

## **EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES**

- Committee:** Council **Date:** 19 February 2008
- Place:** Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 10.20 pm
- Members Present:** Councillors Mrs C Pond (Chairman), J Knapman (Vice-Chairman), K Angold-Stephens, D Bateman, K Chana, R Church, Mrs S Clapp, M Cohen, M Colling, Mrs D Collins, Mrs A Cooper, R D'Souza, R Frankel, T Frankland, Mrs R Gadsby, P Gode, A Green, Mrs A Grigg, Mrs A Haigh, Mrs H Harding, J Hart, Ms J Hedges, P House, D Jacobs, D Kelly, R Law, Mrs J Lea, Mrs M McEwen, R Morgan, S Murray, G Pritchard, Mrs P Richardson, T Richardson, B Rolfe, Mrs P K Rush, Mrs M Sartin, P Spencer, Mrs P Smith, D Stallan, Ms S Stavrou, P Turpin, H Ulkun, Mrs L Wagland, A Watts, Mrs E Webster, C Whitbread, Mrs J H Whitehouse, J M Whitehouse and J Wyatt
- Apologies:** Councillors R Bassett, Mrs P Brooks, J Demetriou, J Markham, P McMillan, G Mohindra and B Sandler
- Officers Present:** P Haywood (Chief Executive), D Macnab (Deputy Chief Executive), R Palmer (Director of Finance and ICT), I Willett (Assistant to the Chief Executive), G Lunnun (Democratic Services Manager), S G Hill (Senior Democratic Services Officer), T Carne (Public Relations and Marketing Officer) and P Tredgett (Information Assistant)
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### **95. WEBCASTING INTRODUCTION**

The Chairman made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

### **96. MINUTES**

#### **RESOLVED:**

That the minutes of the meeting held on 18 December 2007 be taken as read and signed by the Chairman as a correct record.

### **97. DECLARATIONS OF INTEREST**

No declarations of interest were made pursuant to the Council's Code of Member Conduct.

### **98. ANNOUNCEMENTS**

#### **(a) Chairman's Announcements**

**(i) Flowers**

The Chairman announced that the floral display from tonight's meeting would be sent to Parsonage Court, one of the Council's Sheltered Housing Schemes.

**(ii) Quiz Evening**

The Chairman thanked members and staff for attending the quiz held in aid of her charity at Theydon Bois Village Hall on 8 February 2008. She reported that the event had raised approximately £500 for her charity and that it had been an exciting evening with the winners being decided only after a tie-break.

**(b) Leisure and Young People Portfolio Holder**

Councillor M Cohen, Leisure and Young People Portfolio Holder, referred to his written report to the meeting in which he had advised that the Youth Council had been established. He reminded members that the youth councillors were not intended to be party political in any way. The young people were representatives of their schools and colleges and not representatives of any political party. He said that he would deplore any attempt to politicise any of the young people and asked all members to be careful not to introduce party politics in their dealings with the youth councillors.

**99. PUBLIC QUESTIONS (IF ANY)**

No public questions had been received for consideration at the meeting.

**100. REPORTS FROM THE LEADER, CHAIRMAN OF THE OVERVIEW AND SCRUTINY COMMITTEE AND MEMBERS OF THE CABINET****(a) Leader's Report**

By leave of the Council, the Leader of the Council made an oral report on matters falling within her area of responsibility.

**Meeting with Residents in Nazeing**

Councillor Mrs Collins reported on a public meeting at which 123 residents had been present. She advised that the meeting had discussed their concerns about heavy goods vehicles travelling through the village and also the number of gypsies and travellers in the locality. She advised that since that meeting some steps had been taken in an attempt to address the issues which had been raised. Essex County Council Trading Standards with co-operation from the Police had been stopping heavy goods vehicles in the locality to check that they were not overloaded. Members of the Nazeing Parish Council had been provided with hand held cameras to check on the speed of vehicles with a view to advising the County Council on the best locations for the siting of speed cameras. Councillor Mrs Collins also advised that in relation to the forthcoming Bumbles Green planning inquiry, the local members, the Chairman of the Parish Council and one resident had met the Council's planning barrister and consultant so that they could input to the Council's case. This had been the first occasion in which members had been so involved and the views of counsel, the consultant and officers on this initiative were awaited. If it was considered that this pilot scheme had been a success it was proposed that a

protocol be developed with a view to members' concerns being made known so that they could be developed by those presenting the Council's case at a public inquiry.

### **North East London Essex Partnership**

Councillor Mrs Collins reported that she had attended a meeting at County Hall with representatives of the London Boroughs of Havering, Barking and Dagenham and Waltham Forest and the Districts of Harlow and Uttlesford. The meeting had discussed the new national Concessionary Fares Scheme which was proving to be a problem for most authorities although in view of the limited number of bus routes in this District it was not such an issue for this Council.

### **Telecommunications Mast - Honey Lane, Waltham Abbey**

Councillor Mrs Collins reported on a discussion with local members and planning officers regarding the concerns about the telecommunications mast. Following this discussion the matter had been considered by the Cabinet and members were advised of the decisions taken by the Cabinet at its meeting on 4 February 2008.

### **Meeting with Local Members of Parliament and Local County Councillors**

The Council was advised that there had been another meeting of district councillors, local Members of Parliament and local County Councillors. All three local Members of Parliament had attended and the majority of local County Councillors had also been present. Councillor Mrs Collins advised that these meetings were now proving to be very useful forums for the discussion of matters of local interest. At the last meeting one of the topics had been the Olympic legacy and the local Members of Parliament had expressed concern that after the games had taken place authorities with Olympic sites in their areas or just outside their areas might have to pay for those sites for many years. These concerns would be addressed at future meetings when decisions had been made on the sites for the mountain biking and the white water canoeing. The meeting had also discussed education in the District and a further meeting was to be held shortly with Head Teachers. Finally, the meeting had discussed the District Council's draft budget proposals and the Members of Parliament and the County Councillors had been very complimentary about the proposals.

