



Finance and Performance Management Cabinet Committee Thursday, 12th November, 2015

You are invited to attend the next meeting of **Finance and Performance Management Cabinet Committee**, which will be held at:

**Committee Room 1, Civic Offices, High Street, Epping
on Thursday, 12th November, 2015
at 7.00 pm .**

**Glen Chipp
Chief Executive**

**Democratic Services
Officer**

Rebecca Perrin, The Office of the Chief Executive
Tel: 01992 564532 Email:
democraticservices@eppingforestdc.gov.uk

Members:

Councillors S Stavrou (Chairman), A Lion, J Philip, D Stallan and C Whitbread

PLEASE NOTE THE START TIME OF THIS MEETING

BUSINESS

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

(Director of Governance) To declare interests in any item on this agenda.

3. MINUTES

To confirm the minutes of the last meeting of the Committee held on 17 September 2015 (previously circulated at Cabinet 8 October 2015).

**4. KEY PERFORMANCE INDICATORS 2015/16 QUARTER 2 PERFORMANCE
(Pages 5 - 10)**

(Senior Performance Management Officer) To consider the attached report (FPM-015-2015/16).

5. "INVEST TO SAVE" PROPOSAL (Pages 11 - 18)

(Director of Resources) To consider the attached report (FPM-016-2015/16)

6. FUNDING OF TWO CITIZENS ADVICE BUREAU DEBT ADVISORS (Pages 19 - 24)

(Director of Communities) To consider the attached report (FPM-017-2015/16).

7. MID-YEAR REPORT ON TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2015/16 (Pages 25 - 42)

(Director of Resources) To consider the attached report (FPM-018-2015/16).

8. ANNUAL AUDIT LETTER (Pages 43 - 52)

(Director of Resources) To consider the attached report (FPM-019-2015/16).

9. QUARTERLY FINANCIAL MONITORING (Pages 53 - 78)

(Director of Resources) To consider the attached report (FPM-020-2015/16).

10. CHARGING PLAN FOR HOUSING RELATED SUPPORT SERVICES (Pages 79 - 94)

(Director of Communities) To consider the attached report (FPM-021-2015/16).

11. FEES AND CHARGES 2016/17 (Pages 95 - 114)

(Director of Resources) To consider the attached report (FPM-022-2015/16).

12. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

13. 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.

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**Report to: Finance and Performance
Management Cabinet Committee**

**Report reference: FPM-015-2015/16
Date of Meeting: 12 November 2015**



**Epping Forest
District Council**

**Portfolio: Governance and Development
Management**

Subject: Key Performance Indicators 2015/16 Quarter 2 Performance

Officer contact for further information: Barbara Copson (01992 564042)

Democratic Services Officer: Rebecca Perrin (01992 564532)

Recommendations/Decisions Required:

That the Committee review Quarter 2 performance for the Key Performance Indicators adopted for 2015/16.

Executive Summary:

The Council is required to make arrangements to secure continuous improvement in the way in which its functions and services are exercised, having regard to a combination of economy, efficiency and effectiveness.

As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's service priorities and key objectives, is adopted each year. Performance against all of the KPIs is reviewed on a quarterly basis

Reasons for Proposed Decision:

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement will be addressed, and how opportunities will be exploited and better outcomes delivered. It is important that relevant performance management processes are in place to review and monitor performance against the key objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

Other Options for Action:

No other options are appropriate in this respect. Failure to review and monitor performance could mean that opportunities for improvement are lost and might have negative implications for judgements made about the progress of the Council.

Report:

1. A range of thirty-six Key Performance Indicators (KPI) was adopted for 2015/16 in March 2015. The KPIs are important to the improvement of the Council's services and comprise a combination of former statutory indicators and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the

national priorities and local challenges arising from the social, economic and environmental context of the district.

2. Progress in respect all of the KPIs is reviewed by Management Board and overview and scrutiny at the conclusion of each quarter, and service directors review KPI performance with the relevant portfolio holder(s) on an on-going basis throughout the year. Select Committees are each responsible for the review of quarterly performance against specific KPIs within their areas of responsibility.

3. Improvement plans are produced for all of the KPIs each year, setting out actions to be implemented in order to achieve target performance, and to reflect changes in service delivery. In view of the corporate importance attached to the KPIs, the improvement plans are agreed by Management Board and are also subject to ongoing review between the relevant service director and Portfolio Holder over the course of the year.

Key Performance Indicators 2015/16 – Quarter 2 Performance

4. The position with regard to the achievement of target performance for the KPIs at the end of the second quarter (30 September 2015), was as follows:

- (a) 26 (72%) indicators achieved target at the end of Q2; and
- (b) 10 (28%) indicators did not achieve target at the end of Q2; although 1 (10%) of these KPIs performed within the agreed tolerance for the indicator;
- (c) 27 (75%) of indicators are currently anticipated to achieve the cumulative year-end target.

5. A headline Q2 KPI performance report for 2015/16 is attached for the consideration of the Committee as Appendix 1 to this agenda. Detailed performance reports in respect of each of the KPIs are being considered by the individual select committees during the current cycle of meetings.

6. The 'amber' performance status used in the KPI report identifies those indicators that missed the agreed target for the year, but where performance was within an agreed tolerance or range (+/-). The KPI tolerances were agreed by Management Board when targets for the KPIs were set in February 2015.

7. The Committee is requested to review Q2 performance for the 2015/16 set of KPIs. Any matters raised by the Committee in respect of KPI performance, will be reported to the appropriate select committee.

Resource Implications:

Resource requirements for actions to achieve specific KPI performance for will have been identified by the responsible service director and reflected in the budget for the year.

Legal and Governance Implications:

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance will have been identified by the responsible service director.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district. Relevant implications

arising from actions to achieve specific KPI performance will have been identified by the responsible service director.

Consultation Undertaken:

The indicators and targets have been considered by Management Board during October 2015.

Background Papers:

KPI submissions are held by the Performance Improvement Unit.

Impact Assessments:

Risk Management

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific KPI performance will have been identified by the responsible service director.

Due Regard Record

This section shows which groups of people are affected by the subject of this report. It sets out how they are affected and how any unlawful discrimination they experience can be eliminated. It also includes information about how access to the service(s) subject to this report can be improved for the different groups of people; and how they can be assisted to understand each other better as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

There are no equality implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance will have been identified by the responsible service director.

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Overall summary of KPIs achieving target

Communities Directorate

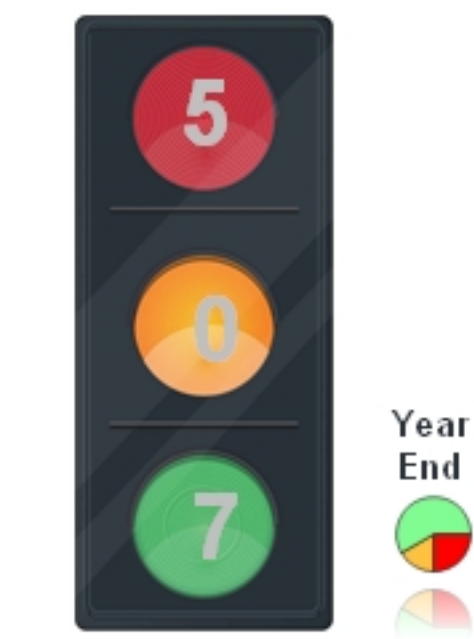
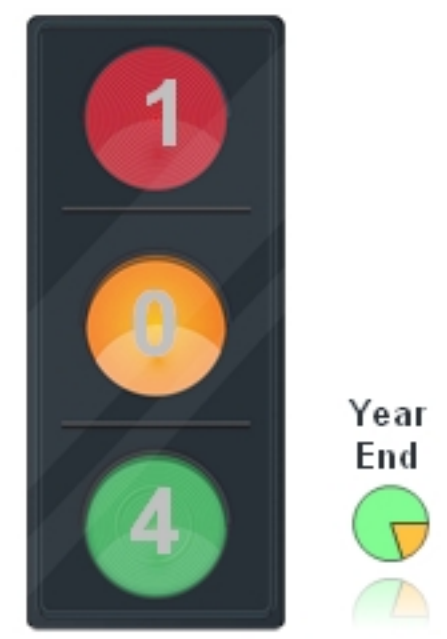
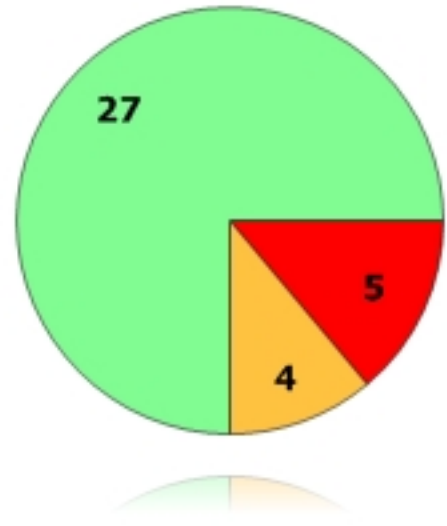
Governance Directorate

Neighbourhoods Directorate

Resources Directorate



Predicted Level of Year End Target Achievement (All KPIs)



Headlines - Reflecting on our performance

Q2 2015/16

26 out of 36 Key Performance Indicators have achieved target at the end of the second quarter, representing 72% of the full set.

4 more indicators are achieving performance this quarter than at the previous quarter.

Whilst 10 indicators have not achieved performance this quarter including 1 within its tolerated amber margin, 9 are likely to not be achieved at year end including 4 within their tolerated amber margin.

Quarterly Indicators		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Is year-end target likely to be achieved?
		Tgt	Actual	Tgt	Actual	Tgt	Actual	Tgt	Actual	
Communities Quarterly KPIs										
COM001	(Housing rent) (%)	98.00%	100.87%	98.00%	100.11%	98.00%	98.00%	98.00%	98.00%	Yes
COM002	(Void re-lets) (days)	37.0	38.0	37.0	36.0	37.0	37.0	37.0	37.0	Yes
COM003	(Tenant satisfaction) (%)	98.00%	100.00%	98.00%	100.00%	98.00%	98.00%	98.00%	98.00%	Yes
COM004	(Temp. accommodation) (no.)	65	73	65	83	65	65	65	65	No
COM005	(Non-decent homes) (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes
COM006	(Modern Homes Std) (%)	825	844	1,650	1,767	2,475	3,300	3,300	3,300	Yes
COM007	(Emergency repairs) (%)	99.00%	100.00%	99.00%	99.27%	99.00%	99.00%	99.00%	99.00%	Yes
COM008	(Responsive repairs) (days)	7.00	5.86	7.00	6.18	7.00	7.00	7.00	7.00	Yes
COM009	(Emergency repairs) (%)	98.00%	98.40%	98.00%	98.32%	98.00%	98.00%	98.00%	98.00%	Yes
COM010	(Calls to Careline) (%)	97.50%	99.91%	97.50%	99.89%	97.50%	97.50%	97.50%	97.50%	Yes
Governance Quarterly KPIs										
GOV004	(Major planning) (%)	75.00%	100.00%	75.00%	100.00%	75.00%	75.00%	75.00%	75.00%	Yes
GOV005	(Minor planning) (%)	90.00%	84.62%	90.00%	91.13%	90.00%	90.00%	90.00%	90.00%	Yes
GOV006	(Other planning) (%)	94.00%	93.96%	94.00%	94.72%	94.00%	94.00%	94.00%	94.00%	Yes
GOV007	(Appeals - officers) (%)	19.00%	0.00%	19.00%	31.82%	19.00%	19.00%	19.00%	19.00%	Uncertain
GOV008	(Appeals - members) (%)	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	Yes
Neighbourhoods Quarterly KPIs										
NEI001	(Non-recycled waste) (kg)	100	95	199	197	299	400	400	400	Yes
NEI002	(Household recycling) (%)	64.58%	61.00%	62.53%	60.30%	61.51%	60.00%	60.00%	60.00%	No
NEI003	(Litter) (%)	8%	11%	8%	8%	8%	8%	8%	8%	Yes
NEI004	(Detritus) (%)	10%	14%	10%	15%	10%	10%	10%	10%	No
NEI005	(Neighbourhood issues) (%)	95.00%	96.22%	95.00%	95.91%	95.00%	95.00%	95.00%	95.00%	Yes
NEI006	(Fly-tip investigations) (%)	90.00%	95.35%	90.00%	95.33%	90.00%	90.00%	90.00%	90.00%	Yes
NEI007	(Fly-tip: contract) (%)	90.00%	90.84%	90.00%	92.42%	90.00%	90.00%	90.00%	90.00%	Yes
NEI008	(Fly-tip: non-contract) (%)	90.00%	67.72%	90.00%	81.28%	90.00%	90.00%	90.00%	90.00%	Uncertain
NEI009	(Noise investigations) (%)	90.00%	87.80%	90.00%	91.63%	90.00%	90.00%	90.00%	90.00%	Yes
NEI010	(Increase in homes) (no.)	70	48	111	80	182	230	230	230	Uncertain
NEI011	(Commercial rent arrears) (%)	3.00%	5.19%	3.00%	4.65%	3.00%	3.00%	3.00%	3.00%	No
NEI012	(Commercial premises let) (%)	98.00%	98.98%	98.00%	99.32%	98.00%	98.00%	98.00%	98.00%	Yes
Resources Quarterly KPIs										
RES001	(Sickness absence) (days)	1.54	2.02	3.20	3.88	4.95	7.00	7.00	7.00	No
RES002	(Invoice payments) (%)	97%	95%	97%	96%	97%	97%	97%	97%	Uncertain
RES003	(Council Tax collection) (%)	27.10%	27.56%	51.98%	52.54%	77.00%	96.50%	96.50%	96.50%	Yes
RES004	(NNDR Collection) (%)	28.38%	28.52%	53.04%	53.54%	78.09%	97.20%	97.20%	97.20%	Yes
RES005	(New benefit claims) (days)	22.00	22.56	22.00	22.36	22.00	22.00	22.00	22.00	Yes
RES006	(Benefits changes) (days)	10.00	7.03	10.00	7.19	10.00	6.00	6.00	6.00	Yes
RES009	(Website Availability) (%)	99.60%	99.96%	99.60%	99.94%	99.60%	99.60%	99.60%	99.60%	Yes
RES010	(Website Broken Links) (%)	94.10%	95.50%	94.10%	100.00%	94.10%	94.10%	94.10%	94.10%	Yes
RES011	(Website Navigation) (%)	79.90%	81.97%	79.90%	81.57%	79.90%	79.90%	79.90%	79.90%	Yes

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FPM-016-2015/16

Date of meeting: 12 November 2015

Portfolio: Finance

Subject: Invest to Save Proposals

Officer contact for further information: Bob Palmer (01992 564279)

Democratic Services Officer: Rebecca Perrin (01992 564532)

Recommendations/Decisions Required:

- 1. To recommend to Cabinet the proposal to invest in rental loans for homeless applicants; and**
- 2. To note the progress on the other proposals previously reported to this Committee.**

Executive Summary:

In setting the budget for 2015/16 Council decided that, as the balance on the General Fund Reserve exceeded the minimum requirement and further savings were required, £0.5 million should be transferred from the General Fund Reserve into an Invest to Save earmarked reserve. It was intended that this earmarked reserve would be used to finance schemes that would reduce the Continuing Services Budget (CSB) in future years.

The September meeting of this Committee received two proposals that were recommended on to Cabinet, which endorsed them. An additional business case is now being presented together with an update. It is appropriate at this stage to seek Member approval for the proposals and give Members the opportunity to put forward additional or alternative proposals.

Reasons for Proposed Decisions:

To seek Member approval for an Invest to Save proposal before it is implemented.

Other Options for Action:

Members may decide not to support the proposal and suggest additional or alternative uses for the Invest to Save Fund.

Report:

- 1. The Medium Term Financial Strategy (MTFS) approved by Council in February 2015 included CSB reductions of £1,089,000 for the revised 2014/15 estimates and £573,000 for 2015/16. Despite these significant savings it was anticipated that further reductions would be required of £250,000 in 2016/17 and £400,000 in 2017/18. The MTFS also predicted that at the end of 2018/19 the balance on the General Fund Reserve would still comfortably exceed the minimum requirement set by Members. Given the adequacy of reserves and the need for savings, it was felt that the establishment of an Invest to Save Fund may help generate some new and creative ideas to deliver services differently or generate income.**

2. In September this Committee considered business cases for a tractor and grass cutting equipment, for £30,000, and for LED lighting in the Council's car parks, for £100,000. Both the proposals were supported and recommended on to Cabinet, which adopted the proposals on 8 October.
3. The next business case for the Committee to consider is funding to for rental loans for homeless applicants, see Appendix 1. This proposal covers three years of funding and a payback period of approximately nine months is anticipated for each year. Homelessness is an increasing and expensive problem, the provision of these loans will help minimise the use of the far more costly option of bed and breakfast accommodation.
4. At the September meeting the Committee was informed that a business case to extend the use of cash kiosks would be presented direct to Cabinet, as this project requires other Cabinet decisions to proceed in addition to the allocation of Invest to Save funding. This agenda will be published before Cabinet meets on 5 November so an oral update will be provided on the Cabinet's consideration of this proposal.
5. The possibility of Invest to Save funding for a master planning exercise to evaluate possible redevelopments at the Hill House site in Waltham Abbey was also mentioned previously. This is now being funded through a different mechanism with support from the other partners involved in the scheme, although a contribution of £20,000 may be required from the Invest to save fund. Discussions are continuing with partners and a bid document should be completed in time for circulation at this meeting.
6. Members have previously indicated a lack of satisfaction with the services provided by the North Essex Parking Partnership (NEPP). Whilst the Council has no choice over on street parking it would be possible to take the service for off street parking back in house. It is anticipated that this could generate savings but initial funding of £15,000 would be required to engage an external specialist to develop the business case. Following in principle support for this proposal in September a bid is now being constructed similar to the one attached as an appendix with anticipated costs and benefits. It is anticipated that the bid will be available for circulation at this meeting.
7. In addition to the proposal set out above Members may have other ideas and so additional or alternative proposals are invited. If outline suggestions are made officers can evaluate and further develop any appropriate proposals.

Resource Implications:

The Invest to Save Fund contains £500,000 and the proposals suggested so far can be contained within that amount. Depending on if the proposal is supported, future reductions in CSB should arise.

Legal and Governance Implications:

None.

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

None.

Impact Assessments:

Risk Management

The risks for the proposal are set out on the attached appendix.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Date / Name	Summary of equality analysis
28/10/15 Director of Resources	There are no equality implications arising from the specific recommendations of this report. Relevant implications arising from individual proposals or actions to achieve net savings will be identified and considered by the responsible Director.

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Business Case Application for "Invest to Save Funding"

Title	Rental Loans and Landlord Deposits for Homeless Applicants	Saving or Income? ("X")		Saving	Income
			X		
Total amount required from the Invest to Save Fund		£90,000	Investment Required	Net Cashable Saving/Income	Payback Period (Years)
Is the investment required capital or revenue?	Revenue	Month 1-12	£30,000	£40,960	9 months in each year
		Month 13-24	£30,000	£40,960	
Will the resultant savings / income be capital or revenue?	Revenue	Month 25-36	£30,000	£40,960	
		Total	£90,000	£122,880	

The Proposal**Rental Loans to Homeless Applicants**

1. The Rental Loan Scheme was set up in 2008/2009 following the Council receiving a grant of £10,000 from the CLG in recognition of its excellent performance in preventing homelessness. The scheme provides applicants with a rental loan of £670 for single people and £1,000 for families to meet the costs of (or contribute towards) the first month's rent in advance when securing accommodation in the private rented sector. Applicants are required to repay the loan on an interest free basis over 24 months, thereby re-cycling the budget to enable others to benefit from the Scheme in the future.

2. The following table sets out funding for the Scheme agreed by the Cabinet in previous years:

Cabinet Meeting	Funding Source	Amount (£)
(Set-up funding)	CLG	10,000
December 2008	General Fund	20,000
September 2009 (PH decision)	CLG Grant (2009/10)	9,900
September 2009 (PH decision)	CLG Grant	9,900
January 2010 (PH decision)	Virement from Finder's Fee	7,000
January 2011	CLG Grant (2011/12)	26,500
January 2011	CLG Grant (2012/13)	26,500
December 2012	DCLG Grant (2013/2014)	17,500
December 2012	DCLG Grant (2014/2015)	21,000
Total		148,300

3. The Scheme has been essential in assisting towards the Council preventing homelessness for 615 applicants in 2014/2015 representing 87% of all those who presented as homeless (710) and avoided the use by some of bed and breakfast accommodation (B&B), and in other cases providing permanent Council accommodation, leaving more properties available for existing Home Seekers on the Housing Register.

4. Since the Scheme commenced in 2008, initially there was a slow take-up, however, since around 2011 the numbers of loans made increased due to the additional funding available. When taking into account monies repaid by applicants, approximately 190 loans have been allocated. When the Council was awarded the grant funding, the Government were encouraging Councils to pass on the payments to homeless applicants by way of a "gift". However, although it was accepted that recovering any debts may be difficult, the Cabinet agreed that payments would be made as a loan (repayable over 2 years) with any amounts recovered assisting more applicants. The Council has recovered around £16,000 which has enabled approximately 20 further loans to be made. This figure could well increase as further payments are made by applicants on loans granted in the last 2 years.

