

Supplementary Committee Agenda



**Epping Forest
District Council**

Cabinet Monday, 30th January, 2012

Place: Council Chamber
Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services: Gary Woodhall - The Office of the Chief Executive
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8. LOCAL DEVELOPMENT FRAMEWORK CABINET COMMITTEE - 19 DECEMBER 2012 (Pages 163 - 168)

(Planning & Technology Portfolio Holder) To consider the minutes from the recent meeting of the Local Development Framework Cabinet Committee held on 19 December 2011 and any recommendations therein.

9. FINANCE & PERFORMANCE MANAGEMENT CABINET COMMITTEE - 16 JANUARY 2012 (Pages 169 - 180)

(Finance & Economic Development Portfolio Holder) To consider the minutes from the recent meeting of the Finance & Performance Management Cabinet Committee held on 16 January 2012 and any recommendations therein.

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EPHING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Local Development Framework **Date:** 19 December 2011
Cabinet Committee

Place: Council Chamber, Civic Offices, **Time:** 7.05 - 8.15 pm
High Street, Epping

Members Present: J Philip (Chairman), Mrs R Gadsby, Mrs M McEwen and Mrs L Wagland

Other Councillors: Mrs M Sartin, Mrs P Smith, D Stallan, G Waller and D Wixley

Apologies: J Knapman

Officers Present: J Preston (Director of Planning and Economic Development), A Thorn (Principal Planning Officer) and G J Woodhall (Democratic Services Officer)

18. DECLARATIONS OF INTEREST

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

19. MINUTES

Resolved:

(1) That the minutes of the meeting held on 3 October 2011 be taken as read and signed by the Chairman as a correct record.

20. TERMS OF REFERENCE

The Cabinet Committee noted their terms of reference, as agreed by the Council on 17 February 2009 (minute 113(a) refers).

21. RYE MEADS WATER CYCLE STRATEGY

The Principal Planning Officer presented a report concerning the Rye Meads Water Cycle Strategy.

The Principal Planning Officer reported that the Rye Meads Wastewater Treatment Works served the whole of Harlow and the part of the District which adjoined Harlow's boundary. It served a further five local authority areas, either entirely or partly: Broxbourne, East Herts, North Herts, Stevenage and Welwyn Hatfield. The capacity of Rye Meads works had been recognised as an issue in the East of England Plan (EEP), because 70,000 new houses were originally proposed in the catchment area during the period up to 2021; by 2009 about 8,000 of this total had been built. The proposed urban extensions to Harlow in this District would be served by the Rye Meads works.

The Principal Planning Officer stated that the 2009 Water Cycle Strategy (WCS) had assessed these constraints and recommended suitable infrastructure provision, with the main implications for this District being a new sewer from Harlow to Roydon south of the railway line and a possible new sewer to the west of Harlow immediately east of Roydon. In addition to wastewater treatment and sewerage network capacity, the Water Cycle Strategy had also considered the wider water resources such as potable water supply, flood risk and mitigation, water quality and conservation opportunities.

The Cabinet Committee was advised that Three Valleys Water and Thames Water were confident that the current measures being implemented would mean that water supply would not be a constraint to growth. For the treatment of wastewater, the Rye Meads works would require upgrades to ensure future capacity would meet the proposed growth, but this would only effect any development adjacent to Harlow. However, there was uncertainty about capacity in the period beyond 2021, and this could be a significant constraint on further development. It was important that new development and water infrastructure upgrades were properly coordinated, and a full review of the current Water Cycle Strategy was recommended by 2013. It was proposed to include the Strategy as part of the Evidence Base for the new Local Plan.

The Principal Planning Officer added that there was currently no undue concern about the watercourses within the catchment area failing to meet the new quality standards under the Water Framework Directive, as this would not restrict any development before 2021.

The Cabinet Committee felt that the required infrastructure needed to be in place for any new developments, and concern was expressed about the disruption that would be caused by installing the proposed new sewerage pipes in the Roydon area. It was also felt that the County Council would have a much greater role in scrutinising the activities of the Water companies. The Principal Planning Officer declared that the route of the proposed new pipe had been recommended after studying a number of alternative routes. The Water Companies had committed to meeting certain standards in respect of the treatment of wastewater, and Officers would – in conjunction with Officers from Harlow District Council – ensure that the Water Companies met these standards.

In response to further questions from the Members present, the Principal Planning Officer responded that the Strategy had concentrated on the need from new housing rather than new employment opportunities as this generated greater demand for water. Some of the assumptions in the report had changed since 2009, but Harlow was still seeking a similar growth model. Consequently, the Strategy would need updating; consideration was being given to reviewing the Water Cycle Strategy before 2013 but that would need liaison with the other Councils involved. Officers were also investigating the possibility of obtaining external funding to meet the costs of the review. By adding the Strategy to the Evidence Base, recognition would be given to the need for the additional sewerage infrastructure required for any new development.

The Chairman requested that any further updates to the Water Strategy be reported to the Cabinet Committee once the Strategy had been included as part of the Evidence Base for the new Local Plan.

