Committee Agenda

Epping Forest District Council

Finance and Performance Management Cabinet Committee
Thursday, 16th November, 2017

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, 16th November, 2017**
at **7.00 pm** .

Glen Chipp
Chief Executive

Democratic Services Officer	R. Perrin Tel: (01992) 564532 Email: democraticservices@eppingforestdc.gov.uk

Members:

Councillors G Mohindra (Chairman), S Stavrou, A Lion, C Whitbread and J Philip

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PLEASE NOTE THE START TIME OF THIS MEETING

BUSINESS

1. APOLOGIES FOR ABSENCE

2. SUBSTITUTE MEMBERS

(Director of Governance) To report the appointment of any substitute members for the meeting.

3. DECLARATIONS OF INTEREST

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

4. MINUTES (Pages 5 - 20)

To confirm the minutes of the last meeting of the Committee held on 14 September 2017.

5. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, requires 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.

6. KEY PERFORMANCE INDICATORS - 2017/18 QUARTER 2 PERFORMANCE (Pages 21 - 30)

(Director of Resources) To consider the attached report (FPM-013-2017/18).

7. ANNUAL AUDIT LETTER (Pages 31 - 42)

(Director of Resources) To consider the attached report (FPM-014-2017/18).

8. MID-YEAR REPORT ON TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2016/17 (Pages 43 - 58)

(Director of Resources) To consider the attached report (FPM-015-2017/18).

9. QUARTERLY FINANCIAL MONITORING (Pages 59 - 82)

(Director of Resources) To consider the attached report (FPM-016-2017/18).

10. FEES AND CHARGES 2018/19 (Pages 83 - 108)

(Director of Resources) To consider the attached report (FPM-017-2017/18).

11. 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.

Background Papers: Article 17 - 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 and in respect of executive reports, the advice of any political advisor.

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

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EPPING FOREST DISTRICT COUNCIL
COMMITTEE MINUTES

Committee:	Finance and Performance Management Cabinet Committee	**Date:**	Thursday, 14 September 2017
Place:	Committee Room 1, Civic Offices, High Street, Epping	**Time:**	7.00 - 7.29 pm

Members Present: Councillors G Mohindra (Chairman), S Stavrou, C Whitbread and J Philip

Other Councillors:

Apologies: A Lion

Officers Present: R Palmer (Director of Resources), D Bailey (Head of Transformation) and R Perrin (Democratic Services Officer)

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14. Substitute Members

The Cabinet Committee noted that there were no substitute members for this meeting.

15. Declarations of Interest

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

16. Minutes

RESOLVED:

That the minutes of the meeting held on 20 July 2017 be taken as read and signed by the Chairman as a correct record.

17. Key Performance Indicators - 2017/18 Quarter 1 Performance

The Director of Resources presented a report on the Key Performance Indicators for 2017/18 Quarter 1 Performance.

The Director of Resources advised that the Council was required to make arrangements to secure continuous improvement in the way in which its functions and services were 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, were adopted each year. Performance against all of the KPIs was reviewed on a quarterly basis.

A set of thirty-two (32) Key Performance Indicators (KPI) were adopted for 2017/18 in March 2017. The current KPIs had been considered appropriate with the following changes:

- RES009, RES010, and RES011 – the website indicators to be deleted;

- COM006 - How many of the key building components required to achieve the Modern Homes Standard were renewed? would be deleted; and
- There were no new indicators recommended for 2017/18.

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

Improvement plans had been produced for KPIs, 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 were agreed by Management Board and were also subject to ongoing review between the relevant service director and Portfolio Holder over the course of the year.

The position with regard to the achievement of target performance for the KPIs at the end of quarter 1 (30 June 2017), was as follows:

(a) 27 (84%) indicators had achieved the target;
(b) 5 (16%) indicators had not achieved the target, although
(c) 1 (3%) of the indicators had performed within the agreed tolerance for the indicator; and
(d) 27 (84%) of indicators were currently anticipated to achieve year-end target and a further 1 (3%) was uncertain whether it would achieve year-end target.

Resolved:

(1) That Quarter 1 performance for the Key Performance Indicators adopted for 2017/18 be noted; and

(2) That there were no Key Performance Indicators for 2017/18 which required in-depth scrutiny or further reports on performance.

Reasons for Decision:

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement would be addressed, and how opportunities would be exploited and better outcomes delivered. It was important that relevant performance management processes were 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 Considered and Rejected:

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

18. Annual Outturn Report on the Treasury Management and Prudential Indicators 2016/17

The Director of Resources presented the Annual Outturn Report on the Treasury Management and Prudential Indicators for 2016/17.

The Director of Resources reported that annual treasury report was a requirement of the Council's reporting procedures and covered the treasury activity for 2016/17, and the actual Prudential Indicators for 2016/17. During the year, the Council had financed all of its capital activity through capital receipts, capital grants, other revenue reserves and revenue contributions. There had been no additional borrowing in the year to add to the £185.456m taken out previously through the Public Works Loan Board (PWLB) which financed the payment in relation to the self-financing of the HRA. The Council had achieved its targets for its treasury and prudential indicators and would be considered by the Audit and Governance Committee on 18 September 2017.

Resolved:

(1) That the Treasury Management Outturn Report for 2016/17 be noted; and
(2) That the outturn for Prudential Indicators shown within the appendices attached be noted.

Reasons for Decision:

The report was presented for noting as scrutiny was provided by the Audit and Governance Committee, who make recommendations on amending the documents, if necessary.

Other Options Considered and Rejected:

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

19. Quarterly Financial Monitoring

The Director of Resources presented the first quarterly financial monitoring on key areas of income and expenditure for 2017/18, which covered the period from 1 April 2017 to 30 June 2017. The report provided details of the revenue budgets, the Continuing Services Budget and District Development Fund as well as the Capital budgets which included the Major Capital schemes.

A few points were highlighted as follows, as they were of particular interest;

- The salaries schedule showed an underspend of £144,000 or 2.5% compared to the first quarter last year the underspend was 3.6%;
- Investment interest had been broadly on target and money was primarily being held short term because of the significant capital commitments coming up.
- The Development Control income was down on expectations with fees and charges £49,000 lower than the budget to date and pre-application charges £7,000 higher than expected. There had been fewer major schemes come through so far this year, which could be due to developers awaiting the publishing of the Local Plan;
- The Building Control income was £33,000 higher than the budgeted and would be affected later, if at all by the Local Plan. The ring-fenced account had assumed a deficit of £129,000 for the amount of scanning work required, however based on income levels to date it looked likely to be better than expected;
- The Public Hire licence income and other licensing was above expectations, although the Public Hire figures included £27,000 which related to future years, so in reality income relating to 2016/17 was £7,000 down;
- The income from MOT's carried out by Fleet Operations was in line with expectations. The account was budgeted to show a deficit of around £62,000

however this had included an estimate for business rates which had proved to be too high should reduce the deficit to less than £50,000. A report on options for joint occupation of the depot was going to Cabinet on 7 September 2017 and the Director of Neighbourhoods was completing a report on the overspend on the construction of the depot for Cabinet on 12 October 2017;

- Expenditure and income relating to Bed and Breakfast placements was increasing with most eligible for Housing Benefit and although some would be reimbursed by the Department for Work and Pensions, it would only be around 50%. Some new initiatives were being pursued in an effort to stem the increase and additional government funding in the form of a Flexible Homeless Grant, such as the Zinc Arts scheme in Ongar;
- The Council had collected a total of £9,995,028 and had made payments of £8,596,002, which had meant a benefit from holding £1,399,026 of cash from the effective collection of non-domestic rates for the Council.

The Cabinet Sub-Committee were still concerned by the income from the MOT's carried out by the Fleet Operations and advised that this would need to be kept under review.

Resolved:

(1) That the revenue and capital financial monitoring report for the first quarter of 2017/18 be noted.

Reasons for Decision

To note the first quarter financial monitoring report for 2017/18.

Other Options Considered and Rejected:

No other options were available.

20. Risk Management - Corporate Risk Register

The Director of Resources presented a report regarding the Councils Corporate Risk Register.

The Corporate Risk Register and revised Risk Management Strategy had been considered by the Risk Management Group on 23 August 2017 and by Management Board on 30 August 2017. The reviews identified amendments to the Corporate Risk Register and Risk Management Strategy.

The following risks were updated as follows;

(a) Risk 2 - Strategic Sites

The Effectiveness of controls/actions had been amended to advise the updated position for the key sites. Negotiations were taking place with potential tenants for retail space at the Winston Churchill site. Negotiations continue with Epping Town Council for the St John's Road site. The Langston Road site was now operational, although there were one or two units still to let. Waltham Abbey Leisure Centre was now managed by Places for People, planning permission had been granted for Hill House. July Cabinet agreed to dispose of the Pyrles Lane site; Nursery Services would be relocated to Town Mead.

(b) Risk 4 - Finance Income

The Key date had been updated to advise that the draft budget would be considered at Finance and Performance Management Committee on 18 January 2018.

(c) Risk 5 - Economic Development

The Existing Controls/Actions now advised that the Employment Study for the Local Plan had been completed and considered at Member workshops. The Key date had been amended to December 2017.

(d) Risk 6 - Data/Information

The Required further management action had been updated to advise that a working group was meeting monthly looking into the necessary changes for implementing General Data Protection Regulation (GDPR). The deadline date for GDPR, 25 May 2018, had been added as the Key date.

The Director of Resources advised that this Committee had undertaken the annual review of the Risk Management Terms of Reference, Strategy and Policy Statement in March 2017, with subsequent Cabinet approval on 15 June 2017. Since this approval the Chief Internal Auditor had produced a revision to the Risk Management Strategy, which had been developed to better explain the process, responsibilities and reporting of Risk Management.

The Cabinet Sub-Committee were in a agreement that the updated Risk Management Strategy document and description had been greatly improved and there should be a recommendation to the Overview & Scrutiny Committee and subsequent Select Committees to consider the Corporate Risk Register at the start of each year, so that they could review the risks and determine whether they had all been captured and scored appropriately.

Resolved:

(1) That Effectiveness of controls/actions and Required further management action for Risk 2 be updated;

(2) That the new Key date for Risk 4 be agreed;

(3) That the Existing controls/actions to address risk for Risk 5 be updated;

(4) That the Required further management action and Key date for Risk 6 be updated;

Recommended:

(5) That the amended Corporate Risk Register be recommended to Cabinet for approval;

(6) That the Revised Risk Management Strategy to Cabinet be adopted; and

(7) That the Corporate Risk Register be considered at Overview & Scrutiny Committee and subsequent Select Committees at the start of each year to scrutinize whether all the risks identified had been captured and scored appropriately.

Reason for Decision:

It was essential that the Corporate Risk Register was regularly reviewed and kept up to date.

Other Options Considered and Rejected:

Members could suggest new risks for inclusion or changes to the scoring of existing risks.

21. Annual Governance Report

The Director of Resources presented a report regarding the Annual Governance Report. The International Standard on Auditing 260 required the External Auditor to report to those charged with governance on certain matters before they gave an opinion on the Statutory Statement of Accounts. The audit of the Council's Statutory Statement of Accounts for 2016/17 would be presented to the Audit and Governance Committee on 18 September 2017.

The audit report highlighted the key findings of the financial statements of the Council for the year ending 31 March 2017, and the director of Resources advised the Cabinet Sub-Committee of the following key findings:

(a) That the Property, Plant & Equipment valuations and Pension Liability assumptions had been classified as significant risks during the updated risk assessment. subsequent to the Planning Report on 10 March 2017;

(b) That the final materiality was £2,000,000, which had been increased by £100,000 based on the gross expenditure in the current year's draft financial statements;

(c) That there had been no other significant changes to the planned audit approach or any restrictions placed upon the audit;

(d) That the audit had not identified any material misstatements to date;

(e) That a number of presentational changes had been made to the draft financial statements as a result of the audit;

(f) That there had been no unadjusted audit differences;

(g) That the there had been no significant deficiencies in internal controls;

(h) That subject to the successful resolution of outstanding matters, it had been anticipated that a modified opinion on the financial statements for the year ended 31 March 2017 would be issued;

(i) That there were no exceptions to report, in relation to the consistency of the annual governance statement;

(j) That an unmodified conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources was anticipated being issued; and

(k) That the Council was below the audit threshold for a full assurance review of the Whole of Government Accounts return and no other powers or duties under the Local Audit and Accountability Act 2014 had been exercised.

Resolved:

(1) That the External Auditor’s Annual Governance Report be noted.

Reasons for Decisions:

To ensure that Members were informed of any significant issues arising from the audit of the Statutory Statement of Accounts.

Other Options Considered and Rejected:

The report was for noting, no specific actions were proposed.

22. Any Other Business

The Cabinet Sub-Committee noted that there was no urgent business for consideration.

CHAIRMAN

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Treasury Management Outturn Report 2016/17

Introduction

In April 2002 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year.

The Authority's treasury management strategy for 2016/17 was approved by full Council on 18 February 2016. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

External Context

Economic background: Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.

In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years.

Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

Financial markets: Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to

1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.

After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

Credit background: Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.

None of the banks on the Authority's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Authority's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

On the advice of Arlingclose, new investments with Deutsche Bank and Standard Chartered Bank were suspended in March 2016 due to the banks' relatively higher credit default swap (CDS) levels and disappointing 2015 financial results. The Authority's deposits with Standard Chartered Bank matured in May 2016. Standard Chartered was reintroduced to the counterparty list in March 2017 following its strengthening financial position, but Deutsche Bank was removed altogether from the list.

Local Context

On 31st March 2017, the Authority had net borrowing of £144.18m arising from its revenue and capital income and expenditure, an increase on 2016 of £10m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.16 Actual £m	2016/17 Movement £m	31.3.17 Actual £m
General Fund CFR	29.6	0	29.6
HRA CFR	155.1	0	155.1
Total CFR	**184.7**	**0**	**184.7**
Less: Usable reserves	-46.9	3	-43.9
Less: Working capital	-4.0	2	-2
Net Worth	**133.8**	**5**	**138.8**

Table 2: Treasury Management Summary

	31.3.16 Balance £m	2016/17 Movement £m	31.3.17 Balance £m	31.3.17 Rate %
Long-term borrowing	185.5	0	185.5	2.97
Total borrowing	**185.5**	**0**	**185.5**	
Short-term investments	37.7	-12.7	25.0	0.37
Cash and cash equivalents	14.0	2.3	16.3	0.27
Total investments	**51.7**	**-10.4**	**41.3**	
Net Borrowing	**133.8**	**-10.4**	**144.2**	

Note: the figures in the table are from the balance sheet in the Authority's statement of accounts.

Net borrowing has increased due to falls in usable reserves and working capital. As investment balances were used to fund the capital programme no additional borrowing was required.

The Authority's current strategy is to maintain a minimum investment balance of £10m with a view to borrowing to fund the rest of the house building programme probably later in 2017. The treasury management position as at 31st March 2017 and the year-on-year change in show in table 2 above.

Borrowing Activity

At 31st March 2017, the Authority held £185.5m of loans, this has remained static over the year as slippage in the capital programme has meant the need to borrow has not materialised. The year-end borrowing position and the year-on-year change in show in table 3 below.

Table 3: Borrowing Position

	31.3.16 Balance £m	2016/17 Movement £m	31.3.17 Balance £m	31.3.17 Rate %	31.3.17 WAM* years
Public Works Loan Board	185.55	0	185.55	2.97	19.95

*Weighted average maturity

The Authority's chief objective when borrowing has been to strike 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 Authority's long-term plans change being a secondary objective.

In furtherance of these objectives, no new borrowing was undertaken in 2016/17, as the capital programme has been funded using available internal resources. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

Investment Activity

The Authority holds significant invested funds, representing balances and reserves held. During 2016/17, the Authority's investment balances have been falling due to funding the capital programme. The year-end investment position and the year-on-year change in show in table 4 below.