### **Staff Award Winners**

Councillor Mrs Collins reported on a lunch which had been held with winners of the Staff Awards. She advised that certificates had been presented to everyone and trophies had been handed to the runners up. The winners' awards would be presented at the Civic Awards event in March.

### **Youth Council - Meeting with Members**

The Council received a report on a meeting with Youth Councillors. Councillor Mrs Collins advised that she was very proud of all of the young people representing schools on the Youth Council and said that she had been very impressed with their enthusiasm.

### **Opening of Wickfields, Chigwell**

Councillor Mrs Collins reported on her attendance together with the Chairman of the Council at the opening of the Council's Sheltered Housing Scheme at Wickfields following a major improvement.

**Meeting with Group Leaders of other Essex District/Borough Authorities**

The meeting had discussed Local Area Agreements. Essex was a pilot authority for LAA2 which was currently being prepared. Group Leaders had expressed concern about the lack of financial benefits being received by district/borough councils in relation to the work involved in LAAs.

**Meeting with Leaders and Chief Executives at Brentwood Borough Council**

Councillor Mrs Collins reported on another meeting with Leaders and Chief Executives of other authorities in the County. There had been agreement on the approach being taken in relation to concessionary fares and authorities had signed a document making representations to the appropriate Minister. However, consensus had not been reached in relation to the provision of further sites for gypsies and travellers despite strong representations being made for a more even distribution of pitches across the County.

**Loughton Broadway - Stakeholders Meeting**

Councillor Mrs Collins reported that this meeting had discussed improved access to the underground station, re-siting of the petrol filling station, changes to the entrance to the Sainsbury's supermarket and the provision of affordable housing.

**(b) Reports of the Chairman of the Overview and Scrutiny Committee and Other Portfolio Holders**

The Council received reports (circulated) from the Chairman of the Overview and Scrutiny Committee, the Civil Engineering and Maintenance Portfolio Holder, the Community Wellbeing Portfolio Holder, the Environmental Protection Portfolio Holder, the Housing Portfolio Holder, the Leisure and Young People Portfolio Holder and the Planning and Economic Development Portfolio Holder.

**101. QUESTIONS BY MEMBERS WITHOUT NOTICE****(a) Council Properties - Thermostats****By Councillor S Murray to Councillor D Stallan, Housing Portfolio Holder**

In the light of the recent well publicised coroner's inquest regarding faulty thermostats in Council properties, what action are Housing Services proposing to take in relation to properties in this District.

**Response by Councillor D Stallan, Housing Portfolio Holder**

We have not yet received any formal Government or Health and Safety Executive advice regarding this incident. However, I would like to thank members and officers for the pro-active work which has been undertaken. We have met with the two gas servicing contractors to assess the risk and extent of the problem in this District. There are properties with thermostats of the type which may fail and approximately 5,000 properties have been identified on the gas service contract. Approximately 1,000 of those properties do not have hot water cylinders in the property and they are not therefore an issue. There remains approximately 4,000 properties which may have the immersion heaters which have caused problems. We need to survey the properties to confirm the numbers and we are proposing to link this to the gas

servicing programme. Approximately 1,000 properties will be serviced and surveyed in the coming year and replacement thermostats have been acquired for these properties. Depending on what is found when these properties are surveyed we will purchase more thermostats and aim to complete surveys and work in all properties by October 2008. We expect to undertake this exercise within existing budgets.

**(b) Site Provision for Gypsies and Travellers**

**By Councillor Mrs A Cooper to Councillor Mrs A Grigg, Planning and Economic Development Portfolio Holder**

Currently in Nazeing there is a planning application awaiting a decision by the Secretary of State for a temporary site for 12 pitches. There is an application for another four pitches being considered by Area Plans Sub-Committee West tomorrow evening which is recommended for approval by officers. In addition there is an appeal to be heard in April for a further 22 pitches. If all of these additional pitches are allowed will they be offset against the requirement for this District to provide an additional 49 pitches. Within this District there are 117 pitches, 97 of which are in Nazeing. Can the Portfolio Holder give an assurance that in considering future site provision the existing sites will be taken into account. I understand that the Council's Forward Planning officers are currently working on identifying new sites. Can the Portfolio Holder advise if this work will be completed by April 2008, if not it would appear that we may have sites imposed upon us.

**Response by Councillor Mrs A Grigg, Planning and Economic Development Portfolio Holder**

It is my understanding that if the outstanding planning applications are approved, those pitches will be set against the numbers which we are required to provide. I think that April 2008 is ambitious in relation to identifying new sites. A report is to be submitted to the next Cabinet meeting recommending the setting up of a Portfolio Holder Advisory Group to deal with the Local Development Framework Core Strategy. This will include the identification of sites for gypsies and travellers. The Government has recommended a sequential approach to the provision of such sites looking first at urban sites. However, in view of the expense of urban sites it is likely that we will have to identify sites in the Green Belt and we are likely to be looking in the main to sites coming forward in the East of England Plan.

**(c) Traffic Regulation Orders**

**By Councillor Mrs J H Whitehouse to Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

At a recent Environment and Planning Services Scrutiny Panel meeting, members were shocked to learn that £25,000 had been spent on advertising Traffic Regulation Orders in the local newspaper. This is currently a statutory requirement but we agreed that officers should make representations to Government with a view to seeking a relaxation of this requirement. Has any response been received from the Government and would you arrange for any reply to be published in the Members' Bulletin.

**Response by Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

No response has yet been received. When a response is received I will ensure that it is published in the Members' Bulletin.