5. At the time of writing, 20 loans have been made in this financial year. There are sufficient funds available to provide only 10 further rental loans to homeless applicants.

6. Making more funds available for rental loans through invest to save funding would result in keeping down the numbers in B&B resulting in a saving to the Council. It would also assist in reducing the number of homeless applicants being placed in other interim and temporary accommodation including Norway House and Hemnall House which are currently both full. It would also reduce the amount of the Council's own housing stock being used for homeless applicants. Furthermore, it would give the opportunity to consider other options for applicants with challenging behaviour.

7. It should be noted that the Housing Benefits Division has provided 6 payments to applicants to fund rent in advance to date in this financial year through the Discretionary Housing Payment (DHP) Scheme.

Landlord Deposits

8. In addition to meeting the cost of the first month's rent, applicants also must pay a landlord's deposit. The cost of the deposit is in accordance with Housing Benefit Local Housing Allowance rates which range from £295 to £1,360 depending upon the rent, size and location of the property.

9. The Council works with the Epping Forest Housing Aid Scheme being a local charity that provides damage deposit guarantees for homeless applicants. As the guarantees are provided by way of a Bond and only cover damage and not failure of the tenant to pay rent, private landlords are increasingly requiring a cash deposit which are held by a Government appointed agency as a third party.

10. Although the saving would be reduced, it is suggested that officers be given the flexibility to grant both a rental loan and a landlord deposit loan to larger families, in order to avoid providing more than one room in B&B accommodation which is very costly. It is further suggested that the same arrangements apply to disabled people and those with extreme medical needs. Officers are investigating the possibility of the landlord deposit being returned to the Council by the third party should the applicant not repay the loan.

11. It is important to note that generally both rental loans and landlord deposit loans will only be provided as a last resort.

12. It is proposed that £90,000 from the Invest to Save Fund in this year is placed in the District Development Fund (DDF), in order that an additional £30,000 is made available each year for three years from 2016/2017 to enable between 30 and 45 additional rental loans and around 10 landlord deposits to appropriate applicants each year.

The Financial Benefit Explained

1. The Council has contracts with three Hotels to provide B&B. In 2014/2015 an average of 10 single homeless applicants were temporarily housed in this way. The General fund expenditure in 2014/2015 is set out in the following table:

Total expenditure on B&B	£140,255
Subsidy received	£72,932 (52%)
Net cost to the General Fund	£67,323

2. The net cost to the General Fund of providing B&B for a single person for the average length of stay of around 6 months is on average around £2,550. Based on the proposed invest to save investment, if 40 rental loans were provided to single applicants who may have been placed in B&B, this would represent a potential net saving of £48,960 for each of the 3 years to the General Fund when taking into account the estimated receipt of 52% subsidy. It should be noted that any repayments made on the additional loans will provide further subsequent loans to applicants.

3. The Council currently has around 5 families placed in B&B for up to a 6 week period who occupy more than one room. Although it is accepted that families remain in such accommodation for a lesser period before moving to Norway House, it is still costly. If such families remain for more than 6 weeks this would be in breach of Government rules and may result in such families being placed in the Council's own stock under a non-secure tenancy. In order to avoid a proportion of these placements, it is suggested that officers have the flexibility to grant both a rental and landlord deposit loan. It is estimated that this could happen in around 10 cases each year thereby, taking into account the average landlord deposit loan of £800, reducing the saving by around £8,000 to £40,960 each year.

Other unquantifiable cost savings

4. It should be noted that other unquantifiable costs will also be saved. As stated, the Council's Homeless Persons' Hostel Norway House, and Hemnall House which is used as temporary accommodation for homeless families are both currently full. This presents the risk of placing families in B&B which would obviously be even more costly, and if for longer than a 6 week period would breach Government rules.

5. Although in 2014/2015 there were on average 10 single homeless persons placed in B&B at any given time, this has increased this year to around 20. It has also been necessary to place 4 households with dependent children in B&B for various reasons including for their own safety and due to them presenting with challenging behaviour.

6. Furthermore, should the shortage of housing options persist, it may be possible that Council properties may be used as temporary accommodation on a non-secure basis in order to meet the Council's statutory homeless duty. Although this cannot be costed in financial terms it will be detrimental to home seekers on the Housing Register. Additional rental and landlord deposit loans will go some way to avoiding this problem.

Alignment with the Corporate Plan and/or Additional (Non-Financial) Benefits

Providing more funding for the Rental Loan Scheme and in appropriate cases Landlord Deposit Loans will assist the Council to fund its statutory duty to provide housing to homelessness households.

Potential Obstacles to be Overcome

- Identifying sufficient private sector accommodation to house those who present as homeless to the Council.
- Some private sector landlords require incentive payments to house homeless persons. London Boroughs pay such landlords around £2,000 for each person housed in this way. London Boroughs are increasingly placing their homeless applicants in the District and paying incentives to landlords, which makes it more difficult for the Council to place its own applicants in private rented accommodation without paying any incentives.
- The Council works in partnership with Epping Forest Housing Aid (EPHAS) who provide private landlords with a damage deposit guarantee. However, landlords are increasingly wanting a cash amount upfront rather than a bond, which only covers damage and not non-payment of rent.

Risks (Financial and Others)

There is a potential risk of an additional number of persons needing to be housed due to the possibility of the Council providing accommodation in response to the migration crisis.

Key Milestones and Target Timescales (from approval)

Milestone	Target Period from Approval Date (Months)
1) Provide around 40 additional rental loans and 10 landlord deposits	By March 2017
2) Provide around 40 additional rental loans and 10 landlord deposits	By March 2018
3) Provide around 40 additional rental loans and 10 landlord deposits	By March 2019
4) N/A	

Proposal by	Roger Wilson Assistant Director (Housing Operations)	Directorate	Communities Directorate
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Report to the Finance and Performance Management Cabinet Committee



Report reference: *FPM-017-2015/16*
Date of meeting: *12 November 2015*

Epping Forest District Council

Portfolio: Housing

Subject: Funding of two Citizens Advice Bureau Debt Advisors

Responsible Officer: Roger Wilson (01992 564419).

Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

That an exception (already agreed in principle by the Committee) be made to the moratorium for 2016/17 on the HRA Service Improvements and Service Enhancements Fund and £42,000 be used from the Fund to extend the funding of the Citizens Advice Bureau's (CAB) two existing Debt Advisors for a further year from 1 April 2016.

Executive Summary:

1. On 17 September 2015 the Committee considered a report on the HRA Financial Plan. The Committee agreed that there be a moratorium on spending from the HRA's Housing Improvements and Service Enhancements Fund for 2016/2017 subject to three exceptions.
2. One of the exceptions agreed was that in principle, £42,000 be used in 2016/2017 to extend the funding of the Citizens Advice Bureau's (CAB) two existing Debt Advisors. This was agreed subject to the CAB Manager attending an appropriate meeting of the Grant Aid Review Task and Finish Panel which has now happened. A report from the CAB setting out the work of the two Debt Advisors is attached.
3. It is recommended that £42,000 from the Fund be used to extend the funding of the CAB's two existing Debt Advisors for a further year from 1 April 2016 in order to provide much needed support to residents.

Reasons for Proposed Decision:

To agree to extend the funding of the CAB's two existing Debt Advisors for a further year from 1 April 2016, in order to provide support to residents with personal budgeting and debt advice

Other Options for Action:

- (a) Not to agree to extend the funding of the CAB's two existing Debt Advisors for a further year from 1 April 2016.
- (b) To only extend the funding for one CAB Debt Advisor.
- (c) To provide funding for more than two CAB Debt Advisors.

Report:

1. At its meeting on 17 September 2015 (Minute 19 refers) the Finance and Performance Management Cabinet Committee considered a report on the Housing Revenue Account (HRA) Financial Plan. The Committee agreed that there be a moratorium on spending from the HRA's Housing Improvements and Service Enhancements Fund for 2016/2017 subject to three exceptions.

2. One of the exceptions agreed was that in principle, £42,000 be used in 2016/2017 to extend the funding of the Citizens Advice Bureau's (CAB) two existing Debt Advisors for a further year from 1 April 2016. This was agreed subject to the CAB Manager attending an appropriate meeting of the Grant Aid Review Task and Finish Panel, as previously requested by the Council, in order to explain the use and outcomes of all the Council's grant funding to the CAB.

3. The CAB made a presentation to the Grant Aid Review Task and Finish Panel at its meeting on 29 October 2015. The CAB provided the Panel with a report setting out the work of the two Debt Advisors which is attached as an Appendix. As can be seen, during the first 6 months of this financial year the Advisors have managed debts of around £713,000 and assisted 304 clients to date. Around 32% (97) of these clients are Council tenants. The CAB is required under the Agreement to have one Debt Advisor based at the Limes Centre, Chigwell for one half day each week. The CAB have recently extended this service to 2 half days each week. The CAB has reported that around 120 (40%) of the clients assisted were first seen at the Limes Centre during the 6 month period referred to. Many of these clients make repeat visits and become regular visitors with each appointment lasting for up to an hour. There are also other drop-in clients who cannot be predicted or controlled but are seen for a much lesser period of time.

4. Bearing in mind the expected reductions in the overall national Welfare Budget over the next 2 financial years, this will bring an increased need for residents to receive continued support around personal budgeting and debt advice. Such advice may reduce the risk of some households presenting to the Council as homeless, resulting in a saving. It is therefore recommended that an exception (already agreed in principle by the Committee) be made to the moratorium on the HRA Service Improvements and Service Enhancements Fund for 2016/17 and £42,000 be used from the Fund to extend the funding of the CAB's two existing Debt Advisors for a further year from 1 April 2016.

Resource Implications:

Additional funding to the CAB of £42,000 in 2016/2017 funded from the HRA Service Improvements and Service Enhancements Fund

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

None

Background Papers:

CAB Service Agreement

Risk Management:

If funding the extension of the CAB 2 Debt Advisors was not agreed this could increase the risk of more households presenting to the Council as homeless resulting in additional costs.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

It is considered that no particular group will be affected and no discrimination will result from the proposal to extend the funding of the Citizens Advice Bureau's two existing Debt Advisors for a further year from 1 April 2016.

Bearing in mind the expected reductions in the overall Welfare Budget over the next 2 financial years this will bring an increased need for residents to receive continued support around personal budgeting and debt advice.

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EPPING FOREST DISTRICT CITIZENS ADVICE BUREAU

DEBT MITIGATION PROJECT STATISTICS

1ST April 2015 TO 30th September 2015

Total Clients who received Debt Advice from Bureau	304
Face-to-face appointments with Debt Mitigation Specialist	248
Debt Issues addressed*	726
Activities on behalf of debt clients	1108
Debt Managed	£712,831

Approximately 32% of clients are Council Tenants

Approximately 40% of clients seen first at Limes Farm

*Total issues addressed is higher as Benefit and Housing issues are also addressed.

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**Report to: Finance and Performance
Management Cabinet Committee**



**Epping Forest
District Council**

Report reference: FPM-018-2015/16
Date of meeting: 12 November 2015

Portfolio: Finance

Subject: Mid-Year Report on Treasury Management and Prudential Indicators 2015/16

Responsible Officer: Simon Alford (01992 564455).

Democratic Services Officer: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

To note how the risks associated with Treasury Management have been dealt with in the first half of 2015/2016.

Executive Summary:

The mid-year treasury report is a requirement of the CIPFA Code of Practice on Treasury Management. It covers the treasury activity for the first half of the financial year 2015/16.

During the first half of the year: the Council has continued to finance all capital expenditure from within internal resources; the average net investment position has been approximately £61.9m; and there have been no significant breaches on any of the prudential indicators.

This report and the appendices will be considered by the Audit and Governance Committee on 30 November and an oral update will be provided to the next meeting of this Committee.

Reasons for Proposed Decision:

The report is presented for noting as scrutiny is provided by the Audit and Governance Committee who make recommendations to this Committee when necessary.

Other Options for Action:

Members could ask for additional information about the CIPFA Codes or the Prudential Indicators.

Report:

Introduction

1. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management), which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the current year. The updated code in 2011 also recommended that Members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing Best Practice in accordance with CIPFA's recommendations.

2. The report attached at appendix 1 shows the mid-year position of the treasury function in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code.

Capital activity for the year and how it was financed

3. The Council undertakes capital expenditure on long-term assets. These activities may either be financed immediately through capital receipts, grants etc; or through borrowing.

4. The Council does not plan to borrow in order to carry out its capital programme. But borrowing is likely to be required to finance other approved capital developments. The original estimate, along with expenditure to month 6 (30 September 2015) is shown below in the table. The £14.222m includes the land purchase at Langston Road, for which Council agreed a supplementary capital estimate.

Capital Expenditure	Estimated £m	to month 6 £m
Non-HRA capital expenditure	7.476	14.222
HRA capital expenditure	18.952	5.972
Total Capital expenditure	26.428	20.194
Financed by:		
Capital grants	1.395	
Capital receipts	8.002	
Revenue	17.031	
Total resources Applied	26.428	

5. The revised capital programme is currently being worked on and will be going to Cabinet for approval in December.

6. There is a financial risk involved in reducing the balance of usable capital receipts over the next five years. This risk has the following potential consequences; loss of interest; loss of cover for contingencies; service reductions required; and large Council Tax increases required.

7. This prudential indicator assists the Council in controlling and monitoring the level of usable capital receipts that will be available at the end of a five-year period. The original Capital Programme for the three years to 2017/18 totals £72m and was fully funded. It was predicted that at the end of 2017/18 there would still be £3.0m available in Capital Receipts and £2.0m in the Major Repairs Reserve. These figures will be revised as part of the update to the Capital Programme.

The impact on the Council's indebtedness for capital purposes

8. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position. The Council now has an overall positive CFR (HRA and Non-HRA) following the borrowing in relation to the HRA self-financing, but had no underlying need to borrow for capital purpose as highlighted in the previous section.

CFR	Financial year 2015/16		
	Estimated £m	Revised £m	to month 6 £m
Non-HRA	59.6	59.6	29.6
HRA	155.1	155.1	155.1
Total Capital expenditure	214.7	214.7	184.7

9. The Director of Resources confirms that there were no breaches of the Authorised Limit (£230m), the Operational Boundary (£219m) and the Maturity Structure of Fixed Rate Borrowing during the period to 30 September 2015.

10. The risks for Councils are associated with affordability, interest rates and refinancing – the affordability risk is whether the Council can afford to service the loan, this has been evidenced through the Council producing a viable thirty-year financial plan for the HRA. This plan is reviewed quarterly by officers and half yearly reports are presented to Housing Scrutiny Panel. The interest rate risk is whether a change in interest rate could have an impact on the viability of the financial plan. The Council received advice from our treasury advisors before undertaking the borrowing. Only 17% of the amount borrowed was at a variable rate, the remainder was fixed. Any upward movement in interest rates would be 'hedged' by a corresponding increase in interest earned on Council investments. The refinancing risk is that maturing borrowings, capital project or partnership financing cannot be refinanced on suitable terms. Within the original capital programme, it was anticipated that all borrowing would be repaid on maturity and the capital programme would be financed through internal resources. The Council does though intend to borrow later in 2016-17 in order to finance approved capital projects e.g. Langston Road Retail Development.

11. These prudential indicators assist the Council in controlling the level of debt the Council may need to finance over the coming years and ensure where debt is owed it is managed, such that the Council would not be left in a situation where it finds itself having to refinance on unsuitable terms.

The Council's overall treasury position

12. During the first half of 2015/16 the average investment position for the first half of the year was £61.9m. The table below shows the treasury position as at 30 September 2015.

Treasury position	31/03/2015 £m	30/09/2015 £m
Total external borrowing	(185.456)	(185.456)
Short term investment		
▪ Fixed investment	56.0	45.5
▪ Variable investment	6.4	2.6
Long term investment	5.0	5.0
Total investments	67.4	53.1
(Net Borrowing) / Net Investment Position	(118.056)	(132.356)

13. It is important that the cash flow of the Council is carefully monitored and controlled to ensure enough funds are available each day to cover its outgoings. This will become more difficult as the Council uses up capital receipts and reduces investment balances.

14. The Director of Resources confirms that there have been no breaches of:
- a) The Upper Limit for Fixed Rate Exposure (100%) and Upper Limit for Variable Rate Exposure (25%) on investment during the period, with the average rates of 83% and 17% being achieved;
 - b) The limit set for investment over 364 days (£30m). The Council has made one investment totalling £5m over 364 days. The average length of short term investment for the period is 147 days.
 - c) The limit set for investment in non UK Country (30%). The Council made one investment (9%) to a counterparty outside of the UK.
15. The risks associated with this section are as follows:
- a) Credit and Counterparty Risk – the risk of failure by a third party to meet its contractual obligations to the Council, i.e. goes into liquidation. The Council's counter-party lists and limits reflect a prudent attitude towards organisations with which funds may be deposited and these are regularly updated by our treasury management advisors (Arlingclose).
 - b) Liquidity Risk – the risk that cash will not be available when it is needed, incurring additional unbudgeted costs for short-term loans. The Director of Resources has monthly meetings with treasury staff, to go through the cash flow for the coming month. A number of instant access accounts are used to ensure adequate cash remains available.
 - c) Interest Rate Risk – the risk of fluctuations in interest rates. The Council has currently around 26% of its investments in variable rates (upper limit 75%), and the remainder are in fixed rate deposits on average for around 147 days. This allows the Council to receive reasonable rates, whilst at the same time, gives the Council flexibility to take advantage of any changes in interest rates. The view of the Council's treasury advisors is that interest rates are unlikely to change significantly in the short term.
16. The prudential indicators within this section assist the Council to reduce the risk of:
- a) Counterparties going into liquidation by ensuring only highly rated institutions are used when investing the Council's money.
 - b) The Council incurring unbudgeted short-term loans, to pay unexpected expenditure items through ensuring adequate amounts of money are available immediately through instant access accounts.
 - c) Potentially losing out on investment income when interest rates start to increase by ensuring that most deposits are kept within one year.

Heritable Bank

17. During this financial year, the Council has received a further dividend from the administrators of the Heritable Bank which has taken total dividends so far to 98% of the value of deposits. No further update has been received from Ernst and Young.

Resource Implications:

The continued low interest rate was reflected in estimated investment income to the Council of £470,000 in 2015/16. The revised estimate is now £425,000 due to lower than anticipated balances. Interest rates are not expected to rise in the short term.

Legal and Governance Implications:

The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2009/10);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM (now DCLG) has issued Investment Guidance to structure and regulate the Council's investment activities.
- Under section 21(1) AB of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8 November 2007.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council's external treasury management advisors provided the framework for this report and have confirmed that the content satisfies all regulatory requirements.

Background Papers:

The report on the Council's Prudential Indicators for 2015/16 to 2017/18 and the Treasury Management Strategy for 2015/16 to 2017/18 went to Council on 17 February 2015.

Risk Management

As detailed in the report, a risk averse position is adopted to minimise the chance of any loss of the capital invested by the Council. The specific risks associated with the different aspects of the treasury management function have been outlined within the main report.

Due Regard Record

This page shows which groups of people are affected by the subject of this report. It sets out how they are affected and how any unlawful discrimination they experience can be eliminated. It also includes information about how access to the service(s) subject to this report can be improved for the different groups of people; and how they can be assisted to understand each other better as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

No groups of people are affected by this report which is not directly service related.

Semi-Annual Treasury Report 2010/11

1. Introduction

The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end).

The Council's Treasury Management Strategy for 2015/16 was approved by full Council on 17th February 2015 which can be accessed on :-

<http://rds.eppingforestdc.gov.uk/ieListDocuments.aspx?CId=296&Mid=7954&Ver=4> .

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

2. External Context

As the year began, economic data was largely overshadowed by events in Greece. Markets' attention centred on the never-ending Greek issue stumbled from turmoil to crisis, running the serious risk of a disorderly exit from the Euro. The country's politicians and the representatives of the 'Troika' of its creditors - the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) - barely saw eye to eye. Greece failed to make a scheduled repayment to the IMF on 30th June, in itself not a default until the IMF's Managing Director declares it so. Prime Minister Tsipras blindsided Greece's creditors by calling a referendum on 5th July on reform proposals which by then were off the table anyway. The European Central Bank froze liquidity assistance provided to Greek banks and capital controls within the country severely restricted individuals' and corporates' access to cash.

On 12th July, following a weekend European Union Summit, it was announced that the terms for a third bailout of Greece had been reached. The deal amounting to €86 billion was agreed under the terms that Greece would see tax increases, pension reforms and privatisations; the very reforms Tsipras had vowed to resist. This U-turn saw a revolt within the ruling Syriza party and on 27th August, Alexis Tsipras resigned from his post as Prime Minister of Greece after just eight months in office by calling a snap election, held on 20th September. This gamble paid off as Tsipras led his party to victory once again, although a coalition with the Independent Greeks was needed for a slim parliamentary majority. That government must now continue with the unenviable task of guiding Greece through the continuing economic crisis - the Greek saga is far from over.

