they do complex and challenging work. I am sorry to see them go and I am sure Members would want to join me in wishing them well for the future.

Revenues

The report on progress against the targets for the key performance indicators at the end of the first quarter of 2015/16 includes Revenues items. A Council Tax collection rate of 27.56% had been achieved and this is better than both the target of 27.1% and the collection rate at this time last year. The collection of non-domestic rates was also above target at the end of June, with 28.52% achieved compared to the target of 28.38%.

Report to the Council

Committee: Cabinet

Date: 28 September 2015

Subject: Governance and Development Management

Portfolio Holder: Councillor J Philip

Recommending:

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

1. Electoral Registration and IER progress update

On 13 July the Council commenced the annual electoral canvass under the second year of its transitional arrangements for Individual Electoral Registration (IER). Unlike last year when the government had allowed arrangements to apply where if a previously registered elector matched information retained by the Department for Work and Pensions (DWP) the authority could automatically register them, this year the process requires true individual responses from all households.

Progress with returns under the new system in place has proved to be slow. At the time of compiling this report 78% of Households had responded leaving 12,200 households still to return their forms. It is likely that greater effort will be required to ensure residents are appropriately registered by the December 2015 cut-off date.

The government have now decided to move the end of IER transitional arrangements forward to December 2015 rather than 2016. This has two consequences: (1) people not responding to the new process will be removed from the register in December; and (2) it is thought that no further government funding will be made available to offset the additional costs of this new process to the Council.

Officers are compiling information about the likely ongoing costs of IER without Government financial support and a report will be made to Cabinet at the conclusion of the canvass.

2. Webcasting goes HD

Following the completion of the new Webcasting Contract, from October 2015, the Council's meeting will be webcast using new HD technology. Work will be undertaken to the Council chamber to upgrade equipment and provide a fourth camera position. New portable equipment will also be leased to provide off-site meetings with the same quality of output. The Council's webcast viewership remains at over 55,000 per year which opens up the Council's working to a wide cross section of the community.

3. Corporate Fraud Team

The Corporate Fraud Team is now up and running consisting of a Senior Fraud Investigator (who reports to the Chief Internal Auditor) and two Fraud Investigators, with a vacancy for a third.

Earlier this year Epping Forest District Council prosecuted two individuals for their respective roles in a fraud against the council involving the Right to Buy scheme. Part of the case involved the council taking action under the Proceeds of Crime Act (POCA) to claw back the total discount plus any further monies deemed to be proceeds of crime. The POCA order was discharged at the beginning of July with Epping Forest District Council receiving over £88,000. This is a significant case, not only for the council but for social housing fraud in general and it has attracted national interest including being used as an example for a national housing fraud strategy.

Between April and August 2015 the Corporate Fraud Team has:

- recovered seven properties as a result of discovering issues with the tenancies (not living there etc.)
- stopped eight Right to Buy (RTB) applications (including one which ended with the tenant giving the property back). These were stopped / withdrawn as a result of investigator intervention at an early stage identifying problems and potential fraud
- stopped one housing application at an early stage due to the discovery of fraud within the application process, and
- currently five criminal prosecutions in the various stages of being prepared (four relate to RTB applications and one is a sublet).

4. Development Management

Building Control Income

Building Control budget is £386,000 with year to date (5 months) income of £198,934.

As a result income is currently £23,594 over budget and indications from Building Control are that applications are continuing at a similar level of approximately 700 applications to the corresponding period for the previous year.

On that basis Building Control may well end the year with income around £415,000.

This is encouraging news which consolidates Building Control performance which for the last seventeen months has either matched or slightly exceeded budget.

Development Control Income

Development Control continues to show encouraging levels of income this year.

The current income of £360,398 (at 5 months) compares favourably with the overall yearly budget of £595,000. Applications received are currently at about 1300 which is slightly up on this time last year.

I expect that DC should turnover at least £737,248 for 2015/16 although if current trends continue it should exceed last year's total of £813,000.

Income Summary

Both DC and BC are showing strong signs of resilience with income above budget and planning/building control applications exceeding and/or matching like for like periods last year. Costs are being carefully monitored and whilst there has been a very small increase in costs as a result of the additional applications this is being offset by some document management savings. Obviously, with income being higher, workload too is at a high level,

putting a strain on planning resources ability to cope and meet deadlines. This is being carefully monitored.

General

On 31 August 2015 a planning policy statement on Green Belt protection and intentional unauthorised development was issued by Steve Quartermain, Chief Planner of DCLG.

It sets out changes to national planning policy to make intentional unauthorised development a material consideration that would be weighed in the determination of planning applications and appeals. It is particularly concerned about the harm caused in the Green Belt and therefore the Planning Inspectorate will monitor all appeal decisions involving unauthorised development over the next 6 months.

There is no further advice at this stage, although most of the background to the policy statement relates to unauthorised traveller encampments, particularly in the Green Belt and it may have been prompted by the 'house hidden by straw bales' case, but otherwise the new policy seems to be of general application. On the face of it, it makes 'intentional unauthorised development' a material consideration in the determination of **all** new planning applications and appeals after 31/08/15, including retrospective planning applications. The statement does not give any indication how much weight should be given to intentional unauthorised development in relation to other material considerations, or indeed to the provisions of the Local Plan.

Finally, the government's criteria for assessing local planning authority performance has been revised. The minimum performance threshold for the speed of decisions determined on time (either by 13 weeks or within an extended period beyond as agreed in writing by the applicant from when an application is deemed valid) for Major type planning applications has increased from 40% to 50%. The threshold for appeal performance on Majors continues to be 20% being overturned (allowed) at appeal. The assessment period for this measure is based on two years performance and failure to achieve either of these, will result in designation whereby Major applications will be made direct to the DCLG for determination. It is monitored by quarterly statistic returns to the DCLG and so far, only one local planning authority has been designated. Our performance is above this threshold in respect of the planning applications and below in respect of appeal performance.

5. Legal Services

Lexcel is the Law Society's legal practice quality mark for excellence in legal practice management and client care. It provides a flexible, supportive management framework to help practices and in-house legal departments develop consistent operational efficiencies and client services, manage risk effectively and reduce costs.

This Council has been accredited for many years but requirements are refined and improved over time. A Full Inspection is carried out every 3 years with a lighter touch review in the intervening years.

On 2/9/15 a full inspection was carried out by an independent Inspector which involved meetings with senior managers, fee earning staff and legal support staff over the period of one day.

I am pleased to report that the Inspector has recommended we retain Lexcel. He commented that it was difficult to fault the application and was impressed by the staff he met and interviewed. He made one or two suggestions to improve our processes –eg a register

of the procedures we have developed –which we will consider and implement where appropriate.

Much credit is due to the hard work of the legal team who develop, implement and review the necessary policies and procedures throughout the year to satisfy the increasingly testing requirements of Lexcel.

In particular Ruth Rose, the Council's Senior Lawyer has led the work keeping up to date with the changing requirements to ensure we were fully prepared.

The recommendation must now be considered by the Law Society which will take a few weeks. I will confirm to Members the formal outcome in due course.

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Housing

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Request for assistance to Syrian refugees

On 14th September 2015, the Leader of Council received a letter from the East of England Local Government Association (EELGA), on behalf of the East of England Strategic Migration Partnership (SMP), regarding assistance for Syrian refugee resettlement to the UK. The SMPs across the UK have been tasked by the Home Office to coordinate responses in their regions.

The purpose of the letter, which was sent to all Leaders in the East of England, was to ask the Council to advise EELGA (within the following four days) whether or not we would be prepared to offer support to Syrian refugees and, if so, what indicative numbers we would be prepared to assist. If we offered to provide support, we were also asked to specify whether our preference would be for adults, children or families.

EELGA said that they would then collate the responses from all councils to establish a fuller regional picture, and that an extension to the existing Syrian Vulnerable Persons Relocation Scheme was the most likely model to be used to support new arrivals.

At the time of writing, the Leader and I are considering the Council's response to this request, which I will report orally at the meeting.

Effects of the Government's required 1% Council rent reductions – Options for the Housing Revenue Account (HRA) Financial Plan

In my report to the last Council meeting, I reported on the potential implications that the announcement within the Chancellor's Summer Budget (which has now been included within the Welfare Reform and Work Bill) - that council and housing association must reduce their rents by 1% per annum from April 2016 for the following 4 years - will have for the Council's Housing Service.

In 2013, the former Coalition Government made a commitment that council and housing association rents should increase by CPI + 1% per annum over the following 10 years, to give giving stability and certainty to housing finances and landlords' business plans. Therefore, the assumption within the Council's current HRA Financial Plan is that CPI will be at 2% for each of the next 4 years and that, therefore, rents would **increase by 3% per annum**.

The Council's HRA Business Planning Consultants, CIH Consultancy, have assessed that the estimated loss in rental income to the Council's Housing Revenue Account (HRA),

compared to our current HRA Financial Plan expectations, will be around £14million over the next four years and around £228million over the next 30 years.

At its meeting on 17th September 2015, the Finance and Performance Management Cabinet Committee is due to consider a report from CIH Consultancy on the options available to the Council to ensure that our HRA does not fall into deficit. The report identifies a number of options available to the Council to recast its HRA Financial Plan for the future, including:

- Ceasing all or some of the funding currently available within the Financial Plan for future housing improvements and service enhancements for HRA services;
- Reducing investment in improvements to the Council's housing stock (and reducing the Council's Modern Home Standard accordingly);
- Reducing/ceasing the Council's own Housebuilding Programme;
- Undertaking further borrowing for the HRA, repaid by the end of the Financial Plan period;
- Combinations of the above.

The report also explains that the implications of the Government's proposal to require local authorities (but not housing associations) to sell "high value" void properties cannot yet be quantified, since the Government has not yet provided any further details of this requirement.

The recommendation from the Director of Communities, that the Cabinet Committee will be considering, is that since no immediate corrective action is required at present, no decisions should be made to re-cast the HRA Financial Plan until further information becomes available on the effect of the Government's requirement for local authorities to sell their "high value" void properties, and that the options for the HRA Financial Plan should be reviewed again in 2016 – with decisions for the future made at that time.

In order to inform the proposed review in 2016, the Cabinet Committee is also being recommended to consult the Housing Select Committee and the Tenants and Leaseholders Federation for their views on the options.

The Cabinet Committee is also due to consider whether or not the uncommitted funding within the HRA's Housing Improvements and Service Enhancements Fund for 2016/17 should be spent at present – although, in any event, the recommendation is that funding for VAEF's successful Mow and Grow Scheme for older and disabled Council tenants should continue.

Housing Providers Fund and Epping Forest JobStart Scheme

I am pleased to report that, following discussions between the Director of Communities and the Council's five Preferred Housing Association Partners, an "Epping Forest Housing Providers Community Fund" has successfully been established. Under the scheme, each of the Council's Preferred Partners has agreed to contribute 2% of the income they receive from their rented properties in Epping Forest to the Fund. The funding will be targeted at housing association tenants and their families, by supporting individual projects that no one housing association would be able to sustain on its own.

It is expected that the total contribution to the Community Fund in the first year (2015/16) will be around £55,000. The first project that the Fund will resource is a new initiative that has been developed called Epping Forest Housing JobStart, whereby the Fund will support 2-year business administration and construction apprenticeship places within local companies and the Council for family members of the Preferred Housing Association Partners' tenants, aged 16-18 years of age, who live in homes within the Epping Forest District.

The Scheme is being administered and led by the Council's Community Services Team,

supported by the Council's HR Team who will co-ordinate the training arrangements and work-based mentoring as an extension to the Council's own Business and Construction Apprenticeship Scheme.

Following our Preferred Partners promoting the JobStart Scheme amongst their tenants living in the District, I am pleased to report that 3 suitable young people have been identified for the first year's placements.

Increase in expenditure on Disabled Facilities Grants (DFGs)

Disabled Facilities Grants (DFGs) are means tested grants for people with disabilities living in the private sector. Grants are provided up to £30,000 to provide essential facilities within the home. Common adaptations are level-access showers, stairlifts and ramps but, less often, grants are given towards extensions to provide bathing and sleeping accommodation. As the grants are mandatory, the Council must provide them if applicants meet the eligibility criteria.

Each grant is initiated by a recommendation from Essex County Council's Occupational Therapy (OT) Service. However, following changes in the way that the OT Service is provided, there has been a dramatic increase in the number of referrals received. It appears that this position has now stabilised but there is no evidence to suggest that numbers, which increased from around 60 in 2012 to 165 in 2014/15, will reduce.

The budget for DFGs is held within the General Fund and had been set at £380,000 a year until 2018/19. It is now obvious that this will be insufficient and it has been estimated that a further £120,000 a year until 2018/19 will be required. Accordingly, the Cabinet has agreed to make a recommendation to the full Council that a supplementary capital estimate of £120,000 be approved for 2015/16 and that a capital growth bid is made for a further £120,000 for the following 3 years until 2018/19.

The Government contributes to DFG expenditure through the Better Care Fund, which is also administered by Essex County Council. Their contribution in 2015/16 was £363,000 (meaning that the Council's portion of the DFG budget was only £17,000), but there is no indication of how much will be contributed from the Better Care Fund in 2016/17 or thereafter.

The allocation of the Better Care Fund is the subject of negotiations between County Health and Wellbeing Boards and Clinical Commissioning Groups (CCGs) and it is not currently clear how the Council can play a role in discussions on the distribution of DFG funding in future years. There will be a serious cause for concern if the Better Care Fund contribution is reduced and the number referrals being received remains the same or increases. In these circumstances the Council would either have to make up the funding shortfall or fail in its statutory duty to provide DFGs within the required timescales.

New Private Sector Housing Enforcement Policy

At its meeting on 3 September 2015 the Cabinet agreed a new Private Sector Housing Enforcement Policy. This sets out the approach that officers will take to achieve compliance with housing standards in privately-owned properties, where owners fail to meet the requirements set out in legislation.

The new Policy updates the previous Policy, which was approved by the Cabinet in 2010. It takes account of changes that have taken place since then, such as legislative changes and the introduction of new codes of practice. Its main principles are to promote proportionate, consistent and targeted regulatory activity through the development of transparent and effective dialogue and understanding between the Council and those we regulate.

The approach outlined in the Policy is that a staged approach will be taken wherever possible to ensure solutions are initially sought through advice, co-operation and agreement. However, where this is not successful, formal action may become necessary - and this may ultimately lead to prosecution or other summary action. There may also be instances where the risk to health and safety of people living in, or visiting, the properties is such that more urgent action is required, such as where fire precautionary measures are inadequate.

The new Private Sector Housing Enforcement Policy can be found on the Council's web-site.

Implementation of the Revised Housing Allocations Scheme

At its meeting on 9 March 2015, the Cabinet agreed the recommendations of the Housing Scrutiny Panel, following its detailed review of the Housing Allocations Scheme. The revised Scheme came into force on 27 July 2015. Under the previous Scheme, the Council had around 1,800 homeseekers on its Housing Register and around 210 applicants on the Supplementary Waiting List (which is for applicants over 60 years of age, who do not meet the Residency Criteria and have no housing need, who wish to apply for sheltered accommodation for older people).

Following the re-registration process, the Council now has 1,399 homeseekers on our Housing Register and 140 applicants on our Supplementary Waiting List.

Housing Service Standards

For many years, the Council has published a range of Housing Service Standards, covering all of the Housing Service's main areas of activity. All tenants are provided with a leaflet setting out all the Housing Service Standards, which is included as part of the Tenants Handbook given to new tenants.

Performance against the Service Standards, and whether any changes to the Service Standards should be recommended, are considered by the Housing Select Committee (previously the Housing Scrutiny Panel) annually.

Performance against the Housing Service Standards in 2014/15 (compared with our performance in 2013/14 and 2012/13), and the Standards themselves, have been reviewed by the Housing Select Committee and the Tenants and Leaseholders Federation and I will shortly be agreeing a small number of changes to be made to the Service Standards, based on their recommendations.

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Leisure & Community Services

Portfolio Holder: Councillor H Kane

Recommending:

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

I am pleased to provide my report for September Council, which contains details of the fantastic range of summer activities that the Council's Community Services teams delivered during the summer holidays for children and young people of all ages and abilities and, information regarding a range of other items that will be of interest to Members.

Community Services

Summer Programme: Another busy and successful summer activities programme was provided across the district, with a total of just under 2000 people attending. There were a very wide range of choices of activities available, which included:

- Activity Camps (previously known as Playschemes) which ran from 8.45pm – 3.30pm each day for children 5 to 11 years, during 4 weeks of the summer holiday period;
- 'Play in the Park' – developed in partnership with Town and Parish Councils, these free 2 hour sessions focusing on playing games and having fun outdoors for 0 – 19 years, attracted up to 80 people at each session;
- Disability Inclusion Project – a variety of sports and leisure activities for children and young people with special educational needs. Activities included camping, trampolining, yoga, horse riding, family forest days and multi sports days;
- A host of other activities such as Soccer Tots, Mountain Biking, Dance workshops, Creative workshops (such as Little Red Riding Hood & Friends), My Monster and Me and Flyaway Katie, How to...draw and How to Colour in workshops, Animation in a day, Play in the Forest, Outdoor Adventure Activities, Make a Mini Museum workshops, Museum family days and sports sessions.

This year's summer family arts programme was successful in attracting 650 people, who attended events ranging from the theatre and puppet shows to dance and painting workshops. This year's highlights were: *How To Paint*, a series of artist led sessions in using oils, inks, watercolours and acrylic paints for children aged 7 plus, teaching colour theory and medium techniques; *My Pet Monster and Me*, Blunderbuss Theatre Company's delightful interpretation of this popular children's book; *Hip Hop Grooves*, a dance workshop

for children aged 4-9 years old in street dance led by a professional dancer from the popular Hip Hop Pop dance company.

We received excellent feedback on all of the activities provided and only a few sessions were disrupted by the poor weather conditions.

Reality Roadshow: The Community, Health & Wellbeing Team delivered Reality Roadshow health and safety events in Davenant and King Harold secondary schools at the end of the school summer term. Reality Roadshow is similar to Crucial Crew which is the Council's Primary school health & safety initiative, but it is much 'harder hitting', with very strong messages about bullying and substance abuse. Every Year 9 pupil in the district gets the opportunity to take part in the programme which includes a full day of inter-active scenarios focussing on issues including; Legal Highs, Alcohol Misuse, Internet Safety, Sexual Health, Healthy Relationships and the Consequences of Crime. The scenarios are delivered by a range of agencies including public sector and charities and will be delivered throughout secondary schools in the district during the academic year September '15 to July '16.

Youth Engagement: The Epping Forest Youth Council is in the process of organising a Youth Engagement Day 9th October. The event will be held in the Council Chamber at the Civic Offices and 80 teenagers from local schools will spend the day learning about local democracy and gaining skills in public speaking and debating.

Museum Redevelopment: In my previous report, I advised Council that work on the redevelopment of our museum in Sun Street, Waltham Abbey had commenced. I am pleased to say that the building work is progressing well and the internal walls that create the new spaces on the first floor of 41 Sun Street are now in place and it is possible to see the excellent facility that will be available to the public. Other work to build the lift and main staircase is underway and the final planning for exhibition design and display are taking place, with staff busy confirming objects that will be going on display in the new museum space.

A major removal exercise has also been undertaken by the Museum team, to transfer the reserve collection from Langston Road Depot, to temporary facilities in Oakwood Hill, Loughton. A team of volunteers have been involved in helping to pack the collection at Langston Road, prioritise items that will go on display in the new museum facilities and organise storage of items ready for the move down to the Museum site. The Museum is the first service to vacate Langston Road Depot, which is due for redevelopment as a shopping park.

I am very excited about the new opportunities that the museum redevelopment will bring to the district, as the new spaces available offer the opportunity for special exhibitions, on-site education and a range of community based activities in the activity room. It is also anticipated that the new facility will be a catalyst for the regeneration of Waltham Abbey Town Centre and will bring many more people to the Epping Forest District.

Museum Resilience Feasibility Study: Members will be aware, that the Council was successful in securing £55,000 funding from Arts Council England Resilience Fund, for a two part feasibility study looking into the establishment of a fundraising arm for the Museum, Heritage and Culture (MHC) Service, and, options for commercial opportunities available through the service and various skills of the staff.

Consultants were appointed in July and have held a series of meetings with the MHC team to draw up a skills audit, understand the services available and the Council's key objectives for its community. This along with a wide range of other research will help them draw up recommendations for developing new external funding streams to support the core budgets of the service and identify the potential commercial opportunities available through the range of services and facilities that will be provided from the new museum.

MHC Education and Outreach: The ongoing programme of education and outreach work delivered by staff has included a series of successful family drop in art and craft activities held at Waltham Abbey Library and at Lowewood Museum each week over the summer. These activities were supplemented this year with the Museum Explorer Passport, which was developed by the Audience Development Officer who is funded through the Heritage Lottery Fund Award. The Explorer Passport has encouraged family visits to museums across Bedfordshire, Hertfordshire and Essex and has brought new families to Lowewood Museum, as well as encouraging our local 'regulars' to visit other museums, and has been very well received. Young People were also offered the opportunity to take part in 'Arts Award', a national scheme run by Arts Council England. Several families signed up to take part in this new initiative and received a log book, which on completion, enables them to achieve the 'Discover Level' of Arts Award.

Lowewood Museum: We were delighted to welcome the Lord Lieutenant of Hertfordshire to Lowewood Museum on 30th July for her first visit and she was very impressed with how successfully the museum showcased local history and engaged with its audiences.

The opening of the James Ward Gallery on the 15th August also attracted a very good audience, with many coming particularly to meet the special animal guests who came from Paradise Wildlife Park to celebrate the work of this renowned animal artist.

The Youth Panel, which has been established for the MHC service by the Volunteer Coordinator who is also funded through our Heritage Lottery Award, have developed their first exhibition, 'School's Out'. They are taking responsibility for all aspects of the exhibition, from writing text panels, to selecting objects and creating interactives.

Finally, the Family Fun Day held at Lowewood Museum in August attracted over 200 people to the facility, with many new people.

Social Media: In case Members missed our Social Media article in the Council Bulletin, the Museum Service has been extremely successful in utilising social media. Interactions on social media accounts (including the museum's blog, Twitter and Facebook pages) between January and August 2015 has been 146,107, which I am sure Council will agree is excellent. Between the 4th quarter of 2014 and 1st quarter of 2015 there was an 88% increase in interactions and based on current figures, these statistics look to be maintained, with the likelihood that there will be an increase between the 1st and 2nd quarters of 2015.

I am also delighted to advise, that through the Museum Service outreach activities over the summer period, we engaged with over 750 people at a range of events across the district.

Ten Pieces BBC Project: Through a new BBC initiative, the Council has been working with Epping Primary School to open up the world of classical music to pupils. Ten Pieces is an exciting new initiative for primary and secondary schools focusing on classical music and

creativity. Led by BBC Learning, the project aims to unlock the world of classical music to children – and inspire them to develop their own creative responses to the pieces through music, dance or digital art. The repertoire includes a range of music from baroque to contemporary.

We secured the services of Phoebe Osborne, multi-instrumentalist, singer and composer, to work with pupils at Epping Primary School to create an original composition in response to Anna Meredith's *Connect It*. Over the course of two days Phoebe worked with over 60 children to encourage them to develop their own creative responses to the work of contemporary composer Meredith. During the sessions they were introduced to vocal and body percussion as well as the importance of pulse and working together. Further to developing the children's understanding of contemporary classical music the sessions also developed their self-esteem with individuals taking the lead in conducting their fellow classmates. Children were also encouraged to explore different art forms in response to the music using colours, shapes and movements to express how the piece made them feel. Participants shared the result of their sessions with Phoebe in a performance to parents and staff, the footage of which will be available to view on the BBC website in the coming weeks.

<http://www.bbc.co.uk/programmes/articles/4KCVB2XVgPQ0JwnqLGJl8y0/about-bbc-ten-pieces>

Leisure Management Procurement

The Portfolio Holder Advisory Group for the new Leisure Management Contract met on the 17 September 2015, and considered the Draft Business Case and Procurement Strategy. The presentation by the Council's Consultants considered the current costs of the service and potential options to minimise the future revenue costs of the facilities. Based on the comprehensive building condition surveys undertaken, the Business Case looked at options to refurbish and in some instances, i.e. Waltham Abbey Swimming Pool, re-provide new facilities on alternative sites. A report will be considered by Cabinet in October, seeking agreement to the procurement strategy and the terms of a contract extension for up to a year to the existing management partner, SLM Ltd.

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Planning Policy

Portfolio Holder: Councillor R Bassett

Recommending:

That the report of the Planning Policy Portfolio Holder be noted

1) Update on key evidence work

Strategic Housing Market Assessment:

The work has now been completed on this key piece of technical evidence producing an update Strategic Housing Market Assessment (SHMA) in conjunction with the other authorities within our Housing Market Area: East Herts, Harlow and Uttlesford. Experience at recent examinations including Uttlesford, and preliminary Inspectors' conclusions on Cambridge City and South Cambs Local Plans, vindicates the need to ensure the SHMA is completed in accordance with the Government's guidance and is based on the latest available information. It follows, therefore, that unless this work is done properly there is a strong likelihood that our Plan would be found unsound at examination. Finalising the SHMA was delayed by the need to take account of the latest CLG household projections released earlier this year and for additional work required to test the links between employment / job and housing target assumptions across the whole SHMA area.