Table 4: Investment Position

	31.3.16 Balance £m	2016/17 Movement £m	31.3.17 Balance £m	31.3.17 Rate %	31.3.17 WAM* days
Banks & building societies (unsecured)	21.7	-5.4	16.3	0.42	124.5
Government (incl. local authorities)	18.5	-3.5	15.0	0.33	137.4
Money Market Funds	11.5	-1.5	10.0	0.27	1.0
Other Pooled Funds					
Total investments	**51.7**	**-10.4**	**41.3**	**0.34**	**94.74**

*Weighted average maturity

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

In furtherance of these objectives, and given the increasing risk and falling returns from short-term unsecured bank investments, the Authority has kept investment balances short term in line with the cash flow so as to enable funds to be available when required by operational and capital requirements.

Risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in table 5 below.

Table 5: Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Rate of Return
31.03.2016	3.80	AA-	66%	53	1.04%
30.06.2016	3.89	AA-	64%	57	0.99%
30.09.2016	4.03	AA-	66%	54	0.88%
31.12.2016	3.96	AA-	64%	50	0.79%
31.03.2017	3.97	AA-	60%	47	0.99%
All LAs	**4.01**	**AA-**	**58%**	**137**	**1.31%**

*Weighted average maturity.

The table above shows how the Council is performing with its investments, and as can be seen performance is commensurate with other Local Authorities, with the exception of the Rate of Return. This is due to this Council keeping investments shorter, 47 days invested against other Local Authorities 137 days, which gives rise to lower interest rates received.

The Council set itself targets of 7 or below for the credit score and A- or higher for the credit rating and the table above shows both these targets were achieved.

Performance Report

The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	Actual £'000	Budget £'000	Over/ Under £'000	Actual %	Benchmark %
Temporary Loans Interest	(156.9)	(178.1)	21.2	0.50	0.57
Money Market Funds Interest	(62.3)	(57.8)	(4.5)	0.58	0.48
Total investment income	**(219.2)**	**(235.9)**	**16.7**	**0.52**	**0.55**
Fixed Rate Loans Interest	5,348.0	5,348.0	**0.0**	3.48	3.48
Variable Rate Loans Interest	183.1	214.0	**(30.9)**	0.58	0.67
Total debt expense	**5,531.1**	**5,562.0**	**(30.9)**	**2.97**	**3.00**
GRAND TOTAL	**5,311.9**	**5,326.1**	**(14.2)**	n/a	n/a

Temporary loan interest receivable has under achieved over the year. This is because the Council has been investing for shorter periods as cash is being used to support the capital programme. The variable rate of loan interest is more favourable as the benchmark is set based upon the previous years actual and any subsequent falls in the rate from the lender are borne in this year.

Compliance Report

The Director of Resources is pleased to report that all treasury management activities undertaken during 2016/17 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Table 7: Investment Limits

	2016/17 Limit	**31.3.17 Actual**	**Complied**
Any single organisation, except UK Government	£5m	£5m (Lloyds and Santander)	✓
UK Central Government	**Unlimited**	**£15m**	✓
Any group of funds under the same management	**£5m per group**	**£5m (Lloyds)**	✓
Any group of pooled funds under the same management	**£5m per manager**	**Nil**	✓
Negotiable instruments held in a broker's nominee account	**£15m per broker**	**£11m ICAP and £4m BGC**	✓
Foreign countries	**£5m per country**	**Nil**	✓
Registered Providers	**£5m in total**	**Nil**	✓
Unsecured investments with Building Societies	**£5m in total**	**Nil**	✓
Loans to unrated corporates	**£5m in total**	**Nil**	✓
Money Market Funds	**£15m in total**	**£10m**	✓

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 8 below.

Table 8: Debt Limits

	31.3.17 Actual	**2016/17 Operational Boundary**	**2016/17 Authorised Limit**	**Complied**
Borrowing	£185.55m	£230.00m	£240.00m	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Indicators

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

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

	31.3.17 Actual	2016/17 Target	Complied
Portfolio average credit rating	AA-	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 without additional borrowing.

	31.3.17 Actual	2016/17 Target	Complied
Total cash available within 3 months	£26m	£15m	✓

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 proportion of net principal borrowed was:

	31.3.17 Actual	2016/17 Limit	Complied
Upper limit on fixed interest rate exposure on debt	82.86%	100%	✓
Upper limit on fixed interest rate exposure on investments	(71.43%)	(100%)	✓
Upper limit on variable interest rate exposure on debt	17.14%	25%	✓
Upper limit on variable interest rate exposure on investments	(28.57%)	(75%)	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments 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 were:

	31.3.17 Actual £m	Lower limit	Upper Limit	Complied
Under 12 months	0%	0%	100%	✓
12 months and within 24 months	0%	0%	100%	✓
24 months and within 5 years	0%	0%	100%	✓
5 years and within 10 years	0%	0%	100%	✓
10 years and above	100%	0%	100%	✓

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

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

	2016/17	2017/18	2018/19
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£15m	£5m	£5m
Complied	✓	tbc	tbc

Report to: Finance and Performance Management Cabinet Committee

Report reference: FPM-008-2017/18
Date of Meeting: 16 November 2017

Epping Forest District Council

Portfolio: Governance and Development Management

Subject: Key Performance Indicators - 2017/18 Quarter 2 Performance

Officer contact for further information: Monika Chwiedz (01992 562076)

Democratic Services Officer: Rebecca Perrin (01992 564532)

Recommendations/Decisions Required:

(1) that the Committee reviews Quarter 2 performance for the Key Performance Indicators adopted for 2017/18;

(2) that the Committee identifies any Key Performance Indicators for 2017/18, that require in-depth scrutiny or further report on performance.

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 set of thirty-two (32) Key Performance Indicators (KPI) was adopted for 2017/18 in March 2017.

2. 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.

3. 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.

4. Improvement plans are produced for KPIs, 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 2017/18 – Quarter 2 Performance

5. The position with regard to the achievement of target performance for the KPIs at the end of quarter 2 (30 September 2017), was as follows:

(a) 25 (78%) indicators achieved target;
(b) 3 (9%) indicators did not achieve target,
(c) 4 (13%) indicators performed within the agreed tolerance for the indicator, and
(d) 26 (82%) of indicators are currently anticipated to achieve year-end target, 3 (9%) are uncertain whether they will achieve year-end target and a further 3 (9%) are anticipated not to achieve year-end target.

6. A headline Q2 KPI performance report for 2017/18 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 considered by the select committees with responsibility for those service areas.

7. 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 March 2017.

8. The Committee is requested to review Q2 performance for the 2017/18 set of KPIs. Any matters raised by the Committee in respect of KPI performance, will be reported to the appropriate select committee.

Resource Implications: None for this report

Legal and Governance Implications: None for this report; however performance management of key or new high level initiatives is important to the achievement of value for money.

Safer, Cleaner, Greener Implications: None for this report

Consultation Undertaken: The indicators have been considered by Management Board (8 November 2017) and will be considered by the relevant Select Committees during November and December 2017.

Background Papers: KPI submissions are held by the Performance Improvement Unit. Detailed KPI calculations and supporting documentation held by service directorates.

Impact Assessments:

Risk Management: None for this report

Equality: none for this report

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Key Performance Indicators 2017/18 – Quarter 2 Performance Report

Appendix 1

Communities Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
COM001	Rent collected from current and former tenants as a percentage of rent due (excluding rent arrears brought forward).	99%	100.77%	✓	99%	100.38%	✓	99%			99%			Yes
COM002	On average, how many days did it take us to re-let a Council property?	37	32	✓	37	33	✓	37			37			Yes
COM003	How satisfied were our tenants with the standard of the repairs service they received?	98%	100%	✓	98%	99.56%	✓	98%			98%			Yes
COM004	How many households were housed in temporary accommodation?	130	97	✓	130	103	✓	130			130			Yes
COM005	What percentage of our council homes were not in a decent condition?	0%	0%	✓	0%	0%	✓	0%			0%			Yes
COM007	What percentage of all emergency repairs are attended to within 4 working hours?	99%	99.01%	✓	99%	99.8%	✓	99%			99%			Yes
COM008	What is the average overall time to complete responsive repairs?	7	4.87	✓	7	4.25	✓	7			7			Yes
COM009	What percentage of appointments for repairs are both made and kept?	98%	99.01%	✓	98%	99.01%	✓	98%			98%			Yes

Key Performance Indicators 2017/18 – Quarter 2 Performance Report

Appendix 1

Communities Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
COM010	What percentage of calls to the council's Careline Service are answered within 60 seconds?	97.5%	99.8%		97.5%	99.8%		97.5%			97.5%			Yes
Governance Quarterly Indicators		**Q1 2017/18**			**Q2 2017/18**			**Q3 2017/18**			**Q4 2017/18**			**Is year-end target likely to be achieved?**
		Target	**Value**	**Status**	**Target**	**Value**	**Status**	**Target**	**Value**	**Status**	**Target**	**Value**	**Status**	
GOV004	What percentage of major planning applications were processed within 13 weeks or extension of time date?	90%	100%		90%	100%		90%			90%			Yes
GOV005	What percentage of minor planning applications were processed within 8 weeks or extension of time date?	90%	95.73%		90%	93.67%		90%			90%			Yes
GOV006	What percentage of other planning applications were processed within 8 weeks or extension of time date?	94%	96.37%		94%	95.44%		94%			94%			Yes
GOV007	What percentage of planning applications recommended by planning officers for refusal were overturned and granted permission following an appeal?	20%	11.76%		20%	12.5%		20%			20%			Yes
GOV008	What percentage of planning applications, refused by Council Members against the	50%	42.86%		50%	68.75%		50%			50%			Uncertain

Key Performance Indicators 2017/18 – Quarter 2 Performance Report

Appendix 1

Communities Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
	recommendation of the planning officers, were granted permission on appeal?													

Neighbourhoods Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
NEI001	How much non-recycled waste was collected for every household in the district?	95	105		196	205		296			400			No
NEI003	What percentage of our district had unacceptable levels of litter?	8%	10.97%		8%	6%		8%			8%			Uncertain
NEI004	What percentage of our district had unacceptable levels of detritus (dust, mud, stones, rotted leaves, glass, plastic etc.)?	10%	4.83%		10%	5.1%		10%			10%			Yes
NEI005	What percentage of the issues and complaints received by the Environment & Neighbourhoods Team received an initial response within 3 days?	95.5%	98.19%		95.5%	97.77%		95.5%			95.5%			Yes
NEI006	What percentage of the recorded incidences of fly-tipping are investigated within 3 working days of	90%	98.72%		90%	98.5%		90%			90%			Yes

Key Performance Indicators 2017/18 – Quarter 2 Performance Report

Appendix 1

Communities Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
	being recorded?													
NEI007	What percentage of recorded incidences of fly-tipping (contract cleared) are removed within 5 working days of being recorded?	90%	92.77%		90%	93.99%		90%			90%			Yes
NEI008	What percentage of the recorded incidences of fly-tipping (variation order/non contract) are removed within 10 working days of being recorded?	90%	94.74%		90%	93.76%		90%			90%			Yes
NEI009	What percentage of out of hours (OOH) noise complaints are responded to within 15 minutes?	90%	90.4%		90%	92.28%		90%			90%			Yes
NEI011	What percentage of the rent we were due to be paid for our commercial premises was not paid?	2%	1.51%		2%	1.31%		2%			2%			Yes
NEI012	What percentage of our commercial premises was let to tenants?	98%	98.9%		98%	98.9%		98%			98%			Yes
NEI013	What percentage of all household waste was sent to be recycled or reuse?	26%	23.75%		26%	23.74%		26%			26%			No
NEI014	What percentage of all household waste was sent	33%	35.81%		33%	36.12%		33%			33%			Yes

Key Performance Indicators 2017/18 – Quarter 2 Performance Report

Appendix 1

Communities Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
	to be composted or anerobic digestion?													

Resources Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
RES001	How many working days did we lose due to sickness absence?	1.62	1.27		3.22	3.39		5.43			7.25			Yes
RES002	What percentage of the invoices we received were paid within 30 days?	97%	96%		97%	96%		97%			97%			No
RES003	What percentage of the district's annual Council Tax was collected?	27.55%	27.64%		52.54%	52.52%		77.84%			97.8%			Yes
RES004	What percentage of the district's annual business rates was collected?	28.84%	29.25%		53.28%	53.97%		78.06%			97.8%			Yes
RES005	On average, how many days did it take us to process new benefit claims?	21	22.31		21	21.82		21			21			Uncertain
RES006	On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?	9	7.55		9	7.44		9			6			Yes

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Report to the Finance and Performance Management Cabinet Committee

Report reference: FPM-014-2017/18
Date of meeting: 16 November 2017

Epping Forest District Council

Portfolio: Finance

Subject: Annual Audit Letter

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

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

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 27 November 2017. 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 2017 was issued on 27 September 2017.

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
30/10/17 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

Audit for the year ended 31 March 2017

26 October 2017

EXECUTIVE SUMMARY

PURPOSE OF THE LETTER

This Annual Audit Letter summarises the key issues arising from the work that we have carried out in respect of the year ended 31 March 2017. It is addressed to the Council but is also intended to communicate the key findings we have identified to key external stakeholders and members of the public. It will be published on the website of Public Sector Audit Appointments Limited.

RESPONSIBILITIES OF AUDITOR 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 National Audit Office's (NAO's) Code of Audit Practice (the Code), and 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 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
26 October 2017

AUDIT CONCLUSIONS

FINANCIAL STATEMENTS

We issued our unmodified true and fair opinion on the financial statements on 27 September 2017.

We reported our detailed findings to the Audit and Governance Committee on 18 September 2017.

USE OF RESOURCES

We issued our unmodified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources on 27 September 2017.

FINANCIAL STATEMENTS

OPINION	We issued our unmodified true and fair opinion on the financial statements on 27 September 2017.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error.

This includes an assessment of whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates, and the overall presentation of the financial statements.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Our audit was scoped by obtaining an understanding of the Council and its environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements.

We set out below the risks that had the greatest effect on our audit strategy, the allocation of resources in the audit, and the direction of the efforts of the audit team.

RISK DESCRIPTION	HOW RISK WAS ADDRESSED BY OUR AUDIT AND AUDIT FINDINGS	CONCLUSION
Management override of controls	The primary responsibility for the detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity. They are responsible for establishing a sound system of internal control designed to support the achievement of departmental policies, aims and objectives and to manage the risks facing the organisation; this includes the risk of fraud. Under International Standards on Auditing (UK and Ireland) 240, there is a presumed significant risk of management override of the system of internal controls. We responded to this risk by testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We also reviewed accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud. We also obtained an understanding of the business rationale for significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual.	No issues were identified by our audit work in this area.

FINANCIAL STATEMENTS

RISK DESCRIPTION	HOW RISK WAS ADDRESSED BY OUR AUDIT AND AUDIT FINDINGS	CONCLUSION
Revenue recognition	Under Auditing Standards there is a presumption that income recognition presents a fraud risk. For local authorities, the risks can be identified as affecting the completeness, accuracy and existence of income. We also considered there to be a significant risk in relation to the existence of fees and charges and investment rental income recorded in the Comprehensive Income and Expenditure Statement. We responded to this risk by gaining an understanding of the authority's internal control environment for the significant income streams, including how these operate and ensure that income is recognised. We also substantively tested an increased sample of fees and charges income.	No issues were identified by our audit work in this area.
Property, plant and equipment valuations	There was a risk over the valuation of land and building as the valuations are based on assumptions that are uncertain by nature, if inappropriate or inaccurate assumptions are used in the calculation of fair values. The extent of the valuation increases exceeded our expectations (which are based on the increases in property prices suggested by published indices). We therefore considered that the valuation of property, plant and equipment (including investment properties) presented a significant risk of material misstatement. We responded to this risk by reviewing the inputs, instructions provided to the valuers and reviewing the valuers' skills and expertise to determine if we could rely on the management expert. We also confirmed that the basis of valuation for assets valued in year was appropriate based on their usage. We also reviewed valuation movements against indices of price movements for similar classes of assets and followed up valuation movements that appeared unusual compared to these indices.	No issues were identified by our audit work in this area.
Pension Liability	There was a risk the valuation was not based on accurate membership data or used inappropriate assumptions to value the liability. An independent review of actuarial assumptions highlighted that the discount rate used by the pension fund actuary, Barnett Waddingham, to calculate the value of the liability is outside of what was considered a reasonable range and that the inflation assumption was at the top of the reasonable range. We responded to this risk by agreeing the disclosures to the information provided by the pension fund actuary. We contacted the administrating authority and requested confirmation of the controls in place for providing accurate membership data to the actuary. We reviewed the reasonableness of the assumptions used in the calculation against other local government actuaries and other observable data. We engaged an auditors' expert, due to the specialist nature of the pension fund liability calculation, to consider the matters highlighted in the independent report and the impact on the reported pension liability. Our expert concluded that reducing both of the identified variables would have a negligible effect on the pension liability.	No issues were identified by our audit work in this area.