The summer also saw attention shift towards China as the Shanghai composite index (representing China's main stock market), which had risen a staggering 50%+ since the beginning of 2015, dropped by 43% in less than three months with a reported \$3.2 trillion loss to investors, on the back of concerns over growth and after regulators clamped down on margin lending activity in an effort to stop investors borrowing to invest and feeding the stock market bubble. Chinese authorities intensified their intervention in the markets by halting trading in many stocks in an attempt to maintain market confidence. They surprised global markets in August as the People's Bank of China changed the way the yuan is fixed each day against the US dollar and allowed an aggressive devaluation of the currency. This sent jitters through Asian, European and US markets impacting currencies, equities, commodities, oil and metals. On 24th August, Chinese stocks suffered their steepest one-day fall on record, driving down other equity markets around the world and soon becoming known as another 'Black Monday'. Chinese stocks have recovered marginally since and

Semi-annual Treasury Report 2015/16

are trading around the same level as the start of the year. Concerns remain about slowing growth and potential deflationary effects.

UK Economy: The economy has remained resilient over the last six months. Although economic growth slowed in Q1 2015 to 0.4%, year/year growth to March 2015 was a relatively healthy 2.7%. Q2 2015 GDP growth bounced back and was confirmed at 0.7%, with year/year growth showing slight signs of slowing, decreasing to 2.4%. GDP has now increased for ten consecutive quarters, breaking a pattern of slow and erratic growth from 2009. The annual rate for consumer price inflation (CPI) briefly turned negative in April, falling to -0.1%, before fluctuating between 0.0% and 0.1% over the next few months. In the August Quarterly Inflation Report, the Bank of England projected that GDP growth will continue around its average rate since 2013. The Bank of England's projections for inflation remained largely unchanged from the May report with them expecting inflation to gradually increase to around 2% over the next 18 months and then remain there in the near future. Further improvement in the labour market saw the ILO unemployment rate for the three months to July fall to 5.5%. In the September report, average earnings excluding bonuses for the three months to July rose 2.9% year/year.

The outcome of the UK general election, largely fought over the parties' approach to dealing with the consequences of the structural deficit and the pace of its removal, saw some very big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics.

The US economy slowed to 0.6% in Q1 2015 due to bad weather, spending cuts by energy firms and the effects of a strong dollar. However, Q2 GDP showed a large improvement at a twice-revised 3.9% (annualised). This was largely due to a broad recovery in corporate investment alongside a stronger performance from consumer and government spending and construction and exports. With the Fed's decision on US interest rate dependent upon data, GDP is clearly supportive. However it is not as simple as that and the Fed are keen to see inflation rise alongside its headline economic growth and also its labour markets. The Committee decided not to act at its September meeting as many had been anticipating but have signalled rates rising before the end of the year.

Market reaction: Equity markets initially reacted positively to the pickup in the expectations of global economic conditions, but were tempered by the breakdown of creditor negotiations in Greece. China led stock market turmoil around the globe in August, with the FTSE 100 falling by around 8% overnight on 'Black Monday'. Indices have not recovered to their previous levels but some improvement has been seen. Government bond markets were quite volatile with yields rising (i.e. prices falling) initially as the risks of deflation seemingly abated. Thereafter yields fell on the outcome of the UK general election and assisted by reappraisal of deflationary factors, before rising again. Concerns around China saw bond yields dropping again through August and September. Bond markets were also distorted by the size of the European Central Bank's QE programme, so large that it created illiquidity in the very markets in which it needed to acquire these bonds, notably German government bonds (bunds) where yields were in negative territory.

Local Context

At 31/3/2015 the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £184.7m, while usable reserves and working capital which are the underlying resources available for investment were £114.9m.

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At 31/3/2015, the Council had £185.5m of borrowing and £67.4m of investments. The Council's current strategy is to use internal borrowing (running down the Council's cash balances), subject to holding a minimum investment balance of £10m.

The Council has an increasing CFR over the next 3 years due to the capital programme and approved capital projects, but investments will fall and the Council will therefore be required to borrow up to £30m over the forecast period.

Borrowing Strategy

At 30/9/2015 the Council held £185.5m of loans, (no change on the position as at 31/3/2015), as part of its strategy for funding the Self-Financing Housing deal.

The Council does not expect to borrow in 2015/16, but does expect to borrow up to £30m by the end of 2016/17.

The Council's chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

Affordability and the "cost of carry" remained important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain at least over the forthcoming two years, lower than long-term rates, the Council determined it was more cost effective in the short-term to use internal resources.

The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose assists the Council with this 'cost of carry' and breakeven analysis.

£31.8m of PWLB variable rate loans were borrowed in 2012 at an average rate of 0.62% which mitigates the impact of changes in variable rates on the Authority's overall treasury portfolio (most of the Council's investments are deemed to be variable rate investments due to their short-term nature). This strategic exposure to variable interest rates will be regularly reviewed and, if appropriate, reduced by switching into fixed rate loans.

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Borrowing Activity in 2015/16

	Balance on 01/04/2015 £m	Maturing Debt £m	Debt Prematurely Repaid £m	New Borrowing £m	Balance on 30/09/2015 £m	Avg Rate % and Avg Life (yrs)
CFR	184.7				184.7	
Short Term Borrowing ¹	0	0	0	0	0	
Long Term Borrowing	185.5	0	0	0	185.5	3% - 22 years
TOTAL BORROWING	185.5	0	0	0	185.5	
Other Long Term Liabilities	0	0	0	0	0	
TOTAL EXTERNAL DEBT	185.5	0	0	0	185.5	
Increase/ (Decrease) in Borrowing £m					0	

PWLB Certainty Rate and Project Rate Update: The Council qualifies for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) for a 12 month period from 01/11/2014. In April the Council submitted its 2015/16 Capital Estimates Return to access this reduced rate for a further 12 month period from 01/11/2015. Published shortly on the DMO website.

Debt Rescheduling:

The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Cashflow forecasts indicated that during 2015/16 the Authority's investment balances would range between £67m and £35 million.

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

¹ Loans with maturities less than 1 year.

Semi-annual Treasury Report 2015/16

Investment Activity in 2015/16

Investments	Balance on 01/04/2015 £m	Investments Made £m	Maturities/ Investments Sold £m	Balance on 30/09/2015 £m	Avg Rate/Yield (%) and Avg Life years)
Short term Investments (call accounts, deposits) - Banks and Building Societies with ratings of A- or higher - Local Authorities	47.4	63	72.3	38.1	0.61% - 147 days
Long term Investments - Banks and Building Societies with ratings of A+ or higher - Local Authorities	5	0	0	5	1.3% - 413 days
Money Market Funds	15	5	10	10	0.49%
TOTAL INVESTMENTS	67.4	68	82.3	53.1	
Increase/ (Decrease) in Investments £m				(14.3)	

Security of capital has remained the Authority's main investment objective. This has been maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy Statement for 2015/16.

Counterparty credit quality was assessed and monitored with reference to credit ratings (the Authority's minimum long-term counterparty rating is A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

Credit Risk

Counterparty credit quality as measured by credit ratings is summarised below:

Date	Value Weighted Average - Credit Risk Score	Value Weighted Average - Credit Rating	Time Weighted Average - Credit Risk Score	Time Weighted Average - Credit Rating
31/03/2015	A+	5.10	AA-	3.98
30/06/2015	A+	5.17	AA-	3.68
30/09/2015	A+	5.34	AA-	4.44

Scoring:

-Value weighted average reflects the credit quality of investments according to the size of the deposit

-Time weighted average reflects the credit quality of investments according to the maturity of the deposit

-AAA = highest credit quality = 1

-D = lowest credit quality = 26

-Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

Semi-annual Treasury Report 2015/16

Investment Activity

£5 million has been placed Long Term with a UK Local Authority. £10 million was placed with Money Market Funds as being readily available. Slightly better yields are obtained with the £38 million placed mainly with UK Banks and Building Societies.

Counterparty Update

All three credit ratings agencies have reviewed their ratings in the six months to reflect the loss of government support for most financial institutions and the potential for varying loss given defaults as a result of new bail-in regimes in many countries. Despite reductions in government support many institutions have seen upgrades due to an improvement in their underlying strength and an assessment that that the level of loss given default is low.

Fitch reviewed the credit ratings of multiple institutions in May. Most UK banks had their support rating revised from 1 (denoting an extremely high probability of support) to 5 (denoting external support cannot be relied upon). This resulted in the downgrade of the long-term ratings of Royal Bank of Scotland (RBS) to BBB+ from A, Deutsche Bank to A from A+, Bank Nederlandse Gemeeten to AA+ from AAA and ING to A from A+. JP Morgan Chase and the Lloyds Banking Group however both received one notch upgrades.

Moody's concluded its review in June and upgraded the long-term ratings of Close Brothers, Standard Chartered Bank, ING Bank, Goldman Sachs International, HSBC, RBS, Coventry Building Society, Leeds Building Society, Nationwide Building Society, Svenska Handelsbanken and Landesbank Hessen-Thuringen.

S&P reviewed UK and German banks in June downgrading Barclays' long-term rating to A- from A, RBS to BBB+ from A- and Deutsche Bank to BBB+ from A. S&P has also revised the outlook of the UK as a whole to negative from stable, citing concerns around a planned referendum on EU membership and its effect on the economy.

National Australia Bank (NAB) announced its plans to divest Clydesdale Bank, its UK subsidiary. NAB is looking to list Clydesdale on the London Stock Exchange and transfer ownership to NAB's current shareholders. Fitch placed the long- and short-term ratings of the bank on rating watch negative which the agency is expected to resolve once the transaction has been completed. S&P has also placed the long-term rating of Clydesdale Bank on CreditWatch negative following the announcement.

At the end of July, the Council's treasury advisors Arlingclose advised an extension of recommended durations for unsecured investments in certain UK and European institutions following improvements in the global economic situation and the receding threat of another Eurozone crisis. A similar extension was advised for some non-European banks in September, with the Danish Danske Bank being added as a new recommended counterparty and certain non-rated UK building societies also being extended.

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Budgeted Income and Outturn

The average investment balances were £55.6m during the quarter. The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates have remained at relatively low levels (see Table 1 in Appendix 2). New deposits were made at an average rate of 0.61%. Investments in Money Market Funds generated an average rate of 0.49%.

The Council's budgeted investment income for the year is estimated at £0.47m. The Council anticipates an investment outturn of £0.425m for the whole year.

Update on Investments with Icelandic Banks

Total received £2.46m (98.00%). The 15th dividend of £99,979.39 was received at the end of August 2015. There has been no further update from Ernst and Young.

Compliance with Prudential Indicators

The Authority confirms compliance with its Prudential Indicators for 2015/16, which were approved on the 17th February by Full Council as part of the Council's Treasury Management Strategy Statement.

Treasury Management Indicators

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

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

D = Debt I = Investment	2015/16	2016/17	2017/18
Upper limit on fixed interest rate exposure	100 D/100 I	100 D/100 I	100 D/100 I
Actual	83 D/ 91 I		
Upper limit on variable interest rate exposure	25 D/75 I	25 D/75 I	25 D/75 I
Actual	17 D/ 9 I		

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

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

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

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5 years and within 10 years	100%	0%	17%
10 years and within 20 years	100%	0%	0%
20 years and within 30 years	100%	0%	83%
30 years and within 40 years	100%	0%	0%
40 years and within 50 years	100%	0%	0%
50 years and above	100%	0%	0%

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

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

	2015/16	2016/17	2017/18
Limit on principal invested beyond year end	£30m	£30m	£30m
Actual	£5m		

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

	Target	Actual
Portfolio average credit score	A-	A+

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

	Target	Actual
Total cash available within 3 months	£20m	£29m

Other Prudential Indicators

The following three prudential indicators are relevant to the treasury function as they concern limits on borrowing and the adoption of the CIPFA Treasury Management Code.

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Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt.

Operational Boundary	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Borrowing	204.0	219.0	219.0	219.0
Total Debt	204.0	219.0	219.0	219.0

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

Authorised Limit	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Borrowing	230.0	230.0	230.0	230.0
Total Debt	230.0	230.0	230.0	230.0

Adoption of the CIPFA Treasury Management Code: The Council approved the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* at its meeting on the 22nd April 2002.

Outlook for Q3 and Q4 2015/16

Arlingclose's expectation for the first rise in the Bank Rate (base rate) remains the second calendar quarter of 2016. The pace of interest rate rises will be gradual and the extent of rises limited. The appropriate level for Bank Rate for the post-crisis UK economy is likely to be lower than the previous norm. We would suggest this is between 2.0% and 3.0%. There is also sufficient momentum in the US economy for the Federal Reserve to raise interest rates in 2015, although risks of issues from China could possibly push this back.

The weak global environment and resulting low inflation expectations are likely to dampen long term interest rates. We project gilt yields will follow a shallow upward path in the medium term, with continuing concerns about the Eurozone, and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued. The uncertainties surrounding the timing of UK and US interest rate rises, and the Chinese stock market-led turmoil, are likely to prompt short term volatility in gilt yields.

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Average
Official Bank Rate														
Upside risk			0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.32
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75	1.08
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-0.70

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Appendix 2

Money Market Data and PWLB Rates

The average, low and high rates correspond to the rates during the financial year rather than those in the tables below.

Please note that the PWLB rates below are Standard Rates. Authorities eligible for the Certainty Rate can borrow at a 0.20% reduction.

Table 1: Bank Rate, Money Market Rates

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid	3-yr SWAP Bid	5-yr SWAP Bid
01/04/2015	0.50	0.35	0.46	0.43	0.51	0.76	0.97	0.87	1.05	1.32
30/04/2015	0.50	0.35	0.48	0.43	0.52	0.74	0.98	1.00	1.21	1.51
31/05/2015	0.50	0.43	0.50	0.43	0.52	0.75	0.98	0.97	1.18	1.49
30/06/2015	0.50	0.35	0.45	0.43	0.52	0.79	0.99	1.09	1.35	1.68
31/07/2015	0.50	0.32	0.43	0.43	0.53	0.79	1.01	1.10	1.33	1.66
31/08/2015	0.50	0.42	0.40	0.43	0.54	0.82	1.02	1.03	1.24	1.61
30/09/2015	0.50	0.37	0.41	0.43	0.54	0.74	1.00	0.93	1.11	1.41
Average	0.50	0.40	0.46	0.43	0.53	0.76	0.99	1.03	1.25	1.58
Maximum	0.50	0.48	0.58	0.56	0.65	0.86	1.02	1.17	1.44	1.82
Minimum	0.50	0.17	0.40	0.43	0.51	0.55	0.97	0.87	1.04	1.29
Spread	--	0.31	0.18	0.13	0.14	0.31	0.05	0.30	0.40	0.53

Table 2: PWLB Borrowing Rates - Fixed Rate, Maturity Loans

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2015	128/15	1.32	2.07	2.66	3.21	3.34	3.30	3.28
30/04/2015	166/15	1.41	2.27	2.90	3.44	3.55	3.50	3.48
29/05/2015	204/15	1.44	2.26	2.90	3.44	3.54	3.48	3.45
30/06/2015	248/15	1.48	2.44	3.13	3.65	3.72	3.64	3.60
31/07/2015	294/15	1.54	2.45	3.07	3.56	3.62	3.54	3.49
28/08/2015	334/15	1.47	2.30	2.92	3.47	3.54	3.44	3.40
30/09/2015	379/15	1.44	2.19	2.79	3.42	3.50	3.42	3.39
	Low	1.31	2.02	2.60	3.16	3.28	3.23	3.21
	Average	1.46	2.32	2.96	3.51	3.59	3.52	3.49
	High	1.55	2.55	3.26	3.79	3.87	3.80	3.78

Semi-annual Treasury Report 2015/16

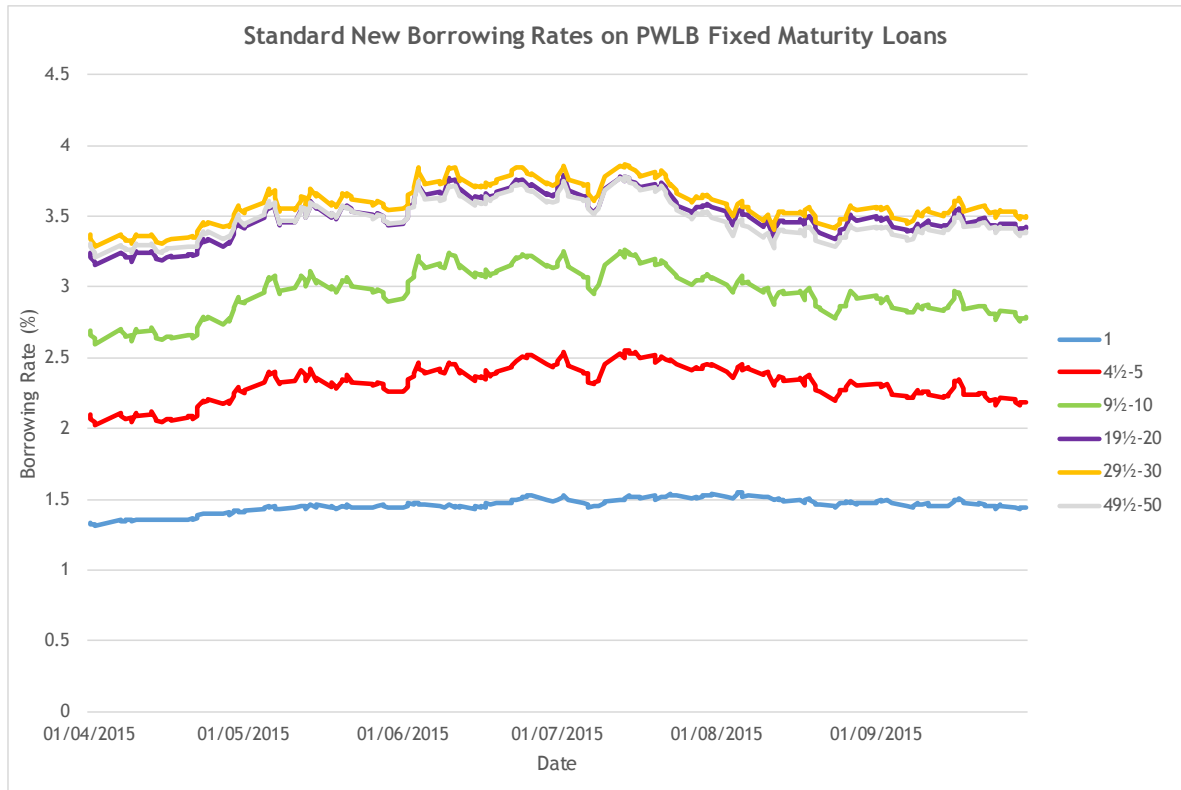


Table 3: PWLB Borrowing Rates - Fixed Rate, Equal Instalment of Principal (EIP) Loans

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2014	127/15	1.63	2.11	2.68	3.00	3.22	3.32
30/04/2014	166/15	1.79	2.31	2.92	3.24	3.45	3.54
29/05/2014	204/15	1.78	2.30	2.93	3.26	3.45	3.53
30/06/2014	248/15	1.90	2.49	3.15	3.47	3.65	3.72
31/07/2014	294/15	1.96	2.50	3.09	3.39	3.57	3.63
28/08/2014	334/15	1.83	2.34	2.94	3.27	3.48	3.55
30/09/2014	379/15	1.76	2.23	2.82	3.19	3.43	3.51
	Low	1.60	2.06	2.62	2.94	3.16	3.26
	Average	1.84	2.37	2.99	3.31	3.51	3.59
	High	1.99	2.60	3.28	3.61	3.79	3.87

Semi-annual Treasury Report 2015/16

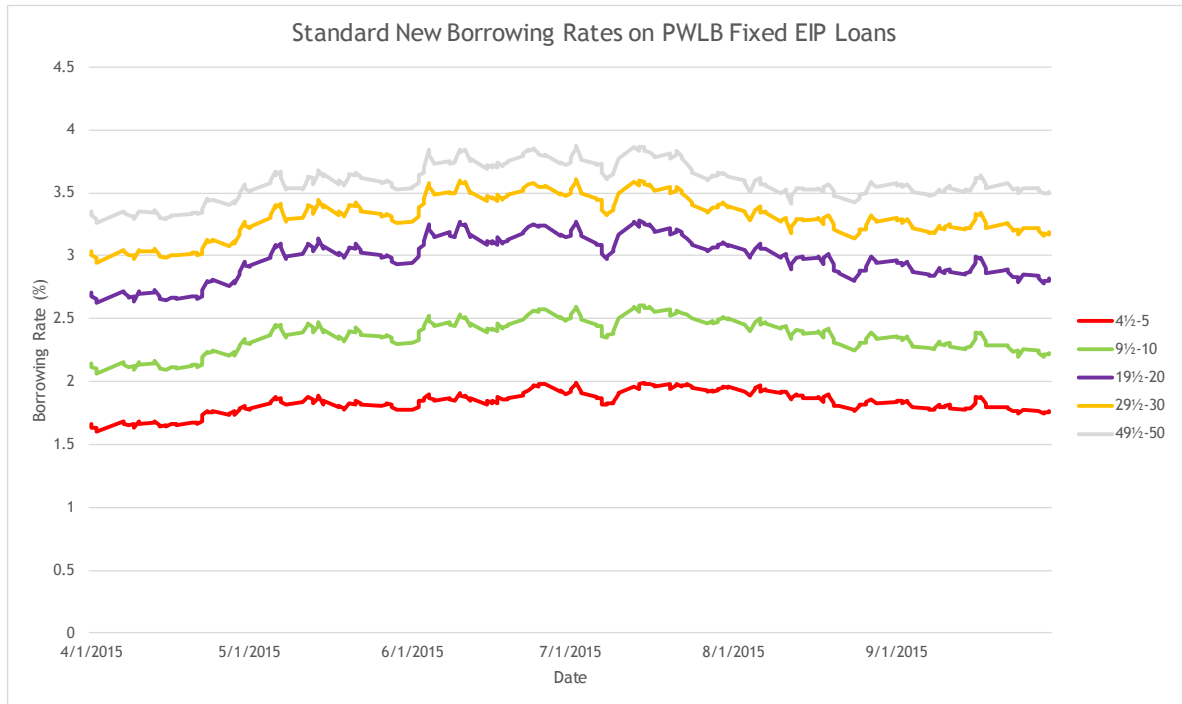


Table 4: PWLB Variable Rates

	1-M Rate	3-M Rate	6-M Rate	1-M Rate	3-M Rate	6-M Rate
	Pre-CSR	Pre-CSR	Pre-CSR	Post-CSR	Post-CSR	Post-CSR
01/04/2015	0.62	0.63	0.66	1.52	1.53	1.56
30/04/2015	0.62	0.64	0.67	1.52	1.54	1.57
29/05/2015	0.62	0.65	0.68	1.52	1.55	1.58
30/06/2015	0.62	0.66	0.70	1.52	1.56	1.60
31/07/2015	0.62	0.66	0.72	1.52	1.56	1.62
28/08/2015	0.62	0.66	0.70	1.52	1.56	1.60
30/09/2015	0.66	0.67	0.76	1.56	1.57	1.66
Low	0.62	0.61	0.66	1.52	1.51	1.56
Average	0.63	0.65	0.70	1.53	1.55	1.60
High	0.66	0.69	0.78	1.56	1.59	1.68

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-019-2015/16

Date of meeting: 12 November 2015

Portfolio: Finance

Subject: Annual Audit Letter

Officer contact for further information: Bob Palmer – (01992 564279)

Democratic Services Officer: Rebecca Perrin - (01992 564532)

Recommendations/Decisions Required:

To note the External Auditor's Annual Audit Letter.