Resolved:

- (1) That, in the context of the current situation, the conclusions and

recommendations of the Water Cycle Strategy produced in 2009 be noted; and

(2) That the Water Cycle Strategy, with any further updates reported to the Cabinet Committee beforehand, be included as part of the Evidence Base for the new Local Plan.

Reasons for Decision:

Harlow was still likely to expand, with implications for the north-west of the District. The conclusions and recommendations of the Strategy were an important contribution to the consideration of future infrastructure needs for the wider area, and should therefore form part of the Council's evidence base for the new Local Plan, with any further updates reported to the Cabinet Committee.

Other Options Considered and Rejected:

There were no other reasonable options considered.

22. ANNUAL MONITORING REPORT 2010/11

The Principal Planning Officer presented a report on the Annual Monitoring Report for 2010/11.

The Cabinet Committee was reminded that the Government required a monitoring report to be prepared and submitted at least once a year, which reported on activity within the previous financial year, including housing completions, employment land provision, and the protection of areas of natural conservation value. The report was also used to measure progress with the Local Plan. The Annual Monitoring Report for the 2010/11 financial year, indicated that performance against housing targets, which had historically been the Government's highest priority, was shown to be good with 368 new housing units constructed.

The Principal Planning Officer reported that the Annual Monitoring Report would be used as a mechanism for further review of the Local Plan in the future and to test the Council's future policies. It also included information, for example on deprivation, which planning policy could not have a significant impact upon. The Cabinet Committee expressed concern about the possible use of data from the 2001 census, rather than the 2011 census. The Principal Planning Officer stated that the report had used the 2010 population estimates where possible, but that it was difficult to find other credible sources of data.

The Principal Planning Officer undertook to provide further information to Members, either directly or via the Members' Bulletin, regarding the: decent home figures within the report; the Indices of Deprivation link; and the reduction in permanent planning permissions granted for private caravans. The Report was agreed, subject to some minor amendments, for submission to the Secretary of State and publication on the Council's website.

Resolved:

- (1) That the content of the Annual Monitoring Report for 2010/11 be noted; and
- (2) That the Annual Monitoring Report for 2010/11 be approved for submission to the Secretary of State and publication on the Council's website.

Reasons for Decision:

To fulfil the Council's statutory requirement and ensure a clear and robust annual Monitoring Report was published.

Other Options Considered and Rejected:

To not publish and submit an Annual Monitoring Report. However, this option would conflict with the requirements of the Planning and Compulsory Purchase Act 2004 and the Localism Act 2011.

23. LOCAL PLAN - REVISED PROJECT PLAN

The Principal Planning Officer presented a report concerning the revised project plan for the preparation of the Local Plan.

The Cabinet Committee was advised that, following the recent consultation on the National Planning Policy Framework, the Leader and Portfolio Holder for Planning & Technology had requested the Forward Planning team to investigate achieving the submission of the Local Plan to the Planning Inspectorate earlier than had originally been intended. Detailed analysis had shown it to be possible to reach submission by February 2013, however there were some significant risks to achieving this timetable, not all of which were in the Council's direct control.

The Principal Planning Officer added that further additions to the Evidence Base were currently being commissioned where necessary, with the intention that all of these substantial pieces of research work would be completed by April 2012, to inform the preparation of the Draft Local Plan. Budgetary provision existed for 2011/12 and 2012/13, but a further allocation would need to be agreed for 2013/14. The staffing resources available to the Forward Planning team would also need to be kept under regular review to ensure delivery of the Local Plan within the revised challenging timetable.

The Cabinet Committee acknowledged that further efforts were required to make sure the Council met its new statutory requirement regarding the Duty to Cooperate, as this would avoid parts of the Local Plan being found 'unsound' in the future. The Director of Planning & Economic Development highlighted that the Council had actively cooperated with a number of bodies over the past few years. The Leader added that the Council had been engaging with Harlow recently over its future development, but that East Herts District Council had not engaged in discussions with other authorities. The Principal Planning Officer stated that meetings at Officer level had taken place over the future planned developments within the East Herts District, but no meeting had been scheduled involving Councillors from East Herts District Council. It was suggested that the Leader should offer to meet the Leader of East Herts District Council initially, with further joint meetings between the two Leaders and Chief Executives. It was important to ensure that the Council's Local Plan was not found 'unsound' due to a lack of cooperation from East Herts District Council.

The Cabinet Committee queried whether it would be possible to reduce the time currently scheduled between submitting the Plan to the Planning Inspectorate in February 2013 and commencing the Examination in Public during the autumn of 2013. The Principal Planning Officer indicated that this could be discussed further with the Planning Inspectorate; the timetable as set out in Appendix 1 of the report was currently only broadly indicative, and required further analysis.