FINANCIAL STATEMENTS

RISK DESCRIPTION	HOW RISK WAS ADDRESSED BY OUR AUDIT AND AUDIT FINDINGS	CONCLUSION
Changes in presentation of the financial statements	The Code required changes to the presentation of some areas of the financial statements. These included: • Change to the format of the Comprehensive Income and Expenditure Statement (CIES) • Change to the format of the Movement in Reserves Statement (MIRS) • New Expenditure and Funding Analysis (EFA) note • Change to the Segmental Reporting note • New Expenditure and Income analysis note. These changes required a restatement of the 2015/16 CIES. There was a risk that these presentational changes would not be correctly applied in the financial statements. We responded to this risk by reviewing the draft financial statements against the CIPFA Disclosure Checklist to ensure that all of the required presentational changes have been correctly reflected within the financial statements. We ensured that the restatements required by the changes to the Code agreed to prior year financial records. We also ensured that the new notes are in the same format as reported to Finance and Performance Management Cabinet Committee.	The presentational changes and restatement of relevant sections of the financial statements were in accordance with the Code. No issues were identified by our audit.

FINANCIAL STATEMENTS

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements.

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonably knowledgeable users that are taken on the basis of the financial statements.

Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the financial statements as a whole was set at £2,000,000. This was determined with reference to a benchmark of gross expenditure (of which it represents 2%) which we consider to be one of the principal considerations for the Council in assessing the financial performance.

We agreed with the Audit and Governance Committee that we would report all individual audit differences in excess of £40,000.

AUDIT DIFFERENCES

Our audit work did not identify any unadjusted audit differences.

FINANCIAL STATEMENTS

OTHER MATTERS WE REPORT ON

Narrative report

The information given in the narrative report in the Statement of Accounts for the financial year was consistent with the financial statements.

Annual governance statement

The annual governance statement meets the disclosure requirements set out in the guidance 'Delivering Good Governance in Local Government: Framework' (2016 edition) published by CIPFA/SOLACE and was not misleading or inconsistent with other information that is forthcoming from the audit.

INTERNAL CONTROLS

We did not find any significant deficiencies in internal controls during the course of our audit. A number of other areas for improvement were identified which we have discussed with management.

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 certain non-current assets); 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 RESOURCES

CONCLUSION	We issued our unmodified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources on 27 September 2017.

SCOPE OF THE AUDIT OF USE OF RESOURCES

We are required to be satisfied that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources based on the following reporting criterion:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

As part of reaching our overall conclusion we consider the following sub criteria in our work: informed decision making, sustainable resource deployment, and working with partners and other third parties.

OUR ASSESSMENT OF SIGNIFICANT RISKS

Our audit was scoped by our cumulative knowledge brought forward from previous audits, relevant findings from work undertaken in support of the opinion on financial statements, reports from the Council including internal audit, information disclosed or available to support the governance statement and annual report, and information available from the risk registers and supporting arrangements.

Our work performed during our on-going risk assessment process included a review of the Medium Term Financial Strategy (covering the period 2016/17 to 2020/21), the current year outturn and the Council's reserves position.

The Council remains in a strong financial position due to its healthy reserve balances. Management have updated the Medium Term Financial Strategy (MTFS) since our initial risk assessment and the predicted revenue balance at the end of the period covered by the MTFS is expected to be £5.287m, which represents 41% of the Council's net budget requirement for 2020/21. This is significantly above the minimum 25% approved by members.

We assessed the Council's response to falling central government funding for local government through its exploration of commercial opportunities and the Transformation Programme. The Langston Road Retail Park is expected to provide the Council with a significant source of income once fully operational and revenue estimates within the MTFS from the Shopping Park appear reasonable.

As part of the Transformation Programme the Council commissioned an option appraisal around its Service Accommodation. The service accommodation review demonstrates how the Council is forward thinking in relation its future service requirements and its ability to generate new income streams in an environment of falling central government funding. A detailed business case is being commissioned to quantify costs and savings from the reorganisation of the Council's estate.

As no significant risks have been identified no additional detailed work was performed.

APPENDIX

REPORTS ISSUED

We issued the following reports since our previous Annual Audit Letter.

REPORT	DATE
Audit plan	10 March 2017
Audit completion report	06 September 2017
Annual Audit Letter	26 October 2017

FEES

We reported our original fee proposals in our audit.

We have not had to amend our planned fees.

AUDIT AREA	FINAL FEES £	PLANNED FEES £
Code audit - scale fee	64,672	64,672
Housing benefits subsidy claim certification - scale fee	18,533	18,533
Total audit and certification fees	**83,205**	**83,205**
Pooled housing receipts certification	2,000	2,000
Audit-related services fees	**2,000**	**2,000**
Other non-audit services	-	-
Total fees	**85,205**	**85,205**

FOR MORE INFORMATION:

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to the attention of the organisation. They do not purport to be a complete record of all matters arising. No responsibility to any third party is accepted.

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Report to: Finance and Performance Management Cabinet Committee

Epping Forest District Council

Report reference: FPM-015-2017/18
Date of meeting: 10 November 2017

Portfolio: **Finance**

Subject: **Mid-Year Report on Treasury Management and Prudential Indicators 2016/17**

Responsible Officer: **John Bell (01992 564387).**

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 2017/18.

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 2017/18.

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 £35.7m 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 27 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:

<u>Introduction</u>

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 plan to borrow in order to carry out its capital programme. The original estimate, along with expenditure to month 6 (30 September 2017) is shown below in the table.

Capital Expenditure	**Estimated £m**	**to month 6 £m**
Non-HRA capital expenditure	10.551	8.173
HRA capital expenditure	28.164	8.732
Total Capital expenditure	**38.715**	**9.229**
Financed by:		
Capital grants	0.870	
Capital receipts	10.032	
Borrowing	3.691	
Revenue	24.122	
Total resources Applied	**38.715**	

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 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 forecast Capital Programme for the five years to 2020/21 totals £124m and was partly funded by £24m borrowing. It was predicted that at the end of this period there would still be £1.7m available in Capital Receipts and nil 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, and will need to borrow for capital purpose as highlighted in the previous section.

	Financial year 2017/18		
CFR	**Estimated £m**	**Revised £m**	**to month 6 £m**
Non-HRA	54.6	54.6	29.6
HRA	155.1	155.1	155.1
Total Capital expenditure	**209.7**	**209.7**	**184.7**

9. The Director of Resources confirms that there were no breaches of the Authorised Limit (£250m), the Operational Boundary (£240m) and the Maturity Structure of Fixed Rate Borrowing during the period to 30 September 2017.

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 Communities Select Committee. 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', in part, by a corresponding increase in interest earned on Council investments. The refinancing risk is that maturing borrowings 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 2017-18 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 2017/18 the average investment position for the first half of the year was £35.7m. The table below shows the treasury position as at 30 September 2017.

Treasury position	**31/03/2017 £m**	**30/09/2017 £m**
Total external borrowing	**(185.5)**	**(185.5)**
Short term investment		
▪ Fixed investment	25.0	15.0
▪ Cash and Cash Equivalents	16.3	15.1
Total investments	**41.3**	**30.1**
(Net Borrowing) / Net Investment Position	**(144.2)**	**(155.4)**

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 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 (75%) on investment during the period, with the average rates of 0% and 100% being achieved. We are deliberately avoiding longer term investments for reasons connected with the financing of the Council's capital programme. This could expose the Council to short term interest rate fluctuations, although this is unlikely given the stability of the interest rate environment.

b) The limit set for investment over 364 days (£30m). The Council has made no investments over 364 days. The average length of short term investment for the period is 32.5 days.

c) The limit set for investment in non UK Country (30%). The Council made one investment (11%) 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 50% of its investments in variable rates (upper limit 75%), and the remainder are in fixed rate deposits on average for around 32.5 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.

Resource Implications:
The continued low interest rate was reflected in estimated investment income to the Council of £101,000 in 2017/18.

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 2017/18 to 2019/20 and the Treasury Management Strategy for 2017/18 to 2019/20 went to Council on 21 February 2017.

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.

Treasury Management Mid-Year Report 2017/18
Arlingclose Template

Introduction

In April 2002 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2017/18 was approved at a meeting of the Authority on 21 February 2017. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

External Context

Economic backdrop: Commodity prices fluctuated over the period with oil falling below $45 a barrel before inching back up to $58 a barrel. UK Consumer Price Inflation (CPI) index rose with the data print for August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, it's lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". The Council's treasury advisor Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

In contrast, near-term global growth prospects improved. The US Federal Reserve increased its target range of official interest rates in June for the second time in 2017 by 25bps (basis points) to between 1% and 1.25% and, despite US inflation hitting a soft patch with core CPI at 1.7%, a further similar increase is expected in its December 2017 meeting. The Fed also announced that it would be starting a reversal of its vast Quantitative Easing programme and reduce the $4.2 trillion of bonds it acquired by initially cutting the amount it reinvests by $10bn a month.

Geopolitical tensions escalated in August as the US and North Korea exchanged escalating verbal threats over reports about enhancements in North Korea's missile programme. The provocation from both sides helped wipe off nearly $1 trillion from global equity markets but benefited safehaven assets such as gold, the US dollar and the Japanese yen. Tensions remained high, with North Korea's threat to fire missiles towards the US naval base in Guam, its recent missile tests over Japan and a further testing of its latent nuclear capabilities.

Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) of Brexit negotiations, the ultimate 'divorce bill' for the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.

In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, and any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

Financial markets: Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

Credit background: UK bank credit default swaps continued their downward trend, reaching three year lows by the end of June. Bank share prices have not moved in any particular pattern.

There were a few credit rating changes during the quarter. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities. Moody's downgraded Standard Chartered Bank's long-term rating to A1 from Aa3 on the expectation that the bank's profitability will be lower following management's efforts to de-risk their balance sheet. The agency also affirmed Royal Bank of Scotland's and NatWest's long-term ratings at Baa1, placed Lloyds Bank's A1 rating on review for upgrade, revised the outlook of Santander UK plc, and Nationwide and Coventry building societies from negative to stable but downgraded the long-term rating of Leeds BS from A2 to A3. The agency downgraded long-term ratings of the major Canadian banks on the expectation of a more challenging operating environment and the ratings of the large Australian banks on its view of the rising risks from their exposure to the Australian housing market and the elevated proportion of lending to residential property investors.

S&P also revised Nordea Bank's outlook to stable from negative, whilst affirming their long-term rating at AA-. The agency also upgraded the long-term rating of ING Bank from A to A+.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose's advice, the Authority reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as until banks' new structures are finally determined and published, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.

The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Regulatory Updates

MiFID II: Local authorities are currently treated by regulated financial services firms as professional clients who can "opt down" to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can "opt up" to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is "suitable" for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Authority has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.

The Authority meets the conditions to opt up to professional status and intends to do so in order to maintain their current MiFID status.

CIPFA Consultation on Prudential and Treasury Management Codes: In February 2017 CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August with a deadline for responses of 30th September 2017.

The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, however local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.

Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties in the definition of "investments" as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than needing approval of full Council. There are also plans to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.

Local Context

On 31st March 2017, the Authority had net worth of £138.8m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.17 Actual £m
General Fund CFR	29.6
HRA CFR	155.1
Total CFR	**184.7**
Less: Usable reserves	-43.9
Less: Working capital	-2.0
Net worth	**138.8**

The Authority's current strategy is to maintain a minimum investment balance of £10m with a view to borrowing to fund the rest of the house building programme probably later in 2017. The treasury management position as at 30th September 2017 and the change over the period is shown in table 2 below.

Table 2: Treasury Management Summary

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Rate %
Long-term borrowing	185.5	0	185.5	2.96
Total borrowing	**185.5**	**0**	**185.5**	**2.96**
Short-term investments Cash and cash equivalents	25.0 16.3	-10.0 -1.2	15.0 15.1	0.37 0.21
Total investments	**41.3**	**-11.2**	**30.1**	**0.29**
Net borrowing	**144.2**	**-11.2**	**155.4**	

The reduction in investments is mainly due to the major capital programmes of the Epping Forest Shopping Park and house building.

Borrowing Strategy during the half year

At 31st March 2017, the Authority held £185.5m of loans, this has remained static over the year as slippage in the capital programme has meant the need to borrow has not materialised. The average rate of interest payable is 2.96%, and a weighted average maturity of 19.5 years.

The Authority's chief objective when borrowing has been to strike 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 Authority's long-term plans change being a secondary objective.

It was envisaged that further borrowing would be required within the early part of the 2017/18 financial year but this has been abated due to investment balances remaining higher than expected.

Investment Activity

The Authority holds significant invested funds, representing the amount of balances and reserves held. Investment balances are depleting in line with the major capital spend on the Epping Forest Shopping Park and major house building programmes. The investment position during the half year is shown in table 3 below.

Table 3: Investment Position

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Weighted average rate %	30.9.17 Weighted average maturity (Days)
Banks & building societies (unsecured) Government (incl. local authorities) Money Market Funds	16.3 15.0 10.0	-0.2 -11.0 0.0	16.1 4.0 10.0	0.41 0.17 0.22	88.9 67.0 1.0
Total investments	**41.3**	**-11.2**	**30.1**	**0.29**	**56.7**

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Investment balances are being utilised to fund the major capital schemes at present, as the interest rates on investments remain low, thus reducing the need to borrow.

Table 5: Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Rate of Return
31.03.2017	3.97	AA-	60%	47	0.99%
30.09.2017	4.60	A+	84%	18	0.29%
Similar LAs	**4.39**	**AA-**	**65%**	**108**	**1.43%**
All LAs	**4.44**	**AA-**	**64%**	**40**	**1.12%**

*Weighted average maturity

As the capital programme progresses funds are being kept on shorter notice periods to ensure sufficient funds are available when required. This means the counterparties that are being used, e.g. banks and building societies are increasing our exposure to the “bail-in” process. Also, keeping investments short term means that the rates of return are not as good as other local authorities with longer dated and more diversified portfolios.

Coupled with the above, the recent Sovereign downgrade of the UK, and subsequent downgrades of certain counterparties, by the rating agencies sees a small drop in the average credit rating of investments used by the Council.

Performance Report

The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	Actual £m	Budget £m	Over/ (under)	Actual %	Benchmark %	Over/ (under)
Short Term Investments	15.71	16.05	(0.34)	0.37	0.40	(0.03)
Cash and Cash Equivalents	22.68	21.50	1.18	0.21	0.22	(0.01)
Total Investments	**38.39**	**37.55**	**0.84**	**0.29**	**0.31**	**(0.02)**
PWLB Borrowing	185.5	185.5	0.0	2.96	3.00	(0.04)
Short Term Borrowing	0.0	25.0	25.0	0.00	1.00	(1.00)
Total debt	**185.5**	**210.5**	**25.00**	**2.96**	**2.76**	**n/a**
GRAND TOTAL	**147.11**	**172.95**	**25.84**	n/a	n/a	n/a

Compliance Report

The Director of Resources is pleased to report that treasury management activities undertaken during the first half of 2017/18 complied with the CIPFA Code of Practice and the Authority’s approved Treasury Management Strategy with the exception of minor breaches with Nat West

Bank whilst waiting for major payments to be made. Compliance with specific investment limits is demonstrated in table 7 below.