Executive Summary:

The External Auditors will present their Annual Audit Letter to the Audit and Governance Committee on 30 November 2015. The report has been placed on this agenda to ensure that Members of this Committee are aware of the key issues raised.

Reasons for Proposed Decisions:

To ensure that Members are informed of any significant issues arising from the annual audit.

Other Options for Action:

The report is for noting, no specific actions are proposed.

Report:

1. The Annual Audit Letter (AAL) confirms that the Financial Statements gave a true and fair view of the Council's financial affairs. It also confirms that the Annual Governance Statement contained in the Financial Statements was not misleading or inconsistent with other information.
2. The external auditors were able to satisfy themselves that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. This enabled them to issue an unqualified value for money conclusion.
3. The AAL confirms that the auditors have not had to exercise their statutory powers and that they have no matters to report. An audit certificate to close the audit for the year ended 31 March 2015 was issued on 30 September 2015.

Resource Implications: None.

Legal and Governance Implications: There are no legal implications or Human Rights Act issues arising from the recommendations in this report.

Safer, Cleaner, Greener Implications: There are no implications arising from the recommendations in this report for the Council's commitment to the Nottingham Declaration

for climate change, the corporate Safer, Cleaner and Greener initiative or any Crime and Disorder issues within the district.

Consultation Undertaken: None.

Background Papers: Statutory Statement of Accounts and associated reports made to the Audit and Governance Committee and Full Council.

Impact Assessments:

Risk Management

Action plans have been agreed to address areas of risk identified during the audit.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Date / Name	Summary of equality analysis
28/10/15 Director of Resources	The report is a summary of the work conducted in the year by the external auditor and has no equality implications.



EPPING FOREST DISTRICT COUNCIL

Annual Audit Letter 2014/15

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1 October 2015

EXECUTIVE SUMMARY

Background

This Annual Audit Letter summarises the key issues arising from the work that we have carried out during the year. It is addressed to the Council but is also intended to communicate the significant issues we have identified to key external stakeholders and members of the public.

Responsibilities of auditors and the Council

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for.

Our responsibility is to plan and carry out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, we are required to review and report on:

the Council's financial statements

whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are also required to review and report on the Council's Annual Governance Statement, Whole of Government Accounts (WGA) submission, whether we have exercised our statutory powers under the Audit Commission Act 1998 in any matter, and our grant claims and returns certification work.

We recognise the value of your co-operation and support and would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the audit.

BDO LLP
21 October 2015

FINANCIAL STATEMENTS

1

We issued an unqualified true and fair opinion on the financial statements on 30 September 2015.

One material misstatement was identified and corrected during the audit relating to incorrect data input into the Asset Management System. As a result of this misstatement, the balance on the Revaluation Reserve was overstated by £6.6 million and the balance on the Capital Adjustment Account understated by the same amount.

There are two unadjusted differences identified by our audit which would increase the surplus on the provision of services by £1 million to £14.6 million.

USE OF RESOURCES

2

We issued an unqualified value for money conclusion on 30 September 2015.

OTHER MATTERS (REPORT BY EXCEPTION)

3

We have not exercised our statutory powers and have no matters to report.

We issued the audit certificate to close the audit for the year ended 31 March 2015 on 30 September 2015.

GRANT CLAIMS AND RETURNS CERTIFICATION

4

Our review of grant claims and returns is in progress and the results will be reported upon completion of this work.

FINANCIAL STATEMENTS

1

OPINION

We issued an unqualified true and fair opinion on the financial statements on 30 September 2015.

Financial performance

The Council reported a surplus on the provision of services of £13.6 million.

After adjusting for items in the Movement in Reserves Statement, the Council reported a deficit on the General Fund of £0.3 million before transfers to earmarked revenue reserves of £0.3 million, resulting in a net decrease to the General Fund balance of £0.6 million. The HRA reported a deficit of £0.4 million after transferring £2.0 million to earmarked revenue reserves.

Financial statements

The draft Statement of Accounts was prepared and provided to us for audit on 30 June 2015. A comprehensive file of audit working papers was also provided.

A material misstatement was identified and corrected during the audit relating to incorrect data input into the Asset Management System. As a result of this misstatement, the balance on the Revaluation Reserve was overstated by £6.6million and the balance on the Capital Adjustment Account understated by the same amount.

There are two unadjusted differences identified by our audit which increase the surplus on the provision of services by £1 million to £14.6 million, mainly relating to the incorrect treatment of grant income, which was recognised as a credit on the balance sheet rather than as income in the comprehensive income and expenditure statement.

We consider that these misstatements did not have a material impact on our opinion on the financial statements.

Significant judgements and estimates

We reviewed the valuations of the Council's leisure centres which were performed by the Council's internal valuer and identified a significant increase in the value of these assets. We requested the internal valuer's working papers to support the valuation but these could not be located.

We requested that the Council revisit the valuation of the leisure centres and provide supporting working papers. The Council subsequently engaged an external valuer to provide the necessary information. This resulted in a valuation significantly lower than that originally recognised. We performed further work to satisfy ourselves that the revised valuation was materially correct and made a recommendation regarding the retention of working papers.

Annual Governance Statement

We are satisfied that the Annual Governance Statement is not misleading or inconsistent with other information we were aware of from our audit and complies with Delivering Good Governance in Local Government (CIPFA / SOLACE).

Narrative reporting

Local authorities are required to include an explanatory foreword in the Statement of Accounts to provide an explanation of the financial position and to assist in the interpretation of the financial statements.

CIPFA is considering how local authorities can develop its narrative reporting requirements, such as including management commentary or strategic reporting, but has postponed this review until the legislative requirements for the sector are resolved. However, CIPFA's consultation on 'Telling the Story' will propose introducing reconciliation from the reported outturn in the financial statements to the Council's management accounts.

USE OF RESOURCES

2

CONCLUSION

We issued an unqualified value for money conclusion on 30 September 2015.

Our principal work in arriving at our value for money conclusion was comparing the Council's performance against the requirements specified by the Audit Commission in its guidance:

- the organisation has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future
- the organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Financial resilience

We reviewed the assumptions made in the latest version of the Council's medium term financial strategy (MTFS), which covers the five year period 2015/16 to 2019/20, and considered the level of savings the Council is required to make during the period covered by the strategy.

The MTFS shows that the Council expects to be able to maintain a level of general fund (including earmarked) reserves which exceeds the member approved level of 25% of the Council's net budget requirement (NBR). At the start of the MTFS, reserves are forecast to be 73% of NBR, falling to 66% at the end of the MTFS period.

The Council is forecasting that savings of £1.0m are required over the next five years. The Council has yet to determine how these savings will be achieved, although the Council has historically met its savings targets. Should these savings not be achieved, the Council has adequate reserves over the life of the MTFS to address the resulting budget gap.

Changes announced by central government following the election regarding the capping of social housing rent is likely to have a significant impact on the ability of the Council to deliver the HRA business plan as it currently stands. The Council is currently considering the impact of this on its investment plans for council dwellings and its effect on the proposed repayments of borrowing entered into following the move to HRA self-financing.

Challenging economy, efficiency, effectiveness

We considered the Council's arrangements for improving efficiency and productivity. We have reviewed the Council's operations during the year for evidence which demonstrates that it is taking action to prioritise its resources.

The Council has produced a "Value for Money" strategy, which sets out its corporate arrangements for delivering value for money services which meet the needs of residents and service users. This describes the concept of value for money and describes how the Council aims to achieve it. It is available to all officers.

The Council has continued to develop annual budgets which reflect the priorities outlined in its Corporate Plan. The existing Corporate Plan came to an end in March 2015 and a new Corporate Plan, covering the period 2015 - 2020 has recently been approved by members.

Key performance indicators were developed at the beginning of 2014/15 and progress against these has been reported to the Finance and Performance Management Cabinet Committee on a quarterly basis, allowing members to identify areas where performance may require improvement and providing the opportunity to challenge officers where necessary.

During 2014/15, the Council entered discussions regarding a local non-domestic rates pool with nine other authorities in Essex and the pooling arrangement came into force on 1 April 2015. The Council expects to gain approximately £136k from this arrangement, although the impact of non-domestic rate appeals submitted prior to the 31 March 2015 deadline may have an impact on this amount.

OTHER MATTERS

3

REPORT BY EXCEPTION

We have no other matters to report.

Whole of Government Accounts

Auditors are required to review Whole of Government Account (WGA) information prepared by component bodies that are over the prescribed threshold of £350 million in any of: assets (excluding property, plant and equipment); liabilities (excluding pension liabilities); income or expenditure.

The Council falls below the threshold for review and there is no requirement for further work other than to submit the section on the WGA Assurance Statement to the WGA audit team with the total values for assets, liabilities, income and expenditure.

Use of statutory powers

We have not exercised our statutory powers and have no matters to report.

Audit certificate

We issued the audit certificate to close the audit for the year ended 31 March 2015 on 30 September 2015.

GRANT CLAIMS AND CERTIFICATION

4

CERTIFICATION WORK

Our review of grant claims and returns is in progress and the results will be reported upon completion of this work.

Housing benefit subsidy claim

Public Sector Audit Appointments Ltd has a statutory duty to make arrangements for certification by the appointed auditor of the annual housing benefit subsidy claim.

Our audit of the 2013/14 housing benefits subsidy claim found a number of errors in relation to the following:

- **Non-HRA rent rebates ineligible meal costs:** We identified one case where ineligible meal costs had been incorrectly included in the calculation of eligible rent.
- **Rent rebates private pension income:** We identified three cases where benefit had been underpaid because private pension income had not been correctly calculated.
- **Rent Allowances ineligible support charges:** We identified three cases where the benefit award had been incorrectly calculated due to a support charge being deducted from the weekly eligible rent in error.
- **Rent allowances misclassification of benefit expenditure:** We identified two cases where non-HRA rent rebate expenditure had been incorrectly classified as rent allowance.
- **Rent allowances incorrect classification of regulated tenancies:** We identified eleven cases where benefit expenditure relating to deregulated tenancies has been incorrectly classified as that relating to regulated tenancies.

Our work on the 2014/15 housing benefits subsidy claim is currently in progress and will be completed ahead of the submission deadline of 30 November 2015.

Other claims and returns

A number of grant claims and returns that were previously included within the scope of the audit have since been removed, but Departments may still seek external assurance over the accuracy of the claim or return.

These assurance reviews are undertaken outside of our appointment by the Audit Commission or Public Sector Audit Appointments Ltd, and are covered by tripartite agreements between the Council, sponsoring Department and the auditor.

The Council has requested that we undertake a 'reasonable assurance' review, based on the instructions and guidance provided by the Department for Communities and Local Government, for the pooled housing capital receipts return (which has a deadline for submission of 30 November 2015). Our work on this return is currently in progress.

APPENDIX

Reports issued

We issued the following reports in respect of the 2014/15 financial year.

REPORT	DATE
Planning letter	March 2014
Grant Claims and Returns Certification Report (2013/14)	February 2015
Audit Plan	March 2015
Final Audit Report	September 2015
Annual Audit Letter	October 2015

Fees update

We reported our original fee proposals in our Audit Plan issued in March 2015. Our fees to date and any variance to the original proposal are shown below.

AUDIT AREA	PROPOSED FEES £	FEES UPDATE £
Code audit fee	86,229	86,229
Certification of housing benefit subsidy claim	24,710	⁽¹⁾ 24,710
Total fees for audit services	110,939	110,939
Audit related services - Pooled housing capital receipts return	TBC	⁽¹⁾ 2,000
Non audit services fees	£nil	£nil

Note 1 - Our work on the assurance reviews of the grant claims and other returns for 2014/15 is in progress and we will report the findings from this work and the final fees separately.

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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Report to the Finance & Performance Management Cabinet Committee



**Epping Forest
District Council**

**Report reference: FPM-020-2015/16
Date of meeting: 12 November 2015**

Portfolio: Finance

Subject: Quarterly Financial Monitoring

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Recommendations/Decisions Required:

That the Committee note the revenue and capital financial monitoring report for the second quarter of 2015/16;

Executive Summary

The report provides a comparison between the original estimate for the period ended 30 September 2015 and the actual expenditure or income as applicable.

Reasons for proposed decision

To note the second quarter financial monitoring report for 2015/16.

Other options for action

No other options available.

Report:

1. The Committee has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This is the second quarterly report for 2015/16 and covers the period from 1 April 2015 to 30 September 2015. The reports are presented based on which directorate is responsible for delivering the services to which the budgets relate and the budgets themselves are the Original Estimate updated for the District Development Fund items that were brought forward from 2014/15.
2. Salaries monitoring data is presented as well as it represents a large proportion of the authorities expenditure and is an area where historically large under spends have been seen.

Revenue Budgets (Annex 1 – 6)

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £287,000 or 2.7%. This time last year the variance was 1.6%. Whilst the monetary value of the underspend has increased since quarter 1, the level in percentage terms has reduced. A vacancy allowance of 1.5% has been allowed for but clearly vacancies are running at a rather higher level at the moment with all directorates (except Chief Executive) showing a degree of underspend.

4. Resources and Neighbourhoods have the largest underspend of £114,000 and £98,000 respectively. The former relates mainly to Revenues, Benefits and to a lesser degree Accountancy and the latter to Grounds Maintenance and Estates.
5. Investment interest levels are below expectations at Month 6 by £45,000. This is likely to continue as the second half of the financial year should see the start of the construction of the retail park which will deplete cash balances further.
6. Development Control income at Month 6 is continuing the recent upward trend. Fees and charges were £179,000 higher than the budget to date and pre-application charges are £12,000 higher.
7. Building Control income was £31,000 higher than the budgeted figure at the end of the second quarter. Also the ring-fenced account is showing an in-year surplus of £51,000 as at Month 6. It was expected that a surplus of £13,000 for the full year would be achieved it already looks as if the position will be substantially better. The surplus on the account brought forward into this financial year was £81,000 due to a very good final quarter in 2014/15.
8. Public Hire licence income is in line with expectations but other licensing is below expectations. A number of reminders have recently been sent out so income should be back on track by quarter 3.
9. Income from MOT's carried out by Fleet Operations is £3,000 above expectations. The budget has been set to breakeven in 2015/16, on the basis that a saving will be achieved when the service is reviewed. This review is currently being undertaken however the full year saving necessary to achieve a breakeven position may not be seen until 2016/17.
10. Car Parking income was £41,000 below the estimate as at month 6. Pay and display income is being received in line with the profiled budget though telephone payments were, and continue to be, two months behind and account for £12,000 of the shortfall. Season ticket income is £8,000 down but this could be made up later in the year. Penalty Charge Notice income is £22,000 below expectations and given there was a shortfall in 2014/15 the budget will probably need revising downwards.
11. Local Land Charge income is £14,000 below expectations as there has been a reduction in searches undertaken, the budget will need to be revised downwards as this trend has been continuing now for about 9 months.
12. From the start of the new waste management contract recycling credits are paid only on dry recycling. There is a time lag between achieving recycling credits and the income being paid. By the end of month 6 only two months had been invoiced, however billing is now up to the end of August.
13. In order to cut down on the amount of administration and speed up payment times it was agreed to pay the waste contractor the agreed contract sum monthly by Direct Debit as this is a fixed sum. The contract variations are paid as and when invoiced which at the moment are behind expectations. After a period of stability with Leisure Contract payments these have again fallen behind due to late billing.
14. The Housing Repairs Fund shows an underspend of £314,000. The budget is in the process of being reviewed and some savings look likely. There is also a significant variance on HRA Special Services which relate partly to heating and lighting. There are likely to be some savings here also due in part to the work undertaken by Smith Bellerby.
15. In some cases income levels are generally holding up well and Development and Building Control income is going exceptionally well. The budget is currently under revision and as part of that we need to assess how much of the Development Control income can be

treated as additional ongoing income and how much as DDF.

16. With regard to Land Charge and Car Parking income there is some concern that income levels may not be achieved so these areas in particular need to be kept under review and if necessary be revised downwards as part of the budget process.

Business Rates

17. This is the third year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council.
18. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash. Changes in the rating list are important as with local retention the overall funds available to authorities will increase or decrease as the total value of the list increases or decreases. The NNDR1 form set out the non-domestic rate estimates for the year and started with a gross yield of £41,552,448 which was then reduced by the various reliefs for charities and small businesses and an allowance for appeals to get to a net rate yield of £35,883,949. At the end of September the net rate yield had reduced by £576,602 and as the Council retains 40% of gains and losses this would mean a reduction in funding of £230,641.
19. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances. At the end of September the total collected was £19,093,976 and payments out were £17,076,138, meaning the Council was holding £2,017,838 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.
20. In summary, at the end of September the decrease shown is only a concern, but cash collection is going well.

Capital Budgets (Annex 7 - 11)

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the six months to 30 September. There is a commentary on each item highlighting the scheme progress.
22. The full year budget for comparison purposes is the budget updated as part of the Capital outturn report.

Major Capital Schemes (Annex 12)

23. There are three projects included on the Major Capital Schemes schedule these relate to the Museum redevelopment, House Building package 1 and The Epping Forest Shopping Park. Annex 12 gives more detail. The variance reported is a comparison between the anticipated outturn and approved budget.

Conclusion

24. With regard to revenue, income is generally up on expectations and expenditure down. The increased income levels are very much welcome, in particular Development and Building Control income, though some concern exists over Land Charges and Car Parking income. Expenditure being below budget is not surprising as expenditure is usually heaviest toward the end of the financial year.

25. The Committee is asked to note the position on both revenue and capital budgets as at Month 6.

Consultations Undertaken

This report is due to be presented to the Resources Select Committee in December, and an update will be provided to that Committee to cover any additional comments or information from this Committee.

Resource Implications

There is little evidence at this stage to suggest that the net budget set will not be met however the budget is being revised and as usual any variances reflected therein.

Legal and Governance Implications

Reporting on variances between budgets and actual spend is recognised as good practice and is a key element of the Council's Governance Framework.

Safer, Cleaner, Greener Implications

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

Background Papers

Various budget variance working papers held in Accountancy.

Impact Assessments

Risk Management

These reports are a key part in managing the financial risks faced by the Council. In the current climate the level of risk is increasing. Prompt reporting and the subsequent preparation of action plans in Cabinet reports should help mitigate these risks.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Date / Name	Summary of equality analysis
03/09/15 Director of Resources	The purpose of the report is to monitor income and expenditure. It does not propose any change to the use of resources and so has no equalities implications.