**(d) 2012 Olympic Games - Mountain Biking Event****By Councillor S Murray to Councillor Mrs D Collins, Leader of the Council**

Members are aware from the press of the decision that Weald Park in Brentwood is no longer considered suitable for the mountain bike event at the 2012 Olympics. Is there any possibility of part of Epping Forest (the Forest itself) being considered as an alternative location.

**Response by Councillor Mrs D Collins, Leader of the Council**

Brentwood Borough Council are very upset at this late decision because they have undertaken a lot of work in progressing this matter. However, the Mountain Bike Association now consider that from 2012 the mountain bike site must have a 300 metre drop in order to make it sufficiently challenging. No part of the forest has such a drop and it is most unlikely that the event will be held in this District. We are awaiting further developments.

**(e) Bottled Water****By Councillor Mrs S Clapp to Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

How much does the Council spend on bottled water per year and would tap water in dispensers be less expensive and lessen our carbon footprint.

**Response by Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

I do not have that information readily available. I will find out and let you have a written answer.

**(f) Composter/Water Butt Campaign****By Councillor T Frankland to Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

Approximately six years ago the Council organised a composter campaign whereby members of the public could obtain a voucher from the Council which could be exchanged at designated garden centres for a composter. Is it time to re-run that campaign and could the campaign be extended to the provision of water butts as water is becoming expensive.

**Response by Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

I was not on the Council six years ago but I believe this may have been a County Council Scheme and not a District Council scheme. I will establish if the County Council are still running such a scheme. In relation to water butts I agree that we should encourage means of conserving water. A scheme of providing water butts would need to be costed and I am not sure if it will be more appropriate for the Council or water companies to run such a scheme. I will find out more information on both issues and I will make this known in due course.

**(g) Epping Parking Review**

**By Councillor J M Whitehouse to Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

I note the Portfolio Holder's circulated report but I understand there have been further discussions since that report was written. Can the Portfolio Holder advise us of the latest position.

**Response by Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

There was a meeting yesterday with County Council Highways officers. It is proposed to divide Epping into areas for the purposes of the review and publicity will be given to the order in which those parts are considered. The County Council Highways Officers will take into account all of the comments which have been made and initially proposals for revisions will be considered by ward members and myself. The views of ward members will be taken into account and then the proposed changes will be published. In relation to a timescale the County Council officers have said that they will be commencing work on the review immediately.

**(h) Bus Stopping Arrangements in The Broadway, Loughton**

**By Councillor Mrs C Pond to Councillor Mrs A Grigg, Planning and Economic Development Portfolio Holder**

What progress has been made in re-locating bus stopping places from Vere Road to Burton Road.

**Response by Councillor Mrs A Grigg, Planning and Economic Development Portfolio Holder**

The decision made by the Housing Portfolio Holder to approve the short-term usage of the garage forecourts in Burton Road as locations for bus waiting has taken effect. The bus companies have been made aware of this decision but I understand they are not necessarily using the garage forecourts.

**102. MOTIONS****(a) Council and Cabinet Meetings - Public Questions**

By leave of the Council, Councillor Mrs D Collins, mover of this motion amended the wording of the motion set out on the agenda

**Revised Motion by Councillor Mrs D Collins and seconded by Councillor C Whitbread**

"That this Council -

(a) notes the Council's success in fostering public interest by allowing the public to speak on development control matters at planning meetings;

(b) agrees that the introduction of public questions would assist in achieving more public interest in Cabinet proceedings;

- (c) resolves to ask the Cabinet to allocate up to 15 minutes at the beginning of each of their meetings to answer questions to Portfolio Holders by the public on Cabinet matters with prior notice by 4.00 p.m. on the day of the meeting;
- (d) resolves to limit the number of individual persons or representatives of other bodies asking questions to one per subject, to exclude any person listed as a persistent and unreasonable complainant and have a maximum of 15 minutes for questions at both Cabinet and Council meetings;
- (e) further resolves to amend the Constitution and give appropriate publicity to these changes".

**Carried**

Motion as amended **ADOPTED.**

**RESOLVED:**

That this Council -

- (a) notes the Council's success in fostering public interest by allowing the public to speak on development control matters at planning meetings;
- (b) agrees that the introduction of public questions would assist in achieving more public interest in Cabinet proceedings;
- (c) resolves to ask the Cabinet to allocate up to 15 minutes at the beginning of each of their meetings to answer questions to Portfolio Holders by the public on Cabinet matters with prior notice by 4.00 p.m. on the day of the meeting;
- (d) resolves to limit the number of individual persons or representatives of other bodies asking questions to one per subject, to exclude any person listed as a persistent and unreasonable complainant and have a maximum of 15 minutes for questions at both Cabinet and Council meetings;
- (e) further resolves to amend the Constitution and give appropriate publicity to these changes".

**103. QUESTIONS BY MEMBERS UNDER NOTICE**

- (a) **To any member of the Cabinet**
  - (i) **Collection of recyclables**

**By Councillor D Jacobs to Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

"Last year I expressed concern regarding "split bodied" freighters being used for collection of dry recyclables and garden waste, in view of the experience of another Essex collection authority; at the time the Portfolio Holder deemed it not relevant, presumably as the previous contract was still in being; currently the "split bodied" collection seems not to be in operation and I assume that the volumes of garden waste which vary from season to season and year to year depending on climatic



conditions have rendered the split body method inoperable at present; given the potential loss of profit margin to the contractor, can the Portfolio Holder re-assure Council that the overall operation of waste collection and street cleansing will not suffer in performance and that members will be provided with regular updates on the situation?".

**Response read by Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

"It is the case that at the commencement of the contract, the service provider experienced some difficulties with the volumes of garden waste put out for collection. This was due to the weather, resulting in a continuation of growth, and the Contractor having to use temporary vehicles which were split 30/70 instead of 50/50, whilst awaiting deliveries of new 50/50 split vehicles. A number of new 50/50 split body vehicles are now in use albeit currently collecting a single waste stream.