Table 7: Investment Limits

	30.9.17 Actual	2017/18 Limit	Complied
Any single organisation, except UK Government	3 x £5m and 1 x £0.1m	£5m each	✓
UK Central Government	£0m	unlimited	✓
Local Authorities	£4m	£25m in total	✓
Any group of funds under the same management	Up to £5m	£5m per group	✓
Any group of pooled funds under the same management	£0m	£10m per manager	✓
Negotiable instruments held in broker's nominee account	£0m	£15m per broker	✓
Foreign countries	£0m	£5m per country	✓
Registered Providers	£0m	£10m in total	✓
Unsecured investments with Building Societies	£1m	£5m in total	✓
Loans to unrated corporates	£0m	£5m in total	✓
Money Market Funds	£10m	£20m in total	✓

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 8 below.

Table 8: Debt Limits

	30.9.17 Actual	2017/18 Operational Boundary	2017/18 Authorised Limit	Complied
Borrowing	£185.5m	£240m	£250m	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Indicators

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

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

	30.9.17 Actual	2017/18 Target	Complied
Portfolio average credit rating	A+	A-	✓

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

	30.9.17 Actual	2017/18 Target	Complied
Total cash available within 3 months	£32.3m	£15m	✓

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

	30.9.17 Actual	2017/18 Limit	Complied
Upper limit on fixed interest rate exposure	83%	100%	✓
Upper limit on variable interest rate exposure	17%	75%	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments 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 were:

	30.9.17 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	0%	100%	0%	✓
12 months and within 24 months	0%	100%	0%	✓
24 months and within 5 years	17%	100%	0%	✓
5 years and within 10 years	0%	100%	0%	✓
10 years and above	83%	100%	0%	✓

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

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

	2017/18	2018/19	2019/20
Actual principal invested beyond year end	0	0	0
Limit on principal invested beyond year end	£15m	£5m	£5m
Complied	✓	✓	✓

Outlook for the remainder of 2017/18

The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK GDP growth, has softened following a contraction in real wages. Savings rates are at an all-time low and real earnings growth (i.e. after inflation) struggles in the face of higher inflation.

The Bank of England's Monetary Policy Committee has changed its rhetoric, implying a rise in Bank Rate in "the coming months". Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

This decision is still very data dependant and Arlingclose is, for now, maintaining its central case for Bank Rate at 0.25% whilst introducing near-term upside risks to the forecast as shown below. Arlingclose's central case is for gilt yields to remain broadly stable in the across the medium term, but there may be near term volatility due to shifts in interest rate expectations.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Official Bank Rate													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

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Report to the Finance and Performance Cabinet Committee

Report reference: FPM-016-2017/18
Date of meeting: 16 November 2017

Epping Forest District Council

Portfolio: Finance

Subject: Quarterly Financial Monitoring

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

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

Recommendations/Decisions Required:

That the Committee note the revenue and capital financial monitoring report for the second quarter of 2017/18;

Executive Summary

The report provides a comparison between the original estimate for the period ended 30 September 2017 and the actual expenditure or income as applicable.

Reasons for proposed decision

To note the second quarter financial monitoring report for 2017/18.

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 2017/18 and covers the period from 1 April 2017 to 30 September 2017. 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.

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 £153,000 or 1.3%. The underspend in percentage terms has reduced significantly since quarter 1 but in monetary terms has hardly changed. At the second quarter last year the underspend was 3.0%.

4. Resources is showing the largest underspend of £141,000, this relates mainly to Housing Benefits, Facilities Management and Revenues. Communities shows an underspend of

£47,000 relating to Communities Policy, Housing Works unit and Housing Management. However an over spend is showing on both Governance and Neighbourhoods of £19,000 and £15,000 respectively. With respect to Governance some additional costs are being incurred in Land Charges and Development Control, and in Neighbourhoods in Forward Planning and Estates.

5. The investment interest is below the budget. Interest rates are now only a little over 0.1% and money is primarily being held short term because of the significant capital commitments coming up. There has been a small interest rate increase but this will have only a marginal impact.

6. Development Control income at Month 6 is down on expectations. Fees and charges were £55,000 lower than the budget to date and pre-application charges are in line with expectations. There have been few major schemes come through so far this year and this may be due to developers awaiting the publishing of the Local Plan. Fees are not really showing any signs of recovery yet so it is likely that the budget will need to be revised downwards.

7. Building Control income was £64,000 higher than the budgeted figure at the end of the second quarter. The ring-fenced account has assumed a deficit of £129,000 for this year due to the amount of scanning work required, however based on income levels to date it is possible the account may breakeven.

8. Although Public Hire licence income and other licensing is above expectations, the Public Hire figures shown include £27,000 relating to future years so in reality income relating to 2016/17 is £7,000 down.

9. Income from MOT's carried out by Fleet Operations is now a little above expectations. The service has been located at Oakwood Hill depot for about a year so the uncertainties experienced previously should now have been overcome. The account is budgeted to show a deficit of around £62,000 however this included an estimate for business rates which has proved to be too high so a reduced deficit is now likely.

10. Car Parking income is a little below expectations at month 6, some additional spaces are being provided at Oakwood Hill and Vere Road though there has been a delay in these becoming operational which accounts for some of this income loss.

11. The shopping park is included as the first units are now due to pay rent. Income in 2017/18 will be around £200,000 lower than expected as some units were let later than expected and tenants had not been identified for all units when the budget was set. Having said that there is additional income from Industrial Estates and Commercial lets which should mitigate this to some extent. Once all units are occupied and rent free periods passed rental income is still expected to be around £2.5 million per annum.

12. Local Land Charge income is £9,000 above expectations. The budget had been reduced in the prior year as there have been fewer searches undertaken recently however there appears to be an improvement so far this year. Also the turn-around times have begun to improve over the last month or so.

13. Expenditure and income relating to Bed and Breakfast placements has been on the increase. Most are eligible for Housing Benefit and although some will be re-imbursed by the Department for Work and Pensions it is only around 50%, leaving a similar amount to be funded from the General Fund. Growth of £12,000 has been included in 2017/18 and although expenditure is running ahead of this, it has been less marked since month 4. It is understood that a few cases have been rehoused in the Zinc Arts scheme. It is too early to say whether this reduction in placements is likely to continue so further growth cannot be ruled out.

14. The waste management contract shows some underspend due to timing. The leisure contract payments are now on track.

15. The Housing Repairs Fund shows an underspend of £84,000. There are underspends showing on both Planned Maintenance and Responsive work. There is also a variance on HRA Special Services which relate mainly to tree maintenance and utility costs.

16. Income from Building Control, Land Charges and maybe MOT Income look likely to exceed the budget. Others are less certain. Car Parking is now a little below expectations and Development Control is more significantly lower but may be being affected by the impending publication of the Local Plan.

Business Rates

17. This is the sixth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council. There are proposals that all Business Rates be retained within the local government sector though this actually happening is unlikely to be before the year 2020/21. In any event the proportions retained by each local government tier are likely to change and if additional resources are made available they will no doubt be accompanied by additional responsibilities.

18. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash.

19. The resources available from Business Rates for funding purposes is set in the January preceding the financial year in question. Once these estimates are set the funding available for the year is fixed. Any variation arising from changes to the rating list or provision for appeals, whilst affecting funding do not do so until future years. For 2017/18 the funding retained by the authority after allowing for the Collection Fund deficit from 2016/17 is £3,499,000. This exceeded the government baseline of £3,110,000 by some £389,000. The actual position for 2017/18 will not be determined until May 2018.

20. 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 June the total collected was £17,728,417 and payments out were £17,192,004, meaning the Council was holding £536,413 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

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 Original Budget updated for carry forwards, due to 2016/17 slippage.

Major Capital Schemes (Annex 12)

23. There are four projects included on the Major Capital Schemes schedule these relate to the House Building packages 1, 2 and 3 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, Building Control income is going well though Development control income is down currently. Other income streams are either slightly below or above expectations but not significantly and expenditure is below budget which is often the case at this stage in the 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 during December.

Resource Implications
There is little evidence to suggest that the net budget will not be met.

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
02/11/17 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.

2017/18 DIRECTORATE FINANCIAL MONITORING

SEPTEMBER 2017 - SALARIES

	2017/18			2016/17		
DIRECTORATE	**EXPENDITURE TO 30/09/17 £000**	**BUDGET PROVISION (ORIGINAL) £000**	**VARIATION FROM BUDGET (ORIGINAL) %**	**EXPENDITURE TO 30/09/16 £000**	**BUDGET PROVISION (ORIGINAL) £000**	**VARIATION FROM BUDGET (ORIGINAL) %**
CHIEF EXECUTIVE	263	262	0.4	148	146	1.4
RESOURCES *	2,872	3,013	-4.7	2,806	2,927	-4.1
GOVERNANCE *	1,860	1,841	1.0	1,825	1,844	-1.0
NEIGHBOURHOODS *	2,630	2,615	0.6	2,360	2,477	-4.7
COMMUNITIES *	3,917	3,964	-1.2	3,773	3,856	-2.2
TOTAL	**11,542**	**11,695**	**-1.3**	**10,912**	**11,250**	**-3.0**

* Agency costs are included in the salaries expenditure.

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

	17/18 Full Year Budget £'000	Second Quarter 17/18 Budget £'000	Second Quarter 17/18 Actual £'000	Second Quarter 16/17 Actual £'000	17/18 Variance Budget v Actual £'000	17/18 Variance Budget v Actual %	Comments
Major expenditure items:							
Museum	125	81	77	86	-4	-5	There are no major variances.
Bed & Breakfast Accommodation	271	135	190	147	55	41	The anticipated increase in caseload has been exceeded and this is expected to continue. As a result, expenditure in the first half year is higher than expected but rental income has also risen during the same period, as seen below.
Disabled Facility Grants	630	315	198	633	-117	-37	The Council has a legal duty to provide Disabled Facility Grants to all residents who meet the eligibility criteria. These grants are used for disabled adaptation works such as stair lifts, disabled entry solutions and bathroom renovations and will be fully funded by the Better Care Fund. Expenditure to 30 September 2017 was £198,000 but there are some large grants committed but not paid and demand is rising.
Grants to Voluntary Groups	88	30	24	22	-6	-20	It is difficult to accurately forecast expenditure patterns from year to year as timings are dependent on the receiving organisations providing the necessary information to enable grants to be released. As a general rule, however, expenditure is usually lower in the first six months as grant release tends to be slow initially. Given the forecast profiling for the current financial year, no major variances have occurred.
Voluntary Sector Support	174	93	93	93	0	0	There are no variances.
Major income items:							
Bed & Breakfast Accommodation	280	140	188	153	48	34	Rents are higher than expected due to the increased caseload.
	1,568	794	770	1,134			

	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	Second Quarter 16/17 Actual	17/18 Variance Budget v Actual		Comments
	£'000	£'000	£'000	£'000	£'000	%	
Major income items							
Development Control	1,098	536	481	597	-55	-10	The first half of 2017/18 has seen reduced levels of fee income compared to the same period of the previous year and the budget to date. This is possibly because major developers are awaiting the publication of the Local Plan prior to submitting any planning applications within the district.
Building Control Fee Earning	450	242	306	149	64	26	Uncertainty in the housing market is having a positive effect on the Building Control fees which has exceeded the profiled budget and the previous year actual. In addition, the Building Control service have formed a number of partnerships with outside bodies helping to resist the threat of competition from the commercial sector.
Local Land Charges	164	87	96	86	9	10	In previous years searches had been rather low, but in the first half of 2017/18 the land Charges section have seen a modest increase.
	1,712	865	883	832			

2017/18 DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS

	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	Second Quarter 16/17 Actual	17/18 Variance Budget v Actual		Comments
	£'000	£'000	£'000	£'000	£'000	%	
Major expenditure items:							
Refuse Collection	1,417	476	460	452	-16	-3	} No major variances.
Street Cleansing	1,375	447	445	443	-2	0	}
Recycling	2,870	932	856	898	-76	-8	The in-year variance is due to the increased number of properties estimated not materialising to date. The variance between years is due to a 3 month rebate adjustment for recyclate and an increase in collections from an additional 603 properties from 2015/16.
Highways General Fund	112	71	54	18	-17	-24	The level of replacement of street furniture and litter bins is hard to predict and hence causes timing differences on expenditure. The variance between years is due to match funding of the Highways panel (See Cabinet report C-071-2016/17).
Off Street Parking	442	235	224	243	-11	-5	The in year variance is due to contractor payments being one month in arrears of budget phasing at present. The main variance between years is due to a saving being generated from a change of contractor.
North Weald Centre	207	114	111	103	-3	-3	No major variances
Land Drainage & Contaminated Land	347	39	22	23	-17	-44	This is a maintenance driven budget and has a volatile pattern of spend. Generally though expenditure is heavier in the winter months.
	6,770	2,314	2,172	2,179			

2017/18 DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (2)

	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	Second Quarter 16/17 Actual	17/18 Variance Budget v Actual		Comments
	£'000	£'000	£'000	£'000	£'000	%	
Major expenditure items							
Forward Planning/Local Plan	1,248	517	303	237	-214	-41	There is some slippage on the overall programme due to its complex nature. An update report went to the October Cabinet meeting as additional funding is required to complete the programme.
Contract cost Monitoring							
Leisure Facilities:-							
Loughton Leisure Centre	-158	-66	-66	-47	0	0	}
Epping Sports Centre	234	98	98	106	0	0	} As the new leisure contract is paid via Direct Debit no variances will arise in year. The variance between years is indicative of the saving being generated in the contract in the first year.
Waltham Abbey Pool	8	3	3	87	0	0	}
Ongar Sports Centre	98	41	41	50	0	0	}
	182	76	76	196			

2017/18
DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	Second Quarter 16/17 Actual	17/18 Variance Budget v Actual		Comments
	£'000	£'000	£'000	£'000	£'000	%	
Major income items:							
Refuse Collection	77	38	41	35	3	8	No major variances.
Recycling	1,485	351	337	261	-14	-4	Essex County Council are generally slow in sorting out the Avoided Disposal Costs for the previous financial year, and with a reducing amount outstanding the current years income has increased compared to the previous year. This is coupled with an increase in residents recycling.
Off Street Parking	1,415	652	625	578	-27	-4	No major in year variance. The variance between years arises due to the timing of the receipt of Penalty Charge Notices and Telephone Banking since taking the contract away from NEPP.
North Weald Centre	812	506	554	498	48	9	Both casual and market rents are in advance of original estimates due to favourable rent increases.
Hackney Carriages	181	90	86	122	-4	-4	No major in-year variance. The variance between years is due to the number of "Driver" licences plates being issued being significantly reduced due to a change in policy of issuing these types of licences over a 3 - 5 year period.
Licensing & Registrations	114	57	50	39	-7	-12	No major variances
Fleet Operations MOTs	205	103	112	89	9	9	The relocation of the service to Oakwood Hill has now been completed and the income is showing signs of recovery.
	4,289	1,797	1,805	1,622			

	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	Second Quarter 16/17 Actual	17/18 Variance Budget v Actual		Comments
	£'000	£'000	£'000	£'000	£'000	%	
Major income items:							
Industrial Estates	1,259	905	1,025	821	119	13	A number of leases have had favourable rent reviews this year across all estates. An analysis of the additional income is being done to establish how much of this can be added into the CSB.
Business Premises - Shops	2,204	1,653	1,808	1,616	155	9	Some new lease renewals are now coming to fruititon. An analysis of the additional income is being done to establish how much of this can be added into the CSB.
Epping Forest Shopping Park	490	121	0	N/A	-121	-100	Due to delays caused by the highway works and delays in completing the lettings the estimate will not be met this year and figures will be adjusted at revised estimate time.
Land & Property	215	111	144	62	33	29	The lease on the David Lloyd Leisure Centre has been revised, whereby the Council now receives rental income rather than wait for the year-end turnover of the centre before receiving a major element of income.
	4,169	2,790	2,978	2,499			