The completed SHMA is to be formally considered by the SHMA partners at the Cooperation for Sustainable Development Board meeting on 22nd September. I have arranged a briefing for members on the SHMA and the Economic report (see below) on the 21st September in the council offices. The expectation is that the SHMA will then form part of the Local Plan evidence base for each of the respective Councils. Reports on both the SHMA, and the related economic and employment evidence are on the 8th October Cabinet agenda.

What the SHMA report will give us is figures for Objectively Assessed Housing Need (OAHN) for Epping Forest District and the other three Districts named above. However, it is important to understand that the OAHN is not the housing target for the District. It does, however, represent an important milestone towards establishing our housing target. Having identified the District wide need the next steps require us to take account of any policy constraints, including the Green Belt, which indicate that development should be restricted. If the evidence indicates that our need cannot be met in Epping Forest District then subsequent meetings of the Member Board, (which EFDC now chair), will need to discuss how the objectively assessed need might be met across the wider SHMA area.

Economic and employment evidence:

The Council's existing Employment Land Review was completed in 2010 and requires revision. Two reports have been prepared, by the same consultants, to provide up to date robust economic needs evidence for the Local Plan. These are:

1. The 'Economic Evidence report for West Essex and East Herts' commissioned jointly by EFDC and East Herts, Harlow and Uttlesford Councils. Given the strong emphasis by Local Plan Inspectors that jobs and housing requirements should be aligned, this study was commissioned on the same basis as the Strategic Housing Market Assessment and covering

the same authorities so as to inform all four Local Plans across the 'Functional Economic Market Area.

2. The 'Economic and Employment Evidence to Support the Local Plan and Economic Development Strategy' commissioned by and for EFDC alone. This gives a detailed analysis of the assessed economic need, in terms of employment floorspace and type to be provided though the EFDC Local Plan. It is needed because the Joint Economic Report is at a high level, expressing the Objectively Assessed Economic Need as a range of jobs growth per year, whereas the Council also needs to know the floorspace breakdown of what this need might be in order to inform the new Local Plan.

Now finalised, like the SHMA, these reports will also be reported initially to the Cooperation for Sustainable Development Board meeting on 22nd September and then Cabinet on 8th October.

Green Belt Review & Settlement Hierarchy:

The first stage of the Green Belt Review in the District has now been completed together with the production of a settlement hierarchy. These two reports were finalised following consideration of comments received over the summer from District, Town and Parish members.

Phase 1 undertakes a comprehensive high-level review of all Green Belt land across the District to assess its contribution to the Green Belt, as stipulated in the NPPF. It identifies both the primary functions of the Green Belt, which deliver the national purposes, and in particular the contribution that each of the areas of the Green Belt land individually make towards the national Green Belt purposes.

The findings were reported to Cabinet at the meeting held on 3rd September and the Green Belt Review work will now be taken forward to enable a more detailed assessment of a number of broad locations identified in the Stage 1 work. This further work is to be undertaken by externally appointed consultants and should be completed early next year. It will confirm at a more detailed level:

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

The appointed consultants will be required to make provision for holding workshops to enable officers, district council members and parish/town council representatives to feed into the work.

2) Duty to cooperate:

Officers (and Members) continue to meet regularly with the appropriate authorities to consider a wide range of cross boundary issues including the update to the SHMA and identifying the objectively assessed housing need, economic, employment and strategic transport matters as well as the approach taken to Green Belt reviews being carried out by authorities.

3) Neighbourhood Plans:

Moreton, Bobbingworth and the Lavers recently submitted their draft Plan. Following a period of consultation, the Plan will be considered by an independent examiner who will produce a report recommending whether the plan should go forward to the referendum stage.

There are seven other Parish and Town Councils that have applied to designate neighbourhood planning areas for their entire areas, five of which have been approved (Chigwell, Epping, Buckhurst Hill, Theydon Bois and Loughton). The application from the sixth, North Weald Bassett Parish, was

also approved subject to the exclusion of an area adjacent to Harlow's administrative boundary because a number of strategic cross boundary matters were identified that are not within the remit of a Neighbourhood Plan to address. In addition an application from Epping Upland Parish Council has also recently been received and is currently being considered.

4) Government Policy Changes:

Government issued a new version of Planning Policy for Traveller Sites (PPTS) on 31st August. The measure is intended as part of a wider crackdown on unauthorised occupation of sites, to ensure all communities are required to abide by the same planning rules. The main changes are:

- Increased protection for the Green Belt; sites protected under the Birds and Habitats Directives and / or sites designated as Sites of Special Scientific Interest; Local Green Space, an Area of Outstanding Natural Beauty, or within a National Park (or the Broads).
- In exceptional cases, where a local planning authority is burdened by a large-scale unauthorised site that has significantly increased their need, and their area is subject to strict and special planning constraints, then there is no assumption that the local planning authority is required to plan to meet their traveller site needs in full.
- A change in the definition of Gypsies, Travellers and Travelling Showpeople to exclude those who have permanently ceased to travel.

The main change that is likely to impact on the assessment of need is the change in definition. This means that persons who have *permanently* ceased to live a nomadic habit of life may no longer be covered by the PPTS. The new PPTS goes on to state that in determining whether persons are "Gypsies and Travellers" for the purposes of this planning policy, consideration should be given to the following issues amongst other relevant matters:

- a) Whether they previously led a nomadic habit of life
- b) The reasons for ceasing their nomadic habit of life
- c) Whether there is an intention of living a nomadic habit of life in the future, and if so, how soon and in what circumstances.

Consideration is currently being given as to whether the Accommodation Needs Assessment previously produced by consultants on behalf of Essex authorities will need to be updated to take account of the policy changes; and if so the extent to which the assessment will need to be revised.

5) Food Task Force

The Task Force, with support of partners within and outside the district, continues to develop its work programme.

Progress on the new qualification for horticulture lead by Epping Forest College with financial support from Essex County Council, is being made. Modules are being developed in conjunction with a major local business, to ensure training matches industry needs. LANTRA are acting as consultants to enable full accreditation. Candidates are being identified to undertake the programme when complete.

A workshop will be held in October targeted at planning officers from neighbouring authorities with planning powers or roles, to examine a planning policy paper produced by the taskforce, which looks at the industry, opportunities and barriers to growth. This will be led by the Chairman of Vibrant Partnerships, formerly part of the Lea Valley Regional Park Authority.

The task force has been anxious to examine the research and development deficit around industry technology. It has been agreed to commission a report into the feasibility of establishing an institute for Food Security. A brief for consultants has been produced. Funding has been sought from

partners to enable the study to progress. Partners are expected to confirm funding by the end of September. Allied to this the Taskforce has entered into partnership with NIAB, based in Cambridge as the UK arm of an EU Interreg Bid called Bioboost, to look at reducing carbon footprint and expanding recycling in the sector.

The last meeting was attended by a team from the University of Essex leading research in botanic and glass and lighting technology. They will be looking to engage growers directly with latest scientific developments and establishing a science presence in local facilities.

An agritech report looking at Food capacity along the LSCC corridor has been commissioned by the Taskforce on behalf of the LSCC is now complete. A major Food Symposium is to be held in the autumn, involving commercial growers, academic and research companies, including interests from the pharmaceutical sector to review this report and develop a joint approach to sector expansion. Sponsorship for this event has already been secured.

The task force has been approached to find a partner to lead development on a bid to the EU URBACT programme. This programme enables information sharing/learning across EU states. The Task force is currently reviewing participation and examining costs/benefits.

In July the task force hosted a tour of the industry locally with the Chief Executive of SELEP and officers from the Rural payments Agency at DEFRA. The Task force has been asked to bring forward proposals with its sister organisation Produced in Kent, for taking the industry forward and developing a wider /integrated approach to horticulture. This work will be informed by the governments recently launched plan for boosting productivity in rural communities.

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Safer, Greener and Transport

Portfolio Holder: Councillor G Waller

Recommending:

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

Community Safety

The team continues to support victims of domestic abuse and those with other vulnerabilities. A pilot scheme has just been introduced whereby a retired police trained Crime Prevention Officer works in a voluntary capacity with the Council's Community Safety Officer in dealing with medium risk domestic abuse referrals from Safer Places. The first case has just been referred and successfully completed, highlighting other risks to the victim which had not previously been identified. A risk management plan was implemented and physical security support supplied. A further referral was taken from an EFDC housing team, involving an elderly lady with significant health issues who was the victim of ASB. The Community Safety Officer again worked with the volunteer Crime Prevention Assistant to help the lady with physical security measures, and this has greatly improved her quality of life.

Volunteer Police Cadets

The Volunteer Police Cadets (VPC) scheme - one of the first in Essex – commenced on 22 September at the Limes Centre, Chigwell, with 20 young people participating. The VPC training will take place on a weekly basis between 6.30pm and 9.30pm, and the young people aged between 13 and 18 years of age will take part in a broad programme of activities offering them a tremendous experience.

CSP Analyst Post

I am pleased to state that, following a successful recruitment process, we now have our Crime Analyst in post, in a partnership with Essex Police, covering the West Policing area including Brentwood, Epping Forest and Thurrock. The Analyst is based in our Community Safety Team at the Civic Offices and is currently acquiring access to Essex Police systems, a process which is taking some time as a result of a major change affecting data recording, requiring re-training of the entire police workforce. However, it is anticipated that the Analyst will be fully trained in the new systems by November and will have been able to start work on the Epping Forest Strategic Assessment by then. It is hoped that she will be able to access police systems remotely, providing flexibility in terms of working locations and without being dependent on access to a police station.

Anti-social Behaviour

The two Council ASB investigators have experienced a 10 per cent increase in workload over the last year and this, combined with the recent announcement from Essex Police that they will in future only deal with the 3 per cent of recorded ASB cases that are assessed as 'high risk', is likely to increase their workload further. The investigators are making full use of the new tools and powers available under the Anti-social Behaviour, Crime & Policing Act 2014 and now have delegated powers to issue Community Protection Notices, which are designed to deal with ongoing problems or nuisance which is negatively affecting the local community's quality of life.

Evidence is being compiled for a possible Public Spaces Protection Notice in the vicinity of Debden Broadway. Consultation is about to begin with all residents, businesses and others who may be affected.

The ASB Investigators have obtained the Council's first interim ASB injunction against a tenant involved in persistent anti-social behaviour, which has so far proved effective in moderating the behaviour.

Investigators are working in partnership with Essex Police in obtaining a first 'Premises Closure Order' for the District. The premises are described by police as a 'crack den', and the initial process of obtaining an order has commenced. The case is complex, involving a number of different legal strands including obtaining an ASB injunction and possession proceedings, supported by the deployment of portable overt CCTV.

Limes Farm

Following the shooting at Limes Farm in early July, two men were arrested for being in possession of, and discharging a firearm. Immediately after the incident, our Community Safety Team organised a meeting with Essex Police and the Metropolitan Police representing the neighbouring area of Hainault, as well as housing officers from both the Council and relevant housing associations. An action plan was drawn up from this meeting, with the main aim of settling the unrest and concern that had been seen amongst residents in the area. The consensus was that an engagement intervention was needed, and a meeting was therefore called with Chigwell Parish Council, attended by the Leader of Council, the Portfolio Holder for Housing, officers and myself. At this meeting, it was agreed that all partners would contribute funding towards the appointment of Parkguard, a uniformed organisation with a high level of experience in working with communities suffering from crime and disorder.

This funding has enabled the delivery of regular patrols and engagement activity with people living on Limes Farm and has been very successful in reducing fear and anxiety across all age groups. In addition, Parkguard have detained a number of persons in relation to drug related offences, have been able to allay fears arising from the recent shotgun incident and have helped to reduce ASB and other criminal activity during the summer holiday period. The funding for Parkguard is sufficient to cover reduced patrols leading up to Hallowe'en and bonfire night, and officers are currently considering longer term options for Limes Farm.

Safeguarding

Through the implementation of our new arrangements for safeguarding, we are now able to monitor the level of safeguarding concerns that staff raise each month with the safeguarding team and the number of referrals that the Council makes to Essex Social Care. I shall therefore be able to provide an overview of these statistics in future reports. In August the safeguarding team received 17 concerns, as follows;

- 5 x children only concerns (where children were victims);
- 11 x adult only concerns (where adults were victims), and;
- 1 x concern that involved both children and adults

From these concerns, 11 new cases were referred to Essex Social Care, 2 updates were sent to agencies where the victim/perpetrator was already known, 3 cases were not referred and one case was not deemed a safeguarding concern.

Countrycare

Countrycare has continued with its well attended regular volunteer days, including a couple of days' work for Harlow Council on the Stort Water Meadows. One of the days saw volunteers from three different groups come together to help restore this important wildflower meadow.

The volunteer days are a staple part of Countrycare's activities, and it is worth setting out those which have taken place since July:

Thursday 2 July: All Saints Church, Nazeing. A new compost bin was built and areas of the wildflower meadow were cut and raked up. 14 volunteers attended.

Thursday 9 July: Roughtalleys Wood LNR, North Weald. The paths and glades were cut and raked, bramble was cleared from around the pill box, wood chip was bagged up ready for use at Bobbingworth Nature Reserve and logs were used to finish marking out the woodland path. 18 volunteers attended.

Thursday 16 July: Weald Common Flower Meadow LNR, North Weald. The hedgerow by the road was cleared around, areas of the meadow were cut and raked, ragwort was pulled from the meadow and bramble was cleared at the far end of the site. 19 volunteers attended.

Thursday 23 July: Millennium Garden, Epping Green. Three quarters of the site was cut and raked. Some areas were left uncut for invertebrate habitat. 14 volunteers attended.

Thursday 30 July: Foster Street Burial Ground. The compost bin was turned, and some of it used to spread along the roadside hedgerow, and the grassland area was cut and raked. 18 volunteers attended.

Thursday 6 August: Stort Water Meadows, Harlow. The site was cut and raked, and the arisings were removed. 27 volunteers attended.

Thursday 13 August: All Saints Churchyard, Epping Upland. The churchyard was cut and raked, and the arisings put onto the compost bin. 18 volunteers attended.

Wednesday 19 August: Home Mead Local Nature Reserve. The meadow area was cut and raked up; four volunteers attended.

Thursday 20 August: Bobbingworth Nature Reserve, Moreton. The area between the trees had been strimmed and was raked up, two bat boxes were installed, tree labels were put up and the hedge along the northern side of the site was cleared along. 13 volunteers attended.

Thursday 27 August: Thornwood Allotments, Thornwood. The meadow area was cut and raked up. 16 volunteers attended.

Thursday 3rd September: Norton Heath LNR. Bramble was cleared and raked, and young silver birch was pulled. 14 volunteers attended.

Tuesday 8th September: Willingale Road Allotments, Loughton. The meadow was cut and raked up; five volunteers attended.

Thursday 10 September: Old Shire Lane. The meadow was cut and raked up. 12 volunteers attended.

Bug hunting and pond dipping events were attended by a total of 87 children on four occasions. Countrycare attended two shows over the summer: North Weald Airfield Battle of Britain 75th Anniversary Day and Epping Forest Burial Park's Working Woodland Day. Flyers and walks leaflets were handed out and kids' activities were available.

Countrycare's annual moth night was the best yet. Held at Chigwell Meadows, 22 people turned up and helped to identify 43 species of moth. On 9 September 13 people enjoyed a guided walk around Theydon Bois and Theydon Garnon.

Parking

Council Car Parks Strategy

Following the introduction of the revised tariff in July, new pay and display meters have been installed in all car parks, and revised arrangements have been made for the visitors' car park at the Civic Offices, as a result of which more spaces are available for short stay visitors to the Council.

The Parking Strategy, approved by Cabinet in February of this year, incorporates the installation of new CCTV systems and enhanced lighting. A business case for Invest to Save funding is being made for replacing existing lighting with more energy efficient LED lights.

The Portfolio Holder Advisory Group on the Car Parking Strategy continues to provide advice and support. I very much welcome the help given in implementing the new Strategy.

Parking Reviews

The majority of the signing and lining work for the Buckhurst Hill Parking Review has been carried out, although some areas have proved difficult due to commuter parking. Essex Highways intend to carry out the remaining works during evening hours when there are no commuter cars.

Once all work on the Buckhurst Hill Parking Review is completed, it will be possible to start work on the Loughton Broadway Parking Review. I intend to meet the local ward members in the very near future to consider the way in which this project should be carried forward.

ePetition

I have to report to Council that an ePetition has been submitted by residents who are concerned about parking in Rounton Road, Waltham Abbey. By the end of the allotted time period of 12 weeks, it had been signed by 14 persons. This matter will be investigated.

This page is intentionally left blank

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Technology and Support Services

Portfolio Holder: Councillor A Lion

Recommending:

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

Support Services

Apprentices

Following the Council's recent recruitment process for our new cohort of apprentices, I am pleased to report that we have recruited 7 Business Administration Apprentices and 1 Construction apprentice.

Two of the Business Administration apprentices will be funded by the Community Fund. Members may remember from my last report, that a number of Housing Associations on the Council's Preferred Supplier List are contributing to a Community Fund to finance some of the apprenticeship posts.

Eighteen young adults applied for a position and they attended a week long training programme before being shortlisted and interviewed.

The Council's 2013/14 Apprenticeship programme has now seen six out of the nine original young apprentices successfully gain permanent employment within the council in business administration or construction.

Jake Evans and Jake Davidson have recently achieved their Multi-Trade Construction qualifications have been employed as permanent multi-trade workers in the Communities, Housing Repairs Team.

The Business Administration apprentices have also been very successful, they have all passed their Business Administration Level 2 qualifications; Louis Walton is now working in Community Development; Cheznee Marquis is employed in Resources Admin Support, Sam Bevans is working in IT/ GIS Mapping and Alfie Claxton has achieved a permanent position in Council Tax.

Two of the cohort are now employed in other organisations.

Disability Two Ticks Symbol (√√)

I am also delighted to inform you that the Council has been awarded the Disability (Two Ticks) Symbol as a result of the re-accreditation process by the Department of Works and Pensions, Job Centre Plus.

The Symbol provides evidence that the Council encourages applications from disabled people and makes every effort when employees become disabled to ensure they stay in employment.

Technology

Flexible working through technology presentations

ICT have completed a series of detailed briefings with management teams from each directorate. These briefings covered available options for mobile/flexible working technology and focused on outcomes as opposed to technical options.

As a result of these briefings bids have been received from across all directorates for equipment from the allocated capital budget for this project. These bids will lead to improved efficiency from individual staff or whole teams and will also allow the testing of new capabilities in some cases to meet particular needs.

Facilities

Window Replacement

I am pleased to advise that this project has now been successfully completed with only minor snagging issues left to resolve. This project was important to maintain the integrity of the building and will also help reduce heating costs.

Roof and Solar Panel project

The scaffolding is now in place and work has commenced on the removal of the roof tiles on the Conder building. Work is also commencing to seal the roof on the front elevation of the main building. Once the roofing works are completed, the solar panels will be installed. This project is due to complete by the end of November, which will ensure that the higher energy tariff is received and the return of investment will remain at between 7-8 years.

Superfast Broadband High Speed Internet

Following the award of the Superfast Broadband (Phase 2b) Rural Challenge Project contract by Essex County Council to Gigaclear, preparatory work has been taking place ahead of the commencement of the delivery phase. A detailed delivery plan is being prepared by Gigaclear which will set out when and where the construction of the fibre network will begin and which locations can expect to be the first to be given access to the Ultrafast Broadband service. Even at this stage interest is high and 6 orders have already been received.

The first locations should be connected to the network by December 2015 with all 4,545 residential and business premises within the Rural Challenge Project intervention area being reached by the end of December 2016.

As the project rolls out through the intervention area Gigaclear will commence a rolling programme of parish publicity, communication and engagement to raise awareness of both the service that will be installed and the likelihood of any disruption in the build phase of the project. They will liaise closely with the parishes, at the same time aiming to ensure all disruption is kept to a minimum and a series of community events will take place to demonstrate and encourage take-up of the service that is being delivered.

Gigaclear and Superfast Essex, in conjunction with Epping Forest District Council Economic Development Officers, have already begun the parish engagement process with two events for parish, district and county council members for the affected areas, as well as nominated parish broadband champions. Both events were positively received.

The Rural Challenge Project sits alongside the ongoing Phase 1 and Phase 2a elements of the Superfast Broadband project which, in partnership with BT, are aiming to deliver 95% superfast broadband to the whole of Essex.

Delivery under these programmes is continuing and residents and businesses outside of the Rural Challenge Projects intervention area can also find out the latest on when these phases are likely to reach their locations by visiting the postcode checker map on the Superfast Essex website.

This page is intentionally left blank

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Funding for Disabled Facilities Grants

Portfolio Holder: Councillor D Stallan

Recommending:

(1) That a supplementary capital estimate in the sum of £120,000 for 2015/16 be approved to supplement the existing agreed budget of £380,000 for Disabled Facilities Grants.

Report:

1. The Council has a legal duty to provide Disabled Facilities Grants (DFGs) to residents of the District that meet the eligibility criteria under the Housing Grants Construction and Regeneration Act 1996. The Grants are means tested up to a maximum of £30,000 per application to provide essential facilities or access to essential facilities for home owners registered or eligible to be registered as disabled. The work ranges from stair lifts and ramps to extensions; however, the most common adaptation is level access showers.

2. The grants are initiated by Occupational Therapists from Essex County Council under a referral system. New arrangements implemented by the County Council in 2013 have seen a dramatic increase in the number of referrals received by the District Council, from 71 in 2012/13 to 164 in 2014/15. This has also led to an increase in expenditure on the Grants from £259,344 in 2012/13 to £401,413 in 2014/15.

3. Officers believe that the number of referrals will stabilise at approximately 165 per year, incurring an estimated annual expenditure of £500,000 per annum. The budget agreed in the Capital Programme at the end of 2014 was £380,000 per annum, up to and including 2018/19.

4. The Council does receive some help from the Government to meet its statutory obligations. In 2015/16, the Council received £363,000 from the Better Care Fund, although there has been no indication if this level of assistance will be continued in future years. Under certain circumstances, the Council can require the repayment of a Disabled Facility Grant; however, only £20,500 has been recovered since the measures were introduced by the Council in April 2012.

5. The budget which has been allocated for Disabled Facilities Grants will be inadequate to meet demand for the foreseeable future, and unless additional funding is made available then the Council will fail to meet its statutory obligation to provide residents of the District with these essential grants for adaptations. The Cabinet has already agreed that a growth bid in the sum of £120,000 for this budget should be made for the years 2016/17 to 2018/19; this would increase the total annual budget for Disabled Facilities Grants to £500,000.

6. The supplementary capital estimate requested for 2015/16 would enable the budget for this year to be increased to £500,000 as well, and allow the Council to meet its obligations under the Disabled Facilities Grants scheme.

7. We recommend as set out at the commencement of the report.

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: AGC-009-2015/16
Date of meeting: 21 September 2015

Portfolio: Finance

Subject: Statutory Statement of Accounts 2014/15

Responsible Officer: Bob Palmer (01992 564279)

Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

(1) That a report be submitted to the Council recommending that the Statutory Statement of Accounts for 2014/15 be adopted.

Executive Summary:

One of the key roles of this Committee is scrutinising the annual Statutory Statement of Accounts. All Members of the Council will have the opportunity to debate the Accounts at Full Council and part of that debate will be to consider the recommendation of this Committee.

It is anticipated that the audit will be completed shortly and that the Statutory Statement of Accounts will be presented to Council on 29 September. There is a separate report elsewhere on the agenda that sets out the key findings of the audit.

There have been no substantial changes to the annual Statutory Statement of Accounts for 2014/15. The format of the accounts and the disclosure notes within them are very similar to those for 2013/14. Also, following the significant changes to the system of local authority finance in 2013/14, 2014/15 has been a year of consolidation with no other significant changes.

To assist Members with their consideration of the Accounts a report follows together with the Accounts themselves.

Reasons for Proposed Decision:

It is important that this Committee scrutinises the annual Statutory Statement of Accounts so that residents and other Members can have confidence in the Accounts.

Officers have exercised their professional judgement and liaised closely with external experts and the External Auditor to produce the Statutory Statement of Accounts. If Members are satisfied with the content of this report and the verbal responses to any questions raised, they are requested to recommend the Statutory Statement of Accounts for adoption by Full Council on 29 September.

Other Options for Action:

The Committee could decide that the accounts should be amended or expanded prior to them being presented to Full Council.

Report:

1. The Accounts and Audit Regulations require Full Council or an Executive Committee to adopt the Council's Statement of Accounts before the end of September. The Council's constitution reserves the adoption of the Accounts to Full Council only. However, prior to Council considering the accounts it is important that they have been subject to Member scrutiny. This Committee has scrutinised the Statement of Accounts for several years.

2. The consideration of the Statement of Accounts is contained in the Terms of Reference of this Committee, the relevant parts being:

(h) To review financial statements, including the Council's Statement of Accounts, External Auditor's opinion and reports to Members, and monitor management action in response to the issues raised by External Audit.

(i) Review, and challenge where necessary, the actions and judgements of Management, in relation to the Council's Statement of Accounts, paying particular attention to:

- (i) critical accounting policies and practices, and any changes to them;*
- (ii) decisions requiring a major element of judgement;*
- (iii) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;*
- (iv) significant adjustments resulting from the audit; and*
- (v) any material weakness in internal control reported by the Internal or External Auditor.*

Critical accounting policies and practices, and any changes to them

3. There have been no significant changes in accounting policies and practices during the year. The accounting policies are set out on pages 9 to 18 of the Accounts.