With respect to Neighbourhood Plans, the Principal Planning Officer reported that the regulations regarding their preparation had not been finalised. The focus was currently concentrated on preparing the Local Plan, and consideration of the available resources to assist Town and Parish Councils with the preparation of their Neighbourhood Plans would be given when the Local Plan was complete. The Leader of the Council added that Local Councils could help both processes by identifying areas of local significance within their area, whilst the Chairman highlighted that any positive assistance provided by Town and Parish Councils in preparing the Local Plan would also help in the subsequent preparation of their Neighbourhood Plans.

The Leader of the Council accepted that the proposed timetable was challenging but was confident that it would be met. The key message to the public should be that the Local Plan would help to protect the District in the future. Early responses to the public consultations should be encouraged to avoid the use of delaying tactics by some members of the public. The Leader also requested that copies of the core reports for the Evidence Base should be available to members of the Cabinet Committee. The reports currently were placed in the Members' Room and published on the Council's website, however the Principal Planning Officer undertook to provide all members of the Cabinet Committee with the Evidence Base reports on computer disk.

Recommended:

(1) That the continued budgetary provision available for the preparation of the Local Plan and the estimated additional expenditure required for further studies to be undertaken for the Evidence Base be recommended to the Cabinet for approval;

Resolved:

(2) That the proposed timetable for the Local Plan, as detailed in Appendix 1 of the report, be agreed;

(3) That the following significant identified risks to achieving the Local Plan timetable be noted:

(a) a change in the regulations guiding the preparation of the Local Plan;

(b) an overwhelming public response to the planned consultation periods; and

(c) the need to meet the new 'Duty to Cooperate' included in the Localism Act 2011;

(4) That, with the need to maintain the Forward Planning team at full strength, a further review of staff resources in six months time be agreed; and

(5) That copies of all the Evidence Base reports be provided to the members of the Cabinet Committee on computer disk.

Reasons for Decision:

The emerging National Planning Policy Framework would significantly alter the way in which planning matters were dealt with across the country. It was important that Epping Forest District Council had an up-to-date Local Plan in place as soon as possible in order to protect the most significant areas of the District. Without such an

up-to-date adopted Local Plan, it would be harder to reject planning applications that might not meet the Council's key objectives.

Other Options Considered and Rejected:

To not agree the proposed timetable for the preparation of the Local Plan.

To not agree the continued budgetary provision to deliver the Local Plan, and further expenditure on evidence base studies.

To not agree to a further review of the staffing resources within the Forward Planning team in six months.

24. ANY OTHER BUSINESS

There was no other urgent business for the Cabinet Committee to consider.

CHAIRMAN

EPHING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance Management Cabinet Committee **Date:** Monday, 16 January 2012

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 9.57 pm

Members Present: Councillors G Mohindra (Chairman), Mrs M McEwen, J Philip and Mrs L Wagland

Other Councillors: Councillors K Angold-Stephens, R Barrett, R Bassett, Ms R Brookes, K Chana, Mrs D Collins, Mrs R Gadsby, Mrs A Grigg, D Jacobs, A Lion, D Stallan, G Waller, Ms S Watson, J Wyatt and Mrs C Pond

Apologies: Mrs P Smith, R Cohen and P Keska

Officers Present: D Macnab (Acting Chief Executive), R Palmer (Director of Finance and ICT), A Hall (Director of Housing), C O'Boyle (Director of Corporate Support Services), J Preston (Director of Planning and Economic Development), I Willett (Assistant to the Chief Executive), P Maddock (Assistant Director (Accountancy)), B Moldon (Principal Accountant), R Sharp (Principal Accountant), A Hendry (Democratic Services Officer) and R Perrin (Democratic Services Assistant)

31. WEBCASTING INTRODUCTION

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

32. DECLARATIONS OF INTEREST

Pursuant to the Council's Code of Member Conduct, Councillor R Bassett declared a personal interest in agenda item 7 Detailed Directorate Budgets 2012/13 as a trustee of community transport. The Councillor had determined that his interest was not prejudicial and would remain in the meeting for the consideration of the issue.

33. MINUTES

RESOLVED:

(1) That the minutes of the meeting held on 21 November 2011 be taken as read and signed by the Chairman as a correct record.

34. ANY OTHER BUSINESS

It was noted that there was no other urgent business for consideration by the Cabinet Committee.

35. REVIEW OF ELECTORAL REGISTER COSTS

The Assistant to the Chief Executive in his capacity of delegated Registration Officer introduced a report on review of the Electoral Registration service and associated costs.

The Assistant to the Chief Executive reported that the comparative information that he had been awaiting from Electoral Commission had still not been made available. The report sets out the legal requirements, service operations, cost analysis, performance (based on 2008/09 returns) and future issues to be considered.

It was noted that the Council now met all the Electoral Commission's national performance indicators for electoral registration. The Council's annual canvass return rate for 2011 was 97% and suggested limited scope for performance improvement without significant investment in resources.

The issue of Individual Voter Registration would involve a number of changes and additional cost and a possible drop in the registration rates because of the effect of personal choice. Alternative methods of registration for example internet, phone and SMS required a cost/benefit analysis to be undertaken to establish whether they would reduce or add further costs.

The Cabinet Committee felt that the costs for Electoral registration service should be reconsidered when more information on Individual Voter Registration became available from the Government.