	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	Second Quarter 16/17 Actual	17/18 Variance Budget v Actual		Comments
	£'000	£'000	£'000	£'000	£'000	%	
Major expenditure items:							
Building Maintenance	582	83	109	179	26	31	Expenditure fluctuates from one year to another due to Building Maintenance works being determined on a rolling five year programme which identifies and prioritises the works required to the non-office assets but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The actual spend to date at quarter two is lower than the previous year due to some planned maintenance works placed on hold pending the outcome of the next stage of the accommodation review in November/December.
Information & Communication Technology	1,003	811	812	710	1	0	The full year budget includes the cost of the councils Multi-Function Devices, Network Telephone & Mobiles, provision of the Service Desk and maintenance for all Systems in use. Expenditure is in line with the current budget spending profile as the renewal of maintenance contracts for the Councils systems are paid at the beginning of the year with network and consultancy charges continuing to be paid throughout the year.
Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates)	280	70	87	90	17	24	2017/18 has seen a further increase in the number of homeless people placed in Bed and Breakfast accommodation compared to the current profile. Whilst some growth was included in the original budget this will need reviewing during the forthcoming budget process.
Bank & Audit Charges	122	32	25	25	-7	-22	No significant expenditure occurs in either audit or bank charges until quarter 2.
	1,987	996	1,033	1,004			
Major income items:							
Investment Income	194	90	81	182	-9	-10	As the capital programme gathers pace investment funds are being kept at periods of approximately 3 months as against 5 months when the estimates were set and investing in shorter periods gives lower interest rates. The variance between years is also due to the average balance invested being almost half compared to 2016/17.
	194	90	81	182			

2017/18 DIRECTORATE FINANCIAL MONITORING - HOUSING REVENUE ACCOUNT

	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	16/17 Actual	17/18 Variance Budget v Actual		Comments
	£'000	£'000	£'000	£'000	£'000	%	
Major expenditure items:							
Management & General	289	113	101	121	-12	-11	Expenditure is lower than expected in the first half of 2017/18 due to less spend on consultants and professional fees within the Policy & Management budget than originally anticipated.
Housing Repairs	6,063	1,290	1,206	1,723	-84	-7	This underspend relates to expenditure on planned maintenance (£22,000), responsive repairs (£32,000) and engineering maintenance (25,000). With regard to responsive repair works, it is always difficult to forecast when they will arise due to the demand-led nature of the works.
Special Services	1,108	381	373	356	-8	-2	The underspend in this section relates to utility costs and caretaking and cleaning.
	7,460	1,784	1,680	2,200			
Major income items:							
Non-Dwelling Rents	893	444	425	431	-19	-4	The reduction in income relates to garage rents.
Gross Dwelling Rent	31,613	15,807	15,759	15,879	-48	0	The reduction in rental income from dwellings this financial year compared to 2016/17 is due to the rent decrease of 1% from April 2017, combined with reduced stock numbers due to the high number of Right To Buy sales last year. Void levels are around 1%, running broadly in line with expectations.
	32,506	16,251	16,184	16,310			

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2017/18 DIRECTORATE CAPITAL MONITORING - COMMUNITIES

Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Bridgeman House	177	0	0	0	0	The original use of this budget was to purchase office space on the second floor of Bridgeman House, above the Museum, to facilitate relocation of the Community Services team and to use as a new storage facility for the Museum Reserve Collection. Since the budget was set up the purchase of the office space has become unviable; the Council is still actively seeking another suitable option.
CCTV Systems	87	31	12	-19	-62	The installation of a replacement CCTV system at the old Bobbingworth Tip was commissioned at the end of quarter two on behalf of the Flood Alleviation Team, after the original system started to fail (see Annex 8b). Two new rapid-deploy cameras have been procured and awaiting invoicing during quarter 3 to replace the cameras that were stolen at the Hill House development site; the Council is currently proceeding with recovery efforts through the insurance company. The systems that will monitor the new leisure centre at Hill House and adjacent shopping parade are likely to be installed in 2018/19 once the construction works have been completed, whilst the progress of the Epping High Road system has been delayed due to the complexity of the specification. A recommendation to carry forward both budgets will be submitted as part of the Capital Review.
Carpark CCTV Systems	54	0	0	0	0	The car park CCTV installation programme has been working in conjunction with the “Invest to Save” LED lighting scheme (see Annex 8) with three car parks in Waltham Abbey identified for installations in 2017/18. The planning application for Darby Drive was approved in October with all three locations having now been put out to tender. It is expected that Cornmill will be commissioned before Christmas, with the remaining two sites (Darby Drive and Quaker Drive) both being finished early in 2018. The budget is expected to cover the costs of 3 of the 7 remaining car parks. It is likely that an additional allocation will be sought for the last 4 carparks.
Housing Estate Parking	550	0	0	0	0	The off-street parking schemes undertaken on Council owned land is jointly funded between the HRA and General Fund. The General Fund proportion of costs will be allocated at year-end. Due to the complications outlined in Annex 10 expenditure is anticipated to be very low, therefore the 2017/18 budget will be re-assessed in quarter 3 as part of the Capital Review with a view to recommending a carry forward of £510,000.
Total	**868**	**31**	**12**			

2017/18 DIRECTORATE CAPITAL MONITORING - NEIGHBOURHOODS

Scheme	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	17/18 Variance Budget Vs Actual		Comments
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park	6,257	4,693	4,346	347	7	Please see major scheme tab for details on this scheme. This budget refers to the construction works.
Gyln Hopkin Expansion	990	990	1,042	-52	-5	Glyn Hopkin Ltd (GHL) operates a motor car dealership located on the corner of Brooker Road/Cartersfield Road in Waltham Abbey. GHL expressed a desire to surrender their existing lease and obtain a new lease for the whole area of their premises which would permit full motor dealership use. With the acceptance of the new lease the rent of the premises has increased with 5-yearly upward-only rent reviews. The variance for this scheme includes additional costs relating to legal fees & stamp duty fees which were funded by EFDC after the Cabinet report was submitted, but were not identified in the original structure of the lease.
Hill House Development	130	0	0	0	0	The Council has entered into a Section 106 agreement to provide compensatory facilities as the development of the new Leisure Centre (as well as the Hill House Centre and Independent Living Scheme) will mean a loss of sports pitches in the area. EFDC are required to undertake a playing pitch strategy to identify the best location for spending the S106 contributions. This strategy is not due for completion until early in the 2018/19 financial year and therefore the budget will be carried forward as part of the Capital Review.
Town Mead Depot	100	0	0	0	0	A supplementary provision of £100,000 has been made within the Council’s Capital Programme to undertake the necessary alteration works to accommodate the Pyrles Lane Nursery and Landscape Service at the Townmead Depot at Waltham Abbey. A further £45,000 will be recommended to be absorbed as part of the Capital Review from Facilities Management to undertake the remaining health and safety adaptations following the audit of the Depot (see Annex 9). As the project is in the early stages of design and consultancy, a large portion of the project will not be undertaken until the new financial year.
Total c/f	**7,477**	**5,683**	**5,388**			

ANNEX 8(b)

2017/18 DIRECTORATE CAPITAL MONITORING - NEIGHBOURHOODS

Total b/f	**7,477**	**5,683**	**5,388**			
Car Park Schemes	277	99	0	99	100	This section comprises of 5 different schemes. 1) Lee Valley have made their own arrangements to install their pay and display machines meaning the budget of £15,000 is now surplus to requirements. 2) The installation of new 4G pay and display machines in each of the Council's car parks is now complete with a significant underspend on this project. 3) The Council have purchased new pay and display machines and commenced the signing and lining for the new car park at Oakwood Hill. There have been some delays due to a land ownership dispute which has led to an unforeseen boundary fence needing to be constructed; therefore some of the works will slip into the next financial year. 4) After the upgrade of the LED lighting at Traps Hill car park in Loughton, the next phase of the project is currently going through the procurement process with the majority of the remaining works slipping into the next financial year. The original specifications for the works have changed with the budget expected to be overspent. It will be recommended as part of the Capital Review that the savings from the Lee Valley car park and the pay and display installations will be transferred to cover these unexpected costs. 5) A consultancy team has been appointed to advise the Council on the demolition of the garages at Vere Road and the re-designing of the car park to maximise spaces. Surveys and design works are expected before the end of the financial year, whereas the demolition of the garages and other works for the car park are expected to slip into 2018/19.
Other Schemes	96	5	4	1	16	There are 4 schemes within this section. 1) The waste management equipment budget is earmarked for waste and recycling bins provided to new properties around the district and will be recharged at the end of the financial year. 2) The Ground Maintenance vehicle replacement scheme has received delivery of a new mower. Quotes for a new truck to replace an ageing vehicle have been received but will exceed the current allocation for 2017/18 and therefore a recommendation will be submitted to bring forward a future budget to cover these costs. A financial analysis comparing the costs of leasing to the costs of purchasing a new fleet of mowers is underway with a report anticipated on the conclusion of this analysis. 3) Flood alleviation works to replace the failing CCTV systems at the old Bobbingworth Tip has been completed (see Annex 7). There have been further unexpected failures to the main control unit and pumps at Bobbingworth Tip, which are likely to put the current allocation overspent. The Flood Alleviation team are currently evaluating the potential risks of further equipment failures before submitting a new report to secure future capital funding. 4) The "Invest to Save" scheme to extend the vehicle compound at North Weald 240 Building is awaiting planning permission before works on the compound can begin. The works are not expected to start until the new financial year.
Total	**7,850**	**5,787**	**5,392**			

2017/18 DIRECTORATE CAPITAL MONITORING - RESOURCES

Scheme	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	17/18 Variance Budget Vs Actual £'000	17/18 Variance Budget Vs Actual %	Comments
	£'000	£'000	£'000	£'000	%	
Transformation Projects	120	0	0	0	0	The Accommodation Review has now reached the detailed feasibility stage and a budget of £120,000 has been re-allocated from the Bridgeman House to cover these costs (see Annex 7). The interim invoice will be paid in early quarter 3 with the remainder to be paid before the end of the financial year.
Active Planned Maintenance Projects	378	113	6	-107	-95	This section includes the schemes for works on buildings that do not fall under the scope of the Accommodation Review. There was limited spend to month 6 due to a combination of delays to projects previously within the scope of the Accommodation Review, projects currently awaiting results of planning applications, and projects being in design stages. The current spend shown represents preliminary works on multiple schemes including the Waltham Abbey Museum roofing works, North Weald Gatehouse window replacements and the fencing works around Town Mead Depot. The Council are awaiting quotes for the installation of fire alarm detection and loops around the Civic Offices and the replacement of the North Weald Gatehouse windows, with works on both schemes expected to start in quarter 3. The Museum reroofing works have been delayed after finding higher than expected level of asbestos; however works are still expected to be finished before Christmas. The health and safety works at Town Mead Depot are continuing to progress after an order to procure the fencing panels was placed; works on construction of the boundary fence are expected to commence on delivery. The remainder of this budget will be recommended as part of the Capital Review to be vired in addition to the supplementary provision for necessary alteration works at Town Mead Depot (see Annex 8b) after a duplication of works was found.
On-Hold Planned Maintenance Projects	604	0	0	0	0	Many of the schemes in the planned maintenance programme relating to the civic offices have been placed on hold pending the outcome of the Accommodation Review. Expenditure will be limited to some minor design works.
ICT Projects	415	119	174	56	47	The ICT schemes are continuing to progress well with several more schemes being completed in quarter 2; however some projects are still being delayed or put on-hold awaiting the recommendation of the Accommodation Review. As expected the upgrade to the Gazetteer's corporate address database is now complete, as is the upgrade to the OHMS system which has enhanced the systems' interface to other housing systems. This progress is expected to continue in quarter 3 with the replacement of the corporate main firewalls, the remote support tools that allows external troubleshooting of PC's and laptops, and the gazetteer software replacement. In addition to the pilot upgrade of the Citrix servers, which has already been identified as a potential carry forward, the planning system upgrade, telephone system extension and installation of power supply to remote sites will all be recommended to be carried forward due to a combination of staffing capacity and the outcome of the Accommodation Review.
HR/Payroll System	20	5	5	0	0	This budget is a continuation of the 2016/17 budget for the implementation of the Human Resources/Payroll system. Works to scope and build the Human Resources system, including the Employee/Manager Self-Service, health and safety, recruitment and learning elements were rolled out at the beginning of the financial year; the invoices are currently awaiting payment.
Total	**1,537**	**236**	**185**			

ANNEX 10(a)

2017/18 DIRECTORATE CAPITAL MONITORING - HOUSING REVENUE ACCOUNT

Scheme	17/18 Full Year Budget	Second Quarter 17/18 Budget	Second Quarter 17/18 Actual	17/18 Variance Budget Vs Actual		Comments
	£'000	£'000	£'000	£'000	%	
Housebuild Phase 1	1,155	1,155	1,131	-24	-2	Please see major scheme tab for details on this scheme.
Housebuild Phase 2	8,131	4,435	1,759	-2,676	-152	Please see major scheme tab for details on this scheme.
Housebuild Phase 3	4,920	2,684	1,468	-1,216	-83	Please see major scheme tab for details on this scheme.
Other Housebuilding	707	289	286	-3	-1	The moratorium has been lifted on Phases 4 to 6 with the budget allocations to be included in the capital programme as part of the Capital Review in the autumn. The budget of £707,000 shown here represents the remaining allocation in respect of the Barnfield development where hand-over of the 8 affordable rented houses built as part of a S106 development by Linden Homes is due in December. Regarding Phases 4 to 6, planning permission has been granted for 22 sites, which when developed with deliver 58 new homes. Four sites are yet to be granted planning permission, which if approved will deliver a further 34 homes. This leaves 13 sites where planning permission has been refused. The Council House-building Cabinet Committee has yet to decide on what they want to do with these sites, but one option is to sell them on the open market and use the capital receipt to fund the house-building programme.
Housing Conversions	0	0	-18	-18	100	The conversions at Marden Close and Faversham Hall were completed in 2015/16. The final account is currently being negotiated and is expected to be in the region of £92,000.
North Weald Depot	2,414	0	0	0	0	After a successful feasibility study in relocating the Housing Repairs Service and the Housing Assets team to the Oakwood Hill Depot, Cabinet decided in favour of expanding the Oakwood Hill Depot and ceasing the plans to the North Weald Depot. A budget of £775,000 has been allocated from the North Weald Depot scheme to the Oakwood Hill expansion with the rest being identified as savings.
Oakwood Hill Depot Expansion	775	0	0	0	0	The initial costs for the planning application will follow the parking review survey which is currently being conducted between Debden Station and the depot. The rest of works are expected to slip into the new financial year on the condition that the planning application is approved.
Policy Changes in 17/18						Members approved the change of policy from a modern homes standard to a decent homes standard starting in the financial year 2017/18. This will reduce the capital spend on HRA projects and has caused many of the capital schemes to show underspends to the current budgets and savings will be identified as part of the Capital Review.
Heating / Rewire	3,725	1,609	1,146	-462	-29	Gas heating is still currently showing the largest underspend of the category; however three installations at Leonard Davies House, Frank Bretton House and Jessopp Court are expected to be completed before the end of the financial year with the budget on target to be fully spent. Due to limited demand for installation of air source heating, there has been no installations of the Mechanical Ventilation Heat Recover (MVHR) systems with the majority of the budget being recommended to be taken as a saving in the Capital Review. Similarly, a saving has been identified in the water tanks scheme after all planned works were completed in quarter 2.
Kitchen & Bathrooms	2,680	1,340	741	-599	-45	The kitchen and bathroom programmes are showing significant underspends due to a combination of the policy change from modern to decent homes and some installations being put on hold as a result of tenants being in arrears with their rents. Savings have been identified in this category.
Other Repairs & Maint	250	118	91	-27	-23	Feasibility studies have been identified including relocating staff and workshop from Epping Depot to the Oakwood Hill Depot. With reduced capital works being undertaken there is a lower demand for asbestos removal works.
Total c/f	**24,757**	**11,629**	**6,604**			

ANNEX 10(b)