Ultimately it is for the service provider to determine the most appropriate methods of collection and the equipment required to meet the service specification. The Waste Partnership Board (the "Board") will have to consider any fundamental changes and satisfy itself that the methodology proposed is fit for purpose. The Board will also be carefully monitoring all aspects of the entire contract to ensure that all service specifications are met. Furthermore, payments to the contractor are based upon service performance and adherence to key performance indicators.

I anticipate that the Standing Scrutiny Panel on Environmental Services and Planning will wish to monitor the performance of the new contract and the Board is accountable, through the Portfolio Holder to Cabinet. In this way I am confident that members will be kept up-to-date with contract performance".

**(ii) Recycling of Waste**

**By Councillor R Frankel to Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

"Would it be possible to organise a visit for members to see the facility and processing for the recycled waste?".

**Response read by Councillor Mrs M Sartin, Environmental Protection Portfolio Holder**

"I have thought for some time that a visit of this type would be helpful. However, I have had to wait until the new contract is in place and "settled" before it was practical to ask SITA to make the necessary arrangements. I can inform the member that officers have already done this on my behalf and as soon as details become available they will be placed in the Members' Bulletin".

**(iii) Loughton Town Centre Enhancement Scheme**

**By Councillor K Angold-Stephens to Councillor Mrs A Grigg, Planning and Economic Development Portfolio Holder**

"Can the Portfolio Holder state how much this Council has paid for the consultancy, including the surveys and reports, but excluding the considerable officer, councillor, resident and trader time on the Loughton Town Centre Enhancement Scheme from 1997/8 to date; and is she aware that Loughton, with 25% of the population of the

District, is the largest and only Town in the District without an Enhancement Scheme completed during the past 30 years?".

**Response read by Councillor Mrs A Grigg, Planning and Economic Development Portfolio Holder**

"The current capital analysis, which includes all consultant, contractor and officer costs, puts expenditure at the present time at £1.522 million broken down as follows:

Preliminary Costs	£ 83,000
Consultants	£ 203,000
Construction	£1,149,000
Internal Fees	£ 87,000

**Total** **£1,522,000**

I assume that the member's reference to Loughton being the only town not to have a completed enhancement scheme in the last 30 years refers to the fact that Phases III and IV of the Enhancement Scheme have not yet been approved for implementation. Council, at its meeting on 18 December 2007 considered the Council's Capital Strategy for the period 2007 to 2012, and resolved that the Council would not undertake any further Town Centre Enhancement projects before 2012. The report included the following text:

"The Council has in the past, and continues to invest significant sums of capital into the delivery of large-scale infrastructure projects i.e. Town Centre Enhancements. Whilst in the case of The Broadway, Loughton this can be justified at least in part because the Council owns the land and buildings as in question, the same cannot be said of other Town Centre locations. Much of the capital involved is spent on upgrading the local highway infrastructure which is an Essex County Council asset and who are responsible for its upkeep. To date, the County Council has not contributed in any significant part to the costs of an Enhancement Scheme. We have considered whether the District Council should continue to use its capital resources in this way and we are recommending that no further Town Centre Enhancements be undertaken before 2012".

**(iv) Loughton Parking Review**

**By Councillor K Angold-Stephens to Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

"Can the Portfolio Holder advise of the cost of the long awaited Loughton Parking Review so far, including the costs in officer time; is he aware that part of this review has been subsumed by The Broadway Parking Scheme and that therefore the costs of that part of the review that remains is substantially reduced; and what plans does he have for completing this survey, promised to the desperate residents of the most vulnerable roads near to Loughton High Road over several years?".

**Response read by Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

"The cost attributable to the Loughton Parking Review at the present time stands at £67,250. Council, at its meeting on 18 December 2007 considered the Council's Capital Strategy for the period 2007 to 2012, and resolved that the Council would not undertake any further wide scale parking reviews. The report included the following, and I quote:

"The Council had stated its intention to review parking in other areas, and we are of the opinion that these reviews might be better delivered through a more targeted approach, dealing with specific local issues. Accordingly we are recommending that no further large-scale parking reviews be undertaken before 2012".

Therefore, in accordance with that agreed strategy, there will not be a full-scale review of the Loughton area. However, I am aware of particular locations throughout the District where there are significant parking pressures, for example in local roads and streets used by commuters and local employees, and these will be looked at in due course. In view of the limited resources available to this Council and the County Council Highways Service, this will not take place until the existing Epping and Buckhurst Hill Schemes and their six-month post implementation reviews have been undertaken and the final schemes completed".

**(v) Buckhurst Hill Parking Review**

**By Councillor P Spencer to Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

"I understand that the six-month review of the new, partially completed, parking restrictions in Buckhurst Hill is due to commence in May following the review in Epping, will the Portfolio Holder advise:

- (a) when will the proposed mini-roundabout and pelican crossing start to operate in Palmerston Road;
- (b) if the scope of the review is to be similar to that undertaken in Epping, taking into account the impact on neighbouring roads and the shopping areas;
- (c) if District Council officers will meet with Essex County Council's Highways officers to consider all the responses from the public and councillors; and
- (d) if following the review, consultants will then be engaged to progress revisions to the restrictions?".

**Response read by Councillor A Green, Civil Engineering and Maintenance Portfolio Holder**

"I would respond to the member as follows:

- (a) regrettably the County are still awaiting the works which are required to be undertaken by EDF, the national energy supplier. EDF are due on site this week to provide power to lighting columns and the new pedestrian crossing. The mini-roundabout cannot be constructed until such time as there is lighting and illuminated signing in place;
- (b) we are about to commence the post implementation review for the Epping area, and I will use the experience gained from this process in taking the Buckhurst Hill implementation review forward, starting in May;
- (c) as with the Epping review, all the comments and suggestions received by members and the local community will be collated and considered by officers; as with Epping, local members will be able to have a direct input into this process to ensure that all local issues are known;

(d) this is uncertain; until the outcomes are known I cannot be sure of the extent of any new or amendments to the present parking restrictions, and therefore the degree to which the County officers will be able to manage or whether they will need to bring in assistance via consultants; in any event this Council will have to meet the associated costs".