RESOLVED:

- (1) That the report be noted; and
- (2) That a further report on Individual Voter Registration be made and the cost can be properly quantified.

36. DETAILED DIRECTORATE BUDGETS 2012/13

The Assistant Director (Accountancy) presented the draft General Fund and Housing Revenue Account (HRA) Budgets for the financial year 2012/13. The budgets had been presented on a directorate by directorate basis with accompanying notes where significant changes have occurred. They were presented to the Cabinet Committee to consider and make recommendations prior to the budget being formally set during February 2012.

(a) Office of the Chief Executive

The Assistant to the Chief Executive reported that the original estimate for 2011/12 had been expenditure of £3.061 million, with a probable outturn of £2.788million. The current draft estimate for 2012/13 was £2.939million, which represented a saving of £122,000 due to an overall reduction in recharges to this budget for central overheads. No Continuing Services Budget (CSB) growth had been identified for 2011/12 or 2012/13, but CSB savings related to Audit consultants fees of £24,000 in 2011/12 and £13,000 in 2012/13, General Directorate savings of £12,000 in 2011/12, and £3,000 for LG information unit subscription and £3,000 for general Members savings on courses and conferences. The District Development Fund (DDF) item had been included for the Police and Crime Commissioner elections for £148,000, but full re-imburement of the costs was expected from the Government.

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The position for the individual cost centres within the Office of the Chief Executive, in comparison to 2011/12, was as follows;

- Corporate Activities £76,000 reduction in expenditure;
- Elections £17,000 increase in expenditure;
- Member Activities £29,000 reduction in expenditure;
- Voluntary Sector Support £42,000 reduction in expenditure;
- Other Activities £8,000 increase in expenditure; and
- Support Services £37,000 reduction in expenditure.

The Cabinet Member for Environment queried the additional costs relating to Citizens Advice Bureaux (CAB) and the additional costs of the support provided by the Policy Unit. The Assistant to the Chief Executive advised that he would reply with further details in writing.

(b) Corporate Support Services

The Director of Corporate Support services reported that the original estimate for 2011/12 had been net income of £1.711million, with a probable outturn 2011/12 net income of £1.593 million, and the Original estimate for 2012/13 was net income of £1.727 million representing a movement of net additional income of £16,000, mainly due to a reduction of £79,000, in building maintenance on the Civic Offices which was offset by a loss of MOT income of £65,000 and additional NNDR on Offices and Depots of £36,000, and additional rental income of £32,000 from Industrial Estates. The CSB items identified related mainly to the items mentioned above.

The position for the individual costs centres within the Directorate, in comparison to 2011/12, was as follows;

- Land and Property £3,000 reduction in net income;
- Other Activities £28,000 reduction in expenditure;
- Regulatory Services £9,000 increase in expenditure;
- Legal and Admin Services £28,000 increase in expenditure;
- Accommodation Services £37,000 reduction in expenditure; and
- Other Support Services £42,000 increase in expenditure.

The Portfolio Holder for Support Services advised that he would be monitoring the situation at Langston Road with regards to the loss of MOT's and that the capital expenditure that had been committed for the lift, had still not been spent and would be under review.

The Cabinet Members queried where the savings from the re-letting of a contract for reprographics were shown within the budget. The Director of Corporate Support Services advised that she would look into it and publish the details in the Members bulletin.

Members asked for further details on reallocation of budgets, to establish a better understanding of where budgets are relocated. The Portfolio Holder advised that the relevant information would be available within the next Council Bulletin.

(c) Office of the Deputy Chief Executive

The Acting Chief Executive reported that the original estimate for 2011/12 had been expenditure of £1.627million, with a probable outturn of £1.611million. The current estimate for 2012/13 was £1.600million, which represented a saving of £27,000. The CSB items related to further saving from identifying underspends based on the

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averaging of the last three years actuals £23,000, and new income from the introduction of Townmead all weather pitch £35,000. The main items that related to DDF were North Weald Airfield Strategy Action Plan which had been delayed and was planned to be spent in 2012/13 and Limes Farm Hall where the DDF was expected to be spent in the current year.

The position for the individual cost centres within the Office of the Deputy Chief Executive, in comparison to 2011/12, was as follows;

- Arts & Museum £1,000 reduction in expenditure;
- Sports Development etc £23,000 reduction in expenditure;
- Other Activities £3,000 reduction in expenditure; and
- Support & Trading Services £90,000 reduction in expenditure.

(d) Environment & Street Scene

The Director of Environment & Street Scene reported that the original estimate for 2011/12 was £10.073million, with a probable outturn of £9.681million. The current estimate for 2012/13 was £9.360million, which represented a saving of £713,000. However, within this was £280,000 which was additions to the budget due to changes in valuation, life expectancy and componentisation of assets, but has no impact on the Council tax. This results in overall decrease of £993,000. The main CSB item in 2012/13 was the reduction in the Waste Management contract following Cabinet decision to extend the Waste Contract for a further two years in exchange for receiving a reduction in gate fees. Whilst the main DDF item relate to contaminated land investigations which previously was a CSB item. The budget was of a one-off nature and has now been split between CSB and DDF.