2017/18 DIRECTORATE CAPITAL MONITORING - HOUSING REVENUE ACCOUNT

Scheme	17/18 Full Year Budget £'000	Second Quarter 17/18 Budget £'000	Second Quarter 17/18 Actual £'000	17/18 Variance Budget Vs Actual £'000	17/18 Variance Budget Vs Actual %	Comments
Total b/f	**24,757**	**11,629**	**6,604**			
Windows / Doors / Roofing	2,588	1,232	1,043	-189	-15	Fire safety has been highlighted due to recent events at Grenfell Tower with EFDC actively pursuing options with leaseholders to upgrade fire doors in flats around the district. An accelerated programme has been put in place until the end of the year with the budget expected to be fully spent. After the termination of the double glazing contractor, the next phase of works will go out to tender with works expected to slip into the next financial year. The tiled roofing scheme is currently on target with the flat roofing scheme expecting to commence in quarter three. The balcony resurfacing scheme has faced delays due to staffing capacity and will be recommended to be carried forward into 2018/19 in the Capital Review.
Other Planned Maintenance	358	179	21	-158	-88	This category includes Norway House improvements, door entry system installations and energy efficiency works. The ad-hoc nature of the energy efficiency scheme makes budgeting difficult and this year the budget is expected to be considerably underspent by the end of the year, and future year budgets are being re-assessed The door entry system scheme will be accelerated after crime and vandalism issues at the Hill House estate.
Garages & Environment Works	1,289	307	13	-294	-96	Considerable delays to the construction of the off-street parking areas at Torrington Drive and Paley Drive have occured, including the main contractor going out of business. A new contractor is now on site at the former and the work is out to tender at the latter. The works at Torrington Drive are expected to be completed by the end of the financial year but the majority of the works at Paley Drive will slip into 2018/19. The estates environmental works are currently behind schedule due to staff capacity issues with only a small portion of works expected to be completed by the end of the year. The CCTV installation at Limes Farm Yellow Block is expected to be completed in October, whilst a replacement system at Norway House is being installed in quarter 4.
Structual Schemes	1,593	322	683	362	113	The year to date budget for miscellaneous structural works is considerably overspent due to the HRA stock being relatively old, with cracks in plaster and walls being a significant issue. It will be recommended in the Capital Review that some of the savings identified in the other categories will supplement this budget. Design specifications for the replacement of 9 lifts in Limes Farm estate is currently progressing, however works are not expected to start on site until quarter 3; consequently the remainder of the works will slip into the new financial
Disabled Adaptations	450	225	244	19	8	Disabled adaptations works are continuing to progress well with two large extensions at Valley Hill and Greensted Road remaining. The budget is currently expected to be fully spent by the end of the year.
Service Enhancments	455	228	17	-210	-92	The front door replacement programme for leaseholders is facing the same urgency as other replacement door programmes due to fire safety regulations. However, due to significant leaseholder issues, a large portion of the works are expected to slip into the next financial year. The Oakwood Hill enhancement programme has also faced considerable delays and will be recommended to be carried forward in the Capital Review. The Smart Store IT system for the repairs service is now operational and will be invoiced in quarter 3.
Replacement Housing Vehicles	158	107	107	0	0	A total of 7 vans have been delivered to replace an ageing fleet with another 2 being identified for delivery later in the year. One of the older housing repairs vehicles was stolen at the end of quarter two and will be replaced before the end of the year; the Council is currently proceeding with recovery efforts through the insurance company.
Work On Hra Leasehold Prop (Cr)	-300	0	0	0	0	This credit budget allows for work undertaken within the above categories on sold Council flats. Once identified, an adjustment will be made at the end of the year.
Total	**31,348**	**14,227**	**8,732**			

2017/18 DIRECTORATE CAPITAL MONITORING - REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS) AND CAPITAL LOANS

REFCuS Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park	3,014	2,009	2,457	448	0	Please see major scheme tab for details on this scheme. This budget refers to the S278 works.
Parking & Traffic Schemes	265	0	0	0	0	After designs were completed and advertised at the end of 2016/17 by North Essex Parking Partnership, Phase 1 of the Loughton Parking review went live in August. Phase 1 consists of 14 on-street parking schemes located around Loughton including Oakwood Hill, Rectory Lane and Langston Road. A meeting to discuss the designs of Phase 2 will be held in early quarter 3 and will allow time to evaluate the resident's response to Phase 1, get approval to commission a car park capacity survey, and pinpoint potential locations in and around Debden Station. Costs in 2017/18 will consist of further public consultation, design and advertising with the rest of the works slipping into the next financial year.
Total	**3,279**	**2,009**	**2,457**			

Capital Loan Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Private Sector Housing Loans	150	75	37	-38	-51	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. Up to the end of quarter 2, £37,000 has been spent with an additional £83,000 currently either in application or approval stage.
Total	**150**	**75**	**37**			

ANNEX 12(a)

2017/18 DIRECTORATE CAPITAL MONITORING - MAJOR SCHEMES

HOUSE BUILDING PHASE 1

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100)	Approved Budget Unspent to Date £'000 (C-D)
Apr-14	Jun-15	Oct-14	Nov-17	3,948	1,887	5,835	5,945	6,404	10%	-110

Work started on phase 1 of the Council's Housebuilding Programme in October 2014 to construct 23 new homes for rent. This included 14 houses and 9 flats on four different sites in Waltham Abbey. However, the works did not progress in line with the original contract period, which had a completion date of 13 November 2015. A certificate of non-completion was served on the contractor Broadway Construction Ltd, and liquidated and ascertained damages were deducted from each payment at a rate of around £10,200 per week thereafter. These damages were set to reflect the loss of rent for the properties and the cost of employing consultants to continue to manage the contract.

On 1 June 2016, with approximately two-thirds of the value of works completed, the Council terminated the contract with Broadway Construction Ltd (BCL) as they were not regularly and diligently progressing with the works. In September, the Council House-building Cabinet Committee agreed the appointment of P A Finlay & Co Ltd for the recovery phase of the construction works at Phase 1 in the negotiated contract sum of £2,674,335. At the time, an additional contingency sum of £267,400 was included in the budget to allow for any unforeseen works.

In March 2017, the Council and BCL concluded an adjudication involving a dispute regarding the sum of £74,494.02 withheld by the Council under the terms of the contract. The adjudicator found in favour of the Council on three of the four points. However, on the fourth he found in favour of BCL, namely that the Council was not entitled to serve more than one pay less notice in relation to a payment notice. As a consequence, the Council had to pay over to BCL the sum of £74,494.02 plus interest amounting to £2,986.

The Council has now taken possession of 21 of the 23 properties and hand-over of the remaining 2 homes at the Red Cross B site is expected in mid November. The final account for the recovery works undertaken by P A Finlay & Co Ltd is anticipated to be £3,423,888, which is unchanged from the figure previously reported. This sum represents an increase of 16% above the original budget estimate due to unforeseen ground contamination remediation works, drainage alterations, brickwork and window remediation, additional retaining structure and alterations required to the balconies. The total anticipated outturn figure for Phase 1, including all construction costs, fees and site security costs, was increased to £6,404,000 in the quarter 1 report. No changes have been made to this estimate at present although the Council's development agent, East Thames has served notice in accordance with the contract to end the relationship, following a merger with London & Quadrant, and a 6-month hand-over period has been agreed to allow the Council to put in place alternative contractual arrangements. The approved budget will be amended as part of the Capital Review. As shown above, actual expenditure incurred to 30 September 2017 was £5,945,000, including outstanding retentions of £133,000.

HOUSE BUILDING PHASE 2

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100)	Approved Budget Unspent to Date £'000 (C-D)
Feb-16	Mar-18	Mar-16	Sep-18	9,110	1723	10,833	4,910	11,216	4%	5,923

Phase 2 of the Housebuilding Programme achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. The Contract was awarded to Mullalley & Co Ltd following a competitive tendering exercise in November 2015 in line with the Council's Contract Standing Orders based on price and quality. Interviews were also undertaken as part of this evaluation, attended by the Housing Portfolio Holder. The contract commenced in March 2016 in the adjusted tender sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks. This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector. The pre-tender forecast figure of £9,110,000 in the table above includes fees and other costs.

Mullalley & Co Ltd took possession of the site in March 2016 with work commencing in July 2016, having discharged the planning conditions and completing the detailed designs. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. As a result of this, additional works are required and delays of around 23-weeks have been claimed by the Contractor. Their entitlement is currently being evaluated by Pellings, the Council's Employers Agents and the additional costs for the works are estimated to be around £500,000, which excludes any loss and expense claims. Until the claim has been evaluated for entitlement the final account cannot be updated to reflect any loss and expense. Furthermore, new fee arrangements will need to be agreed as a result of East Thames ending their contract as the Council's development agent. Once agreed, the anticipated outturn figure will be revised accordingly and the approved sum will be updated as part of the Capital Review to be presented to Cabinet in December.

The anticipated completion date in the table above has been changed to 30 September 2018 to reflect the delays to the construction contract highlighted the previous paragraph. Actual expenditure incurred to 30 September 2017 was £4,910,000, including an outstanding contract sum of £298,350 and retention of £212,500.

2017/18 DIRECTORATE CAPITAL MONITORING - MAJOR SCHEMES

HOUSE BUILDING PHASE 3

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100)	Approved Budget Unspent to Date £'000 (C-D)
Feb-17	Feb-18	Apr-17	TBC	7,502	0	7,502	2,659	7,397	-1%	4,843

Works across each of the Phase 3 house-building development sites commenced, based on the following:

Scheme	Contract Sum	Start Date	Duration	Completion Date
Bluemans End	£753,034	02/05/2017	36 Weeks	17/01/2018
Parklands	£716,757	18/04/2017	56 Weeks	24/05/2018
Springfields & Centre Avenue	£1,408,126	18/04/2017	60 Weeks	21/06/2018
Stewards Green	£752,340	22/05/2017	34 Weeks	24/01/2018
London Road	£235,695	19/06/2017	36 Weeks	07/03/2018
Centre Drive	£300,285	09/10/2017	36 Weeks	13/06/2018
Queens Road	£2,320,493	TBC	82 Weeks	TBC

The development at Queens Road was delayed pending an agreement with UK Power Network (UKPN) over the lease needed to divert power cables and reposition the electrical sub-station. Although the three-way agreement between UKPN, North Weald Parish Council and Epping Forest District Council was agreed in August 2017, a commencement date has still not been agreed. The contractor has requested an increase in the contract sum and the implications of this are currently being considered. Additional costs will also be incurred at the Stewards Green site as a result of the need to rebuild a retaining wall near to the sub-station.
The total anticipated outturn figure for phase 3 will be updated in the light of these revised costs and will also reflect any amendments resulting from new consultancy arrangements following East Thames' decision to serve notice as the Council's development agent. Actual expenditure incurred to 30 September 2017 was £2,659,000, including outstanding contract sums of £424,200 and retentions of £65,700.

EPPING FOREST SHOPPING PARK

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100)	Approved Budget Unspent to Date £'000 (C-D)
Mar-16	Oct-16	Sep-16	Sep-17	31,161	0	31,161	29,434	31,902	2%	5,857

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 approved by Cabinet in June 2015. It covers the purchase of Polofind's interest in July 2015, the development of the site at Langston Road by the Council as a sole owner, the costs allocated for Section 278 Highways Works, consultancy and other professional fees.
The construction of the Shopping Park commenced in September 2016 and was completed in June 2017; a substantial delay on the original proposed dates (March 2016 and October 2016 respectively). The contract sum for the main works carried out by McLaughlin and Harvey, was £10,300,000. However this figure has risen due to various variations and tenant improvement works to a final contract sum of £10,405,000. The remaing 2.5% of retention monies will be paid 12 months after completion, all other payments have been paid.
The forecasted schedule indicates that as at 1st November, Smyths Toys, Pets at Home, TK Maxx, Hobbycraft and Card Factory will all be trading, whilst Next/Costa, Aldi and JD Sports are currently fitting out their units and will all open in additition to Greggs prior to Christmas 2017. The remaining three vacant units are continung to be marketed. There are still outstanding capital payments to Next and JD Sports which will be paid in quarter 3 when the stores open for business. The current development appraisal still indicates a good return on the Council's investment.
The Section 278 road improvement works have always represented a risk to the scheme with substantial delays attributable to changing requirements from ECC and numerous utility clashes on drainage routes. These numerous variations have resulted in substantial additional costs and ultimately a prolonged contract period. The final contract sum is now anticipated in the region of £4,250,000, although a figure of approximately £170,000 will be recovered from Essex County Council. These works are programmed to be complete in late November 2017 with a final payment including 50% of the 3% retention being released at completion.
The anticipated outturn figure has been revised to £31,902,000 based on the latest information and includes a contingency sum for capital incentives which may be requested.

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Report to Finance and Performance Management Cabinet Committee

Report reference: FPM-017-2017/18
Date of meeting: 16 November 2017

Epping Forest District Council

Portfolio: Finance

Subject: Fees and Charges 2018/19

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

Committee Democratic Services: **Rebecca Perrin** (Ext 4532)

Recommendations/Decisions Required:

(1)That the Committee consider the proposals for the level of fees and charges for 2018/19 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 increase up to applying quite large increases where justifiable.

Report:

1. The Medium Term Financial Strategy has identified the need to find savings of £700,000 over the four year period with £300,000 falling in 2018/19. The Revenue Support funding has already been set for 2018/19 at £193,000, thereafter it is to be phased out with the Council having to fund all its General Fund services from the Council Tax, Retained Business Rates and Fees and Charges. If these resources are not sufficient the General Fund balance will need to make up the difference.

2. In reality, apart from parking charges, 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. Inflation has been on the increase recently and Consumer Prices Index (CPI) is now 3% and it is proposed to use this as a guide in setting increases.

Communities

5. There are a number of fees and charges made for community and wellbeing activities and those proposed for 2018/19 are listed at Appendix 1.

6. This Committee proposed a review of charges at the Limes Centre particularly the policy of granting a 50% discount to tenants as there was some circumstantial evidence that this policy might be being abused. That review has now been carried out and the proposed approach is for regular users (12 occasions or more per year) to be able to take advantage of the scale 1 charge and for charities or residents of the district to be eligible for a 20% discount on the scale 2 charge. It is not thought that the level of income will be significantly affected by this change.

7. The Council's Museum, Heritage and Culture (MHC) service levy a number of charges for their services these are shown at Appendix 2 with the proposed charge for 2018/19 also shown. The increases proposed have been considered taking into account the cost of provision and the possibility that organisations will be deterred from using the services.

8. The Schedule of proposed Housing-Related Fees and Charges for 2018/19 is shown at Appendix 3, 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 3% - rounded up or down as appropriate. The only exceptions to this approach are the following:

Charges for Telecare packages to private users

10. Due to the withdrawing of housing-related Support funding last year, the charges at that time were increased by 37% to £153 per annum. When the charges were increased a number of service users returned their alarms due to the higher cost. Three other authorities in Essex are charging £156, £112 and £82 per annum for the same service. Although some charge more, this is due to them providing a responder service whereby a member of staff goes out to the property at any time of day or night which is very costly and therefore would result in such a higher charge. It is therefore suggested that in order that the service remains competitive the charge remains the same for 2018/19.

Bed and breakfast accommodation

11. A competitive tender exercise was undertaken in 2016/17 amongst bed and breakfast hotels, which resulted in payments to hotels, and therefore the charges passed on to residents, being fixed for a three-year period. Therefore, it is not possible to amend these charges for 2018/19.

Civil Penalties under the Housing and Planning Act 2016

12. The Housing and Planning Act 2016 has introduced a range of measures to supplement existing powers available to councils designed to crack down on the criminal element in the private rented sector, the so called 'rogue landlords' and 'rogue letting agents'. Councils are now able to impose a Civil Penalty of up to £30,000 as an alternative to prosecution for the following offences under the Housing Act 2004:

- Failure to comply with an Improvement Notice where a significant hazard exists at a property;
- Failure to licence a licensable house in multiple occupation;
- Offences in relation to licensing of houses under Part 3 of the Act

- Offences of contravening an overcrowding notice; and
- Failure to comply with management regulations in respect of a house in multiple occupation.