#### 104. REPORTS OF THE CABINET

##### **(a) Byelaws for Acupuncture, Tattooing, Semi-Permanent Skin Colouring, Cosmetic Piercing and Electrolysis**

Councillor Mrs D Collins, Leader of the Council and Chairman of the Cabinet, invited the Environmental Protection Portfolio Holder to present this report of the Cabinet.

**(Mover: Councillor Mrs M Sartin - Environmental Protection Portfolio Holder)**

The Portfolio Holder submitted a report proposing an amendment of the Council's Byelaws to take account of provisions contained in the Local Government Act 2003 to include the activities of cosmetic piercing and semi-permanent skin colouring.

Report as first moved **ADOPTED**.

##### **RESOLVED:**

- (1) That the Acupuncture, Tattooing, Semi-Permanent Colouring, Cosmetic Piercing and Electrolysis Byelaws attached as an Appendix to the report submitted to the Council be adopted; and
- (2) That the Council's Common Seal be affixed to the Byelaws and that following advertisement, the Byelaws be submitted to the Secretary of State for Health for approval.

##### **(b) Budgets and Council Tax Declaration 2008/09**

Councillor Mrs D Collins, Leader of the Council and Chairman of the Cabinet, invited the Finance, Performance Management and Corporate Support Services Portfolio Holder to present this report of the Cabinet.

**(Mover: Councillor C Whitbread - Finance, Performance Management and Corporate Support Services Portfolio Holder)**

The Portfolio Holder reported on the process for preparing the budget which had involved all members through Overview and Scrutiny, the Finance and Performance Management Cabinet Committee and the Cabinet. He drew attention to the savings which had been made as a result of the officer restructure and the investment which was being made in the Safer, Cleaner and Greener initiative.

He reported that the Authority's overall score in the Audit Commission Use of Resources Assessment for 2007 had risen from 2 to 3. He further advised that the Council would be in a position to proceed with District Council Tax increases of only 2.5% per annum over the next four years.

Councillor Whitbread drew attention to the Council's substantial Capital Resources and advised that these would enable further improvements to be made as and when

necessary but that a prudent and sensible approach would continue to be taken regarding the use of reserves.

The Portfolio Holder thanked the Director of Finance and his officers for their work in preparing the budget.

**Amendment moved by Councillor J M Whitehouse and seconded by Councillor D Jacobs**

"(1) That recommendations (1) and (3) be amended as follows:

'(1) That the list of CSB growth for the 2008/09 budget (set out in Annex 1) be approved with the following exception:

(a) the Finance Miscellaneous Finance Contingency be reduced from £175,000 to £75,000;

(3) That the Revenue Estimates for 2008/09 and the draft Capital Programme for 2008/09 be approved as set out in Annexes 3, 4 (a)-(j) and 5 including all contributions to and from reserves as set out in the attached Annexes with the exception of:

(a) Finance, Performance Management and Corporate Support Services (figure 4c) be reduced from £38,921,400 to £38,821,400;

(b) the contribution to revenue reserves be reduced from £217,561 to £171,757;

resulting in the sum of £19,731,051 to be met from Government grants and local taxation (figure 7c) and thus a Council Tax increase of 0.6% (£140.31 Band D)'; and

(2) That the medium term financial forecast be amended accordingly and that consequential amendments be made to recommendation (7):

7a - £104,521,024

7b - £84,789,973

7c - £19,731,051

7d - £9,321,608

7e - £192.70

7f - £2,830,204

7g - £140.31".

**Lost**

Report as first moved **ADOPTED**.

**RESOLVED:**

**Budget**

**(1) That the list of CSB growth for the 2008/09 budget (set out in Annex 1) be approved;**

**(2) That the list of District Development Fund items for the 2008/09 budget (set out in Annex 2) be approved;**

(3) That the revenue estimates for 2008/09 and the draft Capital Programme for 2008/09 be approved as set out in Annexes 3, 4 (a-j) and 5 including all contributions to and from reserves as set out in the attached Annexes;

(4) That the medium term financial forecast be approved as set out in Annexes 8a and 8b;

(5) That the 2008/09 HRA budget be approved and that the application of rent increases and decreases in accordance with the Government's rent reforms and the Council's approved rent strategy, resulting in an average increase of 6.7% from £68.09 to £72.67, be approved;

#### Declaration of Council Tax

(6) That it be noted that on 12 November 2007, the Finance, Performance Management and Corporate Support Services Portfolio Holder in consultation with the Chairman of the Overview and Scrutiny Committee calculated the following amounts for the year 2008/09 in accordance with regulations made under Section 33(5) and 34(4) of the Local Government Finance Act 1992:

(a) 54,017.3 being the amount calculated by the Council in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as the Council Tax Base for the year;

(b) Part of the Council's Area	Tax Base
Essex County Council (General Expenses)	54,017.3
Essex Police Authority	54,017.3
Essex Fire Authority	54,017.3
Epping Forest District Council (General Expenses)	54,017.3
Abess, Beauchamp & Berners Roding	202.7
Buckhurst Hill	5,230.1
Chigwell	5,942.0
Epping Town	5,026.9
Epping Upland	404.5
Fyfield	412.2
High Ongar	557.8
Lambourne	942.1
Loughton Town	12,812.1
Matching	318.9
Moreton, Bobbingworth and The Lavers	660.1
Nazeing	2,099.7
North Weald Bassett	2,552.2
Ongar	2,757.3
Roydon	1,307.5
Sheering	1,370.1
Stanford Rivers	358.3
Stapleford Abbotts	494.5
Stapleford Tawney	56.5
Theydon Bois	1,978.3
Theydon Garnon	66.3
Theydon Mount	109.4
Waltham Abbey Town	8,112.2
Willingale	245.6

being the amounts calculated by the Council in accordance with Regulation 6 of the Regulations as the amounts of the Council Tax Base for the year for dwellings in those parts of the area to which one or more special items relate;