The position for the individual cost centres within the Directorate, in comparison to 2011/12, was as follows;

- Environmental Health £212,000 reduction in expenditure;
- Waste Management £770,000 reduction in expenditure;
- Highways £3,000 reduction in expenditure;
- Car Parking (Off Street) £207,000 increase in expenditure;
- On Street Parking £21,000 increase in expenditure;
- Land Drainage & Sewerage £5,000 increase in expenditure;
- Safer Communities £86,000 reduction in expenditure;
- Leisure Facilities £199,000 increase in expenditure;
- Parks & Grounds £35,000 reduction in expenditure;
- North Weald Airfield £39,000 reduction in expenditure; and
- Support & Trading Services £172,000 reduction in expenditure.

Members enquired about the additional income generated from the sale of the specialist commercial vehicles and whether this would be included in the next year's budget. The Director of Environment and Street scene advised that the figures had not yet been included, as the sales had not happened but would mostly probably appear as an additional DDF income.

Members questioned the continued post of the Olympic Officer for 2012/13. It was explained that the Olympic Officer post was a fixed three year term contract and that work would be required for the Olympic legacy.

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(e) Finance & ICT

The Director of Finance & ICT reported that the original estimate 2011/12 was £1.643million, with a probable outturn of £1.973million. The current estimate 2012/13 was £1.748million, which represented an increase of £105,000. This included an overall increase in unallocated recharges to this budget for central overheads of £164,000, reduced specific grant for benefit administration of £41,000, a reduction in court costs from council tax of £30,000, offset by a saving of £50,000 in transfer of the Concessionary Fares function to Essex County Council, a saving of £80,000 due to not having to top up the bad debt provision. CSB items in 2011/12 included a saving of £10,000 for a decrease of 0.1% in pension contributions, and £32,000 for general directorate savings, comprising postage and stationery and Essex procurement hub costs.

The position for the individual cost centre within the Directorate, in comparison to 2011/12, was as follows;

- Housing Benefits £33,000 increase in expenditure;
- Local Taxation £51,000 increase in expenditure;
- Other Activities £21,000 increase in expenditure;
- Finance Support Services £104,000 increase in expenditure; and
- ICT Support Services £46,000 reduction in expenditure.

In responses to queries from the Members present, the Director added that the Government was determined to reduce the overall cost of Council Tax benefits by localising it from 2013/14 and the Council would only receive 90% of the current costs.

(f) Housing General Fund

The Director of Housing reported that the original estimate for 2011/12 was £1.886million, with a probable outturn of £1.373million. The current estimate for 2012/13 was £2.253million, which represented an increase of £367,000. This included capital expenditure of £369,000 and net reduction for Direct Services funded from revenue was £2,000. The DDF funding of £52,000 in original 2011/12 has been re-profiled over the two years for House Condition Survey.

The position for the individual cost centres within the Directorate, in comparison to 2011/12, was as follows;

- Private Sector Housing £114,000 increase in expenditure, of which £109,000 was capital expenditure;
- Homelessness £7,000 reduction in expenditure; and
- Other Activities £260,000 increase in expenditure of which all relates to capital expenditure;

(g) Planning & Economic Development

The Director of Planning & Economic Development reported that the original estimate for 2011/12 was £3.103million with a probable outturn of £2.676million. The current estimate for 2012/13 was £3.331million, which represented a net increase of £228,000. This was mainly due to work on the Local Plan – DDF increase of £191,000 and a DDF for Waltham Abbey regeneration projects of £46,000.

A Significant CSB item relates to Development Control fee income where £100,000 was included in 2012/13 for an increase in fees once the Government proposals were implemented for the new planning application fees restructure. Legislation for

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the proposed changes had slipped a year to September 2012. The Original for 2011/12 also included £100,000 for the fee increase which had not materialised but fortunately the gap had been filled by additional income of £75,000 from several large applications and savings of £10,000 in pre-application consultant fees, and £10,000 from saving in publicity.

The position for the individual costs centres within the Directorates, in comparison to 2011/12, was as follows;

- Economic Development £41,000 reduction in expenditure;
- Conservation Policy £82,000 increase in expenditure;
- Countrycare £29,000 increase in expenditure;
- Environmental Co-Ordination £14,000 reduction in expenditure;
- Forward Planning £190,000 increase in expenditure;
- Town Centre Enhancements £114,000 increase in expenditure;
- Planning Appeals £69,000 reduction in expenditure;
- Enforcement £1,000 increase in expenditure;
- Development Control £47,000 reduction in expenditure;
- Building Control (Fees) £21,000 Surplus (Ring Fenced)
- Building Control (Non Fee Earning) £17,000 reduction in expenditure.

The Portfolio Holder for Planning and Economic Development advised that the cost associated with the Local Plan were required to develop the core strategy. The Leader advised that the Local Plan required the work and investment to make the Local Plan sound otherwise the Council would be required to restart the process all over again.