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SEPTEMBER 2015 - SALARIES

<u>DIRECTORATE</u>	<u>2015/16</u>			<u>2014/15</u>		
	<u>EXPENDITURE TO 30/09/15</u>	<u>BUDGET PROVISION (ORIGINAL)</u>	<u>VARIATION FROM BUDGET (ORIGINAL)</u>	<u>EXPENDITURE TO 30/09/14</u>	<u>BUDGET PROVISION (ORIGINAL)</u>	<u>VARIATION FROM BUDGET (ORIGINAL)</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	91	91	0.0	108	113	-4.4
RESOURCES *	2,771	2,885	-4.0	2,772	2,781	-0.3
GOVERNANCE	1,653	1,673	-1.2	1,657	1,708	-3.0
NEIGHBOURHOODS *	2,226	2,324	-4.2	2,045	2,118	-3.4
COMMUNITIES *	3,611	3,666	-1.5	3,565	3,590	-0.7
TOTAL	10,352	10,639	-2.7	10,147	10,310	-1.6

* Agency costs are included in the salaries expenditure.

Please note a vacancy allowance of 1.50% has been deducted in all directorate budget provisions.

	15/16 Full Year Budget £'000	Second Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	75	36	36	31	0	0	No major variances.
Bed & Breakfast Accommodation	121	50	73	45	23	46	This year has seen an increase in placements compared to 2014/15. It is likely that the budget will need to be increased as a result.
Grants to Voluntary Groups	87	44	56	73	12	27	The spend on grants is lower in the first six months compared to last year, profile set quarterly at the present time. Grant release tends to be slow in first part of the year.
Voluntary Sector Support	170	170	93	153	-77	-45	Both main Grants were paid by Month 6 in 2014/15. Only one had been paid by Month 6 in 2015/16. Similarly the Grant to VAEF is down for the same reason.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	107	45	76	58	31	69	This year has seen an increase in placements compared to 2014/15. It is likely that the budget will need to be increased as a result.
	560	345	334	360			

	15/16 Full Year Budget £'000	Second Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major income items</u>							
Development Control	675	299	490	397	191	64	Development Control fees are profiled on the average of the previous three years. The income received in the first half of the year has significantly exceeded both the budget to date and the previous year's actual due to the up-turn in the market resulting in a vast increase in the number of planning applications received. The £191,000 additional income received in comparison to the budget at the end of quarter two includes £179,000 in development control fees and charges and £12,000 in pre application consultation fees.
Building Control Fee Earning	386	209	240	218	31	15	Income is higher than expected this year and the previous year, which is a reflection of the nationally strengthening market and the high standard of service provision. The Building Control service are marketing themselves amongst local architects to form a Local Authority Building Control Partnership Scheme to increase its share of the market.
Local Land Charges	215	113	99	121	-14	-12	Income is lower than estimated and the previous year due to a reduction in the number of searches carried out by the Council. The number of searches received is approximately 150 less than the same period last year.
	1,276	621	829	736			

	15/16	Second Quarter			15/16		Comments
	Full Year	15/16	15/16	14/15	Variance		
	Budget	Budget	Actual	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	£'000	%	
Major expenditure items:							
Refuse Collection	1,270	431	415	349	-16	-4	The expenditure variance is due to delays as regards Biffa invoicing.
Street Cleansing	1,208	403	416	415	13	3	The overspend relates to Street Arisings.
Recycling	2,411	806	798	990	-8	-1	No major variance. Sacks and Gate Fees are part of the contract now, the Total Expenditure and Income on this cost centre has shifted downwards since 2014-15 due to the new contract.
Highways General Fund	54	24	4	17	-20	-83	The expenditure variances relate to Bus Shelters, Litter Bins and Street naming.
Off Street Parking	561	331	299	294	-32	-10	Budget heads under spent such as Other Maintenance, NDR, Equipment and Advertising.
North Weald Centre	209	113	121	85	8	7	Due to their nature, timing differences arise. It is a volatile budget. Equipment up £2,000, Marketing £2,000, and £23,000 maintenance of Market car park.
Land Drainage & Contaminated Land	185	18	14	14	-4	-22	Expenditure tends to be heavier in the second half of the year.
	5,898	2,126	2,067	2,164			

	15/16 Full Year Budget £'000	Second Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning/Local Plan	217	126	75	42	-51	-40	There has been less expenditure in the first six months than expected due to slippage in the programme. This budget is due to be reviewed in detail shortly to assess when money will be spent and how much will be required to complete the process.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-132	-33	-47	-70	-14	42	} The in year variances are due to contractor invoices being two months in arrears at the end of September 2015. The budget profile assumes one month in arrears so the actual spend at Month 6 only contains 3 monthly payments.
Epping Sports Centre	321	132	79	103	-53	-40	
Waltham Abbey Pool	523	218	130	170	-88	-40	
Ongar Sports Centre	301	125	75	98	-50	-40	
	1,013	442	237	301			

DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	15/16 Full Year Budget £'000	Second Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major income items:</u>							
Refuse Collection	41	21	27	81	6	29	No major variances
Recycling	1,408	382	270	636	-112	-29	The income variance is made up of £142,000 less than expected in recycling credits not yet received, but the full year budget is still the anticipated income for the year. Avoided Disposal Payment not received until after the year end. Since 2014-15 a feature of the new contract is a significant reduction in recycling credits.
Off Street Parking	1,226	560	519	398	-41	-7	Pay and display income is £12,000 less than profile, Season Tickets are £8,000 down and Penalty Notices are £21,000 down.
North Weald Centre	774	494	414	646	-80	-16	There is one rent review ongoing and related rent arrears to be collected. During 2014/15 the basis for charging for the market was changed from a fixed rental to an income share. This resulted in a refund of some of the income shown at this stage in 2014/15 and reduced the full year estimate. The lease of the current operator ends at 31 December 2015 and an exercise is underway to find a replacement.
Hackney Carriages	181	90	90	94	0	0	No major variances.
Licensing & Registrations	114	57	49	55	-8	-14	Income is a little behind this time last year however a number of reminders have recently been sent out which should see this income received.
Fleet Operations MOTs	228	114	117	118	3	3	No major variances.
	3,972	1,718	1,486	2,028			

	15/16 Full Year Budget £'000	Second Quarter			15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,162	837	816	777	-21	-3	Rents from the Industrial units are slightly below expectations due to a number of units being vacant at the Oakwood Hill Workshop Units and a number of voids affecting the Langston Road Seedbed Centre income.
Business Premises - Shops	2,156	1,617	1,599	1,624	-18	-1	This income relates to non housing assets which include shops, doctors surgeries, a petrol station and public houses. Income is slightly below the profiled budget. The actual also includes rents billed in advance for the third quarter of around £530,000.
Land & Property	142	32	31	33	-1	-3	Commission is received from the David Lloyd Centre based on their turnover. Income relating to 2015/16 will be accounted for at the end of the year, but received during the initial part of 2016/17. Income received from land and property in the first half year is on target with the profiled budget.
	3,460	2,486	2,446	2,435			

	15/16 Full Year Budget £'000	Second Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	510	114	115	149	1	1	Building Maintenance works are difficult to forecast but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The expenditure to date is in line with the profiled budget but lower than the previous year comparative. This is due to the overall reduction in the full year budget in comparison to the budget of 14/15 which was £703,000.
Information & Communication Technology	940	695	699	757	4	1	The full year budget now comprises of the total cost of the councils ICT expenditure including the Switchboard, Mobile Phones and the annual contract costs for all of the major systems in use. The prior year comparative has been adjusted to reflect this change. Expenditure is in line with the current budget spending profile as the majority of maintenance contracts for systems are paid at the beginning of the year with network charges continuing to be paid throughout the year. Although the previous year comparative is greater than the current year actual it is expected that in quarter 3 the actual and comparative will be on target.
Bank & Audit Charges	142	23	23	29	0	0	No major variances
	1,592	832	837	935			
<u>Major income items:</u>							
Investment Income	470	235	190	217	-45	-19	Investment interest is below that expected. Investment balances are around £14m lower than last year. There are a number of significant capital projects that have drawn on these funds. Having said that the timings of capital spend are somewhat unpredictable and the actual income received will be heavily dependent on the progress of these schemes in general and the retail park in particular.
	470	235	190	217			

	15/16 Full Year Budget £'000	Second Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	312	131	110	112	-21	-16	Expenditure is lower in 2015/16 due to no spending on Document Archiving.
Housing Repairs	6,378	3,037	2,723	2,280	-314	-10	The underspend mainly relates to the responsive repairs of the HRA. The budget is profiled evenly across the year, as it is unknown when responsive repairs will arise. Gas servicing contract was expected to increase in cost but hasn't.
Special Services	1,158	520	298	246	-222	-43	The main areas showing an underspend are: Gas and Electricity, Tree Maintenance, Equipment and Cleansing.
	7,848	3,688	3,131	2,638			
<u>Major income items:</u>							
Non-Dwelling Rents	858	424	423	412	-1	0	Garage rents increased 2.5% year on year.
Gross Dwelling Rent	32,177	16,089	16,138	15,749	49	0	The variance between years is due to the annual rents increase which was 2.2% from April 2015.
	33,035	16,513	16,561	16,161			

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2015/16 DIRECTORATE CAPITAL MONITORING -
COMMUNITIES

ANNEX 7

	15/16 Full Year Budget £'000	Second Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
		Epping Forest District Museum	1,463	732	746	
CCTV Systems	165	82	27	-55	-67	The CCTV systems projects have been progressing well, with the new system at North Weald Airfield completed in the first quarter, the Waltham Abbey Museum system expected to be installed by December 2015, and the procurement of replacement portable equipment also completed now. Essential installation of CCTV systems at Town Mead Depot, due to security problems, has led to unexpected expenditure on this budget, which will be covered by a contribution from Revenue funds. The CCTV systems at Langston Road Depot and Roundhills are fully dependant on ground-work currently progressing at both sites before the installation of the systems can be completed. Although the Roundhills installation is expected to be completed by the end of the financial year, the Langston Road scheme is anticipated to slip into 2016/17 due to the current schedule being delayed. A decision has been made to delay work on system in Epping high street to 2016/17 as well due to staff capacity. This will allow work on the procurement and installation of CCTV systems in Council carparks to commence in February 2016.
Housing Estate Parking	424	0	0	0	0	The off-street parking schemes undertaken on council owned land, jointly funded between the HRA and General Fund, are currently undergoing design works on the remaining phase 6-sites, Paley Gardens and Torrington Drive, following the appointment of a design consultant. Works on both sites are planned to commence early 2016 subject to successful planning applications. However, it is likely that the off-street parking budget will be underspent in 2015-16.
Total	2,052	814	773			

	15/16 Full Year Budget £'000	Second Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Epping Forest Shopping Park	16,859	8,429	10,256	1,827	22	Please see comments on the major schemes schedule.
St John's Road Epping Development	1,000	50	8	-43	-85	Negotiations have yet to fully conclude on the contract between Essex County Council and the District Council, with regard to the County Council's sale of their land to the authority. Agreement has still to be reached on an overage clause protecting the County Council's interests, if a scheme of significantly higher value was developed. State Aid approval still awaited from the Secretary of State. The £1,000,000 budget shown represents the net cost of the transactions to the Council and the gross costs and forecast capital receipts will be identified as part of the Capital Review. This scheme is currently on course to spend the full budget within this financial year.
Sir Winston Churchill Pub House Development	35	18	16	-2	-12	The scheme is now being taken forward by Epping Forest based developer Higgins Homes. Work has commenced on site with an anticipated 20 month build programme. Once complete, the Council anticipates receiving rental income from the ground floor retail premises in late 2017.
Oakwood Hill Depot	2,625	1,312	69	-1,243	-95	Work commenced on site in late September and the project is scheduled to be completed by the end of April 2016. Service managers moving to the new depot are making preparations to transfer from the Langston Road Depot. The Museum Collection has already vacated.
2nd Floor Bridgeman Hse W Abbey	309	0	0	0	0	It is still not known if the Council will be able to acquire an area of office space on the second floor of Bridgeman House, Waltham Abbey, to enable the transfer of the Community Services team to be located all in the same building, above the museum, but it is envisaged that there will still be sufficient budget within the capital programme for this if needed; but it is expected to slip into 2016/17
North Weald Airfield	15	15	15	0	0	The £15,000 contribution has been used towards upgrading CCTV; the works have now been completed.
Total c/f	20,843	9,824	10,364			

	15/16 Full Year Budget £'000	Second Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Total b/f	20,843	9,824	10,364			
Waste Management Equipment	101	51	15	-35	-69	This budget is currently under review pending a decision on how to account for future replacement refuse bins under the new contract. Any proposed changes to budgetary provisions will be reported as part of the Capital Review.
Parking Schemes	317	64	0	-64	-100	The parking review at Buckhurst Hill is nearing completion, with the final invoice for the works expected to be received soon. Loughton Broadway is dependent on the completion of the Buckhurst Hill site and its works are unlikely to commence until 2016/17. However an informal meeting is being arranged with members to start discussions for this project.
Superfast Broadband Programme	84	84	84	0	0	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 and a detailed delivery plan is being prepared. The building of the network will begin in November 2015 and the first community engagement event was held on 15 October in Moreton Village Hall, for those who live and work in Moreton, Bobbingworth and Bovinger. A further event has been organised for November in Fyfield. These community events are intended to help everyone understand what they are doing, how they are doing it and what difference it will make to the community and Gigaclear will be hosting a series of similar community events throughout the district as the rollout progresses over the course of the next 12 to 18 months. 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 the latest information on the rollout can be found on the Superfast Essex website.
Other Schemes	251	126	133	8	6	This category includes the Council's grounds maintenance vehicle replacement programme, the pay and display car park scheme and flood alleviation equipment. The grounds maintenance team are looking to procure a replacement vehicle in the new year, expecting delivery around January/February time. The pay & display machines have all now been installed to all of the schemes car parks with further expenditure to come through in quarter 3. The flood alleviation budget is also currently under review with any proposed changes to budgetary provisions being reported as part of the Capital Review.
Total	21,596	10,149	10,598			

	15/16 Full Year Budget £'000	Second Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Planned Maintenance Programme	916	458	399	-59	-13	This budget covers all projects undertaken within the Council's Planned Maintenance Programme, except for the solar panel project reported on separately in this schedule. In the second quarter: the window replacement in the main building has been completed; the installation of smart metering to reduce energy usage in the Civic complex is currently ongoing; and the separation of 4 areas, each floor plus 323 house, of the Civic Offices heating system have been separated allowing greater control of the temperatures in each areas. Most of the other schemes are planned to be undertaken in the autumn and winter and are expected to be completed by the end of the financial year. However, four schemes have been identified as slipping into 2016/17 including the replacement of electrical distribution equipment at the Civic Offices. The other three schemes were planned to be undertaken at the leisure centres at Epping and Waltham Abbey; these schemes have been put on hold pending finalisation of the Leisure Strategy. These budgets total £70,000 and the re-phasing will be addressed as part of the Planned Maintenance Review.
Upgrade of Industrial Units	271	0	0	0	0	In October 2013 Stace were instructed to undertake an appraisal of the industrial units at Oakwood Hill Industrial Estate. They reviewed a typical lease to assess current repairing obligations and future liabilities and within the terms of the lease, it is the landlord's obligation to ensure that all exterior additions are undertaken to a rentable standard and it is the tenant's responsibility to maintain skylights. With roof repairs needed to achieve current building regulation standards, four options were considered and overlay sheeting was decided to be the best method. The main complication with this scheme has been how the Council would recover the costs of the works from its current tenants. Meetings with the council tenants are likely to begin in late October which will give more accurate information with regards to the start dates for works on the industrial units, which are currently anticipated to commence late in this financial year.
Solar Energy Panels	267	0	0	0	0	The project to install solar energy panels at the Civic Offices has commenced, with the installation being combined with essential roofing upgrade works in order to achieve economy of scales savings on the two schemes. The work commenced on the 17 August 2015 and is programmed to last 12 weeks, the roofing work is well underway and the photo voltaic panels will be installed on completion of these works.
ICT Projects & Other Equipment	401	201	149	-52	-26	The completion of the Bankers' Automated Clearing Service replacement system in August, configurations for the remote management & service desk systems, and continuing implementation of the Freedom of Information system has shown notable progression within the ICT schemes. The mobile and flexible working solutions continue to perform well and all other projects are on schedule. Despite an underspend at present, it is anticipated that all schemes will be completed within the current financial year and the budget will be on target. This will be achieved through an increase in activity in the second half of the financial year. In particular, work is expected to progress on the mobile and flexible working scheme, following the appointment of a new Head of Transformation starting in November. The final phase of the purchasing of uninterruptable power supplies will take place in the next few months, with the confirm system replacement (Parks) possibly being delayed slightly whilst development of the replacement system is carried out. It is still hoped that this will be completed in this financial year.
Total	1,855	659	548			

	15/16	Second Quarter		15/16		<u>Comments</u>
	Full Year	15/16	15/16	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Housing Developments	5,772	2,886	921	-1,965	-68	Housing developments include phases 1 and 2 of the new house building programme and the conversion works at Marden Close and Faversham Hall. Please refer to Annex 12 (major schemes) for timings, costs and information on phase 1 of the new build scheme as well as an update on future phases. The Marden Close works to convert 20 bedsits into 10 flats along with the conversion of Faversham Hall into 2 new 1-bed flats commenced on site on 15 September 2014 is currently nearing completion. There have been some minor delays on the conversion works, mainly due to some additional works needed to the structure once it was exposed and also due to new mains connections; subsequently this scheme has accrued variations amounting to an additional £90,000.
Heating/Rewiring /Water Tanks	3,032	1,515	1,237	-278	-18	This category includes, gas and electrical heating; mechanical ventilation and heat recovery (MVHR) installation; rewiring; and communal water tank replacements. There is an overall underspend as at the 30th September 2015, most of which relates to gas heating. The contract for the replacement of gas communal boilers at Jubilee and Parsonage Court was awarded in June and is nearing completion with the final payment due mid-November. The budget for MVHR is on target, and expenditure on the electric heating budget has increased over the last three months. Overall therefore, the underspends have reduced since quarter one. The budget for rewiring is currently showing an underspend despite the increased expenditure on the electrical testing and upgrade programme in council flats. Reductions in the work required to bring domestic properties up to current electrical installation standards has resulted in reduced levels of expenditure; if this trend continues an underspend is expected at the year end. The communal water-tanks installed in flat blocks have been on a planned replacement programme over the last 5 years and the programme for 2015/16 remains on target
Windows/Doors/Roofing	2,598	1,299	972	-327	-25	All budgets in this category with the exception of flat roof covering are currently underspent, including PVCu window replacement, front entrance door replacement, tiled roofing and balcony resurfacing programmes. Following the appointment of a specialist contractor, who accelerated the programme of catch up works for front entrance door replacements, the scheme is currently on target for 2015/16 despite a small underspend at the end of the second quarter. Expenditure on PVCu window replacements is showing the largest underspend in this category but with the contract for PVCu window replacement to council blocks has now been awarded and works have commenced; expenditure is expected to increase in the next few months. The flat roofing programme is ahead of schedule as these works are profiled for completion in the summer months, whilst the works on the tiled roofing have increased following a slow start.
Total c/f	11,402	5,700	3,130			

	15/16	Second Quarter		15/16		Comments
	Full Year	15/16	15/16	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	11,402	5,700	3,130			
Other Planned Maintenance	673	287	30	-256	-89	This category includes Norway House improvements, door entry system installations and energy efficiency works with all the budgets currently showing an underspend. The last of the planned bathroom upgrades as part of the Norway House improvement scheme is due to commence shortly, with additional works and expenditure planned for 2015/16. Limited work has been undertaken to date on door entry system installations as the contact is currently out to tender; a small programme of upgrades is planned for this financial year. The budget for energy efficiency work is showing the largest underspend in this category; the only energy efficiency work that currently attracts substantial government grant funding is the Domestic Renewable Heat Incentive (DRHI) repaid over a 7-year term following the installation of air source heating. An accelerated programme of air source heating installation is currently underway and, to date, income of £10,756 has been received. However, income of £296,858 is projected for all current registered installations over the 7-year term, assuming there are no changes to the existing rules.
Kitchen Replacements	809	405	338	-66	-16	The kitchen replacement programme is still showing an underspend as at 30 September, this is due to "no-access" properties slowing the programme down.
Bathroom Replacements	1,173	587	662	76	13	The acceleration of the bathroom replacement programme has resulted in expenditure on the bathroom replacement budget at the end of the second quarter being back on target. The completion of a 4-year Bathroom upgrade programme of the flats located in the blocks at Copperfield is on target for completion by the end of 2015.
Void Refurbishments & Other Small Works	3,203	1,602	897	-704	-44	The nature of void works is that it is largely demand led and therefore it is difficult to predict expenditure outcomes each year. Although the budget is currently underspent, expenditure is expected to increase in the next three months following the completion of phase 1 of the house building programme (refurbishment properties). In order to identify the nature of the capital work undertaken on void properties, the voids budget has been allocated within specific capital works budgets including gas heating, rewiring, water-tanks, kitchen and bathroom replacements. All works reflect the current underspend with the exception of water-tank renewals. However, based on the trends experienced in previous years it is thought likely that the budget will be fully spent by the end of 2015/16.
Structural & Other Works	452	276	202	-74	-27	Although the programme is currently showing an underspend as at the 30 September 2015 most of the structural projects are planned to take place in the second half of the budget year and this will bring the structural works budget back on target for 2015/16. It is anticipated that the conversion of Leonard Davies House will be undertaken next financial year.
Council Estate Parking, Garages & Other Environmental Works	1,578	789	326	-463	-59	This category includes garages, fencing, off-street parking, estate environmental works, CCTV installations, external lighting schemes and a gas pipe-work replacement programme. The largest programme within this category is the off-street parking programme where parking schemes are undertaken on council owned land. This is joint funded by the HRA and General Fund; an update of this programme is given in the Communities annex. The programme for the replacement of gas pipe-work is progressing well with the work on the blocks in Waltham Abbey expected to be completed in 2015 and work on blocks in Loughton expected to take place in 2016/17. The budget for external lighting schemes was increased in 2015/16 to finance additional requirements and works at Jessop Court and other locations are nearing completion. Although the external lighting scheme budget is currently showing an underspend, expenditure is expected to be on budget for this financial year. CCTV installation on HRA properties in Springfield and Shelly Close are expected to be completed in 2015/16, and funds are likely to be requested to be brought forward from 2016/17 as part of the Capital Review to accommodate a new system to cover Limes Farm yellow block.
Total c/f	19,290	9,646	5,585			