(7) That the following amounts be now calculated for the year 2008/09 in accordance with sections 32 to 36 of the Local Government Finance Act 1992:

(a) £104,621,024 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) - (e) of the Act;

(b) £84,744,169 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) - (c) of the Act;

(c) £19,876,855 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) calculated by the Council in accordance with Section 32(4) of the Act as its budget requirement for the year;

(d) £9,321,680 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non Domestic Rates and Revenue Support Grant and increased by the amount the Council estimates will be transferred in the year from its Collection Fund to the General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 and the amount which the Council estimates will be transferred from the Collection Fund to the General Fund pursuant to the Collection Fund (Community Charges) (England) Directions 1994 made under Section 98(4) of the Local Government Finance Act 1988;

(e) £195.40 being the amount at (c) above, less the amount at (d) above, all divided by the amount at (6)(a) above, calculated by the Council in accordance with Section 33(1) of the Act as the basic amount of its Council Tax for the year;

(f) £2,830,204 being the aggregate amount of all special items referred to in Section 34(1) of the Act;

(g) £143.01 being the amount at (e) above, less the result given by dividing the amount at (f) above by the amount of (6)(a) above, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates;

(h) Part of the Council's Area	Amount
	£
Abess, Beauchamp & Berners Roding	167.68
Buckhurst Hill	208.97
Chigwell	177.36
Epping Town	214.62
Epping Upland	170.60
Fyfield	168.24
High Ongar	164.99
Lambourne	173.79
Loughton Town	190.86

Matching	168.72
Moreton, Bobbingworth and The Lavers	159.67
Nazeing	181.08
North Weald Bassett	188.99
Ongar	200.00
Roydon	163.99
Sheering	162.24
Stanford Rivers	171.48
Stapleford Abbotts	154.70
Stapleford Tawney	166.02
Theydon Bois	174.32
Theydon Garnon	157.53
Theydon Mount	156.79
Waltham Abbey Town	232.66
Willingale	158.89

being the amounts given by adding to the amount at (7)(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (6)(b) above, calculated by the Council in accordance with Section 34(3) of the Act as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;

(i) the amounts shown in Annex 6 to this report, being the amounts given by multiplying the amounts at (7)(h) above by the number which is the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

(8) That it be noted that for the year 2008/09 the major precepting authorities have stated that the amounts shown in Annex 7 Part A (tabled) are the precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown;

(9) That, having calculated the aggregate in each case of the amounts at (7)(i) and (8) above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby sets the amounts in Annex 7 Part B (tabled) as the amounts of Council Tax for the year 2008/09 for each of the categories of dwellings shown;

(10) That the Council's policy of retaining revenue balances at no lower than £3.7M or 25% of the net budget requirement whichever is the higher for the four year period to 2010/11 be amended to no lower than £4.0M or 25% of the net budget requirement whichever is the higher during the four year period up to and including 2011/12;

(11) That the recommendations included in the report on the Prudential Indicators and the Treasury Management Strategy for 2008/09 (set out in Annex 9) be approved; and



**(12) That the report of the Chief Financial Officer on the robustness of the estimates for the purposes of the Council's 2008/09 budgets and the adequacy of the reserves (see Annex 10) be noted.**

**(c) Calendar of Meetings - 2008/09**

Councillor Mrs D Collins, Leader of the Council and Chairman of the Cabinet, invited the Finance, Performance Management and Corporate Support Services Portfolio Holder to present this report of the Cabinet.

**(Mover: Councillor C Whitbread - Finance, Performance Management and Corporate Support Services Portfolio Holder)**

The Portfolio Holder submitted a report proposing the programme of meetings of the Council for the municipal year 2008/09. He drew attention to the need for the Council to take account of a recommendation of the Overview and Scrutiny Committee for Area Plans Sub-Committees to be held on a three weekly cycle. The Portfolio Holder invited the Chairman of the Overview and Scrutiny Committee to report on the recommendation of that Committee.

Councillor R Morgan, Chairman of the Overview and Scrutiny Committee submitted a report on the work undertaken by the Constitution and Member Services Scrutiny Standing Panel and the Committee in relation to the frequency of Area Plans Sub-Committees.

By leave of the Council, the Chairman of the Overview and Scrutiny Committee moved the following recommendation of the Overview and Scrutiny Committee:

"That with effect from 2008/09, provision be made in the Council calendar of meetings for a meeting of each Area Plans Sub-Committee every three weeks".

**Carried**

The Portfolio Holder invited the Council to adopt a revised calendar of meetings incorporating a meeting of each Area Plans Sub-Committee every three weeks.

**Amendment moved by Councillor S Murray and seconded by Councillor Mrs J H Whitehouse**

"That no meetings be held on Maundy Thursday and the Joint Consultative Committee due to be held on that day be re-scheduled".

**Carried**

Report as amended **ADOPTED**.

**RESOLVED:**

... That the calendar of meetings for the period May 2008-May 2009 attached as Annex 11 to these minutes be adopted, subject to the officers re-scheduling the meeting of the Joint Consultative Committee due to be held on 9 April 2009.

**105. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE****(a) Local Government and Public Involvement In Health Act 2007 - Provisions relating to Elections****(Mover: Councillor R Morgan, Chairman of the Overview and Scrutiny Committee)**

Councillor Morgan submitted a report on the option of changing to whole council District Elections every four years and on other provisions in the Act relating to elections.