The appropriate penalty is decided depending upon the severity of the offence, the track record of the offender and the harm caused to the tenant.

13. This is a new addition to the housing-related fees and charges list.

Governance

14. There are several sources of income to this Directorate, for example, Local Land Charges, Development Control Fees, Pre-application charges and Building Control Fees.

15. There are a number of fees set for work carried out by Legal Services which are listed at appendix 4. It is felt that fees should be increased in order to ensure that costs are covered and therefore it is proposed to increase these by 3%.

16. 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.

17. The charge for a full search should be set based on the costs incurred providing the information. There is still some work to do ascertaining the costs of the provision of additional information required as part of the new CON29 process introduced last year. There have also been difficulties in service delivery and turn-around times are between 25-30 days and it is felt that increasing fees at the moment would be difficult to justify

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. The Government have proposed that a 20% increase to fees should be made but there is no clear timetable for this to be introduced. At the moment the proposals refer to this being in place in the Autumn, however this now seems unlikely.

19. With regard to pre-application charges that apply to major applications, income is in line with expectations. There is a balance to be struck between charging a reasonable fee to cover costs and charging an excessive amount which may put developers off. It is felt fees should be held at the same level as 2017/18 for 2018/19.

20. Building Control Fees are income to the ring-fenced Building Control Charging Account and therefore do not affect the General Fund directly. Fee income is significantly above expectations at the moment. The team operate in a competitive environment and if fees are set too high work may be lost to the private sector, however equally the fees need to be set at a level that recovers cost. The account was expected to be show a deficit during 2017/18 though some of this was due to the spending of accumulated surpluses from past years to assist with scanning work. The additional income should see the deficit significantly reduced and once the additional scanning costs are removed a position close to break-even is possible. It is therefore proposed to leave charges at current levels

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. 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.

23. With regard to Public Hire licences, the fee for the three and five year licences are shown at Appendix 5. These licences have to be set in line with the Local Government (miscellaneous provisions) Act 1976 these have to be set based on cost recovery. Currently these fees recover their costs in full so an increase could not be justified.

24. Licences for Animal Welfare activities have traditionally been set to recover staff time and time spent by the vet carrying out examinations. It is apparent though that the fee covers the staff time but where there is significant time required by the vet this is not fully recovered. It is therefore proposed that the fee be set to recover staff time only and that the actual vet fee be recharged. That way larger establishments pay an amount more closely aligned to the actual cost of the inspection. The current and proposed fees are at appendix 5.

25. 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 5.

26. Fees relating to the Gambling Act 2005 can now be set locally. Appendix 6 lists the proposed fees for 2018/19 these are unchanged from 2017/18 apart from small society lotteries which have been increased by £1 to achieve cost recovery.

27. 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 is levied to users of the service the proposed fees are in Appendix 5 and represent an increase of 3%.

28. There are a number of other miscellaneous fees and charges which are made. The proposed fees are also shown on appendix 5.

29. 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.

Credit Card Charges

30. HM Treasury have stated that from 13th January 2018, merchants will no longer be able to apply card surcharging to consumer payments by credit or debit card. This is in line with the EU Payment Services Directive (PSD2).

31. The Council currently charges a surcharge of 1.6% on credit card payment to customers to meet the transaction cost from Visa, Mastercard and the banks. From the 13th January 2018 we will no longer be able to do so and will have to absorb this cost. This will have an adverse effect on the Council's charges which is estimated to reduce income by £5,000 for 2017/18 and £20,000 for 2018/19.

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 justifiable. The report seeks members views on the level of fees and charges for 2018/19.

Consultations Undertaken

Consultations have been undertaken with various spending officers from directorates. The report has been considered by the Resources Committee at its meeting in October. With regard to charges for bulky waste some concern was expressed that it was proposed to remove the concession from applying to pensioners and change it to those on Housing Benefit. It was also questioned whether it was wise to increase these charges when fly tipping was on the increase. The view of Waste Management officers is that most fly tipping is commercial waste and not related to bulk waste collections.

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

<u>Risk Management</u>

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.

<u>Equality and Diversity:</u>

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.

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The Limes Centre – Current Scale of Hire Charges from 1st April 2017 **Appendix 1**

Main Hall	**Charges per hour**	
	Scale 1 (Council Tenants)	**Scale 2 (Non Council Tenants)**
Monday to Friday		
9.00am – 6.00pm	£12.50	£25.00
6.00pm – 10.00pm	£17.50	£35.00
Saturday		
10.00am – 6.00pm	£17.50	£35.00
6.00pm – 11.00pm	£28.00	£48.00
10.00am –11.00pm	£260.00	£460.00
Sunday		
10.00am – 9.00pm	£28.00	£48.00

Activity Room	**Charges per hour**	
	Scale 1	**Scale 2**
Monday to Friday		
9.00am – 6.00pm	£8.50	£18.50
6.00pm – 10.00pm	£13.50	£23.50
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£13.50	£18.50
6.00pm – 11.00pm	£18.50	£28.50

Meeting Room	**Charges per hour**	
	Scale 1	**Scale 2**
Monday to Friday		
9.00am – 6.00pm	£5.50	£10.50
6.00pm – 10.00pm	£11.50	£22.50
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£10.50	£20.50
6.00pm – 11.00pm	£15.50	£25.50

The Limes Centre – Current Scale of Hire Charges from 1st April 2018

Main Hall	**Charges per hour**	
	Scale 1 (Council Tenants)	**Scale 2 (Non Council Tenants)**
Monday to Friday		
9.00am – 6.00pm	£13.00	£26.00
6.00pm – 10.00pm	£18.00	£36.00
Saturday		
10.00am – 6.00pm	£18.00	£38.00
6.00pm – 11.00pm	£29.00	£49.00
10.00am –11.00pm	£275.00	£500.00
Sunday		
10.00am – 9.00pm	£29.00	£49.00

Activity Room	**Charges per hour**	
	Scale 1	**Scale 2**
Monday to Friday		
9.00am – 6.00pm	£9.00	£19.00
6.00pm – 10.00pm	£14.00	£24.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£15.00	£25.00
6.00pm – 11.00pm	£20.00	£30.00

Meeting Room	**Charges per hour**	
	Scale 1	**Scale 2**
Monday to Friday		
9.00am – 6.00pm	£6.00	£12.00
6.00pm – 10.00pm	£12.00	£24.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£12.00	£24.00
6.00pm – 11.00pm	£16.00	£32.00

Community, Health & Wellbeing Activity - Proposed Fees and Charges for 2018/19

Service/Activity	2017/18 Fees	Proposed 2018/19 Fees	Comments
New Horizons Yoga session Indoor Bowls (Epping & Waltham Abbey) David Lloyd Bowls Badminton Boccia Table Tennis	 £5.60 £3.70 £4.50 £3.70 £3.70 £3.70	 £5.80 £3.80 £4.50* £3.80 £3.80 £3.80	*This was increased by 50p last year and we received a lot of criticism for this therefore we do not feel it should be increased again for 2018/19
Lifewalks	£2.00 per walk £30.00 privilege card for 6 months £58 privilege card for 12 months	£2.00* £30.00 £58	*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 LVRPA are introducing car park charges from end of Oct 17, this could have a negative impact upon walkers attending, therefore we do not feel we can increase fees if walkers have to pay for parking.
Cycling for Health	£4.00 £8.00	£4.50 £9.00	
Term time Sessions: Badminton Futsal	 £4.85 £3.50	 £5.00 £3.60	
Holiday Provision Sport Sessions	 £5.00	 £5.20	
Get Active Sessions	£3.50	£3.60	
Multi-Sport/Activity Camps	£16.00	£16.50	
Play in the Forest	£3.00	£3.00	

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Museums, Heritage & Culture: Fees & Charges

Appendix 2

	Actual 2017/18 £	Proposed (ex VAT) 2018/19 £	VAT Indicator	Percentage Increase	Comments
Images (Private Research & Commercial)					
Private Research:					
A4 Black & White print	£6.00	£6.25	Yes	4.17%	
A4 Colour print	£6.50	£6.75	Yes	3.85%	
A4 Black and white photocopy	£1.00	£1.00	Yes	0.00%	
Digital copy, 300dpi (by email)	£5.00	£5.50	Yes	10.00%	
Digital copy, 300dpi (by email) (over 10 images)	£4.00	£4.50	Yes	12.50%	
Commercial:					
Books					
Local History Groups & Registered Charities	Free	Free			
Cover Page	£200.00	£220.00	Yes	10.00%	
Inner Page	£65.00	£70.00	Yes	7.69%	
TV / Film / Video					
Single Country	£75.00	£80.00	Yes	6.67%	
Worldwide	£150.00	£160.00	Yes	6.67%	
Digital					
300dpi jpeg/tiff per image / single use	£75.00	£80.00	Yes	6.67%	
Web					
Regional based business	£75.00	£80.00	Yes	6.67%	
National / International business	£150.00	£160.00	Yes	6.67%	
Identifications/ Enquiries					
Collections Search Service	Free	Free			
Research Visits	Free	Free			
Identifications Service	Free	Free			
Research Service (fee per hour)	£15.00	£15.00	No	0.00%	
Exhibition Hire					
Anthony Trollope Exhibition (fee per month. Up to 12 week hire)	£150.00	£150.00	No	0.00%	
Romance in Stone - The Pulham Legacy (fee per month. Up to 12 week hire)	£300.00	£300.00	No	0.00%	
Touring Exhibitions (Venues in Eastern Region) per month (minimum 2 month hire)	£50.00	£60.00	No	20.00%	
Touring Exhibitions (Venues Outside Eastern Region) per month (minimum 2 month hire)	£75.00	£90.00	No	20.00%	
Talks and Tours					
1 hour daytime talk within the Borough of Broxbourne / Epping Forest District (per group)	£54.00	£55.50	No	2.78%	
1 hour daytime talk outside the Borough of Broxbourne / Epping Forest District (per group)	£64.00	£65.50	No	2.34%	
1 hour evening talk outside museum but within borough/district (per group)	£64.00	£65.50	No	2.34%	
1 hour evening talk outside the borough/district (per group)	£74.00	£75.50	No	2.03%	
1 hour daytime talk or tour (incl. Behind the Scenes), with refreshments within the museum (per person) *minimum group charge of £50*	£5.00	£5.00	No	0.00%	New charge
1 hour evening talk or tour (incl. Behind the Scenes), with refreshments within the museum (per person) *minimum group charge of £70*	£7.00	£7.00	No	0.00%	New charge

Museums, Heritage & Culture: Fees & Charges

Appendix 2

	Actual 2017/18 £	Proposed (ex VAT) 2018/19 £	VAT Indicator	Percentage Increase	Comments
Schools (workshops in school)					
(max 35 pupils per class)					
1 class for 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£40.00	£40.00	No	0.00%	PLEASE NOTE SCHOOL FEES ARE ACADEMIC YEAR SEPT -SEPT
Schools outside Epping Forest/Broxbourne area	£50.00	£50.00	No	0.00%	
2 classes on same day 2 x 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£60.00	£60.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£70.00	£70.00	No	0.00%	
3 classes on same day 3 x 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£80.00	£80.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£90.00	£90.00	No	0.00%	
4 classes on same day 4 x 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£100.00	£100.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£120.00	£120.00	No	0.00%	
Schools (workshops in museum)					
2 hours (half day) up to two classes					PLEASE NOTE SCHOOL FEES ARE ACADEMIC YEAR SEPT -SEPT
Epping Forest District and Broxbourne Borough Council Schools (Per child) minimum charge £40	£3.00	£3.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area (Per child) minimum charge £40	£4.00	£4.00	No	0.00%	
Self guided visit	Free	Free			
School Topic Box Hire					
Epping Forest and Broxbourne Borough Schools	£40.00	£40.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£50.00	£50.00	No	0.00%	
*Special rate save £10 if booked with and delivered on the same day as a workshop					
Workshops/Public Programme					
Family Fun Workshops and Toddler sessions	£1.50	£1.50	No	0.00%	Increased every few years
Half Day Workshops	£8.00	£8.00	No	0.00%	Increased every few years
Full day workshops	£20.00	£20.00	No	0.00%	Increased every few years
Artist-led Workshops 1.5 hrs (incl. materials)	£8.00	£8.00	No	0.00%	Increased every few years
Artist-led Workshops 2 hrs (incl. materials)	£10.00	£10.00	No	0.00%	Increased every few years
Artist-led Workshops 5 hrs/1 day (incl. materials)	£20.00	£20.00	No	0.00%	Increased every few years
Performance ticket (kids theatre shows)	£8.00	£8.00	No	0.00%	Increased every few years
Motiv8 Performance ticket	£8.00	£8.00	No	0.00%	audience feedback suggests we can't put this up every year
Motiv8 Performance ticket Concession price	£5.50	£5.50	No	0.00%	audience feedback suggests we can't put this up every year
eNgage Performance ticket	£12.00	£12.50	No	4.17%	
eNgage Performance ticket Concession price	£9.00	£9.50	No	5.56%	
After School Dance per child per session	£3.50	£4.00	No	14.29%	
Active Assemblies 1 day of training for session leaders (plus travel)	£160.00	£180.00	No	12.50%	
Active Assemblies 20 resource packs	£380.00	£400.00	No	5.26%	
Active Assemblies teacher mentoring over 8 weeks, per group	£50.00	£51.00	No	2.00%	
Active Assemblies session delivery for 8 sessions outside EFDC (plus travel)	£250.00	£260.00	No	4.00%	
Active Assemblies session delivery for 8 sessions EFDC	£180.00	£185.00	No	2.78%	
Creative Homes Arts sessions per session (incl. materials and set up, clear up time)	£65.50	£67.00		2.29%	
Creative Homes Dance sessions per session (incl. materials)	£47.00	£48.00		2.13%	

Museums, Heritage & Culture: Fees & Charges

Appendix 2

	Actual 2017/18 £	Proposed (ex VAT) 2018/19 £	VAT Indicator	Percentage Increase	Comments
Venue Hire					
Lowewood Museum Room (per hour)	£12.50	£12.50	Yes	0.00%	New for the museum and trying to build up and audience for this
Equipment for Lowewood Museum Room (use of projector / screen / flip chart per session)	£25.00	£25.00	Yes	0.00%	New for the museum and trying to build up and audience for this
The Space day rate (per hour) (30 people)	25.00/15.00	£25.00/15.00	Yes	0.00%	New for the museum and trying to build up and audience for this
The Space evening rate (per hour) (30 people)	50.00/35.00	£50.00/£35.00	Yes	0.00%	New for the museum and trying to build up and audience for this
The Space Sunday rate (per hour) (30 people)	£100.00/£80.00	£100.00/£80.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Tudor Gallery and Garden day rate (per hour) (20 people)	35.00/30.00	£35.00/£30.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Tudor Gallery and Garden evening rate (per hour) (20 people)	55.00/45.00	£55.00/£45.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Temp Ex (per hour) (60 people)	120.00/100.00	£120.00/£100	Yes	0.00%	New for the museum and trying to build up and audience for this
Whole Museum (per hour) (200 people)	160.00/150.00	£160.00/£150	Yes	0.00%	New for the museum and trying to build up and audience for this
Tea/Coffee and Biscuits (per person)	£3.00	£3.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Buffet Lunch (per person)	£7.00	£7.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Archaeological Depositions					
Excavations within Borough of Broxbourne (deposited with Lowewood Museum)					
Standard archive box of finds or paper archive	£40.00	£110.00	Yes	175.00%	(New figure set by Hertfordshire as county wide standard - the figure will increase by £10 every year)
Additional fees for items which will not fit into a standard box:					The 2018/19 figure will cover all depositions regardless of size
Per A0 sheet paper or Perspex	£1.50	£0.00		-100.00%	Charge will be removed
Per A1 sheet paper or Perspex	£1.00	£0.00		-100.00%	Charge will be removed
Per A2 sheet paper or Perspex	£0.50	£0.00		-100.00%	Charge will be removed
Per A3 sheet paper or Perspex	£0.25	£0.00		-100.00%	Charge will be removed
Excavations within Epping Forest District (deposited with EFDM)					
Minimum charge per site (includes one finds box and one paper box)	£49.00	£54.00	Yes	10.20%	
Each additional Bulk Finds Box	£35.00	£40.00	Yes	14.29%	
Each additional Small Finds Box	£35.00	£40.00	Yes	14.29%	
Each additional Paper Archive Box	£35.00	£40.00	Yes	14.29%	
Museums Annual Membership					
Annual Individual Membership to both museums (discounted offer in shop and talks, entry to special events)	£16.67	£16.67	Yes	0.00%	Project under review
Junior Individual Membership (up to 16 years) (discounted offer in shop and talks, entry to special events)	£8.33	£8.33	Yes	0.00%	Project under review
Group Membership (up to 5 people of which one member is over 16 yrs) (discounted offer in shop and talks,	£41.67	£41.67	Yes	0.00%	Project under review