Decisions requiring a major element of judgement

4. In preparing a set of accounts at a point in time it is inevitable that some of the information required will not yet be available. If an actual amount is uncertain an estimate is used. The estimate will be based on the assessment of information available at the time the accounts are closed. When the actual figures are determined any difference is usually accounted for in the following year. If the estimate was wrong by a material amount it would be necessary to consider re-stating the figures, this is extremely rare.

5. Two of the notes required by International Financial Reporting Standards are relevant here, note 3 "Critical judgements in applying accounting policies" and note 4 "Assumptions made about the future and other major sources of estimation uncertainty". The key critical judgement highlighted in note 3 is that the Council does not currently need to close facilities or significantly reduce levels of service provision. If this were not the case it would be necessary to consider any assets that would be affected and any consequent impairment of their values.

6. Three areas are covered by note 4, these are firstly property, plant and equipment, secondly pensions liability and finally arrears. The assumption made on property, plant and equipment is that assets will continue to be maintained so as to maximize their useful lives. If this were not to be the case additional depreciation would need to be charged. In reviewing arrears an estimate has to be made to allow for bad debts and, whilst a prudent view is taken in making this calculation, if the economic climate were to worsen significantly the charge to the Comprehensive Income and Expenditure Statement would increase.

7. The substantial annual fluctuations in the pension's liability make clear the element of judgement exercised by the actuary in establishing the pension figures. The largest creditor on the Balance Sheet is the Council's liability to the pension fund. The Balance Sheet shows that the pension liability for the Council has increased in the year from £57.8 million to £69.9 million. This larger deficit is due to a £13.4 million increase in the value of the scheme assets being outweighed by an increase of £25.5 million in the projected liabilities.

8. The key to calculating the value of the projected liabilities is the discount rate, and as this falls the size of the liability increases. The reduction in the discount rate from 4.4% to 3.2% reflects the falling yields in the corporate bond market, which actuaries are required to base discount rates on.

9. The figures shown in the table below illustrate how the overall deficit has changed over time. Further fluctuations are likely in subsequent years as it becomes clear how members of the pension scheme are responding to the change from a final salary scheme to a career average based scheme.

	2013/14 £'m	2013/14 £'m	2012/13 £'m	2011/12 £'m	2010/11 £'m
Liabilities	(185.0)	(159.5)	(170.4)	(150.8)	(130.1)
Assets	115.1	101.7	95.0	85.2	83.8
Deficit	(69.9)	(57.8)	(75.4)	(65.6)	(46.3)

10. The inclusion of this amount in the Balance Sheet shows the extent of the authority's liability if the pension fund was to close on 31 March 2015. It does not mean that this full liability will have to be paid over to the pension fund in the near future.

11. There are two other areas in the Statement of Accounts to bring to Member's attention as having required a major element of judgement. The first of these is the Council's Property, Plant and Equipment, which dominates the Balance Sheet with a value of just under £600 million. These assets are revalued periodically to ensure their valuations are correct and up to date. This process has not caused any concern previously as the valuations have either been prepared by qualified valuers in the Council's estates section or by external valuers in such a way that the external auditors have been able to satisfy themselves as to the accuracy of the valuations.

12. This year has been more problematic as the valuer who had revalued the Council's leisure centres is now on long term sick leave and his colleagues have been unable to locate his working papers. Work by other team members in the estates section indicated that their colleague may have made a significant error in his valuation and so it has been necessary to instruct an external valuer.

13. The output from the external valuer is still in progress so it is unclear yet how different his values will be to those currently in the accounts. It is likely that some adjustment will be needed to the accounts and amended pages of the Statutory Statement will be issued as a supplementary agenda for this meeting.

14. The other area is the provision for business rate appeals. Historically the values for non-domestic property have been updated every five years. If an occupier is unhappy with the valuation set by the Valuation Office Agency (VOA) they can appeal. Throughout the recession the number of appeals increased and the VOA was unable to keep up with the workload and process the appeals on a timely basis. This meant that when local retention came in there were a very large number of appeals outstanding, most of which related to the 2010 list but some went back to the 2005 list. Even though the appeals arose before the start of the new system, and central government had received the income from the bills being challenged, the liability for settling the outstanding appeals was given to local authorities.

15. The Collection Fund includes a Provision for Appeals of £3.26 million, up from £1.49 million last year. Part of this provision was calculated with the help of an external firm of

rating experts who analysed each outstanding appeal and gave a projected value for settlement. However, ending the right of appeal against the 2010 list from 31 March 2015 generated a large number of additional appeals and given the limited time available it was necessary to apply a cruder approximation to these cases. It is helpful to give some numbers here to illustrate the size of this problem, prior to March 2015 we had 192 appeals outstanding which covered properties with a combined rateable value of £14.5 million in March 2015 we received an additional 274 appeals which covered properties with a combined rateable value of £14.2 million.

16. An area of particular difficulty is with surgeries and medical premises where it has become evident that the District Valuer used an incorrect methodology in the initial valuation of these premises. This has resulted in substantial reductions on appeal, for example from £184,000 to £45,000 and from £73,500 to £20,250. This has been offset by some high value appeals being dismissed, for example the provision included an amount of £96,000 against a rateable value of £800,000 that has been upheld. To date the appeals that have been settled are similar in total to the provisions that were held against them and it appears the provision is not materially misstated. Although it is important to include a note of caution here as there are still appeals outstanding on some of the largest non-domestic premises in the district, including one with a rateable value of £5.83 million.

17. Where it has been necessary to exercise judgement in the interpretation of the Code of Practice advice has been sought from CIPFA and staff have liaised closely with both the External Audit Manager and other Essex authorities.

The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed

18. There were no transactions in either 2014/15 or 2013/14 that require separate disclosure as Exceptional Items.

Significant adjustments resulting from the audit

19. There is one significant adjustment arising from an error in data input to the asset management system. This has resulted in the Revaluation Reserve being overstated by £6.5 million and the Capital Adjustment Account being understated by the same amount. This has no effect on the Balance Sheet as both these items are within the heading "Unusable Reserves". It also has no effect on either the surplus for the year or the balance on the General Fund.

20. The adjustments detailed above have been corrected in the Statement of Accounts. The audit is still to be concluded and any further significant adjustments will be reported to this Committee.

Any material weakness in internal control reported by the Internal or External Auditor

21. Neither the Internal nor External Auditor has reported any material weakness in internal controls. If any arise before the conclusion of the audit they will be reported to this Committee.

Resource Implications:

The Accounts set out the resource implications of the Authorities activities for 2014/15. The recommendation of the Accounts to Full Council does not in itself have any resource implications.

Legal and Governance Implications:

Full Council must approve the Accounts before the end of September and as part of the overall governance framework the Accounts should be subject to Member scrutiny prior to their approval.

Safer, Cleaner and Greener Implications:

There are no environmental implications.

Consultation Undertaken:

None.

Background Papers:

Reports on the revenue and capital outturns to the Finance & Performance management Cabinet Committee on 26 June 2014.

Impact Assessments:

There are no equalities or risk management impacts.

This page is intentionally left blank



Epping Forest District Council
www.eppingforestdc.gov.uk

STATEMENT OF ACCOUNTS
2014/15



STATUTORY STATEMENT OF ACCOUNTS 2014/15

CONTENTS

		Page
Introduction and Explanatory Foreword	by the Director of Resources	i
The Statement of Responsibilities	which explains the various responsibilities of the Council and the Director of Resources for the Statement of Accounts	1
The Auditors Report	which sets out the Auditor's opinion on the Statement of Accounts	2
Movement In Reserves Statement	which is a summary of the increase/decrease in the net worth and resources available to the Council	5
Comprehensive Income and Expenditure Statement (CIES)	which brings together income and expenditure relating to all of the Council's activities	6
Balance Sheet	which sets out the financial position of the Council as at 31 March 2015	7
The Cash Flow Statement	which summarises the movements in assets, liabilities and capital which have taken place during the period and the resultant effect on cash and cash equivalents	8
The Notes to the Core Financial Statements	detailed notes to all the previous Statements	9
The Housing Revenue Account Income and Expenditure Statement	which shows income and expenditure on the provision of council housing	47
The Movement on Housing Revenue Account Statement	which shows the differences between the income and expenditure and the movement on the Housing Revenue Account balance	48
The Notes to Housing Revenue Income and Expenditure Statements	Detailed notes to the Housing Revenue Account Statements	49
The Collection Fund	which shows the income and expenditure transactions of the Council as a billing authority in relation to the collection and distribution of the Council Tax and non domestic rates	54
Annual Governance Statement	which outlines the contents of the Local Code of Corporate Governance and the systems of internal control operating within the Council	57
Members' Allowances		60
Glossary of Terms		61
Glossary of Pension Related Terms		68

Further copies of this report are available from the Director of Resources at the Civic Offices, High Street, Epping, Essex, CM16 4BZ

INTRODUCTION AND EXPLANATORY FOREWORD

INTRODUCTION

The preparation of the annual accounts under the requirements of International Financial Reporting Standards (IFRS) is now well established and hopefully stakeholders are familiar with this format. The accounts are a complex document and readers have not been helped by the previous changes to content and presentation. Thankfully there have been no significant changes for this year and it is hoped that we may now see a reduction in the significance and number of changes. The process we are required to follow and the key financial statements are outlined below.

The Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority (Scotland) Accounts Advisory Committee (LASAAC) publishes a Code of Practice on Local Authority Accounting (the Code) every year that local authorities are required to follow in producing their financial statements. In recent years the Accounting Standards Board and now the Financial Reporting Advisory Board have insisted that public sector financial statements move toward more closely resembling those prepared in the private sector and hence the switch to IFRS.

- Comprehensive Income and Expenditure Statement - this brings together all gains and losses during the year to report them in one statement.
- Movement in Reserves Statement - this shows the movements on all reserves in the bottom half of the Balance Sheet and reconciles the surplus or deficit on the Comprehensive Income and Expenditure Statement to the movement in the General Fund Balance.
- Balance Sheet - this is the statement of the Council's financial position at the end of the financial year.
- Cashflow Statement - this reports the movement on cash and cash equivalents in a summarised form.

The above are described as core financial statements as all local authorities are required to produce them. Both the Balance Sheet and the Cashflow Statement are long established documents that have not been radically amended over time by the successive accounting standards. The Balance Sheet lists what the Council owns, what is owed to the Council and what the Council owes to others. The Cashflow Statement summarises the movements in cash broken down into operating, investing and financing activities that have taken place during the year and their overall effect on the Council's holdings of cash and cash equivalents at the end of the year.

2014/15 was a year of consolidation, with the significant changes for several aspects of local authority finance introduced in 2013/14 becoming more established. The move from Council Tax Benefit to Local Council Tax Support and the introduction of local retention of Non-Domestic Rates were significant developments for residents and businesses as well as local authorities. The collection of Council Tax from those paying it for the first time went better than had been anticipated. This success was only possible due to the additional resources made available by the major preceptors. The use of dedicated resources on these challenging cases meant efforts on collecting the majority of non-benefit cases were not compromised. The better than expected collection rates have meant it has been possible to leave the scheme largely unchanged and the support available has not been reduced from the initial level of 80%.

Unfortunately the local retention of Non-Domestic Rates has not gone as smoothly as the transition to Local Council Tax Support. We have remained successful at collecting Non-Domestic Rates and 2014/15 again saw performance exceed the target set by Members. The outcomes that have been less positive arise from design flaws in the system that are beyond the Council's control. When the system started it was not with a clean slate as authorities were required to take on the liabilities for all of the outstanding appeals, instead of this problem remaining with central government.

There is nothing within the current system to discourage speculative appeals that have no justification from coming forward. This meant it was no surprise that the deadline of 31 March 2015 for raising appeals against the 2010 valuation list produced an avalanche of new appeals. Several hundred new appeals were received and amongst the many spurious cases there are some of potentially national significance. All of the more traditional supermarket chains have raised appeals on their store valuations, to reflect the lower trading levels since the arrival of their newer discounting rivals. There probably is not a single council in the country that does not have several supermarkets operated by the traditional operators and so any significant reduction in valuations will impact not only on individual councils but also on the overall system.

Even before the fresh torrent of appeals the Valuation Office Agency (VOA) had a huge backlog and has shown itself completely incapable of dealing with the additional pressures of the new system. This means we have a vast number of outstanding appeals with no realistic prospect of most of them being resolved any time soon and because of the uncertainty on the value of their ultimate settlement we have to make some provision against them. Given the number of new appeals and the short space of time between receiving notifications of the appeals from the VOA and having to prepare these accounts, a different methodology had to be applied in dealing with these appeals to those that we had known about for longer. The bottom line here is that it has been necessary to double the provision for these appeals from £1.5 million to £3 million. The Councils element of this provision represents 40% and has increased from 0.6 million to £1.3 million.

The other key design flaw in the system is that the General Fund and the Collection Fund account for items in different years. This means the loss on the Collection Fund that has resulted from the increased provision for appeals will not be reflected in lower income to the General Fund until 2015/16. This rather odd situation means it appears that we have more income in 2014/15 than planned but the reality is we have less, we just leave it a year before we account for it. This is why in the table below it appears that the income from Government Grants and Local Taxation is higher than had been estimated.

There was one major service change during 2014/15 that is worth mentioning. After a lengthy process of competitive dialogue there was a change in the Council's waste management contractor, with Biffa replacing Sita from November 2014. The handover was a success and the new contract ran smoothly through to the end of the financial year. However, during May 2015 Biffa introduced a new four day collection system which has been problematic. At the time of writing, the situation is improving but the long term solution to the collection system and the short term issue of funding the rectifications are still to be determined.

More generally across the authority in 2014/15 the service restructures were bedding in, with the Continuing Services Budget (CSB) showing a consequent combined reduction of over £300,000. Income from the Council's property portfolio and development control increased by over £400,000 but this was largely offset by a reduction of £310,000 in the income from the market at North Weald. It was another good year for New Homes Bonus with an additional £569,000 being added to the CSB.

In 2014/15 the Council's Balance Sheet value has increased by £18.5 million to £429.0 million. The improvement in the Balance Sheet total arises primarily from the increase in the value of the Council's properties of £39.4 million however this was offset by a reduction to Other Land and Buildings values of £14.9 million. There was also an increase in the Council's cash and investments went up by £9 million to £68.3 million.

The growth in the Council's Balance Sheet was reduced by an increase in Long Term Liabilities, particularly in respect of the pension fund. This has gone up significantly in the year from £57.8 million to £69.9 million. The assets of the scheme have increased in value by £13.4 million but the major change is on the liabilities which have increased by £25.5 million. The key to calculating the value of future costs is the discount rate and as this falls the size of the liability increases. The reduction in the discount rate from 4.4% to 3.2% reflects the falling yields in the corporate bond market, which actuaries are required to base discount rates on. The inclusion of this amount in the Balance Sheet shows the extent of the Council's liability if the pension fund was to close on 31 March 2015. It does not mean that this full liability will have to be paid over to the pension fund in the near future.

The year-end position is worse than was anticipated when the revised estimates were set. A predicted General Fund deficit of £493,000 has ended up as a deficit of £591,000, although it should be remembered this is after a transfer of £500,000 to the new Invest to Save Reserve. The Housing Revenue Account has a deficit of £396,000, some £591,000 better than the revised estimate of a deficit of £987,000. The next section provides more detail on both the revenue and capital outturn for the year.

SUMMARY OF OUTTURN

The following tables provide a summary review of net expenditure and financing for 2014/15

General Fund

The table below summarises the revenue outturn for the General Fund and the consequential movement in balances

General Fund	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Net Expenditure after Adjustments	13,784	14,324	14,574	790	250
Government Grants and Local Taxation	(13,541)	(13,831)	(13,983)	(442)	(152)
(Contribution to)/from Balances	243	493	591	348	98
Opening Balances - 1/04/2014	(9,884)	(9,884)	(9,884)	-	-
(Contribution to)/from Balances	243	493	591	348	98
Closing Balances - 31/3/15	(9,641)	(9,391)	(9,293)	348	98

Net expenditure for 2014/15 totalled £14.57 million, which was £790,000 (5.7%) above the original estimate agreed in February 2014 and £250,000 (1.7%) above the revised estimate compiled in December 2014. When compared to a gross expenditure budget of approximately £74 million, the variances can be restated as 1% and 0.3% respectively.

An analysis of the changes between Continuing Services Budget (on-going expenditure (CSB)) and District Development Fund (One-off Expenditure (DDF)) expenditure illustrates where the main variances in revenue expenditure have occurred.

General Fund	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Opening CSB	14,654	15,413	15,625	971	212
In Year Growth	379	752	692	313	(60)
In Year Savings	(1,249)	(1,841)	(1,743)	(494)	98
Total Continuing Services Budget	13,784	14,324	14,574	790	250
DDF - Expenditure	2,458	2,530	2,207	(251)	(323)
DDF - One Off Savings	(595)	(1,408)	(1,958)	(1,363)	(550)
Total DDF	1,863	1,122	249	(1,614)	(873)
Appropriations	(1,863)	(1,122)	(249)	1,614	873
Net Expenditure	13,784	14,324	14,574	790	250

Continuing Services Budget

CSB expenditure was £790,000 above the original estimate and £250,000 higher than the revised. The variances have arisen on both the opening CSB which was £212,000 higher than the revised estimate, and the in year figures which were £38,000 higher than the revised estimate.

In common with most years, when measured against the Original Budget, salaries were underspent by £109,000. Actual salary spending for the Authority in total, including agency costs, was some £20.5 million compared against an original estimate of £20.6 million. Whilst the General Fund was underspent by around £103,000, the HRA was marginally overspent. The General Fund underspend was split between the Governance and Neighbourhoods directorates. Over time a number of posts have been deleted from the establishment and this has reduced the number of vacant posts. To reflect this change, the vacancy allowance in the budget was reduced from 2.5% to 1.5%. The outturn was 2%, hence the small underspend.

There were a number of other CSB budgets which were either overspent or failed to achieve their income target and the cumulative effect was a variance of £212,000 on the opening CSB. One of the largest movements on the opening figures was the increase in the provision for bad and doubtful debts, which included a one-off adjustment for the change in systems of Non-Domestic Rate accounting.

The main movement between the Original estimate and the Revised estimate and Actual position was the creation of the Invest to Save Reserve which has moved £500,000 from the General Fund Balance into an earmarked reserve set up to fund any initial costs required to achieve on-going CSB savings. The Reserve will operate in a similar way to the District Development Fund (DDF) in that there will be the ability to move budgetary provision between years as necessary. 2015/16 will be the first year of operation for this Reserve.

The original in-year CSB net saving figure of £870,000 increased at revised estimate to a net saving of £1,089,000. The main reasons for this being the saving on the new waste contract and additional income in Planning from development control and pre-application checking. This was offset to a degree by a further reduction in the income from the market at North Weald. The ongoing reductions in income from the market question the viability of this activity and an exercise will be conducted to look at alternative uses. The actual net savings were £38,000 below the revised figure at £1,051,000. This was primarily due to savings on the waste management contract falling £81,000 short of the estimate.

District Development Fund

Net DDF expenditure was £1,614,000 below the Original estimate and £873,000 below the Revised estimate. There are requests for carry forwards totalling £575,000 and therefore the variation actually equates to a £298,000 net under spend on the DDF items undertaken. These one-off projects are akin to capital, in that there is regular slippage and carry forward of budgetary provision. Therefore the only reasonable variance analysis that can be done is against the Revised position.

The DDF reduced between the Original and Revised estimate by some £741,000. This was mainly due to new items identified during 2014/15, the main item being £326,000 for the recovery of housing benefit overpayments together with Council Tax benefit adjustments and grants. Other significant changes included additional income from Development Control (£120,000) and shops (£78,000) whilst there was slippage on the Local Plan (£91,000) and building maintenance (£46,000).

The rephasing of the Local Plan budget proved overly pessimistic as there was an overspend of £34,000 to carry forward to 2015/16. Cabinet has recently received an update on the Local Plan which indicated that the work will take a year longer than had previously been estimated and the funding requirement is likely to be at least £0.5 million more than currently allowed for in the DDF programme. The amount and timing of funding will be analysed in detail as part of the compilation of the 2016/17 budget.

Carry forwards of £575,000 have been requested, with the largest request being £245,000 from the Governance Directorate. Nearly half this amount relates to work on asset rationalisation, with smaller amounts of £30,000 for staffing in Development Control and £28,000 for Town Centre Support/Portas Initiative. The Directorate with the second highest carry forward is Resources, with a total of £132,000. The majority of the carry forward from this area relates to Building Maintenance (£58,000). Less significant carry forwards were also seen in the Neighbourhoods Directorate (£55,000) and for the Chief Executive (£75,000). The amount for the Chief Executive relates to the transformation programme.

Several items contributed to the net underspend of £298,000, the largest being additional income over that anticipated of £103,000 in Development Control. Notification has been received from the administrator of Heritable Bank that a final dividend of £100,000 will be paid during 2015. This means that the full amount of the deposits will have been recovered and supports the argument that the Government were wrong to place Heritable in administration as the bank was clearly not insolvent.

The effect of this is that there is a balance of £3.6 million on the DDF as at 31 March 2015 whereas it was expected that the balance would be £2.7 million. The carry forward provision of £575,000 has been added to the programme for 2015/16. The MTFS set in February 2015 had anticipated that the unallocated DDF balance would still be £0.9 million at the end 2018/19 and this has increased to £1.2 million. Even allowing for an additional £0.6 million on the Local Plan this still leaves a further £0.6 million as unallocated at this time.

Housing Revenue Account

The table below summarises the revenue outturn for the HRA.

Housing Revenue Account	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Revenue Expenditure	14,019	14,001	13,512	(507)	(489)
Depreciation	13,231	12,480	12,941	(290)	461
Total Expenditure	27,250	26,481	26,453	(797)	(28)
Gross Dwelling Rents	(31,815)	(31,631)	(31,585)	220	(46)
Other Rents and Charges	(2,450)	(2,457)	(2,410)	(40)	(47)
Total Income	(34,265)	(34,088)	(33,995)	270	93
Net Cost of Service	(7,015)	(7,607)	(7,542)	(527)	65
Interest and Other Transfers	(402)	(395)	(521)	(119)	(126)
Interest Payable	5,532	5,529	5,558	26	29
Transfer from Major Repairs Reserve	(6,186)	(4,958)	(5,611)	575	(653)
Net Operating Income	(8,071)	(7,431)	(8,116)	(45)	(685)
Appropriations					
Capital Expenditure Charged to Revenue	5,700	5,200	5,200	(500)	0
Transfer to Self Financing Reserve	3,180	3,180	3,180	0	0
Other	(2)	38	132	134	94
Deficit for Year	807	987	396	(411)	(591)
Opening Balance 1/4/14	(2,966)	(2,966)	(2,966)	0	0
Deficit for year	807	987	396	(411)	(591)
Closing Balance - 31/3/15	(2,159)	(1,979)	(2,570)	(411)	(591)

Deficits within the HRA of £807,000 and £987,000 were expected within its original and probable outturn revenue budgets respectively; the actual outturn was a deficit of £396,000. The difference of £591,000 between the revised estimate and the actual is largely due to depreciation and the transfer from the Major Repairs Reserve (MRR). These two items are related so it is only the net difference between the two variances of £192,000 that affects the bottom line.

Income from Dwelling Rents was down on expectations as sales of Council properties were higher than expected. This was largely adjusted for in the revised estimates and that is why the variance to the revised budget of £46,000 is much smaller than the variance of £220,000 from the original budget. There were savings on Revenue Expenditure of £488,000 when compared to the revised position. One of the larger underspends was on energy charges (£61,000) and there was also a lower than expected increase in the bad debt provision which saved £67,000.

The revenue balance on the HRA of £2.6 million is above the target balance of £2 million previously agreed by Cabinet. This is also supported by the balance on the MRR of £11.1 million, being £1.5 million higher than estimated.

The government has announced that for four years beginning on 1 April 2016 Local Authority rents will be reduced by 1% per annum, there is also a proposal to compel the sale of high value properties once they become void to fund the extension of the right to buy to registered social landlords. Both of these factors will have a significant impact on the Council and it will be necessary to review replacement cycles of key components to assess whether these need to be increased in light of these developments.

Capital Outturn

The table below summarises the capital expenditure outturn and its financing for 2014/15.

	Original Estimate	Revised Estimate	Actual Spend	Variance from Original	Variance from Revised
Capital Expenditure and Financing	£000	£000	£000	£000	£000
General Fund	8,629	8,873	6,263	(2,366)	(2,610)
Housing Revenue Account	17,823	15,219	13,851	(3,972)	(1,368)
Total Expenditure	26,452	24,092	20,114	(6,338)	(3,978)
Grants	2,346	2,348	1,735	(611)	(613)
Capital Receipts	7,895	7,578	5,403	(2,492)	(2,175)
Revenue Contributions	16,211	14,166	12,976	(3,235)	(1,190)
Total Financing	26,452	24,092	20,114	(6,338)	(3,978)

The table identifies a net underspend against the revised estimate of £3.98 million. This includes some schemes showing genuine savings. However, there are also schemes where expenditure was ahead of schedule and these overspends in 2014/15 have been financed by bringing forward £217,000 of funding from 2015/16.