(h) Housing Revenue Account

The Director of Housing reported that the original estimate for Housing Revenue Account (HRA) expenditure £33.6million, with a probable outturn of £37.4million. The current estimate for 2012/13 was £26.1million, which represented a reduction of £7.5million. The original estimate for Housing Subsidy in 2011/12 was increased by £30,000 to £11,342million. However in 2012/13 payment to CLG for Housing Subsidy as part of the Housing Self Financing Reform that comes into force from 1 April 2012 would be no longer required. This would be replaced by the Council taking on debt of around £186million. A Financial Plan was currently being produced, along with how the debt portfolio would be structured. The servicing of this debt would be in the region of £6.3million a year. The original estimate for HRA Income in 2011/12 was £30,482million, with a probable outturn of £30,359million. The current estimate for 2012/13 was £31,981million which represented an increase of £1.5million. This comes from a proposed 6% average increase on Housing rents, against a proposed 7.7% increase in the average guideline rent that the Government issued as part of the draft determination in relation to how the £186million was calculated.

The position for the individual cost centres within the Directorate, in comparison to 2011/12, was as follows;

- General Supervision and Management £100,000 reduction in expenditure;
- Special Supervision and Management £206,000 reduction in expenditure;
- Rents, Rates Taxes £44,000 increased in expenditure;
- Depreciation No overall effect;
- Property Related Income £1.5 million increase income;

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- Interest Income £193,000 reduction income; and
- Capital Expenditure Charged to Revenue No overall effect, but this was the figure included in the capital financing part of the Capital Programme and therefore could fluctuate quite significantly from year to year.

RECOMMENDED:

- (1) That the detailed Directorate budget for the Office of the Chief Executive be recommended to the Cabinet for approval;
- (2) That the detailed Directorate budget for the Corporate Support Services be recommended to the Cabinet for approval;
- (3) That the detailed Directorate budget for the Office of the Deputy Chief Executive be recommended to the Cabinet for approval;
- (4) That the detailed Directorate budget for the Environment and Street Scene be recommended to the Cabinet for approval;
- (5) That the detailed Directorate budget for the Finance & ICT be recommended to the Cabinet for approval;
- (6) That the detailed Directorate budget for the Housing General Fund be recommended to the Cabinet for approval;
- (7) That the detailed Directorate budget for the Planning & Economic Development be recommended to the Cabinet for approval; and
- (8) That the detailed Directorate budget for the Housing Revenue Account be recommended to the Cabinet for approval.

Reasons for Decision:

To give Members an opportunity to review and provide recommendations on the detailed budget prior to adoption by Council.

Other Options Considered and Rejected:

Other than deciding not to review the budget there are no other options.

37. COUNCIL BUDGET 2012/13

The Director of Finance & ICT presented a report detailing the proposed Council Budget for 2012/13, which enabled the Council's policy on the level of reserves to be maintained throughout the period of the Medium Term Financial Strategy. The budget was based on the assumption that Council Tax would be frozen and that average Housing Revenue Account rents would increase by 6% in 2012/13.

The Director advised that the Financial Issues Paper (FIP) was prepared against the background of cuts in public expenditure, ongoing difficulties within the economy and highlighted the uncertainties associated with Local Government Resource Review, New Homes Bonus, Localisation of Council Tax Benefit, Self-Financing for the Housing Revenue Account, possible Double-Dip Recession, Development

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Opportunities, Capitalisation of Pension Deficit Payments and Shared Services.

Members had anticipated using £171,000 from the general fund reserves. It was felt that, given the strength of the Council's overall financial position, it was able to sustain a deficit budget to support the local economy and that net spending could be managed down over the medium term.

The revised four year forecast presented with the FIP took into account all the additional costs known at that point and highlighted the structural reform to local authority finances due to the local retention of business rates and the Government's programme of welfare reforms. This projection showed a need to achieve savings of £300,000 on the 2012/13 estimates, £600,000 in 2013/14 and £500,000 in 2014/15 to keep revenue balances above the target level at the end of 2015/16.

The ceiling for CSB net expenditure was no more than £14.88million including net growth/savings, the ceiling for DDF net expenditure was no more than £0.763million and the District Council Tax to be frozen. The figures did not include the Council Tax freeze grant for 2011/12 as this was initially thought to be a one-off. It had now been confirmed that the 2011/12 freeze grant would be consolidated with the Formula Grant and paid throughout the current CSR period and causes the Formula Grant figures to be re-stated as £7.59million for 2011/12 and £6.656million for 2012/13. To be prudent, the MTFs has been adjusted to allow for reductions of 3% in 2013/14 and 7% in 2014/15.

In addition to the detailed figures for 2011/12 and 2012/13, headline control totals for local authority funding were given for 2013/14 and 2014/15. These control totals show further reductions of approximately 1% in 2013/14 and 5% in 2014/15.

The Government would be pressing ahead with the abolition of Council Tax Benefit (CTB) to save 10%, £490million on the national cost of CTB by localising it from 2013/14. It would be for each local authority to determine their scheme of CTB but they would be only receiving 90% of the current cost.