	15/16	Second Quarter		15/16		Comments
	Full Year	15/16	15/16	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	19,290	9,646	5,585			
Disabled Adaptations	442	221	255	34	15	This budget is currently overspent and due to a number of large projects being undertaken this year in addition to an increase in demand for disabled adaptation request generally. It is anticipated that the budget will be fully spent by the end of the financial year and it may be necessary to put some disabled adaptation requests on hold until the next financial year.
Other Repairs and Maintenance	179	90	42	-47	-53	This category includes feasibilities, asbestos removal and the contingency budget. The largest programme within this category is the asbestos removal budget which is predominantly demand led and currently shows an underspend.
Capital Service Enhancements	350	175	74	-101	-58	The capital service enhancements budget includes the front entrance fire door replacement programme on leasehold properties, the Oakwood Hill estate enhancement scheme, the refurbishment of communal kitchens in sheltered schemes and a small budget for the provision of electric scooter stores at sheltered schemes. Phase 2 of the refurbishment of communal kitchens in sheltered housing schemes has been completed, and additional work has been required on lift and door entry equipment which has resulted in a small overspend to date. After completing the provision of electric scooter stores at two schemes in 2014/15, a review of demand for scooter stores is being undertaken and a small budget is available for 2015/16 for design works on two currently on-hold schemes, expenditure will depend on the results of the review. The front entrance fire door replacement project on leasehold properties is currently underspent, but demand is showing signs of increasing. There has been no expenditure on the Oakwood Hill Estate enhancement scheme, as the scope of the work has yet to be agreed with the project team and expenditure is currently on hold and the budget is unlikely to be spent by the end of the financial year. The online rents system budget is expected to be carried forward due to the scheme being dependent on the installation of a separate system as well as the recruitment of a new IT team leader.
Housing DLO Vehicles	58	0	0	0	0	Due to the need to replace some council owned tipper vehicles in 2016/17 it is being proposed that the current year budget will be carried forward to accommodate these more expensive vehicles; therefore no expenditure is expected in this year for this scheme. These provisions will be reported as part of the Capital Strategy.
Total	20,319	10,131	5,956			

2015/16 DIRECTORATE CAPITAL MONITORING -
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS))
AND CAPITAL LOANS

REFCuS	15/16 Full Year Budget £'000	Second Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Disabled Facilities Grants	500	250	358	108	43	Expenditure on Disabled Facility Grants (DFGs) advanced to private sector residents in the District is currently exceeding the budget. The ability to control costs, however, is limited because the Council has a legal duty to provide DFGs to all residents who meet the eligibility criteria and residents are referred to Epping Forest District Council by occupational therapists provided by Essex County Council. The number of referrals rose significantly in 2014/15 and this increased level of demand has levelled off at an all-time high such that expenditure is forecast to be around £500,000 per year from 2015/16 onwards. As a result of the continuing high number of Occupational Therapist's referrals for DFGs the Council agreed to a supplementary estimate of £120,000 for 2015/16. A capital growth bid is also being made for an additional £120,000 for the following 3 years until 2018/19.
Other Private Sector Housing Grants	0	0	12	12	N/A	These actuals cover private sector housing grants approved in 2013, under the previous system of non-repayable grants for decent homes, small works and thermal comfort assistance. The Council currently offers financial assistance in the form of repayable loans instead of grants and this is reported on separately in the capital loans section below; however this expenditure relates to works on two properties that were both approved in 2013 but have been delayed until 2015; this commitment has now been completed and paid for.
HRA Leaseholders	150	0	0	N/A	N/A	These costs relate to capital expenditure on sold Council flats and are currently shown in the HRA capital programme. They are will be identified once the works are complete and reported at the end of the financial year.
Total	650	250	370			

CAPITAL LOANS	15/16 Full Year Budget £'000	Second Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Home Ownership Schemes	357	179	146	-32	-18	The Open Market Shared Ownership Scheme provides interest-free loans to B3Living to enable first time buyers to purchase properties on the open market on a shared ownership basis. EFDC's loan amounts funds 58% of B3Living's 50% share. Phase 1 of the scheme was completed in 2012/13 and 8 loans were advanced. The scheme is now in its second phase and this includes an allocation to fund 5 loans of which 2 were completed in 2013/14. Two advances were made in the first two quarters of the year. The remaining purchase is in progress.
Repayable Private Sector Housing Loans	120	60	52	-8	-13	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. It is anticipated that some money paid out in previous years will be re-couped this year as applicants move on and properties are sold. At this point in the year the budget allocated is expected to be spent.
Total	477	239	198			

MAJOR CAPITAL SCHEMES

HOUSE BUILDING PHASE 1

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Tender	Pre-Forecast	Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (F)	% ((E-C)/Cx100)	£'000 (G-D)
Apr-14	Jun-15	Oct-14	Jul-16	3,948	-429	3,519	979	3,519	0%	2,540	

Phase 1: Work started on time in October 2014 on 4 sites in Waltham Abbey, which make up Phase 1 of the Council's Housebuilding Programme after the fifth site was rejected. However, the works have not progressed in line with the original contract period, which had a completion date of 13 November 2015.

As at 30 September 2015, approximately one third of the value of works was completed although an outstanding contract payment, processed in early October, does not show in the Month 6 actual costs shown in the above table. The latest estimate suggests that the contractor is behind programme by between 5 and 8 months based on a 12-month contract. The contractor Broadway Construction Ltd is reporting they will complete works on the Red Cross site and the two sites on Roundhills by March 2016 and they will complete works on the site in Harveyfields in July 2016

The contractor has yet to submit a formal request for an extension of time. Any requests will be considered in line with the contract conditions.

Future Phases: Since obtaining planning permission for Phase 2 in September 2015 to build 51 homes at Burton Road, tenders are currently being sought based on a "Design and Build" contract. A Cabinet Committee has been scheduled for early January 2016 to consider the tenders and to appoint a contractor.

Planning applications have also been submitted for the 9 sites that make up Phase 3 of the house-building Programme, which centres on Epping, Coopersale and North Weald. Approval has been received for sites in Centre Avenue and London Road. Further applications are being prepared for Phases 4 and 5 in Loughton, Buckhurst Hill and Ongar.

EPPING FOREST DISTRICT MUSEUM

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Tender	Pre-Forecast	Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (F)	% ((E-C)/Cx100)	£'000 (G-D)
Feb-14	Jan-15	Apr-15	Nov-15	1,750	345	2,095	1,379	2,183	4%	716	

In November 2012 the Museum Service submitted a bid to the Heritage Lottery Fund for an extension and redevelopment of the Epping Forest District Museum, this was supported by an agreed capital commitment from EFDC of £250,000 towards the purchase of the lease of the first floor of the adjoining 37 Sun Street. The bid was successful resulting in an award totalling £1,654,000 in March 2013; £1,500,000 for the capital redevelopment works and £154,000 for the associated engagement programme over a three year period. The project will transform the museum, providing step free access across the site and bringing a large percentage of the reserve collections into the heart of the museum.

Following the tender process and call in period, Coniston Ltd were selected as the preferred main contractors in December 2014 and Cabinet approved an additional allocation of £345,000 to allow for the agreed tendered sum. Works began on site at the end of April 2015 with a projected completion by end of October 2015. However, there have been a number of events which have caused delays including: a requirement to record several elements of historic listed building fabric and archaeological features before their removal; the builders cutting through active ventilation ducts for the library; difficulties with the planned installation of the lift, which enables the building to have step-free access (a main requirement of the Heritage Lottery Fund); and the need for temporary alterations to access the residential floor above and put in place additional fire protection for the museum.

Regular fortnightly site meetings continue to be held to monitor progress. The additional building work has resulted in a total delay of 8 weeks and an extension of time (EOT) certificate has been submitted to, and agreed by the contract administrators and the Council. It is anticipated that no further delays will be encountered. Although the majority of the cost in relation to the EOT can be met through the project contingency budget, a report will be presented to Cabinet on 3 December 2015, seeking authority to utilise £88,000 of the remaining capital budget currently allocated to the purchase of the second floor of Bridgeman House. This is to cover the additional building costs and also increased professional fees from Hawkins Brown who are the project architects and contract administrators. Their costs in relation to the project have increased due to the extended period that they have needed to work on the project and a range of additional fees linked to architectural work and cost of the overall project.

EPPING FOREST SHOPPING PARK											
Proposed Start on Site Date	Proposed Finish Date	Actual Start on Site Date	Actual Finish Date	Original Tender	Pre-Forecast	Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E)	% ((E-C)/Cx100)	£'000 (C-D)
Mar-16	Oct-16	N/A	N/A	31,161	0	31,161	12,401	31,161	31,161	0%	18,760

From the inception of the Shopping Park Development, external consultancy advice has been obtained, with respect to the various technical roles and responsibilities involved in managing a project of this scale and complexity. These consultants have been working together in a Project Team, with co-ordination provided by a specialist project manager from White Young and Green. A number of the consultants were originally engaged by Polofind. However, all costs have been split evenly up until the time that the Council acquired the sole interest. The Council's external solicitors, DAC Beachcroft have been transferring the consultant's appointments to the Council. A number of the revised contacts are now completed, with the remainder to be concluded by the end of October 2015.

The Asset Management and Economic Development Cabinet Committee will be taking responsibility for the detailed monitoring of the scheme and a report has been presented to the meeting on the 15 October, suggesting how this can be achieved in practice.

The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000 was approved by Cabinet in June 2015. This supplementary sum covers the purchase of Polofind's interest in the Epping Forest Shopping Park and the development of the site at Langston Road by the Council as sole owner developers. It also includes an estimate for S278 Highways Works and professional fees relating to letting agents, some of which will constitute revenue expenditure. A financial analysis is currently being undertaken to identify the revenue elements.

The purchase of Polofind's interest was completed on the 3rd July 2015 and the tenders, for both the S278 Highways Works and the main construction contract for the Epping Forest Retail Park, have been issued to perspective tenderers. Once evaluated the award of the contracts is to be considered by a special Cabinet on the 11 January 2016. Whilst the current project plan still anticipates a shell completion for October 2016 ready for tenant fit out, the final opening date for the new Retail Park will depend on the programme of works accepted as part of the award of tenders. Marketing activity is ongoing to secure anchor tenants in advance of letting the main construction contract.

Report to Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-021-2015/16

Date of meeting: 12 November 2015

Portfolio: Housing

Subject: Charging Plan for Housing Related Support Services

Responsible Officer: Alan Hall – Director of Communities (01992 564004)

Democratic Services: Rebecca Perrin (01992 564532)

Recommendations:

(1) That the separate charges for the Council's Careline Service, Scheme Management Service and Intensive Housing Management Support be increased annually in accordance with the following principles:

- (a) The expected amount of reduction in ECC funding for the forthcoming year should be added to the current service deficit (or subtracted from the current service surplus) - this is the total deficit/surplus to be recovered/repaid;**
- (b) The deficit for the Scheme Management Service should be recovered over a 10 year period and should therefore be divided by the number of years remaining between April 2016 and April 2026 - this is the service deficit to be recovered in the forthcoming year;**
- (c) Any deficit/surplus for the Careline Service should be recovered/repaid in the following year - this is the service deficit/surplus to be recovered/repaid in the forthcoming year;**
- (d) The prevailing level of annual pay increases, as calculated by the Office of National Statistics (ONS), should then be applied to the total current income received from current charges and added/deducted to/from the service deficit/surplus to be recovered/repaid, in the forthcoming year - this results in the total amount to be recovered/repaid in the forthcoming year;**
- (e) The total amount to be recovered/repaid should then be spread across service users, in the same proportions as currently, as follows:**
 - Scheme management and intensive housing management charges - Sheltered tenants and area tenants; and**
 - Careline charges – Council tenants and private users;**
- (f) The resultant monetary increase (but not the percentage increase) for those both in receipt and not in receipt of housing benefit should be the same;**
- (g) The increase for those not in receipt of housing benefit should be no more than 10% in any one year; and**

(h) The methodology used to calculate the increases in accordance with the above principles should be as set out at Appendices 2 and 3;

(2) That only 50% of the expected ECC HRS funding reduction in 2016/17 is taken into account when calculating HRS charges for 2016/17; and

(3) Accordingly, using the above principle and the methodology at Appendices 2 and 3, the HRS charges for 2016/17 be set as follows:

Careline

Council tenants:	
<i>Self-funders</i>	- £3.60 per week
<i>In receipt of housing benefit</i>	- £0.55 per week
Private users	- £112 per annum

Scheme Management

Sheltered tenants:	
<i>Self-funders</i>	- £8.30 per week
<i>In receipt of housing benefit</i>	- £1.26 per week
Area tenants:	
<i>Self-funders</i>	- £2.09 per week
<i>In receipt of housing benefit</i>	- £0.32 per week

Intensive Housing Management (not paid by those in receipt of housing benefit)

Sheltered tenants	- £1.46 per week
Area tenants	- £0.37 per week

Executive Summary:

Although the Careline Service now breaks even when its income is compared to its expenditure, there is currently a deficit on the income received for the Council's scheme management service. The Council is dependent on funding for Housing Related Support (HRS) services from Essex County Council (ECC), which is reducing in 2016/17 and is likely to reduce further in future years.

The Cabinet has therefore previously agreed that the Housing Portfolio Holder should come forward with a Charging Plan on how HRS charges should be increased each year from April 2016 until the cost of the Scheme Management Service becomes self-funded, having regard to any annual reductions in HRS funding from Essex County Council.

The report therefore proposes a Charging Plan for future years and charges for 2016/17, which has been considered by both the Tenants and Leaseholders Federation and the Resources Select Committee, both of which support the proposals.

Reasons for Proposed Decision:

To approve a Charging Plan - to be used to calculate charges for Housing Related Support Services in 2016/17 and future years.

Other Options for Action:

(1) Not to seek to eradicate the current deficit for the Scheme Management Service over time.

- (2) To reduce the current service deficit over a different period than the proposed 10 years.
- (3) To take into account the expected ECC funding reduction in full when calculating next year's charges.
- (4) Not to take into account any expected funding reduction when calculating next year's charges
- (5) Not to include an annual increase for average pay increases within the charges for the following year.
- (6) To use RPI, CPI or another index for inflationary increases instead of average pay increases.
- (7) To spread the total amount to be recovered across service users in a different way than proposed.
- (8) To increase charges for tenants both in receipt and not in receipt of housing benefit by the same percentages, rather than the same monetary amounts.
- (9) Not to apply a cap, above which increases for those not in receipt of housing benefit should not be increased
- (10) To apply a different cap, than the 10% proposed
- (11) To also apply a cap above which increases for those in receipt of housing benefit should not be increased – either the same as for those not in receipt of housing benefit, or a different cap.

Background

1. At its meeting on the 11th June 2015, the Cabinet considered a report on the approach to be taken following the Council increasing its Housing Related Support (HRS) charges to private Careline users and Council tenants living in sheltered and other housing designated for older people for 2015/16 by amounts higher than inflation.

2. Housing Related Support covers the Council's:

Careline Service - Which is the Council's 24-hour speech alarm service based at Parsonage Court, Loughton;

Scheme Management Service - Which is provided by Scheme Managers (previously known as "wardens"), who visit all older tenants in sheltered housing daily, and tenants living in other housing designated for older people on a less frequent basis (dependent on individual tenants' risk assessments) to assess their well-being; to provide any assistance they need to enable them to sustain their tenancy (e.g. co-ordinate their care needs, report repairs, access other Council services etc); to liaise with relatives and carers; and to provide emergency assistance; and

Intensive Housing Management – Which is a service charge for housing management services provided to older people, which are more intensive than housing management services provided more generally to tenants, and is not eligible for HRS funding from Essex County Council (ECC). Tenants in receipt of housing benefit receive housing benefit to cover their Intensive Housing Management Service Charge.

3. The Council increased its HRS charges for 2015/16 in order to recover 50% of the expected reduction in the Council's HRS funding from ECC in 2015/16 - that ECC officers had advised would be made – but also included an additional increase to achieve a position whereby the Council's Careline Service would break-even (i.e. become fully self-funded). It was planned that the Council would increase HRS charges by a further amount in 2016/17, in order to recover the remaining 50% of the expected 2015/16 ECC funding reduction.

4. However, in the event (and at a very late stage), ECC decided not to proceed with the planned HRS funding reduction for 2015/16. However, since the Council had already implemented the increased charges and had advised all affected tenants, the Housing

Portfolio Holder provided a report to the Cabinet in June 2015 on five options to respond to the associated implications of this late decision by ECC.

5. This options exercise highlighted the fact that the combined income from HRS charges and ECC's funding for the Scheme Management Service no longer bears any resemblance to the cost of the providing the service, due to annual reductions in HRS funding from ECC over the years since 2003. The current deficit for providing the Scheme Management Service is around £50,250 per annum.

6. Having considered the five options, the Cabinet agreed that the HRS charges made to Council tenants and private Careline users for 2015/16 should continue for the remainder of the current year and that the Housing Portfolio Holder should recommend to the Cabinet, in advance of the budget cycle for 2016/17, a Charging Plan on how much HRS charges should be increased each year from April 2016 until the cost of the Scheme Management Service becomes self-funded, having regard to any annual reductions in HRS funding from Essex County Council.

7. It was also agreed by the Cabinet that, due to the deficit that has now developed between the cost to the Council of providing the Scheme Management Service and the income received from tenants through HRS charges, tenants who receive the Scheme Management Service should, over time, be charged appropriate amounts that meet the staffing costs of the Council providing the Service in full, so that all other tenants who do not receive the service (i.e. the majority) are not required to subsidise the costs.

8. Therefore the Cabinet agreed that charges for future years should be increased by amounts above inflation, over a period of time, until the income from charges fund the staffing costs of the Scheme Management Service in full, with the annual pace and amount of annual increases determined by the Cabinet each year.

9. However, as a result of increasing the charges for Careline in 2015/16 and ECC not implementing its planned reduction in funding, the Council's Careline Service now breaks even (i.e. is fully self-funded). However, this will change if the County Council significantly reduces the funding that it contributes to the Council to provide the service in the future.

10. The purpose of this report is therefore to recommend a Charging Plan for future HRS Charges.

Current charges

11. The current (2015/16) charges for the Council's Careline Service are as follows:

Council tenants:

Tenants not in receipt of housing benefit	£3.58 per week
Tenants in receipt of housing benefit	£0.53 per week

Private users:

Alarm and up to 4 sensors (Monitoring only)	£109.32 per annum
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12. The current (2015/16) **combined** Scheme Management and Intensive Housing Management Charges are as follows.

Sheltered tenants:

Self-funders	£9.28 per week
On-HB	£2.24 per week

Area tenants:

Self-funders	£2.35 per week
On-HB	£0.58 per week

Proposed HRS Charging Plan

13. As explained above, in the event, ECC did not reduce the Council's funding from April 2015 as expected. However, all providers of telecare services and sheltered housing have recently received a letter from ECC's Head of Commissioning (Vulnerable People), attached as Appendix 1, advising that it is ECC's intention to reduce the funding across Essex from April 2016 by the same amounts that they originally proposed from April 2015 (and consulting providers on the proposal). The letter states that the final decision will be taken by ECC's members in September 2015 and will be confirmed when the Council sets its budget in the New Year, but that ECC wanted to inform providers of the likely impact on their services to enable them to plan for the potential impacts.

14. It therefore now seems somewhat fortuitous that the Council has already increased its HRS charges by amounts equivalent to 50% of ECC's expected funding reduction in readiness for this proposal. However, it should be noted that many other county councils have now reached the position whereby they no longer provide any (or very little) funding for HRS services. It therefore seems only a matter of time until ECC's funding to providers is eradicated totally.

15. In terms of a long-term Charging Plan for HRS services, in order to ensure that the Council's Careline Service continues to break even and that, over time, so does the Council's Scheme Management Service, it is suggested that an approach is agreed that takes account of the following issues:

- The current deficit between the cost of providing the Scheme Management Service and the income received
- The current break-even position of providing the Careline Service between income received and expenditure
- Over what period the Council should aim to eradicate any deficit
- The expected reduction in funding from ECC in the following year
- The prevailing level of annual pay increases, as calculated by Office of National Statistics (ONS)
- The maximum annual increase in HRS charges that should be applied (i.e. a cap)

16. In view of the difference between the staffing cost for the Scheme Management Service and the income received, the likelihood of future reductions in ECC's funding and the need to ensure that annual increases are reasonable, it is suggested that the Council should aim to make its Scheme Management Service break over the next ten years.