As always with the capital programme, there has been some slippage and £4.3 million of funding has been carried forward to 2015/16. The two largest areas of slippage on non-housing items were the expenditure on the St Johns redevelopment project (£1,000,000) and the planned maintenance programme (£557,000). This is an unusually large figure for the planned maintenance programme, but the window replacements have been delayed by problems in manufacture and this in turn has delayed the solar panel project which will follow on from completion of the windows. The £2.52 million underspend on the General Fund programme is closely matched by the net carry forward is £2.51 million, as overspends are a relatively small £10,000 on the projects undertaken.

On the housing programme the greatest slippage was on the kitchen and bathroom replacements (£501,000 less than expected). This was partly caused by some of these works being done as void refurbishment when the properties became free. There was also an underspend of £436,000 on the new house building schemes as these were running behind schedule. The total underspend of £1.37 million on the HRA programme matches the net carry forward as there were no significant over or underspends on projects undertaken.

The generation of capital receipts proved to be higher in 2014/15 than had been anticipated. This was partly due to the increased number of council house sales since the rise in the maximum allowable Right to Buy discount from £34,000 to £75,000. Actual sales of 46 were down slightly on last year's total of 53, but comfortably exceeded the estimate of 37. In addition to this, the Council benefited from further capital receipts from the sales of Leader Lodge (HRA) and the refuse fleet and Church Hill car park (General Fund). On the other hand, the use of capital receipts to finance expenditure was £2.2 million lower than estimated reflecting the overall underspend on the General Fund in particular. The impact of the increased receipts and reduced usage is that the year end balance is £4.9 million higher than projected, standing at £19.6 million as at 31 March 2015. The movements in capital resources are set out in the tables below:

	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Usable Capital Receipt Balances					
Opening Balance - 1/04/14	12,741	17,467	17,467	4,726	-
Usable Receipts Arising	1,029	4,874	7,469	6,440	2,595
Use of Other Capital Receipts	(7,895)	(7,578)	(5,402)	2,493	2,176
Closing Balance - 31/3/15	5,875	14,763	19,534	13,659	4,771

	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Major Repairs Reserve					
Opening Balance - 1/04/14	9,998	11,359	11,359	1,361	-
Major Repairs Allowance	7,045	7,045	7,321	276	276
Use of MRR	(10,511)	(8,754)	(7,526)	2,985	1,228
Closing Balance - 31/3/15	6,532	9,650	11,154	4,622	1,504

THE FUTURE

In looking ahead it is worth considering the international situation as our economy does not exist in isolation and is not immune from events in Europe, the Middle East or America. Europe has been slower to emerge from recession than the United Kingdom and following encouragement from the International Monetary Fund has now adopted more expansionary monetary policies to provide a stimulus. However, the main problem in Europe is the question of who will be staying in Europe with talk of both the "Grexit" and a "Brexit." Even if the Greek referendum supports the austerity measures demanded by Greece's creditors, it is hard to see who will implement the necessary reforms and that this will be anything other than another temporary delay before the inevitable exit. The Middle east continues as a concern with several on-going conflicts and this instability causing fluctuations in oil prices. Iraq and Syria head the list of concerns at the moment but the whole region is in a volatile state. There are other flashpoints worthy of a brief mention as well, such as Ukraine and North Korea. Overall there is little on the world stage that encourages enthusiasm and creates optimism about the world economy.

The two domestic votes since last year have seen Scotland decide to remain as part of the United Kingdom and a Conservative government returned at the General Election. The first past the post system limited the affect of UKIP on the national stage but they now have a presence of varying sizes in most councils. As the next vote will be the one to determine what role the United Kingdom has in Europe it would be rash to think we will be seeing any less of Mr Farage for some time.

The domestic economy continues to recover, although still at a slow pace. Despite the reductions in unemployment there has been little extra money coming in to the Treasury by way of either personal or corporate tax and consequently Government borrowing remains high and further action is needed on deficit reduction. There is still a week to go before the Budget, but there are likely to be few surprises. Further reductions in funding for local authorities are inevitable it is just their size that is still to be confirmed. One reduction we know the size of already is the £12 billion that is to come off the welfare bill. With protection promised for pensioners and child benefit it is evident those of working age will suffer the greatest impact. Speculation about the cuts is focused on tax credits and the welfare cap but to achieve a saving of £12 billion the net will need to be cast wider than this.

It is a concern that as funding will be reduced for local authorities there will be pressure to increase the Council Tax and the amount of Council Tax paid by those receiving Local Council Tax Support (LCTS). We have held the charge to those on LCTS at 20% for two years and this is also the recommendation for 2016/17, but at some point this will need to increase. However, those in receipt of LCTS are likely to have their income reduced by the other welfare reforms and so will be less able to pay the Council Tax. The percentage of a full bill paid by those receiving support will need to increase from 20% but the amount of the increase has to be carefully considered. In many of these cases if the individuals were presented with a full bill they would be unable to pay it and so would pay nothing. There is a tipping point somewhere between 20% and 100% at which these cases will not make an attempt to pay and we need to be mindful of this in designing future schemes. Equally, there is a limit to the extent that Members will be prepared to subsidise this benefit from General Fund resources.

The local retention of non-domestic rates provides an opportunity in the long term but is something of a headache in the short term. Imposing a deadline on appeals against the 2010 Rating List produced an avalanche of appeals with the Valuation Office Agency (VOA) receiving 200,000 new appeals between January and March 2015. This caused a doubling in our appeals provision to over £3 million. It is difficult to predict what the ultimate outcome will be and when the VOA will provide it. The late flood of appeals was common across most authorities and this creates another risk as we are part of the Essex Pool for 2015/16 and so, even if our own appeals go well, we could be adversely affected by other Pool members suffering shortfalls. Prospects for own rating list are promising with the developments at St John's Road, Langston Road and North Weald Airfield. It is difficult to predict when these developments will take place and their precise impact on the rating list but they do provide a balance against the other largely negative prospects on the horizon.

The final key area in need of mention is New Homes Bonus (NHB), which has helped limit the overall impact of Government funding reductions. In the lead up to the General Election, the Labour Party had stated they would scrap NHB whilst the Conservatives were keen to keep it in place. As the CSB contains £2 million of income from the NHB, it is good from a financial viewpoint that this funding will remain. There is less certainty about the system for non-domestic rates as the Department for Communities and Local Government (DCLG) is conducting a review. The business community and local authorities are at opposite ends of the spectrum in terms of the powers that should be devolved and the extent to which the system should be localised. My main hope for any new system is that an adequate replacement is found for the VOA which is simply not fit for the job it is currently being asked to perform.

Whilst the General Fund revenue balances are lower than anticipated, the variance is not significant. The current reserves policy stipulates that the balances should not go below 25% of net budget requirement. This would allow a reduction from the current level of £9.3 million to £3.1 million by the end of 2018/19. It is very difficult to imagine £1.6 million being used from reserves each year for all of the next four years and so there seems little chance of this limit being breached in the medium term.

The Housing Revenue Account is also in a strong financial position, although the number of right to buy sales generated by the increased level of discount is causing some concern. The first concern is in terms of lost rental income as this is much greater than had been allowed for in the modelling of the HRA for self-financing. Secondly, there is concern about the ability of the Council to spend the much larger amount of receipts on new housing within the time allowed. A dedicated Cabinet Committee keeps the house building programme and its financing under review to ensure the Council is not required to pay over receipts and interest to the Government.

The forward programme of non housing revenue account capital investment has been boosted by the recent decision to spend £30 million on acquiring land at Langston Road and proceeding with the redevelopment of this site as a retail park. This should bring huge benefits to the area in terms of jobs and regeneration. It will also help secure the financial future of the Council, with the annual rents likely to exceed £2.5 million. The redevelopment of St Johns should have similar positive affects, although it is unlikely the Council will retain a financial interest in this scheme.

The Council's financial strength has meant its response to the austerity programme could be more measured than some other authorities who have rushed to cut jobs and services. The service restructures that began in 2013/14 have been finalised and efficiency and effectiveness have been enhanced whilst realising savings in a sustainable way. Reductions in grant support will continue and financial pressures will inevitably arise from service areas. The MTFS is regularly revisited and updated and the net savings targets may need to be increased, to achieve these savings over the medium term there will need to be a hard look at priorities. The Council will have to consider reductions in the level at which many services are provided and whether some continue to be provided at all, particularly where there is either private sector provision or no statutory duty on the Council to provide a service.

The Council's accounts were completed and approved for issue on 30 June 2015.

Robert Palmer BA ACA
Director of Resources

Statement of Responsibilities for the Statement of Accounts

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director of Resources;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts

COUNCILLOR ELIZABETH WEBSTER
CHAIRMAN OF THE COUNCIL

THE DIRECTOR OF RESOURCES RESPONSIBILITIES

The Director of Resources is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code')

In preparing this Statement of Accounts, the Director of Resources has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that were reasonable and prudent;
- Complied with the Local Authority Code.

The Director of Resources has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the accounts set out on pages 5 to 60 give a true and fair view of the financial position of the Council as at 31 March 2015 and the income and expenditure for the year then ended.

ROBERT PALMER BA ACA
DIRECTOR OF RESOURCES

September 30, 2015

Opinion on the Council's financial statements

We have audited the financial statements of Epping Forest District Council for the year ended 31 March 2015 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund Statement and the related notes. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

This report is made solely to the members of Epping Forest District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Director of Resources and auditors

As explained more fully in the Statement of the Director of Resources Responsibilities, the Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director of Resources; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Epping Forest District Council as at 31 March 2015 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We have nothing to report in respect of the following other matters which the Code of Audit Practice for local government bodies (March 2010) requires us to report to you if:

- we have been unable to satisfy ourselves that the Annual Governance Statement meets the disclosure requirements set out in the guidance 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007 or is misleading or inconsistent with other information that is forthcoming from the audit;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

Conclusion on Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Council and the auditor

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the Council has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects, Epping Forest District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

Certificate

We certify that we have completed the audit of the accounts of Epping Forest District Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

David Eagles
For and on behalf of BDO LLP, Appointed Auditor

Ipswich, UK

30-Jun-15

MOVEMENT IN RESERVES STATEMENT

Note	General Fund Balance	Earmarked GF Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Movements in 2013/14	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 31 March 2013	9,670	4,683	3,375	7,503	13,900	9,755	222	49,108	308,744	357,852
Surplus/(Deficit) on Provision of Services	(4,682)	-	32,344	-	-	-	-	27,662	-	27,662
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	24,945	24,945
Total Comprehensive Income and Expenditure	(4,682)	-	32,344	-	-	-	-	27,662	24,945	52,607
Adjustment between accounting and funding bases under regulations	6 5,278	-	(30,468)	-	3,567	1,604	(38)	(20,057)	20,057	-
Net Increase/(Decrease) before transfer to Earmarked Reserves	596	-	1,876	-	3,567	1,604	(38)	7,605	45,002	52,607
Transfers to Earmarked Reserves	(382)	382	(2,285)	2,285	-	-	-	-	-	-
Increase/(Decrease) in Year	214	382	(409)	2,285	3,567	1,604	(38)	7,605	45,002	52,607
Balance as at 31 March 2014	9,884	5,065	2,966	9,788	17,467	11,359	184	56,713	353,746	410,459
Movements in 2014/15	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 31 March 2014	9,884	5,065	2,966	9,788	17,467	11,359	184	56,713	353,746	410,459
Surplus/(Deficit) on Provision of Services	(5,898)	-	19,536	-	-	-	-	13,638	-	13,638
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	4,903	4,903
Total Comprehensive Income and Expenditure	(5,898)	-	19,536	-	-	-	-	13,638	4,903	18,541
Adjustment between accounting and funding bases under regulations	6 5,636	-	(17,949)	-	2,067	(205)	(48)	(10,499)	10,499	-
Net Increase/(Decrease) before transfer to Earmarked Reserves	(262)	-	1,587	-	2,067	(205)	(48)	3,139	15,402	18,541
Transfers to Earmarked Reserves	(329)	369	(1,983)	1,983	-	-	(40)	-	-	-
Increase/(Decrease) in Year	(591)	369	(396)	1,983	2,067	(205)	(88)	3,139	15,402	18,541
Balance as at 31 March 2015	9,293	5,434	2,570	11,771	19,534	11,154	96	59,852	369,148	429,000

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31 March 2015

	Note	2014/15		<i>Net Expend £000</i>	2013/14		<i>Net Expend £000</i>
		Gross Expend £000	Income £000		Gross Expend £000	Income £000	
CONTINUING OPERATIONS							
Central Services to the Public		3,872	(1,158)	2,714	4,306	(1,191)	3,115
Corporate and Democratic Core		2,629	-	2,629	2,600	-	2,600
Cultural & Related Services		6,578	(900)	5,678	4,945	(837)	4,108
Environmental & Regulatory Services		10,689	(2,836)	7,853	10,738	(3,180)	7,558
Highways and Transport Services		1,329	(1,446)	(117)	1,200	(1,150)	50
Non Local Authority Housing		40,128	(38,470)	1,658	40,667	(39,524)	1,143
Planning Services		4,239	(1,375)	2,864	4,274	(1,124)	3,150
Housing Revenue Account		27,269	(50,791)	(23,522)	27,743	(64,454)	(36,711)
NET COST OF SERVICES		96,733	(96,976)	(243)	96,473	(111,460)	(14,987)
OTHER OPERATING EXPENDITURE	8			2,181			1,948
FINANCING AND INVESTMENT INCOME AND EXPENDITURE	9			5,002			4,714
TAXATION AND NON-SPECIFIC GRANT INCOME	10			(20,578)			(19,337)
(SURPLUS)/DEFICIT ON PROVISION OF SERVICES				(13,638)			(27,662)
(Surplus) on Revaluation of Property Plant and Equipment	11			(15,250)			(4,653)
Actuarial (gains)/losses on Pension Assets/Liabilities	32			10,210			(20,425)
Other (Gains)/Losses				137			133
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE				(18,541)			(52,607)

BALANCE SHEET

	Note	31 March 2015		31 March 2014	
		£000	£000	£000	£000
LONG TERM ASSETS					
Property, Plant & Equipment	11	579,048		554,477	
Heritage Assets		542		542	
Investment Properties	12	43,034		39,754	
Intangible Assets		616		543	
Long Term Investments	14	5,001		10,004	
Long Term Debtors	13	2,642		2,453	
TOTAL LONG TERM ASSETS			630,883	607,773	
Current Assets					
Assets held for sale		850		1,510	
Inventories		240		274	
Debtors and Prepayments	15	5,168		5,653	
Short Term Temporary Investments	14	37,088		33,910	
Cash & Cash Equivalents	16	26,209		15,338	
			69,555	56,685	
Current Liabilities					
Creditors	17	(13,146)		(8,943)	
Provisions	18	(1,356)		(794)	
			(14,502)	(9,737)	
LONG TERM LIABILITIES					
Long Term Loans	14	(185,456)		(185,456)	
Pensions Liability	32	(69,929)		(57,820)	
Capital Grant Receipts in Advance		(1,551)		(986)	
			(256,936)	(244,262)	
TOTAL ASSETS LESS LIABILITIES			429,000	410,459	
Usable Reserves		59,852		56,713	
Unusable Reserves	19	369,148		353,746	
			429,000	410,459	

THE CASH FLOW STATEMENT

	Note	2014/15 £000	2013/14 £000
Net Surplus on Provision of Services		13,638	27,662
Adjustments to net surplus or deficit on the provision of services for non-cash movements	20	12,882	(6,901)
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	20	(8,950)	(6,870)
<hr/>			
Net cash flows from Operating Activities	20	17,570	13,891
Investing Activities	21	(7,846)	(10,187)
Financing Activities	22	1,147	1,728
<hr/>			
Net Increase or (Decrease) in cash and cash equivalents		10,871	5,432
Cash and Cash Equivalents at the beginning of the reporting period		15,338	9,906
<hr/>			
Cash and Cash equivalents at the end of the reporting period	16	26,209	15,338

Index of Notes to the Statement of Accounts

	Page	
1	Accounting Policies	10
2	Accounting Standards that have been issued but not yet adopted	16
3	Critical judgements in applying Accounting Policies	17
4	Assumptions made about the future and Other Major Sources of Estimation Uncertainty	17
5	Events after the Balance Sheet Date	17
6	Adjustments between Accounting Basis and Funding Basis under Regulation	18
7	Earmarked Reserves	20
8	Other Operating Expenditure	21
9	Financing and Investment Income and Expenditure	21
10	Taxation and Non-Specific Grant Income	21
11	Property, Plant and Equipment	22
12	Investment Property	25
13	Long Term Debtors	25
14	Financial Instruments	26
15	Debtors and Prepayments	28
16	Cash and Cash Equivalents	28
17	Creditors	29
18	Provision	29
19	Usable and Unusable Reserves	30
20	Cashflow Statement - Operating Activities	32
21	Cashflow Statement - Investing Activities	33
22	Cashflow Statement - Financing Activities	33
23	Amounts Reported for Resource Allocation Decisions	34
24	Trading Operations	37
25	Member Allowances	37
26	Officer Remuneration	37
27	External Audit Fees	38
28	Grant & Contributions	39
29	Related Party Declarations	39
30	Capital Expenditure and Capital Financing	40
31	Leases	40
32	Pensions	41
33	Nature and Extent of Risks Arising from Financial Instruments	44
34	Capital Commitments	46

1. ACCOUNTING POLICIES

1.1 GENERAL PRINCIPLES & RESTATEMENT OF PRIOR YEAR FIGURES

General Principles

The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in United Kingdom 2014/15. The Code has been developed by the CIPFA/LASAAC Joint Committee under the oversight of the Financial Reporting Advisory Board as opposed to the Accounting Standards Board as previously.

The Code is based on International Financial Reporting Standards (IFRS) which comprises of International Accounting Standards (IAS), interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and interpretations of the Standing Interpretations Committee (SIC). The Code notes that it interprets and adapts IFRS but such instances are identified within the Code.

There is now a requirement to split other comprehensive income and expenditure between those items that will be credited or debited to the CIES in a future period and those that will not, but only where this is appropriate. There are no items that will appear in the CIES in a future period so the format of the other comprehensive income and expenditure section remains the same.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2. ACCOUNTING CONCEPTS

The accounting policies referred to are consistent with the pervasive accounting concepts of:

Going Concern - the accounts have been drawn up on the basis that the Council is going to continue in its operational existence for the foreseeable future.

Accruals - Income and expenditure is recognised in the period to which they relate rather than when the related cash is received or paid.

The Primacy of Legislation - Where there is conflict between legislative requirements and accounting principle, legislative requirements will prevail.

1.3. ESTIMATION

Where actual amounts to be included within the accounts are uncertain, estimates are used. The estimate is based on the best assessment of information available at the time of closing the accounts. When the actual figures are determined any difference arising is accounted for in the year when the actual figure is determined.

1.4 PROPERTY PLANT AND EQUIPMENT

All expenditure on the acquisition, creation or enhancement of property plant and equipment (PPE) is capitalised on an accruals basis in the accounts. Expenditure is capitalised, provided that the asset yields benefits to the Council and the services it provides is for more than one year. This excludes expenditure on routine repairs and maintenance of assets, which is charged directly to service accounts.

Council dwellings and garages are revalued every year using the Beacon Properties approach as the basis for valuation. The valuation takes the form of a full revaluation followed by four years of desk top revaluations. Other assets are revalued as part of the Council's rolling programme under which assets are revalued over a five year period.

Within the 2010/11 accounts, Council dwellings and associated land were valued on the basis of Existing Use for Social Housing (EUV-SH) being 39% of the Vacant Possession value. The components within the dwelling have been valued based on the proportion of the total dwelling to which their value relates.

An impairment is defined as a loss in value due to the consumption of economic benefits. Where a valuation reduction occurs due to a fall in prices generally this is known as a downward revaluation. In both cases the loss is taken to the revaluation reserve to the extent that revaluation gains relating to that particular asset exists within the revaluation reserve in the first place.

If the value of the impairment or downward revaluation exceeds the revaluation amount relating to that asset already residing in the revaluation reserve then the difference is recognised in the CIES in the year in which it occurs. The valuations are based upon the facts and evidence prevailing at the date of valuation.

Revaluations of individual assets are also undertaken when a material change happens. Infrastructure and community assets do not have a value attributed to them and therefore their value is based on the historic cost of providing the asset. Surplus assets, which are identified for sale on the open market, are revalued at market value which reflects any changes in planning permission granted.

Land, operational properties and other operational assets are included in the balance sheet at the lower of net current replacement cost and net realisable value in existing use. Investment properties are included in the balance sheet at the lower of net current replacement cost and net realisable value (open market value). Community assets are included in the balance sheet at historical cost and Infrastructure assets at depreciated historic cost.

Long term assets are valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes, issued by the Royal Institution of Chartered Surveyors (RICS). Non Current assets (excluding land) are classified as follows:

Type of Asset	Valuation Method
Council Dwellings and Garages	Existing use value for social housing Existing use value
Other land and buildings	Existing use value
Infrastructure assets	Depreciated Historic Cost
Community assets	Historic Cost
Vehicles, plant, furniture and equipment	Depreciated historic cost
Non-operational assets	Existing use value Market value Historic Cost (where market value for existing use cannot be ascertained)

1.5 DEPRECIATION

In accordance with the provisions of IAS 16, assets are depreciated on a straight-line basis over their useful economic life. Where a unique asset is purchased or constructed the useful life is assessed based on information available concerning that asset. The only general exceptions to this are freehold land, community assets and non-operational investment properties which are not depreciated. Subsequent expenditure on a fixed asset that maintains or enhances the previously assessed standard of performance of the asset does not negate the need to charge depreciation.

The introduction of IFRS via the 2010/11 code required the Council to value component parts of PPE for the first time. This applies when an asset is either revalued or a component replaced or created and is subject to a significance test. The purpose of this is to ensure that the depreciation charge accurately reflects the differing useful lives of components particularly where the asset within which the component is situated has a rather longer life.

1.6 INVESTMENTS

Investments are accounted for in accordance with IAS 32, 39 and IFRS 7. These reporting standards prescribe the recognition, measurement and disclosure requirements in relation to financial instruments. All the Council's financial assets are in the form of loans and receivables. Investments are therefore shown in the Balance Sheet at amortised cost.

1.7 ASSETS HELD FOR SALE

Assets are classed as being held for sale where, at the balance sheet date, they were being actively marketed and the sale itself is highly probable in its current condition.

1.8 DEBTORS AND CREDITORS

The revenue and capital accounts of the Council are maintained on an accruals basis in accordance with the Code of Practice and IAS 8. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year.

The recoverability of the Council's General Fund debts is considered each year through an analysis by age and type of debt outstanding at 31 March. An appropriate provision is made for any bad debts/losses that are anticipated.

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be capable of being converted into cash within 24 hours.

1.10 FINANCIAL INSTRUMENTS

Financial assets and liabilities are carried at amortised cost. Credits are made to the CIES for Interest Receivable and are based on the carrying amount multiplied by the effective rate of interest. The amount appearing in the Balance Sheet relates to the principal outstanding plus accrued interest.

1.11 GRANTS AND OTHER CONTRIBUTIONS

Where a grant or contribution has been received the first consideration is whether there is a condition attached to the receipt of that grant. Where there is no condition, or the condition is met, then the income is recognised in the CIES. This income must then be reversed out within the Movement in Reserves Statement. If the related expenditure has been incurred the reversal is to the Capital Adjustment Account, if the expenditure has not been incurred the reversal is to the Capital Grants Unapplied Account.

Where a condition is not met the income must be recognised in the Capital Grants Received in Advance Account. If in a future accounting period the condition is met, at that point the grant income is recognised in the CIES and reversed out in the Movement in Reserves Statement as before. If there is no prospect of the conditions being met the grant monies are held as a creditor until such time as repayment can be made. Where the only condition attached to a grant is that it must be spent on a particular asset or used for a particular purpose then the condition is assumed to be met only when expenditure actually occurs.

1.12 REVENUE GRANTS

Grants are credited to the operational heading to which they relate, or, if they are not specific, to the Taxation and Non-Specific Grant Income section of the CIES, in the year of receipt unless there are conditions attached to the grant that have not yet been met. The Grant is then recognised in the Financial year when the conditions are eventually met.

1.13 COST OF SUPPORT SERVICES AND SERVICE ADMINISTRATION

Administrative expenses are allocated over all services and to all users including services to the public, trading undertakings, capital accounts and services provided for other bodies and other support services, on a consistent basis applicable to the service provided, i.e. actual time spent by staff, area occupied, per capita, actual use etc.

1.14 RESERVES

The Council has set aside certain revenue and capital amounts as earmarked reserves. They include reserves for the Housing self financing, District Development Fund, Invest to save, insurance, housing repairs, on-street parking, building control and future museum acquisitions. All other fund balances represent working balances for the purpose of the specific fund and are made up of accumulated surpluses and deficits derived over a period of time. All earmarked fund balances and reserves are reviewed periodically as to their size and appropriateness.

1.15 PENSIONS

The accounting treatment for pensions is to recognise the assets, liabilities and long term commitments, rather than merely the contributions to the scheme. The assets of the scheme are measured at realisable value (Bid Values), the liabilities are measured on an actuarial basis which examines the benefits for pensioners and accrued benefits for current scheme members.