A number of opportunities are being evaluated, both within the framework of the "West Essex Alliance" and the wider community of locals authorities. The need for shared working and joint solutions would increase in 2012/13, particularly with the changes to CTB and NNDR.

The ceiling for CSB net expenditure would be no more than £14.88million including net growth. The original budget for 2011/12 included CSB savings of £1.408million but the revised 2011/12 budget has an additional £0.3million of savings. The most significant changes in the revised estimates are savings on the waste contract and gate fees of £340,000, additional savings on underspent budgets of £150,000, a net improvement of £90,000 on non-directorate items and an off-setting loss of £120,000 on reduced parking penalty charge income. The non-directorate items include the pension costs no longer being capitalised, income from the NHB and adjustments to interest investment income.

The greater savings in 2011/12 mean that the opening CSB in 2012/13 would be £196,000 lower than anticipated in the previous MTFs. This means that even though the CSB savings of £1.189million are below the target of £1.4million the closing CSB was still £75,000 lower than previously predicted. The DDF net movement for 2012/13 was £0.851million. The largest cost item was £586,000 for work on the Local Plan. The Local Plan is a substantial and unavoidable project and in 2011/12 and the subsequent two years DDF funding of £0.851million would be allocated to it. The Director of Planning and Economic Development had been asked to provide regular

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updates to Cabinet to monitor this project and the expenditure incurred on it. Other significant items of expenditure include £46,000 for regeneration projects in Waltham Abbey and £45,000 for the planned building maintenance programme.

At £0.851million the DDF programme was £88,000 above the target for 2012/13. However, this would need to be balanced with the reduction in 2011/12, as the predicted spend in the previous MTFS of £1.566million had been reduced by £999,000 to £567,000. Taking the two years together there would be net reduction in DDF spending of £911,000 and so it was proposed to increase the DDF ceiling for 2012/13 from £0.763million to £0.851million. The DDF was predicted to continue to have had funds available through to the end of the period covered by the MTFS.

Members had indicated that, although the Council Tax freeze grant for 2012/13 was a one-off and would not be included in ongoing funding, the Council Tax would not be increased for 2012/13.

Current projections show that the general fund revenue balances rule would not be breached by 2015/16, by which time reserves would have reduced to £7.543million and 25% of net budget requirement would be £3.7million. The outturn for 2010/11 added £270,000 to reserves, whilst the revised estimates for 2011/12 anticipate a further increase of £63,000. This would leave the opening revenue reserve for 2012/13 at £8.6million and with the estimates for 2012/13 showing an increase of £19,000, reserves at the end of 2012/13 would be just over £8.65million. The Medium Term Financial Strategy includes deficit budgets for the three years 2013/14 to 2015/16. The level of deficit peaks at £475,000 in 2014/15 and reduces to £164,000 in 2015/16, although this would be achieved through CSB savings of £500,000 in both 2013/14 and 2014/15.

The Local Government Finance Settlement gives an updated figure for formula grant for 2012/13 of £6.656million. Beyond 2012/13 the figures were subject to the Local Government Resource Review and cannot be predicted with any certainty.

The 2012/13 General Fund Budget was based on the current draft budget, no Council Tax increase (£148.77 Band D) for 2012/13 and subsequent increases of 2.5% per annum for each of the following three years.

Members were reminded that this strategy was based on a number of important assumptions, including the following:

- Future Government funding would reduce by 3% for 2013/14 and 7% for 2014/15.
- CSB growth had been restricted and the CSB target for 2012/13 of £14.88 million had been achieved. The known growth beyond 2013/14 had been included but would be subject to a further review to help identify savings.
- All known DDF items were budgeted for, and because of the size of the Local Plan programme the closing balance at the end of 2015/16 was anticipated to reduce to £1.36million.
- Maintaining revenue balances of at least 25% of NBR. The forecast shows that the deficit budgets for three years of the period would reduce the closing balances at the end of 2015/16 to £7.5million or 51% of NBR for 2015/16, although this could only be done with further savings in 2013/14 and 2014/15.

The balance on the Housing Revenue Account (HRA) at 31 March 2013 was expected to be £8.523million, after a deficit of £971,000 in 2011/12 and a surplus of £3.607million in 2012/13. The estimates for 2012/13 had been compiled on the new

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self-financing basis and so the negative subsidy payments had been replaced with borrowing costs.

The rent increase was set with reference to an individual property's formula rent but subject to various constraints. This process of Rent restructuring to bring Council rents and Housing Association rents more in line with each other still needs to be addressed. The rent increase for 2012/13 was likely to see a narrowing of this gap between Council and Housing Association rents, with an average rent increase of 6% for Council dwellings.

An update to the current five-year forecast was being prepared and would be presented to a subsequent Cabinet. The HRA substantial balance for some time and this position was expected to continue under self-financing.