17. Accordingly, it is suggested that, for the future, the separate charges for the Careline Service, Scheme Management Service and Intensive Housing Management Support should be increased annually in accordance with the following principles:

- The expected amount of reduction in ECC funding for the forthcoming year should be added to the current service deficit (or subtracted from the current service surplus) - **this is the total deficit/surplus to be recovered to be repaid;**
- The deficit for the Scheme Management Service should be recovered over a 10 year period and should therefore be divided by the number of years remaining between April 2016 and April 2026 - **this is the service deficit to be recovered in the forthcoming year;**
- Any deficit/surplus for the Careline Service should be recovered/repaid in the following year - **this is the service deficit/surplus to be recovered/repaid in the forthcoming year;**

- The prevailing level of annual pay increases, as calculated by the Office of National Statistics (ONS), should then be applied to the total current income received from current charges and added to the service deficit to be recovered, or deducted from any surplus to be repaid, in the forthcoming year - **this results in the total amount to be recovered/repaid in the forthcoming year**;
- The total amount to be recovered/repaid should then be spread across service users, in the same proportions as currently, as follows:
 - Scheme management and intensive housing management charges - Sheltered tenants and area tenants; and
 - Careline charges – Council tenants and private users;
- The resultant monetary increase (but not the percentage increase) for those both in receipt and not in receipt of housing benefit should be the same;
- The increase for those not in receipt of housing benefit should be no more than 10% in any one year; and
- The methodology used to calculate the increases in accordance with the above principles should be as set out at Appendices 2 and 3.

Proposed increases for 2016/17

18. As explained earlier, ECC has given advanced notification that it intends to reduce its HRS funding for scheme management and telecare (Careline) from April 2016 by the same amount that the Council expected ECC to reduce its funding for the current year (2015/16). However, the Council has already incorporated 50% of this funding reduction within its current charges.

19. Therefore, it is suggested that only 50% of the expected ECC funding reduction, together with the current service deficit for the Scheme Management Service, should be spread over the next 10 years (i.e. 10% for 2016/17) – in addition to the current level of annual pay increases, as calculated by Office of National Statistics (ONS) - when calculating next year's charges. The current level of annual pay increases is 2.8% which, generally, is the amount by which all of the Council's other fees and charges will be increased for 2016/17.

20. On this basis, the proposed calculation methodologies for HRS increases attached as Appendices 2 and 3 show the proposed increases for 2016/17, which are set out in the recommendations at the beginning of this report.

Consultation with the Tenants and Leaseholders Federation and Resources Select Committee

21. At a special meeting held on 12th October 2015, the evening before the meeting of the Resources Select Committee, the Tenants and Leaseholders Federation was consulted on the content of this report and its recommendations, since they affect a significant number of Council tenants. The Tenants and Leaseholders Federation comprises representatives from all of the recognised tenants associations within the District.

22. After considering the reports, the Federation wanted both the Resources Select Committee and the Finance and Performance Management Cabinet Committee to take into account their following views, which are as follows:

“ Having carefully considered the issues, and having asked a number of questions of the Housing Portfolio Holder and Director of Communities, we fully

support the recommendations of the Housing Portfolio Holder on the proposed Charging Plan for Housing Related Support Services and the associated methodology.

In particular, we support:

- The proposal to spread the financial impact on service users of eradicating the current deficit on the Scheme Management Service and any future funding reductions by the County Council over a 10 year period;*
- The proposal to ensure that the Careline Service is self-funded on an annual basis;*
- The proposed approach that monetary increases in charges (rather than percentage increases) should be the same for both tenants in receipt of housing benefit and tenants who are not in receipt of housing benefit;*
- The proposed level of charges for next year (2016/17) - and the fact that only 50% of the reduction in funding from Essex County Council in 2016/17 is to be sought through increased charges to service users, on the basis that the other 50% of the funding reduction is already being recovered in this year's charges; and*
- The proposed cap of 10% on the maximum level of increase in HRS charges that will be applied to tenants not in receipt of housing benefit in any one year.*

We also note the fact that, although not specified, the 10% cap on charges for tenants not in receipt of housing benefit will also result in an appropriate cap on charges for tenants in receipt of housing benefit, in view of the proposal that monetary increases in charges will be the same for both categories of tenants. “

23. On the 23rd October 2015, the Resources Select Committee considered the contents of this report and the recommendations, as well as the views of the Tenants and Leaseholders Federation, and agreed to support the proposals as well.

Resource Implications:

The proposed charges will result in increased income of £11,742 per annum for the Council's Scheme Management Service and additional of £4,900 for the Council's Careline Service.

Legal and Governance Implications:

The ability to apply these charges is covered by the Council's standard tenancy agreement, and the agreement with private users for the Careline Service.

Safer, Cleaner and Greener Implications:

None

Consultation undertaken:

As set out above

Background Papers:

None.

Risk Management:

The main risk is that the charges are either insufficient to meet the Council's costs over time, or are more than should be recovered from service users.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Since this is contractual issue, there are no groups of people with protected characteristics that would be unduly affected by the issues under consideration.

The main group of people with protected characteristics who are affected by the proposals are those older and disabled people who receive the services covered by the report.

The main effect is in relation to service users' ability to meet the increased cost of the charges. The report explains that there is currently a deficit on the income received for the scheme management service, which needs to be recovered.

It is not considered that the increase in charges will significantly impact service users' ability to meet the charges, when compared with the current charges. The greatest impact will be felt by those in receipt of housing benefit, since the proposed increases (in percentage terms) will be greatest for this group of tenants. However, in monetary terms, the increases are still relatively modest and, to some extent, the impact of the increases for the scheme management service are mitigated by some of the costs being covered by the intensive housing management service charge, which is covered by housing benefit.



Our ref: SH/HRS

Date:

Dear Provider,

Re: Housing Related Support – Older People Services – 2016/17

I am writing to inform you of about our intentions to change funding levels for Older Peoples' services next year. As you will know, the current financial system means that we must ensure we obtain best value for the public money. As part of this process we considering the future funding levels for Older Peoples' HRS services Although ECC has successfully delivered substantial savings already, we need to seek more. In particular, we have to look to services which are 'discretionary', i.e. where we do not have a statutory duty to provide. Housing Related Support falls into this category.

Background to proposals

We have considered a range of proposals to deliver the savings requirements. As part of this consideration, we have involved members of the Housing, Health & Social Care Partnership Board. We have already delivered savings against the HRS-funded Mental Health and Learning Disabilities services and are now looking at Older Peoples' services – sheltered schemes and community alarms.

The current term of the contract for these services ends on 31st March 2016. There is scope to extend the contracts for a further 12 months and we will do this where we can agree new funding levels.

At this time, the proposals are under consultation and are subject to change. The final decision will be taken by elected members in September 2015 and confirmed when the Council sets its budget in the New Year. However, we wanted to inform you of the likely impact on your services so that you can engage with us, and plan for the potential impacts and consult as necessary with tenants who may be affected.

What is proposed?

(You may wish to use the following in communications you wish to share with staff, service users or other interested parties).

There are three proposals which it is intended will be implemented from the start of 2016-17.

1. Reduce the HRS payments to sheltered housing by £2/person/week
2. Cap the HRS payment to Community Alarms in sheltered housing at £2/unit/week (or less if sub-contracted at a lower rate)
3. Cease funding 'dispersed' Community Alarms

What is the Rationale?

1. We believe it is reasonable that individuals should contribute to the costs of their support, as would be the case in statutory support services for adults
2. There are significant variations in payment levels across providers for these services.
3. Different models of support are emerging and what the market can offer is changing. For example, Community Alarm services can often be obtained at lower rates on the open market.
4. The HRS funding of dispersed alarms is neither consistent with the ECC Social Care offer nor across the districts
5. Other areas of HRS spend are currently delivering savings, e.g. Learning Disabilities (£1.1M in current year) and Mental Health
6. Other Authorities have reduced or removed this funding.

What will be the Impact on Tenants?

The ECC contract is with providers and is usually only one element of total funding. We cannot and would not want to dictate how these changes might impact on tenants. However, we strongly encourage you to consult with your tenants or their representative groups, e.g. Tenants and Residents Association, about implementation.

As a result of these changes, a number of things could happen:

- Tenants may be willing to make up the shortfall
- Tenants may be willing to contribute a smaller amount for a reduced service
- Tenants do not contribute and the service is reduced
- The provider may choose to absorb some or all of the additional cost
- Other funding sources (such as Housing Benefit) could be explored

We would particularly encourage providers to explore the final point. Support charges cannot simply be transferred to Housing Benefit, but it is legitimate to review the service you are providing and consider what elements could be eligible for housing benefit. We know that this has been done with some success in Essex already.

Are these new proposals?

These proposals were originally discussed with the Housing, Health and Social Care Partnership Group last year, but were not progressed at that time. The group includes representatives of all the districts as well as provider representatives and other commissioners. We appreciate, however that the proposals will be new to some people.

When will these changes be implemented?

Subject to elected Members approval at Cabinet in September 2015, the changes will be effective from April 2016. The decision will be formally finalised when the Council sets its budget at Full Council early in the New Year.

Small Providers

We are also considering our approach to funding smaller providers. In some cases the transaction costs of paying the HRS funding is greater than the funding itself. We know that:

- There are 53 providers receiving HRS payments for Older Peoples' services. Of these:
 - 33 receive less than £10,000 a year
 - 29 receive less than £5,000 a year
 - 13 receive less than £1,000 a year
- The average contract value for the 33 smallest providers is less than £1,800

We need to consider whether this is sustainable going forward and would be interested in the views of smaller providers.

How can I give my views on the current proposals?

As part of our consultation process we are now writing to invite providers to respond to these proposals. For ease of use we suggest that you use the appended template.

The feedback we have had already from providers is that they would prefer to have an early clear decision on which they can base their budgets, rather than an extended consultation period. **For this reason, can I ask that you return any submissions by 21st August 2015.**

Please send responses to us using this online survey:

<http://surveys.essexinsight.org.uk/TakeSurvey.aspx?PageNumber=1&SurveyID=723L5o2&Preview=true>

Future Engagement

We are consulting now on the arrangements for 2016-17. However, we also need to consider the approach for subsequent years, not least because the contracts that are currently in place cannot be extended beyond March 2017. This will be taken forward via the Housing, Health and Social Care Partnership Group and we intend to run provider events as well as other consultation activity. If you have views on how this should be done, please respond as part of this consultation.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Simon Harniess', written over a faint grid background.

Simon Harniess
Head of Commissioning
(Vulnerable People)
Essex County Council
E1, County Hall
Chelmsford
Essex, CM1 1YS

Calculation for Increases in Scheme Management & Intensive Housing Mgt Charges

2016-17

Nos. and Current Charges:							
	Nos.		Current charge (p/w)	Total Income (p/a)		% of total income	
Sheltered tenants:							
Self-funders	88	372	£9.28	£42,465	£75,546	44.6%	79.3%
On HB	284		£2.24	£33,080		34.7%	
No. of area tenants:							
Self-funders	73	430	£2.35	£8,921	£19,688	9.4%	20.7%
On HB	357		£0.58	£10,767		11.3%	
Totals	802			£95,233		100.0%	

Total additional income required next year:			
Current service deficit/surplus:			£50,250
Amount of ECC Funding cut next year:			£40,500
	Total		£90,750
No. of years left to recoup deficit: (Next April to April 2026)			10
Amount of deficit to recoup next year:			£9,075
ONS pay increase applied to total current income:	2.8%		£2,667
Amount to recover next year			£11,742

Calculation of increases for next year:						
	% of total to recover	Amount to recover	To recover per week	Increase per prop (p/w)		
Sheltered tenants	79.3%	£9,314	£179.12	£0.48		
Area tenants	20.7%	£2,427	£46.68	£0.11		
Total	100.0%	£11,742	£225.80			
	Current charge (p/w)	Increase per prop. (p/w)	Total new charge (p/w)	Scheme Mgt (p/w)	Int. Hsg Mgt (p/w)	
Sheltered tenants:						
Self-funders	£9.28	£0.48	5.2%	£9.76	£8.30	£1.46
On HB	£2.24	£0.48	21.5%	£2.72	£1.26	£1.46
No. of area tenants:						
Self-funders	£2.35	£0.11	4.6%	£2.46	£2.09	£0.37
On HB	£0.58	£0.11	18.7%	£0.69	£0.32	£0.37

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Calculation for Increases in Careline Charges

2016-17

Nos. and Current Charges:		Nos.		Current charge		Total Income		% of total income	
				(p/w)	(p/a)	(p/a)			
Council tenants:									
Self-funders		175	874	£3.58	n/a	£32,578	£51,842	16.0%	25.5%
On HB		699		£0.53	n/a	£19,264		9.5%	
Private Users		1,388		n/a	£109.32	£151,736	£151,736	74.5%	74.5%
Totals		2,262				£203,579		100.0%	

Total additional income required next year:			
Current service deficit:			-£26,900
Amount of ECC Funding cut next year:			£26,100
	Total		-£800
No. of years left to recoup deficit/surplus: (Next April to April 2026)			1
Amount of deficit to recoup next year:			-£800
ONS pay increase applied to total current income:	2.8%		£5,700
Amount to recover next year			£4,900

Calculation of increases for next year:								Increase per prop.	
		% of total to recover	Amount to recover	To recover per week			(p/w)	(p/a)	
Council tenants		25.5%	£1,248	£24.00			£0.03	n/a	
Private users		74.5%	£3,652	£70.24			n/a	£2.63	
Total		100.0%	£4,900	£94.23					
		Current Charge	Increase per prop.			New Charge		Rounded	
		(p/w) (p/a)	(p/w) p/a			(p/w) (p/a)			
Council tenants:									
Self-funders		£3.58 n/a	£0.03 n/a	0.8%		£3.61 n/a		£3.60	
On HB		£0.53 n/a	£0.03 n/a	5.2%		£0.56 n/a		£0.55	
Private users		n/a £109.32	n/a £2.63	2.4%		n/a £111.95		£112.00	

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Report to Finance and Performance Cabinet Committee



**Epping Forest
District Council**

**Report reference: FPM-022-2015/16
Date of meeting: 12 November 2015**

Portfolio: Finance

Subject: Fees and Charges 2016/17

Officer contact for further information: Peter Maddock (Ext 4602)

Democratic Services Officer: Rebecca Perrin (Ext 4532)

Recommendations/Decisions Required:

That the Committee consider the proposals for the level of fees and charges for 2016/17 and make comments and recommendations as appropriate.

Executive Summary

The report provides information on the fees and charges that the Council levies and what scope if any there is to increase particular charges.

Reasons for Proposed Decision

As part of the annual budget process changes to fees and charges need to be agreed.

Other options for action

Where the Council has discretion on the level of fees and charges that it sets there are many possible options open to the Council ranging between no increases up to applying quite large increases where justifiable.

Report:

1. The Medium Term Financial Strategy, previously considered by this Committee, identified the need to find savings of £1m over the four year period with £150,000 falling in 2016/17. Having said that the strategy is based on assumed reductions in Government funding of 10% per annum in each of the four years of the strategy and the actual figures will not be confirmed even for 2016/17 until the spending review is concluded later in the autumn.
2. In reality the scope for increased income as a result of increasing fees and charges is relatively limited as regards the General Fund though less so with the Housing Revenue Account (HRA). For example some are set by Government, some have to be based on cost recovery or subject to a maximum, also the possibility of increases putting people off and actually having the opposite effect to that intended have to be considered.
3. Another option is to introduce fees and charges where they are currently not levied though again there are probably fairly limited opportunities in this area.
4. It has also been tradition to use the September Retail Prices Index (RPI) as a guide though in recent years other measures of inflation such as the Consumer Prices Index (CPI) have been more widely used. The Council also uses a number of other more

specialised indices depending on the type of contract or service being procured and with this in mind it felt that the labour inflation rates might be more relevant as employee costs represent the largest element of expenses when carrying out the services for which a charge is made. The latest figure available is 2.8%.

Communities

5. There are a number of fees and charges made for community and wellbeing activities an increase is proposed to a number of these charges and these are listed at Appendix 1.
6. A review of museum related fees and charges are to be undertaken in readiness for the planned re-opening next March. This review was due to be completed during October, however the report will not now be available until next year and the outcome will be reported to Cabinet in February.
7. Appendix 5 and 6 show the current and proposed charges for the Limes Centre. There are 2 scales of charges applicable the criteria applying to each shown on the appendices. Further to a discussion at the Resources Select Committee in respect of the charges, the Council does not currently have any Registered Charities that utilise the facilities available. Therefore, it is proposed to amend the rate of hire for these organisations to Scale 1, without any loss of rental income to the Council.
8. The Schedule of proposed Housing-Related Fees and Charges for 2016/17 is shown at Appendix 2, which also lists the fees and charges for the current year for comparison. Charges relate to both the Housing Revenue Account and the General Fund.
9. Generally, it is recommended that the majority of fees and charges be increased by 2.8% - rounded up or down as appropriate. The only exceptions to this approach are the following:

Sheltered housing charges and area housing charges

10. There is a separate report earlier on the Agenda from the Director of Communities on a proposed Charging Plan for Housing Related Support (HRS) services, which includes sheltered housing charges. The schedule will need updating depending on the outcome of the earlier report.

Telecare packages (alarms and up to 4 sensors) and monitoring of alarms for other organisations

11. Again, the earlier report from the Director of Communities on a proposed Charging Plan for Housing Related Support (HRS) services includes telecare charges, and again the schedule will need updating.

Bed and breakfast accommodation

12. It is not yet possible to include the rates for 2016/17, since tenders from hotels for room charges for the next three years will be sought through a competitive tender process in the autumn.

Sewerage charges for individual sewerage systems

13. These charges have not been increased, since the contractor has advised that they will not increase their charges to the Council in October 2015 (which the contract allows) the October 2014 rates will continue until October 2016.

C.A.R.E gardening service

14. It is proposed to extend the charges for C.A.R.E.'s Handyperson Service to the gardening service which is provided in conjunction with the VAEF.

Priority is given to the initial clearance of gardens that:

- are overgrown such that there is a risk of trips or falls;
- have trees/bushes overshadowing the front door leading to a fear of crime;
- has deteriorated to the state that it leads people to believe the property is unoccupied; or,

are overgrown such that access by social care, health or other support workers is impeded

In addition, where funds allow, the scheme can be offered to the owners of gardens:

- that fall short of these criteria but are likely to fall into one of the categories if nothing is done;
- the maintenance of gardens that have already been cleared.

15. The charge (which is in line with the charges for falls prevention and home security work carried out under the Handyperson Service) will be £26.20 for a two hour visit. For benefit recipients the first visit will be free of charge.

Governance

16. There are several sources of income to this Directorate, for example, Local Land Charges, Development Control Fees, Pre-application charges and Building Control Fees.
17. The situation regarding Land Charge income is still very uncertain following the introduction of the Local Land Charges (Amendment) Rules 2010. The charge for a full search should be set based on the costs incurred providing the information. Currently fee income has dwindled slightly and it has been noted that fewer searches are coming through. It is not proposed to increase the fees as this might drive more people to do personal searches which are free. The account itself is in deficit due to non-chargeable activities and the fact that personal searches are free but there is a cost attached to dealing with enquiries.
18. Development Control fee levels are controlled by Central Government and the levels of income are somewhat dependant on the economic climate and the number and size of planning applications. An exercise was carried out a few years ago aimed at giving some local discretion on charging however this was abandoned. It is hoped that this might be resurrected as it is a while since fees were changed and are likely to be out of step with actual costs incurred.
19. With regard to pre-application charges that apply to major applications, income is buoyant at the moment and the budget has been exceeded substantially. The work required to generate the fee is quite labour intensive and it is felt that an increase is appropriate. The existing and proposed fees are shown at Appendix 3.
20. Building Control Fees are income to the ring-fenced Building Control Charging Account and therefore do not affect the General Fund directly. Current fee levels are felt to be reasonable and indeed income levels have improved meaning the account is expected to remain in surplus. An increase in fees is a possible option but the service operates in a competitive environment and this may put potential customers off.