1.16 INTERNAL INTEREST

Interest is credited to the HRA based on the level of its fund balances. The amounts are calculated using the average rate of interest on approved investments, as prescribed in the HRA Item 8 Credit and Item 8 Debit (general) Determinations 2014/15.

1.17 CONTINGENT LIABILITIES

A contingent liability arises when it is possible that an obligation will materialise from past events and will only be confirmed by the occurrence of one or more future events which are not wholly within the control of the Council, or a present obligation arising from past events is not recognised because it either is unlikely that a transfer of economic benefits will occur or the amount of such a transfer cannot be measured with sufficient reliability.

1.18 VALUE ADDED TAX (VAT)

VAT is included in the accounts only to the extent that it is irrecoverable from HM Revenue and Customs. VAT can only be recovered on partially exempt activities where all such activities account for less than 5% of total VAT on all the Council's activities.

1.19 LEASES

Finance Leases: A finance lease is defined as a lease that transfers substantially the risks and rewards of ownership without necessarily transferring the title. The Council has no agreements that meet the definition of a finance lease.

Operating Leases: An operating lease is defined as any lease that is not a finance lease. The Council has a variety of assets under operating leases, including vehicles, vending machines and mowers. The leases transfer benefits of ownership without actually transferring title to the assets, and therefore in accordance with accounting practice the leased assets are not stated in the Balance Sheet. Hire purchase contracts similar to operating leases are accounted for on the same basis where applicable.

Rentals are charged to service revenue accounts on a straight line basis over the period of the lease. No provision is made for outstanding lease commitments.

Various Council assets, such as Commercial Properties, industrial estate units and areas of land, are let to tenants under the heading operating leases. Rental income (net of cash incentives for a lessee to sign a lease) is credited to the CIES.

Where assets are acquired under operating leases, the leasing rentals payable are charged to revenue. The cost of assets and the related liability for future rentals payable are not shown in the balance sheet but are disclosed in the notes. (See Note 31).

Where an asset has been disposed of, the profit or loss on disposal is applied to the CIES with corresponding entries to fixed assets and cash/debtors. Subsequently, the income derived is credited to the Usable Capital Receipts Reserve, and accounted for on an accruals basis. The profit or loss on disposal is then reversed within the Movement in Reserves Statement to neutralise the effect on the General Fund of the entry in the CIES. Upon disposal, any valuation gains since 1 April 2007 relating to those assets are written off against the Revaluation Reserve with the remainder being written off against the Capital Adjustment Account.

1.20 PRINCIPAL AND AGENT RELATIONSHIPS

Most transactions of the Council are undertaken on its own behalf and thereby the risk and rewards of those transactions belongs to the Council. In these situations the Council is acting as a Principal.

There are, however, some situations where this is not the case and the Council acts as an intermediary or agent. The two main instances relate to the collection of Council Tax and Business Rates where the Council is collecting income on behalf of itself and preceptors. With regard to Council Tax the major preceptors are Essex County Council, Essex Police and Crime Commissioner and Essex Fire Authority and with regard to Business Rates, the Department of Communities and Local Government (DCLG), Essex County Council and Essex Fire Authority.

The Balance Sheet transactions at the year end in relation to these agent relationships are split between the parties with the balances contained in the balance sheet relating to the Council's own portion of the debt and associated balances. The proportion of the transactions relating to the other parties are therefore shown as debtors or creditors due to or from those parties.

1.21 COLLECTION FUND

Accounting for Council Tax

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund, or paid out to the major preceptors. The amount credited to the General Fund under statute is the Council's demand for the year plus or minus the Council's share of the surplus or deficit on the Collection Fund for the previous year.

The Council Tax income included in the Comprehensive Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to Council Tax shall be measured at the full amount receivable (net of any impairment losses) as the transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from Council Tax payers belongs proportionately to the Council and the major preceptors. The difference between the amounts collected on behalf of the major preceptors and the payments made to them is reflected as a debtor or creditor balance as appropriate.

Accounting for Non Domestic Rates (NDR)

While the NDR income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund, or paid out to the precepting authorities and the Government. The amount credited to the General Fund under statute is the Council's share of NDR for the year specified in the National Non Domestic Rates NNDR1 return.

The NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year and is as set out in the NNDR3 return. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to NDR shall be measured at the full amount receivable (net of any impairment losses) as these transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from NDR payers belongs proportionately to the Council, the precepting authorities and Government. The difference between the amounts collected on behalf of the precepting authorities and Government and the payments made to them is reflected as a debtor or creditor balance as appropriate.

1.22 EVENTS AFTER THE REPORTING PERIOD

Events occurring after the year end fall into two categories either adjusting or non-adjusting event. In the case of an adjusting event where information becomes available after the year end that provides more certainty relating to conditions that existed at the year end the accounts are adjusted to reflect the new information. In the case of a non adjusting event this usually takes the form of information relevant to an understanding of the accounts rather than relating to conditions that existed at the year end. No adjustment is made to the accounts for such items.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Council is required to disclose information on the impact of a change in accounting policy that will be required by an accounting standard that has been issued but not yet adopted. This applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. 1 January 2015 for the 2015/16 financial year). The applicable standards are as follows:

IFRS 13, Fair Value measurement issued in May 2011. This unlikely to have a significant impact on the Council.

IFRIC 21 is concerned with Levies. As above this is unlikely to have a significant impact on the Council.

Annual improvements to IFRSs (2011-2013 cycle). The issues included in the cycle related to the following standards:-

IFRS 1: Meaning of effective IFRSs:

IFRS 3: Scope exceptions for joint ventures;

IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The major uncertainty is around future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Accounts contain a number of figures that are estimated based on historical experience, current trends or other factors that are relevant. As these figures cannot be ascertained with certainty it is possible that actual results could be materially different from those estimated. The items in the Balance Sheet where there is a risk of material adjustment are as follows:

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Consultant actuaries are engaged to provide advice about assumptions to be applied. The actuary has provided some sensitivity analysis around the assumptions and this is contained within the Pensions note 32. The carrying value of the Pensions Liability is (£69.9 million).

5. EVENTS AFTER THE BALANCE SHEET DATE

The Council has agreed to purchase land at Langston Road to enable the construction of a retail park on that site and the neighbouring site currently occupied by the Council. The cost of land acquisition, building and letting the retail units concerned is expected to be around £30m with the project expected to be completed towards the end of the 2016 calendar year. No amount have been recognised with regard to this in 2014/15.

Non-adjusting event

On 8 July 2015 the UK chancellor announced a number of proposals that will impact on housing authorities including a change to the convergent rents formula that will be replaced with a formula that requires a 1% decrease in rents each year, for four years, commencing from 1 April 2016. This event occurred after the balance sheet date and does not provide additional information about, nor represent a change in, conditions that existed at that date. Therefore, in accordance with International Accounting Standard 10 "Events after the reporting period", the Government's budget statement is a non-adjusting post balance sheet event.

The financial statements do not reflect the possible financial consequences of the matters described below.

As per accounting policy 1.4, the Council carries its social housing properties at valuation. This valuation is determined as the Existing Use Value – Social Housing (EUV-SH). EUV-SH takes into account that the Council has committed to use the housing assets for social housing purposes and so represents a lower value than would be applied to comparable housing in the private sector. Overall it is expected that Government's intentions will lead to a revaluation loss to be recognised in the 2015/16 financial statements, however, until further details of the intentions are made available the Council has been unable to determine the specific details of the financial impact.

The financial statements were authorised for issue on 30 June 2015 by Robert Palmer BA ACA. The financial statements reflect all events up to this date.

6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	2014/15 £000					
	<i>Usable Reserves</i>					
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
Adjustments involving the Capital Adjustment Account:						
<i>Exclusions;</i>						
Charges for depreciation and impairment of non-current assets	(2,637)	(12,955)	-	-	-	15,592
Reversal of Impairment of non-current assets	(1,490)	16,531	-	-	-	(15,041)
Movements in the fair value of Investment Properties	(233)	-	-	-	-	233
Amortisation of intangible assets	(175)	(11)	-	-	-	186
Capital Grants and contributions applied	499	611	-	-	39	(1,149)
Revenue expenditure funded from Capital under statute	-	-	-	-	-	-
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	(2,407)	(3,879)	-	-	-	6,286
Capital expenditure charged against the General Fund and HRA balances	221	5,200	-	-	-	(5,421)
Adjustments primarily involving the Capital Grants Unapplied Account	(9)	-	-	-	9	-
Adjustments involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	2,580	5,716	(8,296)	-	-	-
Transfer from Deferred Capital receipts on receipt of cash	-	-	(6)	-	-	6
Used to finance new capital expenditure	-	-	5,402	-	-	(5,402)
Contribution towards administrative costs of non-current asset disposals	(13)	(69)	82	-	-	-
Contribution to finance the payments to the Government capital receipts pool	(751)	-	751	-	-	-
Adjustments involving the Deferred Capital Receipts Reserve:						
Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.	-	82	-	-	-	(82)
Adjustments relating to the Major repairs Reserve:						
Reversal of Major repairs Allowance credited to the HRA	-	7,321	-	(7,321)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	7,526	-	(7,526)
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited\credited to the CIES.	(1,323)	(576)	-	-	-	1,899
Adjustments involving the Collection Fund Adjustment Account						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements.	143	-	-	-	-	(143)
Adjustments involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(41)	(22)	-	-	-	63
TOTAL ADJUSTMENTS	(5,636)	17,949	(2,067)	205	48	(10,499)

	2013/14					
	£000					
	Usable Reserves					
<i>General Fund</i>	<i>Housing Revenue Account</i>	<i>Capital Receipts Reserve</i>	<i>Major Repairs Reserve</i>	<i>Capital Grants Unapplied</i>	<i>Movement in Unusable Reserves</i>	
Adjustments involving the Capital Adjustment Account:						
Exclusions;						
<i>Charges for depreciation and impairment of non-current assets</i>	(2,359)	(13,136)	-	-	-	15,495
<i>Upward/(Downward) revaluation of non-current assets</i>	(62)	29,930	-	-	-	(29,868)
<i>Movements in the market value of Investment Properties</i>	470	-	-	-	-	(470)
<i>Amortisation of intangible assets</i>	(221)	(6)	-	-	-	227
<i>Capital Grants and contributions applied</i>	242	237	-	-	-	(479)
<i>Revenue expenditure funded from Capital under statute</i>	(134)	-	-	-	-	134
<i>Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES</i>	(202)	(3,640)	-	-	-	3,842
<i>Capital expenditure charged against the General Fund and HRA</i>	23	4,200	-	-	-	(4,223)
<i>Application of HRA self financing loan transferred to the Capital Adjustment Account</i>	-	-	-	-	-	-
Adjustments primarily involving the Capital Grants Unapplied Account	(38)	-	-	-	38	-
Adjustments involving the Capital Receipts Reserve:						
<i>Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES</i>	13	5,945	(5,958)	-	-	-
<i>Transfer from Deferred Capital receipts on receipt of cash</i>	-	-	(7)	-	-	7
<i>Used to finance new capital expenditure</i>	-	-	1,644	-	-	(1,644)
<i>Contribution towards administrative costs of non-current asset disposals</i>	-	(69)	69	-	-	-
<i>Contribution to finance the payments to the Government capital receipts pool</i>	(685)	-	685	-	-	-
Adjustments involving the Deferred Capital Receipts Reserve:						
<i>Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.</i>	-	127	-	-	-	(127)
Adjustments relating to the Major repairs Reserve:						
<i>Reversal of Major repairs Allowance credited to the HRA</i>	-	7,749	-	(7,749)	-	-
<i>Use of the Major Repairs Reserve to finance new capital expenditure</i>	-	-	-	6,145	-	(6,145)
Adjustments involving the Pensions Reserve:						
<i>Reversal of items relating to retirement benefits debited\credited to the CIES</i>	(2,023)	(865)	-	-	-	2,888
Adjustments involving the Collection Fund Adjustment Account						
<i>Amount by which council tax income credited to the CIES is different from that calculated in accordance with statutory requirements.</i>	(290)	-	-	-	-	290
Adjustments involving the Accumulated Absences Account						
<i>Amount by which officer remuneration charged to CIES on an accruals basis is different from that required in accordance with statutory requirements</i>	(12)	(4)	-	-	-	16
TOTAL ADJUSTMENTS	(5,278)	30,468	(3,567)	(1,604)	38	(20,057)

7. EARMARKED RESERVES

A summary of balances on earmarked reserves is set out below.

	Balance 31			Balance 31			Balance 31
	March 2013 £000	Transfers Out £000	Transfers In £000	March 2014 £000	Transfers Out £000	Transfers In £000	March 2015 £000
Housing Repairs Reserve	3,508	(5,953)	5,200	2,755	(6,264)	5,000	1,491
District Development Fund	3,581	(1,904)	2,171	3,848	(2,110)	1,861	3,599
Invest to Save Reserve	-	-	-	-	-	500	500
Self Financing Reserve	3,180	-	3,180	6,360	-	3,180	9,540
Pension Deficit Reserve	66	(66)	-	-	-	-	-
Deferred Revenue Income	479	(21)	-	458	(20)	-	438
Insurance Reserve	1,130	(81)	-	1,049	-	20	1,069
Service Enhancement Fund (HRA)	170	(608)	550	112	(837)	904	179
Building Control	21	-	-	21	-	60	81
On Street Parking	28	-	-	28	(12)	-	16
Museum Fund	18	-	8	26	(18)	45	53
All Weather Pitch	-	-	-	-	-	17	17
O2 Mast Fund	-	-	-	-	(22)	70	48
Rental Loans	-	-	191	191	(23)	-	168
Small Loans Fund	5	-	-	5	-	1	6
Total Earmarked Reserves	12,186	(8,633)	11,300	14,853	(9,306)	11,658	17,205

8. OTHER OPERATING EXPENDITURE

	31 March	
	2015 £000	2014 £000
Parish Council Precepts	3,077	2,990
Parish Support Grants	281	320
Payments to the Government Housing Receipts Pool	751	685
(Gains)/losses on the disposal of non-current assets	(1,928)	(2,047)
Total	2,181	1,948

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	31 March	
	2015 £000	2014 £000
Total Net Surplus from Trading Operations (Note 24)	(2,620)	(2,640)
Interest payable and similar charges	5,564	5,542
Pensions interest cost	2,453	3,009
Interest receivable and similar income	(446)	(431)
Changes in Fair Values of Investment Properties	233	(470)
Changes in Value of Deferred Capital Receipts	(82)	(127)
Reversal of Investment Impairment	(100)	(169)
Total	5,002	4,714

10. TAXATION AND NON SPECIFIC GRANT INCOMES

	31 March	
	2015 £000	2014 £000
Council Tax income	(10,829)	(10,567)
Non Domestic Rate income and expenditure	(2,488)	(2,519)
Non-ring fenced government grants	(6,151)	(6,251)
Capital grants and other contributions	(1,110)	0
Total	(20,578)	(19,337)

11. PROPERTY PLANT AND EQUIPMENT

	Council Dwellings and Garages	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	WIP Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Gross Book Value 31 March 2014	485,794	43,520	15,981	18,689	2,822	796	1,688	569,290
Restated		(210)	61	-	-	-	-	(149)
Additions	12,383	860	587	497		-	1,288	15,615
Disposals	(3,309)	-	(2,999)	-	-	-	(30)	(6,338)
Reclassified in year	(683)	(824)	-	(152)	-	(700)	1,548	(811)
Revaluations Applied to the CIES	16,529	(1,488)	-	-	-	-	-	15,041
Revaluation Credited to the Revaluation reserve	15,450	(757)	-	-	-	557	-	15,250
Accumulated Depreciation & Impairment written off on revaluation	(12,573)	(2,590)	-	-	-	(7)	-	(15,170)
Gross Book Value 31 March 2015	513,591	38,511	13,630	19,034	2,822	646	4,494	592,728
Depreciation 31 March 2014	-	(2,113)	(7,016)	(5,676)	-	(8)	-	(14,813)
Restated	-	11		-	-	-	-	11
Reclassified	1	(23)		22	-	-		-
Depreciation in Year	(12,655)	(919)	(1,513)	(505)	-	-	-	(15,592)
Depreciation on Assets Sold	82	-	1,461	-	-	-	-	1,543
Accumulated Depreciation & Impairment written off on revaluation	12,573	2,590	-	-	-	8	-	15,171
Depreciation 31 March 2015	1	(454)	(7,068)	(6,159)	-	-	-	(13,680)
Net Book Value 31 March 2015	513,592	38,057	6,562	12,875	2,822	646	4,494	579,048

	OPERATIONAL ASSETS							
	Council Dwellings and Garages	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	WIP Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Gross Book Value 31 March 2013	459,848	43,577	15,399	18,289	2,822	794	1,217	541,946
Reclassified	-	(43)		(26)	-	43	-	(26)
Restated	(27)	(269)	(365)		-	-	-	(661)
1 April 2013	459,821	43,265	15,034	18,263	2,822	837	1,217	541,259
Additions	10,310	398	627	221			216	11,772
Disposals	(3,736)	-	(78)	-	-	-	-	(3,814)
Reclassified in year	(1,437)	355	398	205	-	(858)	513	(824)
Revaluations Applied to the CIES	30,544	(89)	-	-	-	-	(587)	29,868
Revaluation Credited to the Revaluation reserve	2,985	230	-	-	-	817	365	4,397
Accumulated Depreciation & Impairment Written off on revaluation	(12,693)	(639)	-	-	-	-	(36)	(13,368)
Gross Book Value 31 March 2014	485,794	43,520	15,981	18,689	2,822	796	1,688	569,290
Depreciation 31 March 2013		(2,026)	(6,094)	(5,177)	-	(8)	-	(13,305)
Restated Depreciation	-	74	385	-	-	-	-	459
1 April 2013		(1,952)	(5,709)	(5,177)	-	(8)	-	(12,846)
Reclassified	37	(55)	53	1			(36)	-
Depreciation in Year	(12,826)	(745)	(1,424)	(500)	-	-	-	(15,495)
Depreciation on assets sold	96		64	-	-	-	-	160
Accumulated Depreciation & Impairment written off on revaluation	12,693	639	-	-	-	-	36	13,368
Depreciation 31 March 2014	-	(2,113)	(7,016)	(5,676)	-	(8)	-	(14,813)
Net Book Value 31 March 2014	485,794	41,407	8,965	13,013	2,822	788	1,688	554,477

	OPERATIONAL ASSETS							Total
	Council Dwellings and Garages	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	WIP Assets	
	£000	£000	£000	£000	£000	£000	£000	
Carried at historical cost	40	351	13,630	19,034	2,822	-	2,058	37,935
Valued at fair value as at:								
28 February 2015	513,551	27,608	-	-	-	81	1,040	542,280
31 March 2014		9,027	-	-	-	-	1,246	10,273
31 March 2013	-	275	-	-	-	540	-	815
31 March 2012	-	1,250	-	-	-	25	150	1,425
Total Cost or Valuation	513,591	38,511	13,630	19,034	2,822	646	4,494	592,728

The Council dwellings and garages valuation has been carried out by District Valuer Rachel Covill, MRICS, and other assets by either the Council's Principal Valuer and Estates Surveyor or in case of the leisure centres George Nicholls FRICS FAAV of the property surveyors Kemsley LLP. The valuation date for 2014/15 is 28 February, previously this was 31 March of the year to which the accounts relate. As part of this years revaluation the valuer has re-assessed the proportion of value in the Land element and concluded that it should remain unchanged at 35%. The valuer has also provided assurance that the valuation has not changed significantly between 28 February and the year end.

The useful lives of both dwellings and the components within have been reviewed during 2014/15. The useful life of the buildings has been assessed at 60 years with the average life of components at 26 years.

Type of Asset	Estimated Useful Life
Council Dwellings and Garages	15 to 60
Other land and buildings	20 to 50
Infrastructure assets	15 to 40
Community assets	Indeterminable
Vehicles, plant, furniture and equipment	5 to 20

12. INVESTMENT PROPERTY

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the CIES. Income and expenditure relating to the General Fund is recorded under trading operations.

	31 March	
	2015 £000	2014 £000
Rental income from investment property	4,177	4,109
Direct operating expenses arising from investment property	(349)	(268)
Net gain/(loss)	3,828	3,841

The following table summarises the movement in fair value of investment properties over the year. Most property valuations have increased slightly or remained the same. The updated valuations were carried out as at 31 March 2015. The reduction was due to a fall in the value of land at North Weald Airfield used for the Saturday and Bank Holiday markets. The popularity of the market has been diminishing over recent years and fewer traders and members of the public attend. A reduced rent was agreed with the operator and as a result the valuation fell. The acquisition relates to the purchase of the long leasehold interest in 2-18 Torrington Drive, Loughton.

	31 March	
	2015 £000	2014 £000
Balance as at 31 March	39,754	39,242
Reclassified		26
Balance as at 1 April	39,754	39,268
Reclassified in year	(39)	(34)
Acquisition	3,524	-
Construction	28	50
Net gains/(losses) from fair value adjustments	(233)	470
Balance at end of the year	43,034	39,754

13. LONG TERM DEBTORS

	31 March	
	2015 £000	2014 £000
Mortgages	5	13
Capital Advances (B3 Living)	493	493
Rents to Mortgages	1,575	1,493
Other Local Authorities - Transferred Debt	351	377
Home Assist Loans	143	77
Place Loans	75	-
Net Carrying Amount at end of year	2,642	2,453

14. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Long term		Current	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Financial liabilities at amortised cost				
Borrowing	185,456	185,456	-	-
Trade Creditors	-	-	6,076	5,277
Total financial liabilities	185,456	185,456	6,076	5,277
Loans and receivables				
Investments	5,001	10,004	37,088	33,911
Debtors	2,642	2,453	5,583	5,866
Cash	-	-	11,209	10,308
	7,643	12,457	53,880	50,085
Available for Sale	-	-	15,000	5,030
Total financial assets	7,643	12,457	68,880	55,115

On 28 March 2012 the Council took on new debt of £185.456m from the Public Works Loan Board (PWLB) to pay the Department of Communities and Local Government on the cessation of the HRA Subsidy System.

The item included under Available for Sale in the financial instruments balances table above is included within the cash & cash equivalents on the balance sheet. The £15m relates to an investment made to a Money Market Fund and interest accrued, which needs to be reported under Available for Sale within the financial instruments balances. The Code of Practice requires an Available for Sale Financial Instruments Reserve Account to record any unrealised gains or losses from holding available for sale investments. However, as this is a Money Market Fund which has a constant net asset value, this means that each £1 invested buys 1 unit, which is re-priced back to £1 at the end of each day. All gains are realised and credited to the CIES.

The Council held investments with the Heritable Bank, a UK regulated subsidiary of an Icelandic Bank, that went into administration. As a result, the value of the investments held were impaired in line with CIPFA's LAAP Bulletin 82 which was issued to provide guidance relating specifically to this situation. As at 31 March 2015 94% of the investment had been returned with a further dividend of 4% due to be paid in August 2015. £100,000 has been included as income in the CIES for this.

Income, Expense, Gains and Losses

The gains and losses recognised in the CIES in relation to financial instruments consists of the following items:

	Financial Liabilities:		Financial Assets:	
	2014/15 £000	2013/14 £000	2014/15 £000	2013/14 £000
Interest expense	(5,564)	(5,542)	-	-
Impairment (losses) / gains	-	-	-	-
Interest payable and similar charges	(5,564)	(5,542)	-	-
Interest income	-	-	446	431
Interest and investment income	-	-	446	431
Net gain/(loss) for the year	(5,564)	(5,542)	446	431

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost, i.e. the aggregate of principal and accrued interest. Fair value is the amount for which an asset can be exchanged, or a liability settled. The Council's debt outstanding at 31 March 2015 consists of loans from the Public Works Loan Board (PWLB). The PWLB has provided the Council with Fair Value amounts in relation to its debt portfolio. The PWLB has assessed the Fair Values by calculating the amounts the Council would have to pay to extinguish the loans on these dates.

The fair value for financial assets can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions: a) where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value; b) the fair value of trade and other receivables is taken to be the invoiced or billed amount.

	31 March 2015		31 March 2014	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair Value £000
<u>Financial liabilities</u>				
Borrowing	185,501	223,847	185,501	187,940
Long-term creditors	-	-	-	-
Total Financial Liabilities	185,501	223,847	185,501	187,940
<u>Financial assets</u>				
Investments	42,089	42,089	43,914	43,914
Long-term debtors	2,642	2,642	2,453	2,453
Total Financial Assets	44,731	44,731	46,367	46,367

The fair value of long term liabilities is higher than the carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

The Council had £5,001,000 (£10,004,000 at 31 March 2014) classed as investments in excess of one year. This relates to an investment totalling £5m made to another local authority and £1,000 other long term investments. It is assumed that the carrying amount shown in the balance sheet is approximate to the fair value.

15. DEBTORS AND PREPAYMENTS

	31 March	
	2015 £000	2014 £000
Amounts falling due in one year		
Government Departments	793	990
Other Local Authorities	692	1,067
Council Tax arrears	543	278
NDR arrears	327	243
Housing Rent arrears	422	473
Sundry debtors	2,281	2,426
Prepayments	110	176
Total Debtors	5,168	5,653

Council Tax and Business Rates arrears shown above and the related bad debt provision relate only to the Council's proportion of the total debt. The remainder is shown as part of an amount due from major preceptors on the basis that the Council has paid over more in precepts than it has received and is net of prepayments. In 2014/15 there was a net creditor for both Council Tax and Business Rates.

16. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements.

	31 March	
	2015 £000	2014 £000
Cash	48	147
Bank current accounts	11,161	10,161
Short-term deposits with money market funds	15,000	5,030
Total Cash and Cash Equivalents	26,209	15,338

The 'Short-term deposits' relates to £15m deposits made to a number of different Money Market Funds. This has been included within the cash equivalents as funds can be drawn down and used on the day of request. The fund has a constant net asset value, this means that each £1 put in buys 1 unit, which is re-priced back to £1 at the end of each day.

17. CREDITORS

	31 March	
	2015 £000	2014 £000
Government Departments and Other Local Authorities	5,177	1,940
Council Tax	240	220
Non Domestic Rates	325	136
Housing rents	251	309
Sundry creditors	4,454	4,422
Accruals and deferred income	2,699	1,916
Total Creditors	13,146	8,943

Included within creditors is £3,000 (£3,000 at 31 March 2014) relating to Waltham Abbey Tourist Information Centre. This falls within the definition of a related party. Council Tax and Business Rates prepayments shown above relate only to the Council's proportion of the total debt. The remainder is shown as being due to Government Departments and Other Local Authorities. This is shown net of arrears, Collection Fund balance and, in the case of Business Rates, Provision for Appeals. There was a net creditor in relation to Council Tax and Business Rates at the end of 2014/15.

18. PROVISIONS

An outstanding legal case provision of £51,000 is included as at 31 March 2015. Agreement between the parties was reached regarding proceedings brought by property search companies for the refund of fees paid by them to the Council. The settlement, in the sum of £105,000 including interest, was reached during 2014/15 and an estimate of £40,000 for costs was also provided, therefore an amount of £145,000 has been included within creditors. There was some concern that the claimants still intended to advance a claim for damages against authorities for anti competitive behaviour, however it was agreed not to pursue this as part of the settlement agreement. There is still some doubt around the exact value of liability for costs which is why the unused amount previously set aside has been retained as a provision.

With the retention of Business Rates income the Council has had to take on the liability for settling appeals. It has been necessary to make a provision for those appeals within the Collection Fund. The total amount being £3.26 million of which £1.31 million relates to this Council.

19. USABLE AND UNUSABLE RESERVES

Movements in Usable Reserves are shown in detail on the Movement in Reserves Statement.

	31 March	
	2015 £000	2014 £000
Revaluation Reserve	26,248	12,587
Capital Adjustment Account	411,607	397,913
Pensions Reserve	(69,929)	(57,820)
Deferred Capital Receipts Reserve	1,580	1,504
Collection Fund Adjustment Account	(132)	(275)
Accumulated Absences Account	(226)	(163)
Total Unusable Reserves	369,148	353,746

Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and gains are consumed through depreciation, or
- disposed of and the gains are realised

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	31 March	
	2015 £000	2014 £000
Balance as at 1 April	12,587	7,934
Revaluations during the year	15,251	4,534
Depreciation adjustment	(236)	122
Disposals/Restatements	(1,354)	(3)
Balance at 31 March	26,248	12,587

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	31 March		
	2015		2014
	£000	£000	£000
Balance at 1 April		397,913	374,915
Reversal of items relating to capital expenditure debited or credited to the CIES			
Charges for depreciation and impairment of non-current assets	(15,592)		(15,495)
Revaluation gains/(losses) on Property, Plant and Equipment	15,041		29,868
Amortisation of intangible assets	(186)		(227)
Revenue expenditure funded from capital under statute			(134)
Amounts for non-current assets written off on disposal or sale as part of gain/loss on disposal to the CIES	(6,286)	(7,023)	(3,842)
Adjusting Amounts written out of the Revaluation Reserve		1,589	(134)
		392,479	384,951
Capital financing applied in the year			
Use of the Capital Receipts Reserve to finance new capital expenditure	5,402		1,644
Use of the Major Repairs Reserve to finance new capital expenditure	7,526		6,145
Capital grants credited to the CIES that have been applied to capital financing	1,149		480
Capital expenditure charged against the General Fund and HRA balances	5,421	19,498	4,223
Asset Restatements		(137)	-
Movement in the market value of Investment Properties debited or credited to the CIES		(233)	470
Balance at 31 March	0	411,607	397,913

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employers contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance of the Pension Reserve therefore shows a substantial shortfall in the benefits earned by the past and current employees and the resources the Council have set aside to meet them. The statutory arrangements ensure the funding will have been set aside by the time the benefits come to be paid.

	31 March	
	2015 £000	2014 £000
Balance at 1 April	(57,820)	(75,357)
Remeasurements of the net defined liability/(asset)	(10,210)	20,425
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(6,101)	(6,855)
Employers pensions contributions and direct payments to pensioners payable in the year	4,202	3,967
Balance at 31 March	(69,929)	(57,820)

20. CASH FLOW STATEMENT - OPERATING ACTIVITIES

Adjust net surplus or deficit on the provision of services for non cash movements

	31 March	
	2015 £000	2014 £000
Depreciation	15,592	15,495
Amortisation	186	227
Impairment and upward revaluations	(14,903)	(30,090)
Increase / (Decrease) in Creditors	1,520	1,333
(Increase) / Decrease in Interest and Dividend Debtors	29	(111)
(Increase) / Decrease in Debtors	1,414	(748)
(Increase) / Decrease in Inventories	34	61
Pension Liability	1,899	2,888
Carrying amount of non-current assets sold	6,286	3,842
Other non-cash items charged to the net surplus or deficit on the provision of services	825	202
Total	12,882	(6,901)

Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities

	31 March	
	2015 £000	2014 £000
Any other items for which the cash effects are investing or financing cash flows	(572)	(855)
Proceeds from the sale of property and equipment, investment property and intangible assets	(8,378)	(6,015)
Total	(8,950)	(6,870)

Operating activities within the cashflow statement include the following cash flows relating to interest and other operating activities

	31 March	
	2015 £000	2014 £000
Interest received	382	320
Interest charge for the year	(5,565)	(5,542)
Other operating activities	22,753	19,113
Total	17,570	13,891

21. CASH FLOW STATEMENT - INVESTING ACTIVITIES

	31 March	
	2015 £000	2014 £000
Purchase of property, plant and equipment, investment property and intangible assets	(18,964)	(12,919)
Purchase of short-term and long-term investments	(68,003)	(99,638)
Other payments for Investing Activities	(201)	(1,228)
Proceeds from sale of property, plant and equipment, investment property and intangible assets	8,384	5,948
Proceeds from short-term and long term investments	69,801	96,120
Other receipts from investing activities	1,137	1,530
Net cash flows from investing activities	(7,846)	(10,187)

22. CASH FLOW STATEMENT - FINANCING ACTIVITIES

	31 March	
	2015 £000	2014 £000
Billing Authorities - Council Tax and NNDR adjustments	1,147	1,728
Net cash flows from financing activities	1,147	1,728

23. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The Council changed its Directorate structure from 1 April 2014 and as a consequence the internal reporting requirements also changed. The figures for 2013/14 are presented under the former structure. The 2014/15 figures are based on the current structure.

	2014/15						Total £000
	Communities	Governance	Neighbourhoods	Chief Executive	Resources	Housing Revenue Account	
	£000	£000	£000	£000	£000	£000	
Fees, charges & other service income	(1,074)	(5,076)	(5,082)	-	(503)	(34,604)	(46,339)
Gain on Revaluation			-	-	-	(16,531)	(16,531)
Government Grants	(390)	(59)	(25)	-	(38,055)	-	(38,529)
Total Income	(1,464)	(5,135)	(5,107)	-	(38,558)	(51,135)	(101,399)
Employee Expenses	1,922	1,477	2,394	34	2,034	3,208	11,069
Other Service Expenses	1,680	1,228	9,667	(335)	716	9,372	22,328
Support Service Recharges	1,146	2,780	2,582	1,432	1,329	2,643	11,912
Asset Charges	115	261	3,160	-	12	13,015	16,563
Benefit Payments	-	-	-	-	36,631	-	36,631
Total Operating Expenditure	4,863	5,746	17,803	1,131	40,722	28,238	98,503
Net Cost Of Services	3,399	611	12,696	1,131	2,164	(22,897)	(2,896)

	2013/14								Total £000
	Corporate Support Services	Deputy Chief Executive	Environmental & Street Scene	Finance & ICT	Housing	Office of the Chief Executive	Planning & Economic Development	Housing Revenue Account	
	£000	£000	£000	£000	£000	£000	£000	£000	
Fees, charges & other service income	(3,863)	(614)	(5,053)	(179)	(880)	(99)	(1,119)	(34,246)	(46,053)
Gain on Revaluation	-	-	-	-	-	-	-	(30,544)	(30,544)
Government Grants	-	-	-	(39,243)	-	(23)	(5)	-	(39,271)
Total Income	(3,863)	(614)	(5,053)	(39,422)	(880)	(122)	(1,124)	(64,790)	(115,868)
Employee Expenses	637	963	1,600	2,141	614	202	1,644	3,159	10,960
Other Service Expenses	728	730	9,515	804	608	170	574	9,795	22,924
Support Service Recharges	713	689	2,024	1,298	340	2,420	1,595	2,567	11,646
Depreciation	32	62	1,687	57	-	-	228	13,174	15,240
Benefit Payments	-	-	-	37,270	-	-	-	-	37,270
Total Operating Expenditure	2,110	2,444	14,826	41,570	1,562	2,792	4,041	28,695	98,040
Net Cost Of Services	(1,753)	1,830	9,773	2,148	682	2,670	2,917	(36,095)	(17,828)

Reconciliation of Directorate Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement.

	2014/15 £000	2013/14 £000
Net Expenditure in the Directorate Analysis	(2,896)	(17,828)
Services and Support Services not in analysis	32	201
Amounts included in the Analysis not included in the Net Cost of Service	2,620	2,640
Cost of Services in CIES	(243)	(14,987)

Reconciliation to Subjective Analysis

	2014/15						Total £000
	Directorate Analysis £000	Services and Support Services not in analysis £000	Amounts not reported to management for decision making £000	Amounts not included in Net Cost of Service £000	Cost of Services £000	Corporate Amounts £000	
Fees, charges & other service income	(46,339)	-	-	4,410	(41,929)	(4,410)	(46,339)
Gain on Revaluation	(16,531)	-	-	-	(16,531)	-	(16,531)
Interest and Investment Income	-	-	-	-	-	(446)	(446)
Income from Council Tax	-	-	-	-	-	(10,829)	(10,829)
Government Grants and Contributions	(38,529)	-	-	-	(38,529)	(9,749)	(48,278)
Total Income	(101,399)	-	-	4,410	(96,989)	(25,434)	(122,423)
Employee Expenses	11,070	32	-	(653)	10,449	3,106	13,556
Other Service Expenses	58,959	-	-	(490)	58,469	490	58,959
Support Service Recharges	11,912	-	-	(598)	11,313	598	11,912
Asset Charges	16,563	-	-	(50)	16,513	183	16,696
Interest Payments	-	-	-	-	-	5,564	5,564
Precepts and Levies	-	-	-	-	-	3,358	3,358
Payments to Housing Capital Receipts Pool	-	-	-	-	-	751	751
(Gain)/Loss on Disposal of Fixed Assets	-	-	-	-	-	(1,928)	(1,928)
Rents to mortgages valuation increase	-	-	-	-	-	(82)	(82)
Total Expenditure	98,504	32	-	(1,790)	96,746	12,040	108,785
Surplus/(Deficit) on the provision of services	(2,896)	32	-	2,620	(243)	(13,395)	(13,638)

Reconciliation to Subjective Analysis

	2013/14						
	Directorate Analysis	Services and Support Services not in analysis	Amounts not reported to management for decision making	Amounts not included in Net Cost of Service	Cost of Services	Corporate Amounts	Total
	£000	£000	£000	£000	£000	£000	£000
Fees, charges & other service income	(46,053)	-	-	4,408	(41,645)	(4,359)	(46,004)
Gain on Revaluation	(30,544)	-	-	-	(30,544)	-	(30,544)
Interest and Investment Income	-	-	-	-	-	(431)	(431)
Income from Council Tax	-	-	-	-	-	(10,567)	(10,567)
Government Grants and Contributions	(39,271)	-	-	-	(39,271)	(8,770)	(48,041)
Total Income	(115,868)	-	-	4,408	(111,460)	(24,127)	(135,587)
Employee Expenses	10,960	201	-	(636)	10,525	3,645	14,170
Other Service Expenses	60,194	-	-	(525)	59,669	530	60,199
Support Service Recharges	11,646	-	-	(566)	11,080	512	11,592
Depreciation, Amortisation and Impairment	15,240	-	-	(41)	15,199	(598)	14,601
Interest Payments	-	-	-	-	-	5,542	5,542
Precepts and Levies	-	-	-	-	-	3,310	3,310
Payments to Housing Capital Receipts Pool	-	-	-	-	-	684	684
(Gain)/Loss on Disposal of Fixed Assets	-	-	-	-	-	(2,046)	(2,046)
HRA self financing	-	-	-	-	-	-	-
Rents to mortgages valuation increase	-	-	-	-	-	(127)	(127)
Total Expenditure	98,040	201	-	(1,768)	96,473	11,452	107,925
Surplus/(Deficit) on the provision of services	(17,828)	201	-	2,640	(14,987)	(12,675)	(27,662)

24. TRADING OPERATIONS

The trading operations of the Council comprise a number of commercial properties and industrial estates including North Weald Airfield where units are leased to local businesses at market rates, the Fleet Operations Service provides MOT testing and motor servicing to the public, and is currently under review.

	2014/15 Expenditure £000	2014/15 Income £000	2014/15 Surplus/Deficit £000
Industrial Estates	139	(1,266)	(1,127)
Commercial Properties	427	(2,166)	(1,739)
Fleet Operations	480	(456)	24
North Weald Centre	967	(745)	222
Total Surplus	2,013	(4,633)	(2,620)
2013/14	1,768	(4,408)	(2,640)

25. MEMBER ALLOWANCES

Member allowances and expenses are shown below. Further details of these allowances are available on page 60.

	2014/15 £000	2013/14 £000
Allowances	309	291
Expenses	7	24
Total	316	315

26. OFFICER REMUNERATION

	2014/15			
	Salary (Including fees & Allowances)	Benefits in Kind	Pension Contributions	Total Remuneration including pension contributions.
	£	£	£	£
Chief Executive	112,000	1,407	17,808	131,215
Director of Neighbourhoods	92,118	2,704	14,646	109,468
Director of Communities	90,273	1,284	14,333	105,890
Director of Resources	90,955	2,276	14,461	107,692
Director of Governance	91,974	1,256	14,623	107,853

	2013/14			
	Salary (Including fees & Allowances)	Benefits in Kind	Pension Contributions	Total Remuneration including pension contributions.
	£	£	£	£
<i>Chief Executive</i>	112,000	1,397	14,560	127,957
<i>Deputy Chief Executive/Director of Neighbourhoods</i>	89,803	2,951	11,674	104,428
<i>Director of Housing</i>	78,944	1,234	10,263	90,441
<i>Director of Planning & Economic Development</i>	78,697	525	10,231	89,453
<i>Director of Finance & ICT</i>	79,094	3,041	10,282	92,417
<i>Director of Environment & Street Scene</i>	78,798	1,239	10,244	90,281
<i>Director of Corporate Support Services</i>	78,158	1,239	10,161	89,558
<i>Assistant to the Chief Executive</i>	64,148	1,239	8,332	73,719

There were no payments relating to bonuses in the year. The emoluments above include all taxable employee payments. Pension Contributions relate to Employer's contributions of 15.9%.

The number of employees whose remuneration, including benefits in kind, but excluding employers pension contributions, was £50,000 or more in bands of £5,000 were (there were no officers in bands between £115,000 - £149,999).

Remuneration Band	2014/15 Number of Employees	2013/14 Number of Employees
£50,000 - £54,999	9	9
£55,000 - £59,999	7	5
£60,000 - £64,999	2	2
£65,000 - £69,999	0	1
£70,000 - £74,999	0	0
£75,000 - £79,999	0	2
£80,000 - £84,999	0	3
£85,000 - £89,999	0	0
£90,000 - £94,999	4	1
£95,000 - £99,999	0	0
£100,000 - £104,999	0	0
£105,000 - £109,999	0	0
£110,000 - £114,999	1	1
Total	23	24

Senior Officers where emoluments - salary is £150,000 or more per year.

No Senior Officer fell under this category in 2013/14 or 2014/15.

Termination Benefits

Exit Package Cost Band (including special payments)	2014/15			Total Cost of Exit Packages in each band
	Number of Compulsory Redundancies	Number of Other Departures	Total number of Exit Packages	
£0- £20,000	3	4	7	52,222
£20,000 - £40,000			-	
£40,001 - £60,000		2	2	94,202
£60,001 - £80,000		1	1	66,325
Total cost included in bandings and in the CIES				212,749

27. EXTERNAL AUDIT FEES

The following external audit fees have been paid to the Audit Commission and BDO LLP.

	2014/15 £000	2013/14 £000
Fees payable to BDO LLP with regard to external audit services carried out by the appointed auditor for the year.	86	85
Fees payable to BDO LLP for the certification of grant claims and returns for the year.	25	28
Rebate of fees from Audit Commission	(9)	(11)
Total	102	102

28. GRANTS AND CONTRIBUTIONS

The Council credited the following grants and contributions to the CIES in 2014/15:

	2014/15 £000	2013/14 £000
Credited to Taxation and Non-Specific Grant Income		
Revenue Support Grant	3,410	4,373
New Homes Bonus	1,854	1,310
S31 Small business rate Relief	757	446
Council Tax Freeze grant	83	82
Community Projects	16	17
Other	31	23
Total	6,151	6,251

	2014/15 £000	2013/14 £000
Credited to Services		
Department for Work and Pensions	37,651	38,577
Department for Communities and Local Government	819	587
Essex County Council	866	422
Essex Police Authority	44	23
Town and Parish councils	37	-
Hughmark Continental	-	16
Broxbourne Borough Council	48	48
Cabinet office	116	-
Arts Council	-	54
Lottery Fund	33	35
Harlow Health Works Project	60	59
Contributions to Affordable Housing	-	412
Other grants and contributions received	54	84
Total	39,728	40,317

29. RELATED PARTY DECLARATIONS

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council, or to be controlled or influenced by the council.

Central Government

Central government has effective control over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis on Note 23 on reporting for resource allocation decisions.

Members & Officers

Members and Officers of the Council have direct control over the council's financial and operating policies. The total of members allowances paid in 2014/15 is shown in Note 25. During 2014/15 expenditure totalling £435,900 (£333,480 in 2013/14) was paid to, and income totalling £61,190 (£77,490 in 2013/14) was received from, organisations in which 26 members and 1 Officer (27 members and 0 Officers in 2013/14) had connections. Included in the expenditure amount is a creditor of £3,000 (£3,000 in 2013/14). The nature of the expenditure was primarily grants and contributions to organisations of £353,700, subscriptions of £12,990, rent of £26,000 and £43,210 of other items with which members had declared interests, with varying levels of involvement.

30. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2015 £000	2014 £000
<i>Opening Capital Financing Requirement</i>	184,672	184,672
Capital Investment		
Property, Plant and Equipment	15,615	11,773
Investment Properties	3,552	50
Revenue Expenditure Funded from Capital Under Statute	-	134
Private Sector Housing Loans	61	205
Intangible Assets	270	154
Sources of Finance		
Capital Receipts	(5,402)	(1,644)
Government grants and other contributions	(1,149)	(304)
Major Repairs Reserve	(7,526)	(6,145)
Direct revenue contributions	(5,421)	(4,223)
Closing Capital Financing Requirement	184,672	184,672

31. LEASES

The Council has leases with third parties under operating leases with rental income from the lease being credited to trading operations.

Assets Leased to Third Parties	2014/15 £000	2013/14 £000
The total of future minimum lease payments due within 1 year are:		
Land & Buildings		
Shops	1,958	1,655
Industrial & Commercial	1,054	1,032
Other	310	924
Total Rental Receivable	3,322	3,611

The timing of total future minimum lease payments are:

	31 March 2015		31 March 2014	
	Receipts due between 2 and 5 years	Total receipts due thereafter	Receipts due between 2 and 5 years	Total receipts due thereafter
	£000	£000	£000	£000
Land & Buildings				
Shops	6,474	8,593	5,293	4,231
Industrial & Commercial	4,068	52,597	3,968	50,732
Other	1,077	4,249	2,751	6,940
Total	11,619	65,439	12,012	61,903

Gross Amount of Assets held for use in operating leases.

	31 March	
	2015 £000	2014 £000
Land & Buildings		
Shops	20,116	16,437
Industrial & Commercial	13,355	12,997
Other	9,562	10,320
Total Assets	43,033	39,754

There are no accumulated depreciation charges on the assets held for use in operating leases.

32. PENSIONS

Employees of Epping Forest District Council are admitted to the Essex County Council Pension Fund ("the Fund"), which is administered by Essex County Council under the Regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The Fund is a funded scheme meaning that the authority and employees pay contributions into a fund calculated at a level intended to balance the pensions liabilities with investment assets.

As part of the terms and conditions of employment of the Council's officers the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire the Council has a commitment to make the payments that need to be disclosed at the time employees earn their future entitlement.

The figures disclosed below have been derived from a re-assessment of the assets and liabilities as a result of an interim actuarial valuation of the Fund carried out by the Fund's Actuary, Barnett Waddingham Public Sector Consulting, as at 31 March 2015. The approach to calculating the IAS19 figures in between full actuarial valuations is approximate in nature. Broadly the approach by the Actuaries assumes that the experience of the Fund will be in line with the actuarial assumptions used for IAS19 purposes. The approach adopted by the Actuary follows "IAS 19 - Calculation Guide for Local Authorities".

The Council recognises cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge made against Council Tax is based on contributions payable to the fund in respect of 2014/15 so the real cost of retirement benefits is reversed out of the Income and Expenditure Account after Net Operating Expenditure.

The transactions below have been made in the CIES during the year.

Comprehensive Income and Expenditure Statement

	2014/15 £000	2013/14 £000
Service Cost	3,601	3,845
Net interest charged	2,453	3,009
Administration Expenses	47	15
Net charge made to the CIES	6,101	6,869

Re-measurements in other comprehensive income

	2014/15 £000	2013/14 £000
Return on Fund assets in excess of interest	9,550	4,470
Other actuarial gains/(losses) on assets	-	(1,442)
Change in financial assumptions	(19,841)	3,662
Change in demographic assumptions	-	10,884
Experience gain/(loss) on defined benefit obligation	81	2,851
Remeasurement of the net assets/(defined liability)	(10,210)	20,425

Pension Assets and Liabilities Recognised in the Balance Sheet

	2014/15 £000	2013/14 £000
Present value of the funded obligation	180,932	155,414
Present value of the unfunded obligation	4,086	4,101
Fair value of scheme assets	(115,089)	(101,695)
Net Liability in the Balance Sheet	69,929	57,820

Reconciliation of the fair value of the Scheme Liabilities

	Unfunded Liabilities		All Funded/Unfunded Liabilities: Local Government Pension Scheme	
	2015 £000	2014 £000	2015 £000	2014 £000
Net pensions liability at 1 April	(4,101)	(4,526)	(159,515)	(170,417)
Movements in the current year				
Current service cost	-	-	(3,572)	(3,659)
Interest cost	(173)	(179)	(6,915)	(6,901)
Change in financial assumptions	(224)	-	(19,841)	3,662
Change in demographic assumptions	-	-	-	10,884
Experience gain	81	-	81	2,851
Estimated benefits paid	-	-	5,479	4,859
Employers' contributions payable to scheme	-	335	-	-
Past service cost including curtailments	-	-	(29)	(186)
Contributions by scheme participants	-	-	(1,037)	(943)
Unfunded pension payments	331	-	331	335
Actuarial gain/(loss)	-	269	-	-
Net pensions liability at 31 March	(4,086)	(4,101)	(185,018)	(159,515)

Reconciliation of fair value of the Scheme Assets:

	2015 £000	2014 £000
Fair value of the plan assets at 1 April	101,695	95,060
Interest on assets	4,462	3,892
Return on assets less interest	9,550	4,470
Total Actuarial gains/(losses)	-	(1,442)
Administration Expenses	(47)	(15)
Employer contributions including unfunded	4,202	3,981
Contributions by scheme participants	1,037	943
Benefits paid	(5,810)	(5,194)
Fair value of the plan assets at 31 March	115,089	101,695

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on assets less interest in the year was £9.5million (£4.47 million for 2013/14). The weighted average duration of the defined benefit obligation for scheme members is 17 Years (17 years in 2013/14).

Scheme History

	2014/15 £000	2013/14 £000	2012/13 £000	2011/12 £000	2010/11 £000
Present Value of Liabilities	(185,018)	(159,515)	(170,417)	(150,823)	(130,136)
Fair Value of Assets	115,089	101,695	95,060	85,198	83,812
Surplus/(deficit) in the scheme	(69,929)	(57,820)	(75,357)	(65,625)	(46,324)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £69.9 million in the balance sheet has decreased the reported net worth of the Council by 16% (14% 2013/14).

However statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit will be gradually eliminated by increased contributions over the remaining working life of employees, as assessed by the scheme Actuary.