Both the Housing Repairs Fund and the Major Repairs Reserve were expected to have had positive balances throughout the medium term. Members were recommended to agree the budgets for 2012/13 and 2011/12 revised and to note that although a deficit budget was proposed for 2011/12 the HRA had substantial ongoing balances.

Members would note that even with a substantial capital programme, which exceeds £46million over five years it was anticipated that the Authority would still have had more than £8million of usable capital receipt balances at the end of the period.

The £190million of debt for the HRA self-financing meant the Council would no longer be debt free and the Prudential Indicators and Treasury Management Strategy had been amended for this. With the ongoing difficulties in financial markets and continued concern about some banks, Arlingclose had advised a very restricted counter party list and a shortening of investment periods.

RECOMMENDED:

- (1) That the Committee considers the Council's 2012/13 General Fund budgets and makes recommendations to the Cabinet meeting on the 30 January 2012 on adopting the following:
 - (a) the revised revenue estimates for 2011/12, and the anticipated increase in the General Fund balance by £63,000;
 - (b) a reduction in the target for the 2012/13 CSB budget from £14.88m to £14.81m (including growth items);
 - (c) an increase in the target for the 2012/13 DDF net spend from £0.763m to £0.851m;
 - (d) no change in the District Council Tax for a Band 'D' property to retain the charge at £148.77;
 - (e) the estimated increase in General Fund balances in 2012/13 of £19,000;
 - (f) the four year capital programme 2012/13 – 15/16;
 - (g) the Medium Term Financial Strategy 2012/13 – 15/16;

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- (h) the Council's policy on General Fund Revenue Balances to remain that they be allowed to fall no lower than 25% of the Net Budget Requirement.
- (2) That, including the revised revenue estimates for 2011/12, the 2012/13 HRA budget be agreed;
- (3) That the application of rent increases and decreases proposed for 2012/13, produce an average overall increase of 6% be noted; and
- (4) That the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2012/13 budgets and the adequacy of the reserves be noted.

Reasons for Decisions:

The decisions were necessary to assist Cabinet in determining the budget that would be placed before Council on 14 February 2012.

Other Options Considered and Rejected:

Members could decide not to approve the recommended figures and instead specify which growth items they would like removed from the lists, or Members could ask for further items to be added.

38. KEY PERFORMANCE INDICATORS 2011/12

The Acting Chief Executive presented a report upon the review of the Key Performance Indicators adopted for 2011/12 and their retention or deletion for 2011/12.

The Acting Chief Executive reminded the Cabinet Committee that, under the Local Government Act 1999, the Council was required to make arrangements to secure continuous improvement in the way in which its functions and services are exercised, with regard to 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 services and key objectives were adopted each year.

The Acting Chief Executive reported that five KPIs were under review for deletion in favour of alternative monitoring and reporting mechanism and one KPI to be revised.

RESOLVED:

- (1) That the Council's performance for the first six months of 2011/12, in relation to the quarterly monitored Key Performance Indicators adopted for the year, be noted;
- (2) That the Committee consider the following recommendations of the Finance and Performance Management Scrutiny Panel:
 - (a) that the following Key Performance Indicators previously adopted for 2011/12, be deleted:
 - (i) KPI 02 - Visits to the Council's website;
 - (ii) KPI 03 - The quality of the Council's website;
 - (iii) KPI 57 - Preparation of Local Development Scheme;
 - (iv) KPI 58 - CO2 Reduction; and

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(v) KPI 59 - Fuel Poverty;

(b) That, pursuant to the deletion of KPI 02 (Visits to the Council's website), the Director of Finance and ICT and the Acting Chief Executive bring forward proposals for a replacement website visits indicator once the Council's new website has been rolled-out, and the authority has determined its approach to meeting the requirements of the European Union Cookies Directive;

(c) That the target for KPI 04 (Satisfaction with the Council's website) for 2011/12 be revised to 70%;

(d) That, pursuant to the deletion of KPI 58 (CO2 Reduction), the Director of Planning and Economic Development submit an annual report on the Council's progress in securing a reduction in its carbon emissions, to the Safer, Cleaner, Greener Scrutiny Panel; and

(3) That, pursuant to the deletion of KPI 59 (Fuel Poverty), the Director of Planning and Economic Development submit a report on proposals for a new approach to assessing and addressing levels of fuel poverty in the district, to the Safer, Cleaner, Greener Scrutiny Panel.

Reasons for Decision:

The adoption of the KPIs is agreed by the Committee each year. The monitoring of performance against the KPIs provides an opportunity for the Council to focus specific attention on how areas for improvement are being addressed, opportunities exploited and better outcomes delivered.

KPIs are used as performance measures to assess progress against the Council's annual key objectives. 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 Considered and Rejected:

The Committee could decide to retain some or all the KPIs proposed for deletion. Failure to monitor and review performance against the KPIs and to take corrective action where necessary, could mean that opportunities for improvement were lost and might have negative implications for judgements made about the progress of the Council.

39. EXCLUSION OF PUBLIC AND PRESS

The Sub-committee noted that there were no items of business on the agenda that necessitated the exclusion of the public and press from the meeting.

CHAIRMAN