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Fees and Charges 2018/19 - HOUSING RELATED SERVICES				Appendix 3
Service	**2017/18**		**2018/19**	
	Amount	**Period**	**Amount**	**Period**
Older People's Housing				
Communal Halls:				
Pelly Court Hall, Epping	£10.10	per hour	£10.40	per hour
Oakwood Hill Hall, Loughton	£141.60	per annum	£145.85	per annum
Barrington Hall, Loughton	£8.25	per session	£8.50	per session
Guest Rooms - Sheltered Housing	£9.35	per person per night	£9.65	per person per night
Scooter Stores:				
Rental	£4.00	per week	£4.15	per week
Electricity	£2.05	per week	£2.15	per week
Sheltered Housing Charges:				
Scheme Management Charge:				
Tenants not in receipt of housing benefit	£10.11	per week	£10.40	per week
Tenants in receipt of housing benefit	£3.07	per week	£3.15	per week
Intensive Housing Management Charge	£1.78	per week	£1.85	per week
(Note: Charge not payable by HB claimants)				
Area Housing Charges:				
Scheme Management Charge:				
Tenants not in receipt of housing benefit	£2.52	per week	£2.60	per week
Tenants in receipt of housing benefit	£0.75	per week	£0.80	per week
Intensive Housing Management Charge	£0.45	per week	£0.50	per week
(Note: Charge not payable by HB claimants)				
Careline Charges (Council tenants):				
Tenants not in receipt of housing benefit	£4.38	per week	£4.50	per week
Tenants in receipt of housing benefit	£1.33	per week	£1.35	per week
Telecare Packages (Private users):				
Alarm and up to 4 sensors (Monitoring only)	£153.00	per annum	£153.00	per annum
Monitoring of additional sensors (per sensor)	£15.50	per annum	£15.50	per annum
Monitoring of alarms for other organisations (per speech module)	£108.75	per annum	£112.00	per annum
Large Button Telephone	£22.00	per telephone	£22.65	per telephone
Use of Jessopp Ct Lounge by Essex CC as a Day Centre	£10,240	per annum	£10,545	per annum
Lease for Jessopp Ct Office to Family Mosaic	Increased each October by the Sept RPI increase			
Home Ownership and Sales				
Leasehold Vendors' Enquiries	£148.60	per enquiry	£153.00	per enquiry
Certificates of Buildings Insurance - Leaseholders	£47.30	per copy	£48.70	per copy
Small Land Sales Valuation Charge	£379.00	per sale	£390.40	per sale
Valuation & Legal Charge - Re-sale of RTB Property within 5 years / Sale of property to EFDC within 10 years	£382.70	per application	£394.20	per application
Consideration of Right to Re-purchase Former RTB Property within 10 years of Original Purchase	£66.60	per application	£68.60	per application
Housing Management				
Hire of Halls for Elections	£92.40	per day	£95.10	per day
Garage rents	£8.50	per week	£8.75	per week
Hardstandings	£88.00	per annum	£90.65	per annum
Mortgage references	£43.35	per enquiry	£44.65	per enquiry
Request for covenant and leasehold approvals	£69.20	per request	£71.25	per request
Licences for vehicular access across housing land	£115.00	per annum	£118.50	per annum
Dishonoured cheques	£26.85	per cheque	£27.65	per cheque

Homelessness				
Homeless Hostel Accommodation:				
One Room	£48.80	per week	£50.25	per week
Two Rooms	£76.25	per week	£78.55	per week
Three Rooms	£102.65	per week	£105.70	per week
Chalets	£88.90	per week	£91.55	per week
Bed and Breakfast Accommodation (Contracted rates):				
Single Room	£42.10	per night	£42.10	per night
Double Room	£50.05	per night	£50.05	per night
Repairs and Maintenance				
Condition surveys to respond to Party Wall Act Notices	£78.25	per Notice	£80.60	per Notice
Copies of Structural Reports on RTB Properties	£38.70	per report	£39.85	per report
Rechargeable repairs	2.0%	increase in all charges	3.0% increase in all charges	
Replacement Door Entry and Suited Keys	£14.60	per key	£15.00	per key
Sewerage charges for individual sewerage systems	2.0%	increase in all charges	3.0% increase in all charges	
Caring and Repairing in Epping Forest (CARE) Service				
Caring And Repairing in Epping Forest (CARE) Fees:				
Disabled facilities grants and Decent Homes loans	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:				
Clients in receipt of means-tested benefits:				
General jobs	£32.50	Maximum charge per visit	£33.50	Max. charge per visit
Falls prevention and home safety checks/works	Free		Free	
Garden maintenance - First visit	Free	per visit (up to 2 hours)	Free	per visit (up to 2 hours)
- Second visit	Free	per visit (up to 2 hours)	Free	per visit (up to 2 hours)
Clients not in receipt of means-tested benefits:				
General jobs	£53.50	Maximum charge per visit	£55.10	Max. charge per visit
Falls prevention and home safety checks/works	£26.70	Maximum charge per visit	£27.50	Max. charge per visit
Garden maintenance	£26.70	per visit (up to 2 hours)	£27.50	Max. charge per visit

Private Sector Housing				
Licences - HMOs (Initial & Renewal):				
3 storey HMO with up to 5 units of accommodation	£715.00	per licence	£736.50	per licence
Additional units of accommodation	£66.60	per additional unit	£68.60	per additional unit
Landlord Accreditation Scheme for Student Accomm:				
Bed-sit	£52.40	per property accredited	£53.95	per property accredited
1-2 bedroom flats	£104.90	per property accredited	£108.00	per property accredited
House/bungalow with up to 6 bedrooms	£157.30	per property accredited	£162.00	per property accredited
3 storey houses (non-licensable)	£183.50	per property accredited	£189.00	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	£139.40	per deposit	£143.60	per deposit
Penalty charges for private landlords				
Failing to provide appropriate smoke and carbon monoxide alarms (Smoke and Carbon Monoxide Alarm (England) Regulations 2015)	£5,000	per incidence (unless extenuating circs.)	£5,000	per incidence (unless extenuating circs.)
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.)
Civil Penalty Notices for certain Housing Act 2004 offences	New charge		Up to £30,000 per notice	
Property inspections for immigration applications:				
1 or 2 Bed Property	£85.00	per inspection	£87.50	per inspection
3 Bed Flat Property	£114.00	per inspection	£117.50	per inspection
4 Bed Property	£157.00	per inspection	£162.00	per inspection
Enforcement of private sector housing conditions - Housing Act 2004 and Mobile Homes Act 2013				
1-4 Hazards:				
1 Bed Property	£342.00	per enforcement	£352.00	per enforcement
2 Bed Property	£385.00	per enforcement	£396.00	per enforcement
3 Bed Property	£428.00	per enforcement	£441.00	per enforcement
4 Bed Property	£513.00	per enforcement	£528.00	per enforcement
5 or 6 Bed Property	£556.00	per enforcement	£571.00	per enforcement
> 6 Bed Property or HMO	£670.00	per enforcement	£690.00	per enforcement
5 or more Hazards:				
1 Bed Property	£428.00	per enforcement	£441.00	per enforcement
2 Bed Property	£470.00	per enforcement	£484.00	per enforcement
3 Bed Property	£513.00	per enforcement	£529.00	per enforcement
4 Bed Property	£612.00	per enforcement	£630.00	per enforcement
5 or 6 Bed Property	£655.00	per enforcement	£675.00	per enforcement
> 6 Bed Property or HMO	£726.00	per enforcement	£748.00	per enforcement
General percentage uplift for next year	3.0%			

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LEGAL FEES – 2017/18 & Proposed 2018/19

		2017/18	2018/19
1.	**Property Transactions**		
1.1	Redemption of Mortgages	£148.00	£152.00
1.2	Transfers of Equity	£286.00	£295.00
1.3	Sale of Land	£418.00	£431.00
1.4	Repayment of Discount and Postponement of Legal Charge	£140.00	£144.00
1.5	Deed of Release of Covenant	£258.00	£266.00
1.5.1	Deed of Covenant + Application to Cancel Land Charges Entry (Form K11)	£112.00	£115.00
1.6	Second Mortgage Questionnaires	£103.00	£106.00
1.7	Licence to cross land/occupy land	£418.00	£431.00
	Licences to cross housing land	£125.00	£128.00
1.8	Leases		
	(a) Shops	£750.00	£773.00
	(b) Industrial (e.g. Oakwood Hill and North Weald)	£750.00	£773.00
	(c) Leases contracted out of Landlord and Tenant Act 1954 provisions	£179.00	£184.00
	(d) New Lease extending Term (residential)	£531.00	£547.00
1.9	Licences granted pursuant to a lease		
	(a) To Assign (add £63.00 if surety)	£390.00	£402.00
	(b) For Alterations	£390.00	£402.00
	(c) For Change of Use	£390.00	£402.00
	(d) To sublet	£390.00	£402.00
1.10	Deed of Surrender of Lease	£388.00	£400.00
1.11	Combined Surrender/Licence	£467.00	£481.00
1.12a	Transfer of Lease and Notification of Mortgage (RTB)	£63.00	£65.00
1.12b	For commercial leases	£86.00	£89.00
1.13	Deed of Variation (if they produce)	£189.00	£195.00
1.14	Deed of Variation (Legal prepare)	£304.00	£313.00
1.15	Consent for restriction (Land Registry)	£63.00	£65.00

		2017/18	2018/19
2.	**Planning Agreements**		
2.1	S106 Agreement - routine	£624.00	£643.00
2.2	S106 Agreement – complex	Time recorded.	
2.3	S106 Agreement including Minor Highway Works	£624.00	£643.00
2.4	S106 Agreement including Major Highway Works	£839.00	£864.00
2.5	Unilateral Undertaking - routine	£346.00	£356.00
2.6	Unilateral Undertaking - Complex	Time recorded.	
2.7	Variation/Revocation of S106 Agreement or Unilateral Undertaking	£417.00	£430.00
3.	**Photocopying**		
3.1	Abstract of Title	£9.70 £1.80 for each Deed	£10.00 £1.85 for each Deed
3.2	Other	A4 –£0.87 per page A3–£1.28 per page Add £2.80 for P&P	A4-£0.90 per page A3-£1.32 per page Add £2.88 for P&P
3.3	Any Document that can be obtained as office copies from the Land Registry not in connection with a redemption or other current matter for each document	£9.70 plus £3.05 for P&P	£10.00 plus £3.14 for P&P
3.4	Additional charge for faxing documents/letter	£0.87 per page	£0.90 per page

Neighbourhoods

Appendix 5

Proposed fees & charges for 2018/19

Service area	**2017/18**		**Proposed 2018/19**		**Notes**
	Application/ Event	**Renewal**	**Application/ Event**	**Renewal**	
Environmental Health					
Training					
Basic food hygiene course	£73.00		£75.00		6 courses 10 per course
Basic health & safety course	£63.00		£65.00		
Animal welfare					
Animal boarding	£313.00	£215.00	£250.00	£250.00	Plus recharge of Vet Fees
Dog breeding	£313.00	£215.00	£250.00	£250.00	Plus recharge of Vet Fees
Pet Shops	£313.00	£215.00	£250.00	£250.00	Plus recharge of Vet Fees
Dangerous wild animals	£684.00	£464.00	£250.00	£250.00	Plus recharge of Vet Fees
Riding Establishment	£684.00	£575.00	£250.00	£250.00	Plus recharge of Vet Fees
Stray dog					Set by Waltham Forest as part of contract with them
Dog home boarding fee	£70.00		£72.00		.
Zoo’s	£553.00		£570.00		
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	2017/18		Proposed 2018/19		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		
Gambling Act 2005					
See separate sheet					
Miscellaneous					
Special treatment premises	£162.00		£167.00		
Special treatments person	£87.00		£90.00		
Sex Shops and Cinemas	£540.00	£540.00	£556.00	£556.00	
Sexual Entertainment Venues -	£4,200.00	£2,100.00	£4,325.00	£2,160.00	
Street Trading Consents	£398.00	£398.00	£410.00	£410.00	If not successful at sub-committee then half fee refunded
Scrap Metal Dealers	£393.00		£405.00		3 year licence
Scrap Metal Sites	£236.00		£243.00		3 year licence
Road Closure Notices	£176.00		£181.00		
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)	£1,220.00	£1,220.00	£610.00	£610.00	£1,220.00	£1,220.00	

Betting Premises	Licence copy		Notification of change	
	Current	**Proposed**	**Current**	**Proposed**
Betting premises (not tracks)	£30.00	£31.00	£30.00	£31.00

Waste management

Bulky household waste

Item	Current	Proposed	Notes	
1 to 3 items	£24.50	£25.00	50% concession for those on HB	Contract plus Admin. Fee
4 to 7 items	£36.50	£37.50	50% concession for those on HB	Contract plus Admin. Fee
8 to 10 items	£48.00	£49.50	50% concession for those on HB	Contract plus Admin. Fee
11 to 15 items	£61.00	£63.00	50% concession for those on HB	Contract plus Admin. Fee
More than 15 items	Assessment	Assessment	50% concession for those on HB	

Street Numbering and Naming Charges

Item	Current	Proposed	Notes	
House Name Change/ Addition	£52.50	£54.00	Per property	
Development of 1+ properties	£52.50	£54.00	For first property	
	£18.00	£18.50	Per additional property	
Changes in initial development after initial notification	£52.50	£54.00	For first property	
	£18.00	£18.50	Per additional property	
Renaming of street at residents request	£52.50	£54.00	For first property	
	£18.00	£18.50	Per additional property	
Confirmation of postal address details	£2.85	£2.95	Per certificate issued	
	£18.00	£18.50	Per property involved	

Fee Type / Permit Type	**Application fee**	**Annual fee**	**Renewal fee**	**Transitional Application Fee**
FEC Gaming Machine	£306.00	N/A	£306.00	£102.00
Prize Gaming	£306.00	N/A	£306.00	£102.00
Alcohol Licences Premises – Notification of 2 or less machines	£51.00	N/A	N/A	N/A
Alcohol Licences Premises – More than 2 machines	£153.00	£51.00	N/A	£102.00
Club Gaming Permit	£204.00	£51.00	£204.00	£102.00
Club Gaming Machine Permit	£204.00	£51.00	£204.00	£102.00
Club Fast-track for Gaming Permit or Gaming Machine Permit	£102.00	£51.00	£204.00	N/A
Small Society Lottery Registration	£42.00	£22.00	£22.00	N/A

Permit - Miscellaneous Fees

	Change of Name £	**Copy of Permit £**	**Variation £**	**Transfer £**
FEC Permits	£26.00	£16.00	N/A	N/A
Prize Gaming Permits	£26.00	£16.00	N/A	N/A
Alcohol Licences Premises – Notification of 2 or less machines	£51.00	N/A	N/A	N/A
Alcohol Licences Premises – More than 2 machines	£26.00	£16.00	£102.00	£26.00
Club Gaming Permit	N/A	£16.00	£102.00	N/A
Club Gaming Machine Permit	N/A	£16.00	£102.00	N/A
Small Society Lottery Registration	£42.00	£22.00	N/A	N/A

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