The total employer contributions expected to be made to the scheme by the council in the year to 31 March 2016 is £3.79 million. The Service Cost is expected to be £4.23 million for the year to 31 March 2016.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, and inflation rates. The District Council fund liabilities have been assessed by Barnett Waddingham, a firm of actuaries who provide the service for the Essex County Council Pension Fund, being based on the full Actuarial Valuation of the scheme as at 31 March 2013.

The principal assumptions used by the actuary have been:

Long term expected rate of return of assets in the scheme:

	2014/15 %	2013/14 %
Equity investments	5.40	6.10
Government bonds	2.30	3.00
Other bonds	3.00	4.10
Property	4.40	5.10
Cash\Liquidity	2.00	0.50
Alternative assets	3.00	6.10

Mortality Assumptions

Longevity at 65 for current pensioners in years:

	2014/15	2013/14
Men	22.80	22.70
Women	25.20	25.10

Longevity at 65 for future pensioners in years:

	2014/15	2013/14
Men	25.10	24.90
Women	27.60	27.40

	2014/15	2013/14
Rate of Inflation RPI	3.10%	3.50%
Rate of Inflation CPI	2.20%	2.70%
Rate of Increase in Salaries	4.00%	4.50%
Rate of Increase in pensions	2.20%	2.70%
Rate for discounting scheme liabilities	3.20%	4.40%

The Scheme's assets consist of the following categories, by proportion of the total assets held.

	As at 31 March 2015		As at 31 March 2014	
	£000	%	£000	%
Equities	77,421	67	67,803	67
Government Bonds	5,057	4	8,096	8
Other Bonds	11,016	10	8,096	8
Property	12,500	11	11,132	11
Cash/Liquidity	2,523	2	2,024	2
Alternative Assets	6,572	6	4,048	4
Total	115,089	100	101,199	100

The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities was considered by the actuaries in the 2013 actuarial review of the Pension Fund. The anticipated shortfall in the funding of the scheme has determined the future level of pension contributions which will be due in between triennial valuations.

Sensitivity Analysis as at 31 March 2015	Sensitivity 1	Sensitivity 2	Sensitivity 3
	£000s	£000s	£000s
<u>Adjustment to discount rate</u>			
Present value of total obligation	+0.1% p.a. 181,962	0.0% p.a. 185,018	-0.1% p.a. 188,128
Projected service cost	4,149	4,234	4,321
<u>Adjustment to long term salary increase</u>			
Present value of total obligation	185,316	185,018	184,721
Projected service cost	4,236	4,234	4,232
<u>Adjustment to pension increases and deferred revaluation</u>			
Present value of total obligation	187,858	185,018	182,226
Projected service cost	4,320	4,234	4,150
<u>Adjustment to mortality age rating</u>			
Present value of total obligation	+1year 178,561	none 185,018	-1year 191,533
Projected service cost	4,090	4,234	4,379

33. NATURE & EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council has adopted CIPFA's Revised Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities (both revised in November 2011).

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy (for 2014/15 this was agreed at Full Council on 20 February 2014). The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the CLG Investment Guidance for local authorities. This guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rate movements.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

Investments

The risk is minimised through the Annual Investment Strategy, which requires that deposits are made with Debt Management Office, other local authorities, AAA rated money market funds or Banks and Building Societies having sufficiently high credit worthiness as set out in the Treasury Management Strategy. It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. A limit of £10m is placed on the amount of money that can be invested with a single counterparty. The Council also sets a total group investment limit (£10m) for institutions that are part of the same banking group.

The table below summaries the nominal value of the Council's investment portfolio at 31 March 2015, and confirms that all investments were made in line with the Council's approved rating criteria when investment placed:

The amounts below include the money market fund which is included in cash and cash equivalents.

	Credit rating criteria met on 31	Balance invested as at 31 March 2015					Total £000
		Up to 1 month £000	Between 1 and 3 months £000	Between 4 and 6 months £000	Between 7 and 12 months £000	Greater than 12 months £000	
Banks UK	YES		20,000	5,000			25,000
Banks UK	NO						0
Banks non-UK	NO						0
Total Banks		0	20,000	5,000	0	0	25,000
Building Societies	YES		6,000	1,000			7,000
Local Authorities				5,000		5,000	10,000
Money Market Funds	YES	25,500					25,500
Total		25,500	26,000	11,000	0	5,000	67,500

In October 2008 the Icelandic banking sector defaulted on its obligations. The Council had £2.5m invested in Heritable bank at that time. As at 31 March 2015 an amount of £2.36m had been received from the administrator which represents a little over 94% of the original investment. The latest communication, received in March states that a further dividend can be expected in August 2015 bringing the recovery rate to at least 98% of the original investment

Debtors

The following analysis summaries the Council's potential maximum exposure to credit risk, based on the experience gathered over the last five financial years on the level of default on trade debtors, adjusted for market conditions.

	Amount at 31 March 2015	Default risk judged as at 31 March 2015	Bad debt provision for 2014/15
	£000	%	£000
Sundry Debtors	5,583	45.5	2,540
Housing Arrears	1,016	56.8	577
Total	6,599		3,117

The credit risk in relation to counterparty investments is relatively small as the likelihood of default is also small. With regard to sundry debtors, housing and taxation debtors, a risk arises by virtue of the fact that they represent amounts owed to the Council and there will always be a level of default inherent in such debts. A provision for non payment of debts is provided within the overall debtors figure stated in the accounts.

Liquidity Risk

The Council has access to borrowing facilities via the Public Works Loan Board, commercial banks, bond issues and other local authorities. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage risk that it will not be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates.

The Council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The maturity analysis of the nominal value of the Council's debt at 31 March 2015 was as follows:

		31 March 2015 £000	% of total debt portfolio
Short Term Borrowing	Less than 1 Year	0	0
Long Term Borrowing	Over 1 but not over 2	0	0.00
	Over 2 but not over 5	0	0.00
	Over 5 but not over 10	31,800	17.15
	Over 10 but not over 15	0	0.00
	Over 15 but not over 20	0	0.00
	Over 20 but not over 25	90,000	48.53
	Over 25 but not over 30	63,656	34.32
Long Term Borrowing		185,456	100.00

Market Risk

Interest Rate Risk - The Council is exposed to risks arising from movements in interest rates. The Treasury Strategy aims to mitigate these risks by setting an upper limit of 25% on external debt that can be subject to variable rates. At 31 March 2015, 83% of the debt portfolio was held in fixed rate instruments and 17% in variable rate instruments.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

Increase in interest payable on variable rate borrowing	£000 318
Increase in interest receivable on variable rate investments	(150)
Impact on Surplus or Deficit on the Provision of Services	168
Share of overall impact debited/(credited) to HRA	168

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Fair Value disclosure note.

Price risk - The Council does not invest in equity holdings or in financial instruments whose capital value is subject to market fluctuations. It therefore has no exposure to losses arising through price variations.

Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

34. CAPITAL COMMITMENTS

There were no significant commitments at the year end.

HOUSING REVENUE ACCOUNT INCOME & EXPENDITURE STATEMENT

	Note	2014/15 £000	2013/14 £000
INCOME			
Dwelling Rents (Gross)	3	(31,585)	(30,885)
Non Dwelling Rents		(835)	(870)
Charges for Services and Facilities		(1,661)	(1,985)
Leaseholder Contributions		(179)	(170)
Revaluation of Fixed Assets	1	(16,531)	(30,544)
TOTAL INCOME		(50,791)	(64,454)
EXPENDITURE			
Repairs and maintenance	4	6,350	6,053
Supervision and Management		7,193	7,169
Rents, Rates, Taxes and Insurance		482	542
Revenue Expenditure funded from Capital under Statute		179	170
Depreciation & Amortisation	2/8/9	12,943	13,110
Revaluation of Fixed Assets	1	-	632
Debt Management		60	51
Provision for Bad / Doubtful Debts		62	16
TOTAL EXPENDITURE		27,269	27,743
NET COST OF SERVICES AS INCLUDED IN THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT		(23,522)	(36,711)
HRA services share of Corporate & Democratic Core		572	572
HRA share of other services		53	44
NET COST (INCOME) OF HRA SERVICES		(22,897)	(36,095)
HRA SHARE OF THE INCOME AND EXPENDITURE INCLUDED IN THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT		(22,897)	(36,095)
Capital Grants and Contributions		(611)	-
Gain on sale of HRA non-current assets		(1,768)	(2,236)
Interest Payable and Similar Charges		5,558	5,526
Interest and Investment Income		(521)	(375)
Valuation increase Rent to Mortgages		(82)	(127)
Pensions Interest/Return on Assets		785	963
(SURPLUS)/DEFICIT FOR THE YEAR ON HRA SERVICES		(19,536)	(32,344)

MOVEMENT ON HOUSING REVENUE ACCOUNT STATEMENT

The Housing Revenue Income and Expenditure Statement shows the Council's actual financial performance for the year in managing its housing stock, measured in terms of the resources consumed and generated over the last twelve months. However,

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The payment of a share of housing capital receipts to the Government is treated as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than from council tax.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners rather than as future benefits earned.

The Housing Revenue Account Statement compares the Council's spending against the Income that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn in the Housing Revenue Income and Expenditure Statement and the Housing Revenue Account balance.

	Note	2014/15 £000	2013/14 £000
INCREASE/DECREASE IN THE HOUSING REVENUE ACCOUNT BALANCE			
(Surplus)/Deficit for the year on the Housing Revenue Account Income and Expenditure Statement		(19,536)	(32,344)
Adjustments between accounting basis and funding basis under statute (including to or from reserves)	10	17,949	30,468
Transfers to Earmarked Reserves	10	1,983	2,285
(Increase) or decrease in the Housing Revenue Account balance		396	409
Housing Revenue Account surplus brought forward		(2,966)	(3,375)
Housing Revenue Account surplus carried forward		(2,570)	(2,966)

1. HOUSING REVENUE ACCOUNT ASSET VALUATION

The valuation of the Council's housing stock and other HRA assets is as follows:

	OPERATIONAL ASSETS						NON- OPERATIONAL ASSETS	Total £000
	Land £000	Dwellings £000	Garages £000	Vehicles & Equipment £000	Other Land & Buildings £000	Other £000	Investment Properties £000	
Gross Book Value								
1 April 2014	170,709	311,337	3,748	3,258	1,162	3,931	143	494,288
Restated	-	-	-	(56)	-	-	-	56
Additions	-	12,383	-	73	-	1,386	-	13,842
Disposals	(1,158)	(2,151)	-	(10)	-	-	-	(3,319)
Reclassified in Year	(242)	(440)	-	-	58	(226)	-	(850)
Revaluations Credited to the CIES	5,719	10,810	-	-	2	-	-	16,531
Revaluation Credited to the Revaluation reserve	5,622	9,011	817	-	239	550	-	16,239
Accumulated Depreciation Written Off	-	(12,439)	(134)	-	(2)	-	-	(12,575)
Gross Book Value	180,650	328,511	4,431	3,265	1,459	5,641	143	524,100
1 April 2014	-	-	-	(1,650)	(14)	(472)	-	(2,136)
Restated	-	-	-	52	-	-	-	52
Accumulated Depreciation Written Off	-	12,439	134	-	1	-	-	12,574
Reclassified	-	1	-	-	(1)	-	-	-
Depreciation in Year	-	(12,522)	(134)	(247)	(11)	(60)	-	(12,974)
Depreciation on Assets Sold	-	83	-	10	-	-	-	93
Depreciation								
31 March 2015	-	1	-	(1,835)	(25)	(532)	-	(2,391)
Net Book Value								
31 March 2015	180,650	328,512	4,431	1,430	1,434	5,109	143	521,709
Net Book Value								
1 April 2014	170,709	311,338	3,748	1,423	1,137	3,399	143	491,897

The dwelling valuation shown in the balance sheet represents the value of the housing stock to the Council in its existing use as social housing occupied on the basis of secured tenancies. The corresponding value of those dwellings if sold on the open market without tenants, i.e. vacant possession is £1,228,150,500, based on stock figures as at 31 March 2015 and values as at 1 April 2014. The difference between the two values represents the economic cost of providing council housing at less than open market rents.

2. HOUSING STOCK

The Council was responsible for managing on average 6,459 (6,530 in 2013/14) dwellings during 2014/15. Changes in the stock are summarised below. The figures include 48 units for the homeless at Norway House, North Weald, and 6 wardens' and caretakers' dwellings.

		2014/15	2013/14
Stock as at 1 April		6,483	6,556
Less	Sales	(46)	(53)
	Stock Transfers / Conversions	(3)	(20)
	Reinstated Properties	-	(1)
Add	New Properties	1	1
Stock as at 31 March		6,435	6,483
Number of:			
Houses and Bungalows		3,467	3,489
Flats and Maisonettes		2,958	2,984
Other		10	10
		6,435	6,483

3. GROSS DWELLING RENT INCOME

During 2014/15 0.95% (0.87% in 2013/14) of all lettable dwellings were vacant. Average rents were £95.66 per week, an increase of £4.70 or 5.2% over the previous year. 50% (52% in 2013/14) of all Council tenants received some help through rent rebates in 2014/15. Rent arrears decreased to £1,015,801 (£1,094,262 in 2013/14), which represents 3.2% (3.5% in 2013/14) of gross dwelling rent income. The provision for bad and doubtful debts on these arrears amounted to £594,075 (£621,478 in 2013/14). Amounts written off during the year totalled £89,855 (£129,980 in 2013/14). Dwelling rents are shown after allowing for voids.

4. HOUSING REPAIRS FUND

The Council maintains a Housing Repairs Fund that evens out the annual cost to tenants of a cyclical repairs programme. The movement on the Fund is as follows:

	2014/15		2013/14	
	£000	£000	£000	£000
Balance as at 1 April		(2,755)		(3,508)
Contribution from the HRA	(5,000)		(5,200)	
Other Income	(86)		(100)	
Total Income		(5,086)		(5,300)
Responsive & Void Repairs	4,061		3,884	
Planned Maintenance	2,185		2,093	
Other	104		76	
Total Expenditure		6,350		6,053
Balance as at 31 March		(1,491)		(2,755)

The amount shown on the face of the Housing Revenue Income and Expenditure Statement is the actual net expenditure on repairs and maintenance rather than the contribution to the repairs fund. The difference between the two figures forms part of the adjustments between accounting basis and funding basis under regulations (Note 6 page 18).

5. PENSIONS

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge made against the HRA is based on the contributions payable to the fund in respect of 2014/15; the real cost of retirement benefits is therefore reversed out of the Housing Revenue Account after Net Operating Expenditure.

6. HOUSING REVENUE ACCOUNT CAPITAL RECEIPTS

The Council received £5,722,130 in respect of HRA capital receipts during 2014/15. This arose as a result of the sale of council houses (£5,030,330), sale of Leader Lodge (£652,001), receipt of a deposit in respect of a further house sale (£10,000), repayment of discounts (£18,075), sale of vehicles (£5,600) and principal repayments on mortgages (£6,124). Of this the Council used £297,785 for the housebuilding project and £59,800 for the administration of the sales which left £4,613,555 to fund other capital projects and pay the central government pool an amount of £750,990.

7. CAPITAL EXPENDITURE

The HRA incurred the following capital expenditure.

Capital Expenditure on:	£000	Financed by:	£000
Council Dwellings	11,727	Revenue	5,200
House Building and developments	1,245	Major Repairs Reserve	7,526
Disabled Adaptations	410	Capital Receipts	512
Plant, Vehicles and Equipment	73	Other Contributions	612
Intangibles	8		
Environmental Works	387		
	13,850		13,850

8. MAJOR REPAIRS RESERVE

The Council is required to maintain a Major Repairs Reserve. This was originally funded from the Government via Housing Subsidy but is now funded from the HRA directly. The Housing Revenue Account is charged with the depreciation for the year the opposite entry of which is a credit to the Major Repairs Reserve. This income can then be used to fund repairs of a capital nature. For a transitional period of five years the Council is allowed to transfer back to the HRA a notional sum calculated by the Government in lieu of the Major Repairs Allowance received. The movement on the reserve is as follows:

	2014/15		2013/14	
	£000	£000	£000	£000
Balance as at 1 April		(11,359)		(9,755)
Depreciation transferred from the HRA		(12,932)		(13,098)
Used to fund Capital Expenditure on Council Dwellings	7,526		6,145	
Transferred to the HRA	5,611		5,349	
Total Expenditure		13,137		11,494
Balance as at 31 March		(11,154)		(11,359)

9. DEPRECIATION

Depreciation is charged on Housing Revenue Account assets in accordance with IAS 16. Depreciation is charged with reference to balance sheet values and the average life remaining on the housing stock and its major components. No depreciation is chargeable on the HRA investment assets. The difference between the figure shown on the face of the HRA and note 8 above relates to £11,000 amortisation of intangible assets. (See also note 1, page 49)

10. NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON HRA BALANCE

	2014/15 £000	2013/14 £000
AMOUNTS TO BE EXCLUDED		
Transfer from Major Repairs Reserve and other depreciation reversals and impairments	(5,645)	(5,393)
Upward revaluation of Council Dwellings and Garages	16,531	29,930
Revenue expenditure funded from Capital under statute	(179)	(170)
Valuation changes Rents to Mortgages	82	127
Gain/(loss) on disposal of HRA fixed assets	1,768	2,236
Flexi / Leave Accruals	(22)	(4)
HRA share of contributions to/ (from) pensions reserve	(1,920)	(2,139)
	10,615	24,587
AMOUNTS TO BE INCLUDED		
Leaseholder Contributions	179	170
Employers contributions payable to the pension fund	1,344	1,274
Capital Expenditure funded by the HRA	5,200	4,200
Capital Contributions Applied	611	237
	7,334	5,881
Net Increase or (Decrease) before Transfers to/from Reserves	17,949	30,468
TRANSFERS (TO)\FROM EARMARKED RESERVES		
Housing Repairs Fund	(1,264)	(753)
Self Financing Reserve	3,180	3,180
Service Enhancement Fund	67	(58)
Insurance Fund	-	(84)
	1,983	2,285
	19,932	32,753

11. SETTLEMENT PAYMENTS DETERMINATION 2012 (HRA SELF-FINANCING)

On 28 March 2012 the Council borrowed £185,456,000 from the Public Works Loan Board in order to pay an equivalent amount over to the Department for Communities and Local Government. This payment was the amount prescribed as payable on the cessation of the HRA Subsidy regime on 31 March 2012. This amount is shown as long term loans on the Balance Sheet.

12. TRANSFER TO SELF FINANCING RESERVE/SERVICE ENHANCEMENT FUND

There are two HRA earmarked reserves that have been set up. A Self Financing Reserve was set up with the purpose of receiving a transfer of £3.18m per annum to accumulate enough funds to repay the £31.8m variable loan. Whilst this is the stated purpose of the fund the decision does not preclude the use of these funds for another HRA purpose. The balance on the Reserve as at 31 March 2015 was £9.54m. Self financing has meant additional funds have become available for HRA expenditure, as a result a programme of service enhancements and improvements have been agreed by the Council. It was agreed that any unspent monies allocated in 2014/15 should be carried forward within the fund for use in future accounting periods. The value of this carry forward at the end of the financial year was £67,000.

THE COLLECTION FUND

INCOME AND EXPENDITURE ACCOUNT

		Council Tax	Non Domestic Rates	Collection Fund Total	Council Tax	Non Domestic Rates	Collection Fund Total
INCOME	Note	2014/15 £000	2014/15 £000	2014/15 £000	2013/14 £000	2013/14 £000	2013/14 £000
Council Tax	1	(77,659)	-	(77,659)	(76,662)	-	(76,662)
Non Domestic Rates	2	-	(34,476)	(34,476)	-	(32,979)	(32,979)
TOTAL INCOME		(77,659)	(34,476)	(112,135)	(76,662)	(32,979)	(109,641)
EXPENDITURE							
Precepts and Demands:							
Essex County Council		55,076	3,039	58,115	54,521	2,871	57,392
Essex Police		7,312		7,312	7,098		7,098
Essex Fire Authority		3,366	338	3,704	3,332	319	3,651
Epping Forest District Council		10,617	13,507	24,124	10,453	12,759	23,212
Distribution of Estimated Collection Fund Surplus/(Deficit).							
	3						
Essex County Council		225	(129)	96	57	-	57
Essex Police		29	-	29	7	-	7
Essex Fire Authority		14	(14)	-	4	-	4
Epping Forest District Council		43	(572)	(529)	11	-	11
Non Domestic Rate							
Payment to Central Government		-	16,883	16,883	-	15,949	15,949
Repayment of Deficit		-	(715)	(715)	-	-	-
Transitional Protection		-	8	8	-	42	42
Cost of Collection Allowance		-	173	173	-	171	171
Provision for Appeals			1,931	1,931		1,486	1,486
Provision for Non Payment		669	262	931	280	(30)	250
Write Offs		(877)	(173)	(1,050)	159	397	556
TOTAL EXPENDITURE		76,474	34,538	111,012	75,922	33,964	109,886
DEFICIT / (SURPLUS) FOR YEAR		(1,185)	62	(1,123)	(740)	985	245
BALANCE BROUGHT FORWARD		(855)	985	130	(115)	-	(115)
BALANCE CARRIED FORWARD		(2,040)	1,047	(993)	(855)	985	130

1. COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands, estimating 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council, Essex Police, Essex Fire Authority and this Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted discounts: 50,679 for 2014/15, 50,169 for 2013/14). The basic amount of Council Tax for a Band D property (£1,446.21 for 2014/15, £1,443.42 for 2013/14) is multiplied by the proportion specified for the particular band to give an individual amount due.

	Chargeable Dwellings	Chargeable Dwellings after Discount, Exemptions and Disabled Relief	Ratio to Band D	Band D Equivalents
Band A Disabled	2	2	5/9	1
Band A	1,609	1,395	2/3	930
Band B	4,792	3,989	7/9	3,103
Band C	11,180	10,018	8/9	8,905
Band D	13,569	12,569	1	12,569
Band E	9,249	8,684	1 2/9	10,614
Band F	6,632	6,307	1 4/9	9,110
Band G	5,722	5,508	1 2/3	9,180
Band H	1,108	1,080	2	2,160
Total Band D				56,571
Less Band D equivalents entitled to Council Tax Support				5,015
Total Band D equivalents				51,556
Less Adjustment for Collection Rate				876
Council Tax Base				50,679

The income of £77,658,884 for 2014/15 (£76,662,113 for 2013/14) is receivable from the following sources.

	2014/15 £000	2013/14 £000
Billed to Council tax payers	77,758	76,804
Council Tax Benefits paid/(clawed back)	(99)	(142)
	77,659	76,662

2. NON DOMESTIC RATES

Non Domestic Rates are organised on a national basis. The Government specifies an amount, 47.1p (small business) and 48.2p (others) in 2014/15, (46.2p (small business) 47.1p (others) in 2013/14) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

In 2013/14 the method of distributing and accounting for Business Rates changed. Prior to 1 April 2013 Non Domestic Rates were collected by the Council and paid over to central Government who then redistributed the sums collected in the form of Non Domestic rates grant.

From 1 April 2013 Business Rates Retention came in whereby Local Authorities retain 50% of the Business Rates collected and pay the remainder over to Central government. The amount retained is shared between the Council (40%), Essex County Council (9%) and Essex Fire Authority (1%). In addition the Government has set a level of Business Rates Funding deemed to be applicable to each area and every Council either receives a top up (where business rates are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding). In 2014/15 this Council paid a tariff of £10,038,000 (£9,846,000 in 2013/14) which is a charge to the General Fund.

If the Council increases its business rates base and therefore income it is allowed to retain a proportion of this increased income whilst paying up to 50% to Central Government. This payment is known as a levy payment.

If a reduction of business rates income of more than 7.5% of its funding baseline has occurred then the government will make up any difference between this and the actual loss in the form of a safety net payment.

The total non-domestic rateable value at the year-end was £86,715,049 (£86,726,349 in 2013/14).

3. CONTRIBUTIONS TO COLLECTION FUND SURPLUSES AND DEFICITS

The surplus or deficit on the Collection Fund arising from council tax and business rates transactions relates to this Council and the other Major Precepting Authorities. The surplus or deficit on the fund is estimated as at 15 January every year and paid over or recovered from the Council's General fund and major precepting authorities in the following Financial year. The balance on the Fund represents the difference between the estimated surplus or deficit and the actual position.

1 Scope of Responsibility

Epping Forest District Council (EFDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has approved and adopted a Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the Council's Constitution. A copy of the Code is on our website at www.eppingforestdc.gov.uk. This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 4 of the Accounts and Audit Regulations 2011, in relation to the publication of a Statement on Internal Control.

2 The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the Governance Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. It is also responsible for evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Council's Code of Governance recognises that effective governance is achieved through the following core principles.

- (i) focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area.
- (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- (iii) promoting values for the Council and demonstrating good governance through upholding high standards of conduct and behaviour.
- (iv) taking informed and transparent decisions which are subject to effective scrutiny and management of risk.
- (v) developing the capacity and capability of Members and officers to be effective.
- (vi) engaging with local people and other stakeholders to ensure robust public accountability.

The table below summarises the Council's Governance Framework (which includes the system of internal control) for the year ended 31 March 2015 and up to the date of approval of this Statement and the Statement of Accounts.