Neighbourhoods

21. The fees and charges relating to neighbourhoods include Car Parking Charges, North Weald Airfield rents and charges, MOT's, various environmental health related charges and Licencing.
22. Industrial Estate Rents are not subject to annual increases as they are negotiated for a period of time before each lease is entered into. The level at which rents can be agreed is influenced by the general state of the economy and the availability of other properties.
23. With regard to Car Parking charges, the recent changes to the fee structure have only just come into effect and it is probably a bit premature to review these again just yet. Once the changes have been in a while and the effect can be measured properly a further review would be appropriate particularly related to weekend charges outside the free period.
24. MOT income is subject to a maximum charge set by the Vehicle Operating Service Agency (VOSA) currently £54.85 The Council's fee is set below this level (£49.00). It is felt that an increase in the fee is likely to see custom move elsewhere so it is proposed that the fee remain at the same level.
25. From 1 October 2015 there was a change to the fee structure for Hackney Carriage and Private Hire driver's licences and operator's licences. Driver's licences are to be issued for three years and operators for five years. The fee for the three and five year licences are shown at Appendix 4. It is not proposed to increase any of the taxi related licences next financial year as in line with the Local Government (miscellaneous provisions) Act 1976 these have to be set based on cost recovery. It is proposed to review fee levels next year when the new licence structure has been in place for a while.
26. With regard to other forms of licensing, some fall under the 2003 Licensing Act and this prescribes the level of fee that can be levied. Others though can be varied subject to a maximum level or can be levied on a cost recovery basis. Licence Fees are generally below the prescribed level and do not recover the cost of provision, in some cases quite significantly. It is therefore felt that these should be increased where appropriate. Details of these fees are shown in Appendix 4.
27. There are also a number of Licence fees that the Council needs to set in case an application were to come forward. In most cases these are set at or near to the maximum allowable under the Gambling (Premises Licence Fees) Regulations 2007 and are also found in Appendix 4.
28. A charge is currently made for the collection of bulk waste and the fee varies depending on the number of items being collected. The amount chargeable to the Council for the collection of bulky waste items is specified under the new waste management contract and this plus an admin fee ought to be levied to users of the service the proposed fees are in Appendix 4
29. There are a number of other miscellaneous fees and charges which are made. The proposed fees are also shown on appendix 4
30. The general uplift for fees and charges related to the Leisure Centres is specified as being in line with the retail prices index within the leisure contract. If there is any variance from this the contractor has to agree this with the Council in advance of the increase.
31. Although the Council does not provide a trade waste service itself it does need to ensure that a service is available should traders require it. Currently all traders go

directly to service providers and deal with them. If a trader was to come to the Council for such a service the Council would arrange for BIFFA to carry out the trade waste collection at a charge currently of £14.30 per collection it is proposed that this be increased to £14.70. Similarly the fee charged to schools etc. be increased from £9.20 to £9.50.

Conclusion

There are a number of fees and charges made by the Council which in some cases can be increased and in others cannot or an increase cannot be justified. The report seeks Members views on the level of fees and charges for 2016/17.

Consultations Undertaken

Consultations have been undertaken with various spending officers from directorates. The Tenants and Leaseholders Federation were also consulted on the level of increase proposed for Housing related fees and charges and were supportive of the approach. This report was also considered by the Resources Select Committee in October and they too were supportive of the proposed charges.

Resource Implications

Additional Income to the General Fund and HRA.

Legal and Governance Implications

Agreeing the level of fees and charges well in advance of the financial year concerned enables the budget to be prepared on a sound basis and also gives ample time to communicate any increases to the users of the services concerned.

Safer, Cleaner, Greener Implications

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

Background Papers

Working papers held in Accountancy.

Impact Assessments

Risk Management

With all fees and charges there is a risk that increasing fees could actually reduce total income. It is difficult though to predict the exact effect of a price increase on any particular fee levied.

Equality and Diversity:

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

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

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

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

Individual Directors will have performed equalities impact assessments on their own services and fees and charges. The main risk in changing fees and charges is the uncertainty over how service users will respond. This makes it difficult to predict the exact budgetary effect of any given change.

Community Services and Safety – Proposed fees and charges for 2016/17

Appendix 1

Service/Activity	2015/16 Fees	Proposed 2016/17 Fees	Comments
New Horizons Yoga session Indoor Bowls (Epping & Waltham Abbey) David Lloyd Bowls Badminton Boccia Table Tennis	£5.00 £3.50 £4.00 £3.50 £3.50 £3.50	£5.50 £3.60 £4.00* £3.60 £3.60 £3.60	*No increase as feel this is the maximum we can charge at present for this session
Lifewalks	£2.00 per walk £28.50 privilege card for 6 months	£2.00* per walk £29.00 privilege card for 6 months	*Easy money for leaders to collect, gets complicated when dealing in pence plus feel this is a premium we can charge for a walk, most walkers purchase a privilege card
Cycling for Health	£3.00 just ride £6.00 hire & ride	£3.50 £7.00	
Term time Sessions: Badminton Futsal	£4.60 £3.00	£4.75 £3.00*	*Still being developed therefore keep at same price
Holiday Provision Sport Sessions	£4.00	£4.50	
High Beech Youth Mountain Biking Session Club Membership Members (Pay as you go) Own Bike Hiring a Bike Unlimited Monthly Attendance Own Bike Hiring a Bike	£25 £5 £8 £20 £32	£30 £5 £8 £20 £32	

Non-member fees (Pay as you go)			
Own Bike	£7	£8	
Hiring a Bike	£10	£10	
Parent Fees			
Hiring a Bike	£8	£8	
Bike hire for races			
Members	£10	£10	
Non-members	£20	£20	
Legs n Lungs - Running	£2.50	£3.00*	£2.50 was an introductory fee therefore can raise to £3.00
Get Active Sessions	£2.00	£3.00*	£2.00 was an introductory fee therefore can raise to £3.00
Playschemes/Activity Camps			
Full Price	£16.00	£16.50	
Concessions	£8.50	£9.00	
Play in the Forest	£2.50	£2.50*	*Easy for Leaders to collect on site, minimal increase would create too much work in a forest setting.

Fees and Charges 2015/16 - HOUSING RELATED SERVICES

Service	2015/16		2016/17	
	Amount	Period	Amount	Period
Older People's Housing				
Communal Halls:				
Pelly Court Hall, Epping	£9.65	per hour	£9.90	per hour
Oakwood Hill Hall, Loughton	£135.00	per annum	£138.80	per annum
Barrington Hall, Loughton	£7.85	per session	£8.10	per session
Guest Rooms - Sheltered Housing	£8.90	per person per night	£9.15	per person per night
Scooter Stores:				
Rental	£3.80	per week	£3.90	per week
Electricity	£1.95	per week	£2.00	per week
Sheltered Housing Charges:				
Scheme Management Charge:				
<i>Tenants not in receipt of housing benefit</i>	£8.04	per week	TBA	per week
<i>Tenants in receipt of housing benefit</i>	£1.00	per week	TBA	per week
Intensive Housing Management Charge	£1.24	per week	TBA	per week
<i>(Note: Charge not payable by HB claimants)</i>				
Area Housing Charges:				
Scheme Management Charge:				
<i>Tenants not in receipt of housing benefit</i>	£2.03	per week	TBA	per week
<i>Tenants in receipt of housing benefit</i>	£0.26	per week	TBA	per week
Intensive Housing Management Charge	£0.32	per week	TBA	per week
<i>(Note: Charge not payable by HB claimants)</i>				
Careline Charges (Council tenants):				
Tenants not in receipt of housing benefit	£3.58	per week	TBA	per week
Tenants in receipt of housing benefit	£0.53	per week	TBA	per week
Telecare Packages (Private users):				
Alarm and up to 4 sensors (Monitoring only)	£109.32	per annum	TBA	per annum
Monitoring of additional sensors (per sensor)	£11.00	per annum	£11.30	per annum
Monitoring of alarms for other organisations (per speech module)	£105.80	per annum	£108.75	per annum
Careline Service to Home Group for Wickfields sheltered housing scheme, Chigwell	£239.65	p/a per speech module	£246.35	p/a per speech module
Large Button Telephone	£21.00	per telephone	£21.60	per telephone
Use of Jessopp Ct Lounge by Essex CC as a Day Centre	£9,766	per annum (wef 12.7.15)	£10,039	per annum (wef 12.7.14)
Lease for Jessopp Ct Office to Family Mosaic	Increased each October by the Sept RPI increase			
Home Ownership and Sales				
Leasehold Vendors' Enquiries	£141.75	per enquiry	£145.70	per enquiry
Certificates of Buildings Insurance - Leaseholders	£45.10	per copy	£46.35	per copy
Small Land Sales Valuation Charge	£361.50	per sale	£371.60	per sale
Valuation & Legal Charge - Re-sale of RTB Property within 5 years / Sale of property to EFDC within 10 years	£365.00	per application	£375.20	per application
Consideration of Right to Re-purchase Former RTB Property within 10 years of Original Purchase	£63.50	per application	£65.30	per application
Housing Management				
Hire of Halls for Elections	£88.10	per day	£90.60	per day
Garage rents	£8.10	per week	£8.35	per week
Hardstandings	£83.90	per annum	£86.25	per annum
Mortgage references	£41.30	per enquiry	£42.50	per enquiry

Request for covenant and leasehold approvals	£65.95	per request	£67.80	per request
Licences for vehicular access across housing land	£109.75	per annum	£112.80	per annum
Dishonoured cheques	£25.60	per cheque	£26.30	per cheque
Homelessness				
Homeless Hostel Accommodation:				
One Room	£46.55	per week	£47.85	per week
Two Rooms	£72.70	per week	£74.75	per week
Three Rooms	£97.90	per week	£100.65	per week
Chalets	£84.80	per week	£87.15	per week
Bed and Breakfast Accommodation (Contracted rates):				
Single Room	£38.15	per night	Subject to outcome of tender	
Double Room	£50.23	per night		
Repairs and Maintenance				
Condition surveys to respond to Party Wall Act Notices	£74.60	per Notice	£76.70	per Notice
Copies of Structural Reports on RTB Properties	£36.85	per report	£37.90	per report
Rechargeable repairs	Recharged in accordance with the Rechargeable Repairs Schedule		2.8% increase in all charges	
Replacement Door Entry and Suited Keys	£13.90	per key	£14.30	per key
Sewerage charges for individual sewerage systems	Set charges for each site		No increase - due to contractor keeping charges at Oct 2014 levels	
Caring and Repairing in Epping Forest (CARE) Service				
Caring And Repairing in Epping Forest (CARE) Fees:				
Disabled facilities grants (DFGs)	15%	of works cost	15%	of works cost
Decent Homes Repayable Assistance	15%	of works cost	15%	of works cost
Small Works Repayable Assistance	10%	of works cost	10%	of works cost
C.A.R.E Handyperson Service:				
<i>Clients in receipt of means-tested benefits:</i>				
General jobs	£31.00	Maximum charge per visit	£31.90	Maximum charge per visit
Falls prevention work	Free		Free	
Home safety checks/works	Free		Free	
<i>Clients <u>not</u> in receipt of means-tested benefits:</i>				
General jobs	£51.00	Maximum charge per visit	£52.45	Maximum charge per visit
Falls prevention work	£25.50	Maximum charge per visit	£26.20	Maximum charge per visit
Care gardening service		Maximum charge per visit	£26.20	Maximum charge per visit
Home safety checks/works	£25.50	Maximum charge per visit	£26.20	Maximum charge per visit
Private Sector Housing				
Licences - HMOs (Initial & Renewal):				
3 storey HMO with up to 5 units of accommodation	£682.00	per licence	£700.00	per licence
Additional units of accommodation	£63.50	per additional unit	£65.30	per additional unit
Discount for Essex Landlord Accredited landlords	£80.00	per licence	£80.00	per licence
Landlord Accreditation Scheme for Student Accomm:				
Bed-sit	£50.00	per property accredited	£51.40	per property accredited
1-2 bedroom flats	£100.00	per property accredited	£102.80	per property accredited
House/bungalow with up to 6 bedrooms	£150.00	per property accredited	£154.20	per property accredited
3 storey houses (non-licensable)	£175.00	per property accredited	£179.90	per property accredited
Park Homes Licensing Fees:				
Site licence fees	In accordance with EFDC's Fees Policy for Licensing Residential Park Home Sites			
Depositing of site rules	£133.00	per deposit	£136.70	per deposit
Fine for Lettings Agencies and Property Agencies failing to join a Government-approved Redress Scheme	£5,000	per incidence (unless extenuating circs.)	£5,000	per incidence (unless extenuating circs.)
Enforcement of private sector housing conditions - Housing Act 2004 and Mobile Homes Act 2013	Cost of officer time to undertake enforcement action + 10% administration cost			
General percentage uplift for next year				
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Governance

Appendix 3

Proposed fees & charges for 2016/17

Service area	Current	Proposed
Development Control		
All figures include VAT at 20%		
Major development schemes of 100 and over new residential units, or the creation of commercial development or changes of use of 10,000 square metres floorspace and over, or changes of use of land or earth movement on land 2 hectares or more.	£3,600	£3,700
Major development schemes of 10 - 99 new residential units, or the creation of commercial development or changes of use between 1,000-9,999 square metres, or changes of use of land or earth movement on land 1 hectares or more.	£1,800	£1,850
Minor development schemes of 2 - 9 new residential units, or the creation of commercial development or changes of use between 100 - 999 square metres or changes of use of land or earth movement on land under 1 hectares.	£850	£870
Minor development schemes of 1 new or replacement residential unit or the creation of commercial development or changes of use up to 100 square metres.	£300	£310
All other cases, including householder additions, adverts, other commercial development alterations.	£48	£50

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Neighbourhoods

Appendix 4

Proposed fees & charges for 2016/17

Service area	2015/16		Proposed 2016/17		Notes
	Application/ Event	Renewal	Application/ Event	Renewal	
Environmental Health					
Training					
Basic food hygiene course	£70.00		£72.00		6 courses 10 per course
Basic health & safety course	£60.00		£62.00		Nil done.
Animal welfare					
Animal boarding	£299.00	£205.00	£307.00	£211.00	
Dog breeding	£299.00	£205.00	£307.00	£211.00	
Pet Animals Act	£299.00	£205.00	£307.00	£211.00	
Dangerous wild animals	£653.00	£443.00	£671.00	£455.00	
Riding establishment	£653.00	£549.00	£671.00	£564.00	
Stray dog	£78.00				Set by Waltham Forest as part of contract with them
Zoo's	£527.00		£542.00		
Licensing.					
Hackney Carriage/Private Hire					
Annual Vehicle Licence	£277.00	£277.00	£277.00	£277.00	Subject to Statutory consultation
Annual Driver's Licence	£186.00	£186.00	£186.00	£186.00	Subject to Statutory consultation 3 year licence
Vehicle plate	£30.00		£30.00		Initial fee, refundable on return
Driver badge	£10.00		£10.00		
Drivers Test	£40.00		£40.00		Refundable if 2 days notice of cancellation given
Drivers re-sit of test	£21.00		£21.00		Refundable if 2 days notice of cancellation given

Service area	2015/16		Proposed 2016/17		Notes
	Application/ Event	Renewal	Application/ Event	Renewal	
Private Hire Operators					
Annual operator licence (1 vehicle only)	£105.00		£105.00		Subject to Statutory consultation, 5 year licence
Annual Operators (> 1 vehicle)	£405.00		£405.00		Subject to Statutory consultation, 5 year licence
Plate exemption	£88.00	£88.00	£88.00	£88.00	
Miscellaneous					
Special treatment premises	£155.00		£159.00		
Special treatments person	£83.00		£85.00		
Small Society Lotteries	£40.00	£20.00	£40.00	£20.00	Set by Statute
Sex Shops and Cinemas	£515.00	£515.00	£529.00	£529.00	Hemming case going to Supreme Court
Sexual Entertainment Venues -	£4,000.00	£2,000.00	£4,110.00	£2,060.00	Hemming case going to Supreme Court
Street Trading Consents	£375.00	£375.00	£390.00	£390.00	If not successful at sub-committee then half fee refunded
Scrap Metal Dealers	£375.00		£385.00		3 year licence
Scrap Metal Sites	£225.00		£231.00		3 year licence
Road Closure Notices	£170.00		£173.00		
Licensing Act 2003					All fees set by statute based upon premises rateable value plus occupancy for premises holding more than 5,000 people. Personal licences valid for 10 years EFDC cannot amend these charges, therefore not included in this table

Gambling Act 2005

Betting Premises	New application		Annual fee		Variation, Transfer, Re-instatement	
	Current	Proposed	Current	Proposed	Current	Proposed
Betting premises (not tracks)	£1,200.00	£1,200.00	£600.00	£600.00	£1,200.00	£1,200.00

Betting Premises	Licence copy		Notification of change	
	Current	Proposed	Current	Proposed
Betting premises (not tracks)	£29.00	£29.00	£29.00	£29.00

Waste management

Bulky household waste

Item	Current	Proposed	Notes
1 to 3 items	£23.00	£24.00	50% concession for pensionable age
4 to 7 items	£35.00	£36.00	50% concession for pensionable age
8 to 10 items	£46.00	£47.00	50% concession for pensionable age
11 to 15 items	£58.00	£60.00	50% concession for pensionable age
More than 15 items	Assessment	Assessment	50% concession for pensionable age

Trade waste

Item	Current	Proposed	Notes
Commercial properties (per collection)	£14.30	£14.70	Service provided on request
Schools and Community premises (per collection)	£9.20	£9.50	Service provided on request

Street Numbering and Naming Charges

Item	Current	Proposed	Notes	
House Name Change/ Addition	£51.50	£52.50	Per property	
Development of 1+ properties	£51.50	£52.50	For first property	
	£17.00	£18.00	Per additional property	
Changes in initial development after initial notification	£51.50	£52.50	For first property	
	£17.00	£18.00	Per additional property	
Renaming of street at residents request	£51.50	£52.50	For first property	
	£17.00	£18.00	Per additional property	
Confirmation of postal address details	£2.80	£2.85	Per certificate issued	
	£17.00	£18.00	Per property involved	

The Limes Centre

Limes Avenue, Chigwell, IG7 5LP

SCALE OF HIRE CHARGES – from 1st April 2015

The Limes (Main) Hall

	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£11.00	£22.00
6.00pm – 10.00pm	£16.00	£32.00
Saturday		
10.00am – 6.00pm	£16.00	£32.00
6.00pm – 11.00pm	£26.00	£46.00
10.00am – 11.00pm	£240.00	£420.00
Sunday		
10.00am – 9.00pm	£21.00	£36.00

Limes Activity Room

	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£6.00	£16.00
6.00pm – 10.00pm	£11.00	£21.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£11.00	£16.00
6.00pm – 11.00pm	£16.00	£26.00

Limes Meeting Room

	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£3.50	£7.00
6.00pm – 10.00pm	£6.00	£12.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£8.50	£12.00
6.00pm – 11.00pm	£11.00	£22.00

Appendix 5

Charging Bands	Scale 1	Scale 2
	This rate is specifically for Epping Forest Council House Tenants and EFDC Residents on Income Support/ Housing Benefit. This will be strictly applied and evidence will be required	Non Residents, Weddings, Registered Charities, not for profit organisations

PAYMENTS

- A deposit of 25% of the hire fee is payable with the application
 - The balance must be paid at least **ONE MONTH** before the letting
 - If the letting is less than one month from the booking date, the full amount must be paid at the time of booking
 - A refundable damage deposit fee of £500 for adult parties and £100 for children's parties
- Cheques should be made payable to Epping Forest District Council and crossed a/c Payee Only. Credit/Debit card payments are also taken**

CANCELLATIONS

- Booking deposits are **not** refundable
- For general bookings, the balance is refundable only if more than **four week's notice** of the cancellation is given **or**, if shorter notice is given, the hall can be let to another hirer for the cancelled period
- For Wedding cancellations, a scale of cancellation fees applies according to period of notice given

Bookings may be made by telephone on

01992 564561

A completed application form and a non-returnable

The Limes Centre

Limes Avenue, Chigwell, IG7 5LP

SCALE OF HIRE CHARGES – from 1st April 2016

The Limes (Main) Hall

	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£12.00	£24.00
6.00pm – 10.00pm	£17.00	£34.00
Saturday		
10.00am – 6.00pm	£17.00	£34.00
6.00pm – 11.00pm	£27.00	£47.00
10.00am – 11.00pm	£250.00	£450.00
Sunday		
10.00am – 9.00pm	£27.00	£47.00

Limes Activity Room

	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£8.00	£18.00
6.00pm – 10.00pm	£13.00	£23.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£13.00	£18.00
6.00pm – 11.00pm	£18.00	£28.00

Limes Meeting Room

	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£5.00	£10.00
6.00pm – 10.00pm	£11.00	£22.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£10.00	£20.00
6.00pm – 11.00pm	£15.00	£25.00

Appendix 6

Charging Bands	Scale 1	Scale 2
	This rate is specifically for Epping Forest Council House Tenants and EFDC Residents on Income Support/ Housing Benefit. This will be strictly applied and evidence will be required, also registered charities	Non Residents, Weddings, not for profit organisations

PAYMENTS

- A deposit of 25% of the hire fee is payable with the application
 - The balance must be paid at least **ONE MONTH** before the letting
 - If the letting is less than one month from the booking date, the full amount must be paid at the time of booking
 - A refundable damage deposit fee of £500 for adult parties and £100 for children's parties
- Cheques should be made payable to Epping Forest District Council and crossed a/c Payee Only. Credit/Debit card payments are also taken**

CANCELLATIONS

- Booking deposits are **not** refundable
- For general bookings, the balance is refundable only if more than **four week's notice** of the cancellation is given **or**, if shorter notice is given, the hall can be let to another hirer for the cancelled period
- For Wedding cancellations, a scale of cancellation fees applies according to period of notice given

Bookings may be made by telephone on

01992 564561

A completed application form and a non-returnable