The Governance Framework	
	The key elements of the Council's governance arrangements for 2014/15 were:
1	A corporate plan covering 2011-2015, setting out the Council's priorities and defining the goals to be achieved
2	The Constitution, which is revised each year
2.1	Sets out the Council's decision-making framework
2.2	Gives a clear definition of the roles and responsibilities of members, committees, and the statutory officers (Head of the Paid Service, Section 151 Officer and Monitoring Officer)
2.3	Includes a scheme of delegation of responsibility, financial regulations and contract standing orders
2.4	Defines codes of conduct for members and officers, and a protocol for how the two work together.
3	The Council facilitates policy and decision making via a Cabinet Structure with Cabinet Member portfolios.
4	There are Standing Scrutiny Panels to cover key policy areas, Task and Finish Panels to undertake specific reviews and a co-ordinating Overview and Scrutiny Committee.
5	A Standards Committee.
6	An Audit and Governance Committee
7	A Management Board consisting of the Chief Executive, Deputy Chief Executive and Directors
8	A Corporate Governance Group consisting of the Chief Executive, Deputy Chief Executive, Section 151 Officer, Monitoring Officer, Director of Communities, Deputy Monitoring Officer and The Chief Internal Auditor, meeting monthly
9	A Corporate Risk Strategy managed by a Risk Management Group meeting quarterly
10	A standard committee report format that includes specific consideration of all legal, financial, professional and technical considerations
11	A Medium Term Financial Strategy which informs service planning and budget setting,
12	A compliments and complaints procedure
13	A risk-based approach to internal audit, emphasising the need for sound control and good value
14	A robust whistle blowing policy and process, refreshed in 2014-15, along with supporting documents outlining the Council's zero tolerance approach to fraud and corruption, which include anti bribery and anti money laundering policies
15	Contribution to the delivery of the Sustainable Community Strategy for the District through active participation on One Epping Forest, formerly the Local Strategic Partnership, and the alignment of the Key Themes of the Corporate Plan 2011/15 with the Community Strategy.

3 Review of effectiveness

The Council is responsible for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the various sources noted below.

- Directors' governance statements, which provide appropriate management assurance that the key elements of the system of internal control are operating effectively;
- Documentary evidence of processes, procedures and standards:
- The development throughout 2014/15 of a framework to support counter fraud and corruption and processes and procedures to enable action to prevent, detect and investigate fraud, which will culminate in the creation of a Corporate Fraud Investigation Team as from 1 April 2015.

- The Chief Internal Auditor’s annual opinion on the Council’s control environment, delivered to the Audit and Governance Committee, as the body charged with governance. Audit reports issued along with the assurance ratings of full, substantial, limited or no assurance, on the adequacy and effectiveness of the Council’s control environment, particularly in the key financial systems;
- The work undertaken by the External Auditor reported in their annual audit letter and other review reports;
- Significant governance issues from previous years;
- Significant governance Issues from 2014/15.

In the Annual Governance Statement for 2013/14 we reported two significant governance issues relating to ICT Procurement and Car Parking Income. The ICT Procurement issue had been resolved by the time that statement was published while the Car Parking Income was partly resolved but further work was required.

In preparing this statement and reviewing the effectiveness of the council’s governance arrangements, we have identified areas for improvement which are set out in the table below, together with the steps to be taken to address them.

No.	Issue	Action to be taken
1	<p>Car Parking Income</p> <p>In 2013/14 it was reported in the Annual Governance Statement that as part of an internal audit review of the contracted service it was identified that there were limitations in the information supplied by North Essex Parking Partnership (NEPP) which affected the monitoring and reconciliation of the income. During 2014/15 this problem was resolved but following the contracting out of cash collection by NEPP a similar problem was identified in the information provided by the cash collection contractor.</p>	<p>This issue was addressed by management and by the internal audit sections of the Councils which are members of the NEPP following a meeting with the cash collection contractor. The introduction of new ticket machines will greatly improve the monitoring of the pay and display income received. The installation of these new machines is scheduled to start early in 2015/16</p>
2	<p>Housing rent reconciliations</p> <p>A Limited Assurance audit report was issued for Housing Rent Collection and Arrears, due to the Rental Income reconciliation and Council Stock reconciliation had not been completed for 2013/14.</p>	<p>Staff from both the Communities and Resources Directorates had worked together to resolve the issue; the Council Stock reconciliation had been completed by the time the final report was issued, and the Rental Income reconciliation had been completed by 7 August 2014. Rental Income reconciliations are now carried out on a monthly basis.</p>
3	<p>Contract Standing Orders</p> <p>A common theme coming out of 2014/15 internal audit reviews was non-compliance with Contract Standing Orders.</p>	<p>Contract Standing Orders have been developed over time and can be difficult to follow, therefore, a Contract Standing Orders Working Party, chaired by the Director of Communities, has been set up to undertake a fundamental review of the Council’s Contract Standing Orders. The group is making substantial progress and the new Contract Standing Orders (subject to Member approval) will provide a more flexible approach and more responsive to the current and future procurement needs of the Council and will be widely communicated across the organisation to help ensure compliance.</p>
4	<p>Sundry Debtors</p> <p>Internal audit reviews in 2014/15 also identified weaknesses in debt recovery processes, especially for debts below £500</p>	<p>In light of concerns, the Corporate Debt Working Group, chaired by the Assistant Director Revenues, continues to oversee the implementation of recommendations made to the Management Board in February 2015.</p>

We propose over the coming year to continue to improve matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for any improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Glen Chipp
Chief Executive

Signed

Councillor Chris Whitbread
Leader of the Council

Members Allowances

The allowances of £316,274 listed below include the connect scheme, travel and subsistence and employers national insurance and pension costs. The figures also include allowances paid to lay members of the Audit & Governance Committee and the Standards Committee.

	£		£
R.H.MORGAN	7,600	W.S.BREARE-HALL	10,174
P.SMITH	818	T.O.COCHRANE	477
D.J.STALLAN	10,675	J.HART	477
D.J.JACOBS	550	Y.R.KNIGHT	5,762
A.G.GRIGG	9,941	S.I.WATSON	3,400
S.W.MURRAY	5,550	L.T.LEONARD	537
J.M.WHITEHOUSE	3,400	R.COHEN	477
M.A.MCEWEN	3,400	S.JONES	5,762
J.KNAPMAN	3,400	R.KELLY	250
C.L.WHITBREAD	18,902	K.AVEY	750
J.H.WHITEHOUSE	3,497	P.KESKA	3,400
U.M.GADSBY	3,400	A.MITCHELL	3,400
P.GODE	3,400	G.WALLER	11,023
M.SARTIN	7,457	H.BRADY	3,552
J.M.HART	6,678	G.CHAMBERS	5,132
J.LEA	5,550	A.J.CHURCH	5,132
C.P.POND	3,595	L.GIRLING	3,400
B.P.SANDLER	5,762	H.KANE	8,656
S.A.STAVROU	10,548	H.MANN	3,482
K.ANGOLD-STEPHENS	4,130	G.SHEILL	3,400
K.S.CHANA	3,400	T.THOMAS	3,717
G.MOHINDRA	3,400	N.WRIGHT	3,400
P.J.SPENCER	599	K.M.ADAMS	1,752
L.A.WAGLAND	3,400	R.GLOZIER	2,199
J.A.WYATT	824	D.COOPER	250
B.A.ROLFE CHAIRMAN	3,400	R.BUTLER	3,400
R.BASSETT	10,953	A.JARVIS	500
A.WATTS	5,550	C.C.POND	2,911
H.ULKUN	4,637	R.JENNINGS	3,011
E.A.WEBSTER	7,382	L.MEAD	2,911
A.L.BOYCE	11,238	C.ROBERTS	2,911
J.PHILIP	9,074	D.DORRELL	2,911
D.J.WIXLEY	3,548	S.NEVILLE	2,911
S.A.LYE	250	B.SURTEES	3,296
R.THOMPSON	500	H.KAUFFMAN	2,911
D.JACKMAN	250	E.WESTON	2,911
A.LION	9,074		
Total	195,732	Total	120,542
		Grand Total	316,274

For the purposes of this Statement of Accounts, the following definitions have been adopted:

ACCRUALS

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

BALANCE SHEET

This statement sets out an authority's financial position at the year-end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness and the fixed and net current assets employed in its operations together with summarised information on the fixed assets held.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing asset.

CAPITAL ADJUSTMENT ACCOUNT

This account records the accumulated amount of set aside receipts and minimum revenue provision together with capital expenditure financed by way of capital receipts and revenue contributions. Set against these amounts are adjustments to the revenue account for depreciation and capital expenditure written off to revenue during the year. This, therefore, ensures that only actual expenses are charged to revenue in year.

CAPITAL FINANCING REQUIREMENT

This measures the change in and the underlying need for the council to borrow to finance Capital expenditure. Where all capital expenditure is financed by resources generated by the council the Capital Financing Requirement will remain unchanged.

CASH FLOW STATEMENT

This statement summarises the cash flows of the authority for capital and revenue spending as well as the cash flows used to finance these activities.

COLLECTION FUND

This account reflects the statutory requirement for billing authorities to maintain a separate collection fund which shows the transactions of the billing authority in relation to non-domestic rates and the council tax and illustrates the way in which these have been distributed to other authorities (preceptors) and the general fund.

COMMUNITY ASSETS

Assets that the local authority intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

CONSISTENCY

The accounting treatment of like items within an accounting period and from one period to the next is the same.

CONTINGENCY

A condition that exists at the balance sheet date where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

CONTINGENT LIABILITIES

A contingent liability is either:

- (i) a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the authority's control; or
- (ii) a current obligation arising from past events where it is not probable (but not impossible) that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

It is considered that a contingent liability below £50,000 need not be disclosed, as any such amounts would not be significant.

CONTINGENT GAINS

A contingent gain (or asset) is a possible economic gain arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose nominated bodies managing the same services.

INTANGIBLE ASSETS

Expenditure which may properly be defined as being capital expenditure, but which does not result in a physical asset being created. For expenditure to be recognised as an intangible asset it must yield future economic benefits to the council.

REVENUE EXPENDITURE CHARGED TO CAPITAL UNDER STATUTE

Expenditure of a capital nature that does not result in a fixed asset being created. An example of such an item would be expenditure on a former HRA property held on a long lease by a third party. The expenditure is written off in the year that it is incurred.

DEPRECIATION

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset whether arising from use, passage of time or obsolescence through technological or other changes. The useful life is the period over which the local authority will derive benefit from the use of a fixed asset.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXTRAORDINARY ITEMS

Material items that derive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items nor do they include prior period items merely because they relate to a prior period.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arms length transaction less, where applicable, any grants receivable towards the purchase or use of the assets.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if, at the inception of the lease, the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

PROPERTY, PLANT AND EQUIPMENT

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

GENERAL FUND

This statement records the information of all the authority's activities, excluding those in relation to the Housing Revenue Account and Local Council precepts.

GOING CONCERN

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

GOVERNMENT GRANTS

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

HOUSING REVENUE ACCOUNT

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure such as maintenance, administration, rent rebates and capital financing costs, and how these are met by rents subsidy and other income.

IMPAIRMENT

An impairment occurs when a fixed asset suffers a loss in value either due to a fall in market values generally, or as a result of use of the asset other than normal wear and tear.

INFRASTRUCTURE ASSETS

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

INVESTMENTS

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments that do not meet the above criteria should be classified as current assets.

INVESTMENT PROPERTIES

An interest in land and / or buildings:

- (i) in respect of which construction work and development have been completed; and
- (ii) which is held for its investment potential, any rental income being negotiated at arms length.

LONG-TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

MINIMUM REVENUE PROVISION (MRP)

Local authorities are required by statute to set aside a minimum revenue provision for the redemption of external debt. The method of calculation is defined by statute and does not relate to actual external debt outstanding. Statute requires MRP of 2% of the housing credit ceiling and 4% of the non-housing credit ceiling, offset by an adjustment for debts commuted in relation to old improvement grants.

NET BOOK VALUE

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

NET CURRENT REPLACEMENT COST

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NET REALISABLE VALUE

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

NON-OPERATIONAL ASSETS

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties, assets that are surplus to requirements pending sale or redevelopment and assets under development or construction.

OPERATING LEASES

Leases other than a finance lease.

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility. Operational assets comprise Council dwellings, other land and buildings, vehicles plant and equipment, infrastructure and community assets.

POST BALANCE SHEET EVENTS

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the responsible financial officer signs the Statement of Accounts.

PRIOR YEAR ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISIONS

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. Provisions are required to be recognised when:

- (i) the local authority has a present obligation (legal or constructive) as a result of a past event;
- (ii) it is probable that a transfer of economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision should be recognised.

A constructive obligation is an obligation that derives from an authority's actions where;

- (i) by an established pattern of past practice, published policies or sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities; and
- (ii) as a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

PRUDENCE

The concept that revenue is not anticipated until received in the form either of cash or of other assets, or a reliable estimate of the cash realisation can be assessed with reasonable certainty.

RELATED PARTIES

Two or more parties are related parties when at any time during the financial period:

- (i) one party has direct or indirect control of the other party; or
- (ii) the parties are subject to common control from the same source; or
- (iii) one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- (iv) the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Examples of related parties of an authority include:

- (i) central government;
- (ii) local authorities and other bodies precepting or levying demands on the Council Tax;
- (iii) its subsidiary and associated companies;
- (iv) its joint ventures and joint venture partners;
- (v) its members;
- (vi) its chief officers; and
- (vii) its pension fund.

Examples of related parties of a pension fund include its:

- (i) administering authority and its related parties;
- (ii) scheduled bodies and their related parties; and
- (iii) trustees and advisers.

These lists are not intended to be comprehensive.

For individuals identified as related parties, the following are also presumed to be related parties:

- (i) members of the close family or the same household; and
- (ii) partnerships, companies, trusts or other entities in which the individual or a member of their close family or the same household, has a controlling interest.

RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- (i) the purchase, sale, lease, rental or hire of assets between related parties;
- (ii) the provision by a pension fund to a related party of assets or loans, irrespective of any direct economic benefit to the pension fund;
- (iii) the provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- (iv) the provision of services to a related party, including the provision of pension fund administration services;
- (v) transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the authority but also in relation to its related party.

REVALUATION RESERVE

This account was created on 31 March 2007. The purpose of which is to hold all revaluations occurring to fixed assets subsequent to that date.

STOCKS

Comprise the following categories:

- (i) Goods or other assets purchased for resale;
- (ii) consumable stores;
- (iii) raw materials and components purchased for incorporation into products for sale;
- (iv) products and services in intermediate stages of completion;
- (v) long-term contract balances; and
- (vi) finished goods.

UNAPPORTIONABLE CENTRAL OVERHEADS

These are overheads for which no user now benefits and should not be apportioned to services.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- (i) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or
- (ii) the actuarial assumptions have changed

CURRENT SERVICE COST

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

CURTAILMENT

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- (i) termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- (ii) termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

DEFINED BENEFIT SCHEME

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

DEFINED CONTRIBUTION SCHEME

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DISCRETIONARY BENEFITS

Retirement benefits that the employer has no legal, contractual or constructive obligations to award and which are awarded under the authority's discretionary powers, such as the Local Government (Discretionary Payments) regulations 1996.

EXPECTED RATE OF RETURN ON PENSION ASSETS

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXTRAORDINARY ITEMS

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the authority, and which are not expected to recur. They do not include exceptional items nor do they include prior year items merely because they relate to a prior period.

IAS19

International Accounting Standard 19 (IAS19) ensures that organisations account for employee retirement benefits when they are committed to pay them, even if the actual payment may be years into the future.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS (NON-PENSIONS FUND)

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments, other than those in relation to the pensions fund, which do not meet the above criteria should be classified as current assets.

INVESTMENTS (PENSIONS FUND)

The investments of the Pensions Fund will be accounted for in the statements of the fund. However authorities (other than town and community councils) are also required to disclose, as part of the transitional disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

PAST SERVICE COST

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PROJECTED UNIT METHOD

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

(i) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and

(ii) the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

(i) an employer's decision to terminate an employee's employment before the normal retirement date, or

(ii) an employee's decision to accept redundancy in exchange for those benefits,

because these are not given in exchange for services rendered by employees.

SCHEME LIABILITIES

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

SETTLEMENT

An irrecoverable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

(i) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits

(ii) the purchase of an irrevocable annuity contract sufficient to cover vested benefits, and

(iii) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

VESTED RIGHTS

In relation to a defined benefit scheme, these are:

(i) for active members, benefits to which they would unconditionally be entitled on leaving the scheme;

(ii) for deferred pensioners, their preserved benefits, and

(iii) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependents.

Report to Council

Date of meeting: 29 September 2015

Subject: Overview and Scrutiny report to Council – September 2015

Contact for further information: Cllr R Morgan

Committee Secretary: Adrian Hendry, ext.4246



Recommendation:

That the Overview and Scrutiny progress report from April 2015 to the present be noted.

Report

Overview and Scrutiny Committee Meeting – 27 April 2015

1. At our last meeting of the 2014/15 year, held on 27 April 2015 we received a presentation from the North Essex Parking Partnership (NEPP), namely from Mr R Walker, Parking Partnership Group Manager, Mr M Adamson, Area Manager Western District and Mr M Young, Head of Operational Service.

2. The officers outlined the background to their organisation, how Essex County Council decriminalised parking functions between 2002-2004 and how a growing deficit reaching £900,000 across the county led, in 2009, to the County Council ordering district and boroughs to cancel all agencies. These agencies were replaced by North and South Essex Parking Partnership. The North was responsible for Epping Forest, Harlow, Uttlesford, Braintree, Colchester and Tending, the South were responsible for Brentwood, Basildon, Chelmsford, Maldon, Rochford and Castle Point.

3. We noted that the strategic priorities for the NEPP were:

- (i) Improving safety;
- (ii) Improving business opportunities through better parking policies;
- (iii) Increasing enforcement to improve availability for Blue Badge holders; and
- (iv) Greater environmental efficiency.

4. The NEPP Business Plan was to improve on efficiency and be financially sustainable. The NEPP had inherited a deficit of £574,301; currently they had a small surplus of £80,000.

5. The Committee and other members present went on to question the NEPP officers on such things as the role of wardens and the powers they had or had not got; the database that they kept of the roads under their charge; the problems of parking around schools; and how they could be contacted.

6. The Committee then received an interim report from the Grant Aid Review Task and Finish Panel and were advised that officers were arranging a presentation from Barts Health NHS Trust after their recent damning CQC report.

Overview and Scrutiny Committee Meeting - 09 June 2015

7. At our meeting on Tuesday 9th June we received a presentation from the Barts Health Trust. We welcomed Lyn Hill-Tout, the interim Managing Director of Whipps Cross hospital. She gave us an update on the problems faced by the Trust and especially Whipps Cross. We noted that she had only been in post for eight weeks but was experienced with working with hospital authorities in distress.

8. We were told that because of problems highlighted by the CQC report, the staff at Whipps Cross were confused and in need of leadership and confidence in their managers. The Trust was now in special measures and implementing an improvement programme, with management holding open sessions to enable staff to give their views on what improvements were needed and to help develop a future strategy.

9. Due to the reported culture of bullying, a 'Guardian Service' had been introduced to offer a confidential service for staff to use. They were agreed that there was a need for more permanent staff and much less use of agency staff. Wards were also undergoing risk assessments and they were considering the need for extra staff.

10. As part of the improvements highlighted, a High Dependency Unit was being built at Whipps Cross, to be opened next spring.

11. The meeting was then opened up to questions from all members present; Ms Hill-Tout was questioned about the Trust's financial deficit, the shortcomings of management, dealing with the culture of bullying, the level of staffing, their new IT system and its effectiveness and other pertinent questions.

12. At the end of the meeting we agreed that members of the Trust be invited back to a future meeting to update us on the progress made.

13. We then went on to agree the last minutes of the now defunct Scrutiny Panels and then examined the Cabinet's Forward Plan and then reviewed the outturn of the Corporate Plan Key Objectives for 2014/15; with which we were satisfied.

14. We appointed the members, Chairmen and Vice-Chairmen to the new Select Committees and the two Task and Finish Panels; also agreeing the Terms of Reference for the Youth Engagement Task and Finish Panel.

15. We then agreed the final draft of the Overview and Scrutiny Annual Report for 2014/15 and referred it on to this Council meeting.

16. We then went on to review the Committee's new work programme and agreed to receive a presentation from the Essex County Fire and Rescue Services at our January 2016 meeting. They would be talking to a consultation exercise on a review of their service provision across the county.

17. Finally, we also agreed to add an item, possibly to the Neighbourhood and Community Services Select Committee's work programme, to look at waste collection and the recent problems had by Biffa.

Overview and Scrutiny Committee Meeting - 21 July 2015

18. At our meeting on Tuesday 21st July we received a short talk from Marc Balkham, from VAEF on volunteering through time banking. The scheme was about the exchange of the time and skills of its members; building up time credits in exchange for doing some work such as DIY or gardening and getting some help back when needed. Volunteers were listed on a database with a note of any special skills they had.

19. The meeting was then opened up to questions from all members present. Mr Balkham was asked about the safeguards they had in place to ensure that only appropriate people were used and that any vulnerable people were protected. He assured us that they had put in appropriate review processes, with volunteers having to provide two references.

20. The Committee then went on to review the Corporate Plan - Key Action Plan for 2016/17; with which we were satisfied.

21. Mr Ian White, the Project Officer - Planning Policy, then took us through the Essex County Council Replacement Waste Local Plan consultation document. We noted that this had a very tight timescale, far too tight to enable officers and members to give it any significant consideration. Six weeks was the normal time given for a consultation period this gave us only one. The consultation report had only identified two sites in our district; one by the Hastingwood roundabout and the other one at the Langston Road / Oakwood Hill industrial estate. Both were considered inappropriate by officers and our reply reflected this. The Committee also asked the Leader of the Council and the Chairman of the Overview and Scrutiny Committee to write to the County expressing our concern at their failure in their duty to co-operate and the short time scale given for our response.

22. We then went on to agree the draft Terms of Reference for the four Select Committees and noted their work programmes. We then considered the PICK form submitted by Councillor Breare-Hall asking that the recent problems with the new waste contract be scrutinised. We allocated this to the Neighbourhood and Community Services Select Committee who will incorporate it into their work programme.

23. The second PICK form submitted by Councillor Angold-Stephens asked that we look at the new 6th Form consortium being established in our district. We decided that the Overview and Scrutiny Committee should consider this once the consortium has had some time to bed down and agreed it should come to one of our meetings in the new calendar year.

24. Finally, we reviewed the Cabinet's Forward Plan but had no specific items that we wanted to consider but queried if it should include mention of the retendering of the leisure contract as an upcoming key decision.

This page is intentionally left blank

Report to the Council

Date: 29 September 2015

Joint Arrangements and External Organisations: Royal Gunpowder Mills

Council Representatives: Councillor H Kane

Richard Wallace welcomed everyone to the meeting. He informed the members that Mike Lowe wished to resign as Company Secretary- so it was suggested to do the general business first and then split, so the board could discuss the options to fulfil the future vacancy.

The meeting was mainly a report / update on current situation by the Chief Executive, Andrew Coates;

- Everyone was keen to maintain the character of the site and bring back into use many of the buildings. There were still negotiations with PGL and there was no agreement signed yet.
- Regarding the environmental impact assessment, all studies were still ongoing. Ground contamination mostly relating to asbestos, was a worry at the moment. It was worth mentioning that the study on removal of the asbestos would be equally shared between PGL and Foundation.
- There were also topographical and bat surveys to be completed and as soon as they were completed they would be available to the public. The ecology of the site was under threat and some species (such as bee orchid) were no longer found, the deer had eaten plants that were thriving at the site. It was worth mentioning that there was a current deer management scheme in place at the RGM.
- The Environment Agency (EA) were concerned that the historic woodland was under threat due to the site drying out and through invasion of Sycamore. EA had allocated a grant in order to do a viability study to look into this. EA had a duty to look after SSSI so there may be further funding for action.
- Heritage Enterprise would like to bring back into use historic buildings; this only applies to 5 listed buildings.
- The Chief Executive has had discussions with senior members of the Lea Valley Trust who had a positive approach to critical mass in Waltham Abbey by the connection of the White Water Centre with a footbridge over the Flood Relief Channel.
- The filming on the site has exceeded target, the company had been working closely with the film companies.
- Visitor numbers had been very good and the VAQAS report (Visitor Attraction Quality Assurance Scheme) was also very positive.
- There had been a photographic exhibition over the summer in Walton House.

- Skill Force completed a team task on site helping with the wildlife walk.

All non-members left the meeting including the representatives of EFDC and WATC. Next meeting on the 12 September 2015

The meeting on the 12 September was very short due to the fact there was the AGM meeting to follow.

- The Chairman welcomed everyone present and informed the members that he would be moving to the North of the Country soon , so he would be retiring from his position as the distance between Scotland and London would not permit him to be “hands on”.
- The Chairman also explained that the public meeting which had been arranged for the 16 September had been postponed for a few weeks. The PGL would have an important meeting to discuss with their members if they were going ahead with this venture, as the financial implications due to ground contamination and other studies seem to be much higher than they had anticipated.
- The whole negotiations had been extremely complex. Subject to the different studies and the PGL meeting outcome there should be a public meeting on the 6 October 2015. Announcements to the media, shareholders and the public would be made available ahead of the schedule. The Chairman stressed the importance of the public opinion.

The representatives of the local authorities and other volunteers had to leave for the AGM meeting.