Report as first moved **ADOPTED**.

**RESOLVED:**

(1) That the option of changing to whole council District Elections every four years be not pursued; and

(2) That the other provisions in the Act relating to elections as set out in the report be noted.

**106. REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE****(a) Local Code of Governance****(Mover: Councillor J Knapman, Chairman of the Audit and Governance Committee)**

Councillor Knapman submitted a report proposing the adoption of a revised Local Code of Governance.

Report as first moved **ADOPTED**

**RESOLVED:**

That the revised Local Code of Governance attached to the report of the Committee be adopted.

**107. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS**

Councillor Mrs M Sartin reported that she had attended on behalf of the Leader of the Council a meeting of the West Essex Area Forum. The meeting had considered youth issues in West Essex and an invitation had been extended to the Epping Forest and Harlow Youth Councils. Three of the newly elected Epping Forest Youth Council members had attended. There had been several presentations and information about road shows being organised by the Police targeted at under-aged drinking. The Youth Council members had asked well thought out questions and had raised issues about public transport including the need for timetables to be more readily available.

The meeting had also received a presentation from the Chairman of Harlow Renaissance who had outlined proposals for the redevelopment of the northern part of the Harlow Town Centre and the area around the station. There had also been a

discussion on the need for a realignment of the A414 and a new junction with the M11 north of Junction 7.

The County Council member for Adult Social Care had made a presentation on the future direction of social care in Essex and public meetings on this subject were due to be held in Chelmsford on 27 February and at the Latton Bush Centre, Harlow on 28 February.

#### **108. EXCLUSION OF PUBLIC AND PRESS**

In accordance with Section 100(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council's Procedure Rules, the Chairman advised that she had permitted on grounds of urgency, consideration of another item of business in order to enable steps to be taken to seek to acquire a vacant freehold commercial property.

##### **RESOLVED:**

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the item of business set out below as it would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12(A) of the Act indicated and the exemption is considered to outweigh the potential public interest in disclosing the information.

<b>Agenda Item Number</b>	<b>Subject</b>	<b>Exempt Information Paragraph Numbers</b>
15	Depot Site – Bower Hill, Epping	3

#### **109. DEPOT SITE - BOWER HILL, EPPING**

Councillor Mrs D Collins, Leader of the Council and Chairman of the Cabinet, thanked the Chairman for allowing her to raise this item of business. She advised that the Council had learned the previous day that commercial premises in Bower Hill, Epping were to be auctioned on 27 February 2008. It was considered that this site could be suitable for a new Council Depot, replacing the current High Street premises and helping with the rationalisation of the Council's other depot accommodation. Accordingly, she was proposing to arrange for a Portfolio Holder decision to authorise the Director of Corporate Support Services to undertake a feasibility study into the suitability of the property as an alternative depot site and if found suitable to make arrangements for the Council to bid at the auction on 27 February 2008. Councillor Mrs Collins pointed out that it would also be necessary as part of the Portfolio Holder decision to waive the normal call-in period for decisions as there would be insufficient time before the auction to allow for a call-in.

Members were advised that there was no financial provision in the budget for this potential purchase and it was only the Council which could give approval to the provision of the necessary funds. In normal circumstances the Cabinet would consider the matter first and then come to the Council in order to gain approval for the funding but the timescale in this case did not permit this normal course of action.

The Council considered the request for finance.

**RESOLVED:**

That, in the event that the Council bids in the auction and a bid is successful, approval be given to utilising capital reserves to cover the purchase price subject to any bid not exceeding the maximum figure of £300,000.

**CHAIRMAN**

**CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST**

Portfolio	Service	Original 2007/08 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
<b>Leaders Portfolio</b>							
	Corporate Policy Making		(78)	(128)			
	Corporate Policy Making			10			
	Subscriptions		(6)	(6)			
	Civic and Member	(12)	(12)	25			
	Civic and Member			30			
	Civic Ceremonial	2	2				
	Civic Ceremonial	5	5				
	Elections	3	3				
	<b>Total Leader's Portfolio</b>	<b>(2)</b>	<b>(86)</b>	<b>(69)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Wellbeing</b>							
	Concessionary Fares		(12)				
	Concessionary Fares			(133)			
	Safer Communities		15				
	Safer Communities		(15)				
	Safer Communities			28			
	Safer Communities			47			
	Safer Communities			5			
	Safer Communities			35			
	<b>Total Community Wellbeing</b>	<b>0</b>	<b>(12)</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Finance, Performance Management, and Corporate Support Services</b>							
	Local Taxation	(2)	13				
	Local Taxation	(21)					
	Finance Miscellaneous	4	4				
	Finance Miscellaneous			92	92	93	
	Finance Miscellaneous			20	20	20	
	Finance Miscellaneous			(300)			
	Finance Miscellaneous			175			
	Housing Benefits/Local Taxation	16	16	16	4		
	Housing Benefits			22	20		
	Housing Benefits		(85)				
	Office Accommodation	7	7				
	Industrial Estates		2	24			
	Industrial Estates		7				
	Industrial Estates		(17)				
	Industrial Estates						
	Industrial Estates		(6)				
	David Lloyd Centre		(8)				
	All Services	(38)	(38)				
	All Services	(35)	(30)	(5)			
	All Services	(4)	(4)				
	Energy Sites	44	26				
	<b>Total Finance, Performance Management and Corporate Support Services</b>	<b>(29)</b>	<b>(113)</b>	<b>44</b>	<b>136</b>	<b>113</b>	<b>0</b>
<b>Housing</b>							
	Private Sector Housing	19	16				
	Private Sector Housing	41	11	30			
	Private Sector Housing	5	5				
	Reinstatement Grants	113	113	331	1		
	<b>Total Housing</b>	<b>178</b>	<b>145</b>	<b>361</b>	<b>1</b>	<b>1</b>	

## CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Portfolio	Service	Original 2007/08 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
Leisure	Leisure Management	(50)	(14)	(36)			
	Waltham Abbey Leisure Centre	(10)	(10)				
	Leisure Services	10	6				
<b>Total Leisure</b>	<b>(50)</b>	<b>(18)</b>	<b>(36)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Environmental Protection	Pollution Control	11	11		7		
	Licensing & Registration		(26)				
	Hackney Carriage Licensing		(25)	(6)			
	Waste Management			(604)			
	Waste Management			(148)			
	Waste Management			76			
	Neighbourhoods / Rapid Response			59			
	Safer, Cleaner and Greener			8			
	Animal Welfare						
	Stray Dogs						
<b>Total Environmental Protection</b>	<b>11</b>	<b>(40)</b>	<b>(615)</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>
Planning & Economic Development	Tourism	5	5				
	Building Control		25				
	Building Control		(25)				
	Building Control	(9)	(70)				
	Building Control	9	70				
	Building Control		(10)				
	Building Control		10				
	Development Control		20	20			
	Development Control		(20)	(20)			
	Forward Planning			(7)			
<b>Total Planning &amp; Economic Development</b>	<b>5</b>	<b>5</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Civil Engineering & Maintenance	Free Saturday Parking	75	88				
	Off Street Car Parking	(45)	(45)				
	Off Street Car Parking		7	6			
	On Street Car Parking		6	6			
	On Street Car Parking		(6)	(6)			
	On Street Car Parking		9	10			
	On Street Car Parking		10	10			
	On Street Car Parking		(10)	(10)			
	On Street Car Parking		13				
	Off Street Car Parking		4	(14)			
Grounds Maintenance/Car Parking							
<b>Total Civil Engineering &amp; Maintenance</b>	<b>35</b>	<b>76</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Items	Increased Investment Interest		(102)				
	Car Leasing	(10)	(18)	(6)			
<b>Total CSB</b>	<b>138</b>	<b>(163)</b>	<b>(344)</b>	<b>144</b>	<b>113</b>	<b>0</b>	<b>0</b>

DISTRICT DEVELOPMENT FUND		Original 2007/08 £000's	Bf from 2006/07 2007/08 £000's	Revised 2007/08 £000's	2008/09 Estimate £000's	2009/10 Estimate £000's	2010/11 Estimate £000's	2011/12 Estimate £000's
<b>Portfolio</b>	<b>Service</b>							
<b>Leaders</b>	Corporate Policy Making	10		10				
	Corporate Policy Making		30					
	Corporate Policy Making			163				
	Corporate Policy Making			(33)				
	Elections			4				
	Civic and Member	2		1				
	Civic and Member				4			
	Public Relations	31			31			
	Development of Community Strategy							
	Top Man Structure Salary Increases							
	Retirement of Joint Chief Executive (Community)							
	Retirement of Joint Chief Executive (Community)HRA Element							
	By-Elections Alderton Ward							
	Audit & Governance Committee Training							
	Webcasting Project							
	Improvements to Main Reception Area							
	<b>Total Leaders</b>	<b>43</b>	<b>30</b>	<b>145</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Wellbeing</b>	Concessionary Fares		21	21				
	Concessionary Fares			53				
	Concessionary Fares			(53)				
	Concessionary Fares				(235)	(241)	(247)	
	Concessionary Fares				235	241	247	
	Safer Communities				2			
	Safer Communities				5			
	Safer Communities				2			
	Protective clothing							
	Police community safety accreditation							
	County Wide Scheme							
	National Bus Concession - set up costs							
	National Bus Concession - Grant							
	New National Scheme - Grant							
	New National Scheme - Costs							
	ASB Investigator training							
	Police community safety accreditation							
	<b>Total Community Wellbeing</b>	<b>0</b>	<b>21</b>	<b>21</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Finance and Performance Management and Corporate Support Services</b>	VAT Consultancy			3				
	Asset Register			20				
	Finance System Outstanding Commitments	20	14	20	14			
	Cover for Maternity leave	40		40				
	Housing Benefit Admin Grant (New Formula)	(167)		(167)				
	Welfare Reform Start up costs		6	6				
	Electronic Document management		15	8	7			
	Local Housing Allowance Implementation grant			(108)				
	Local Housing Allowance Implementation Costs			108				
	HBSD/IAD Scan Funding Grant			(14)				
	HBSD/IAD Scan Funding Costs			14				
	Replacement Revenues & Benefits system	80	26	106	40			
	Langston Road Industrial Estate- Development Proposals		34	39				
	Implementation of Risk Management Strategy	9	(3)	3				
	Data capture re Land Terrier	9	2		11			
	Computerisation of Land Terrier records	17	1	17	17			
	Registration of Unregistered Titles	41	1	42	42			
	Office Equipment		3	3				
	New IT system		9					
	Reduced Income			57				
	Reduction in search costs payable to ECC			(20)				
	Essential Work to Civic Offices	66	47	71	77	31	20	
	Civic Offices Atrium works							
	Potential Accommodation Changes		9					
	Civic Offices Environmental Imps Comfort Cooling		4	13	100			
	Works to Committee rooms for Scrutiny meetings		10	10	100			
	New Pond Boundary Wall Repair		4					
	Consultant's Fees - Dev Potential of Council Car Parks			5				
	Consultant's Fees & site surveys Langston Rd Depot			26				
	Planned Building Maintenance Programme			20				
	<b>Total Finance, Performance Management and Corporate Support Services</b>	<b>115</b>	<b>181</b>	<b>260</b>	<b>541</b>	<b>31</b>	<b>20</b>	<b>0</b>

DISTRICT DEVELOPMENT FUND		Original 2007/08 £000's	Bf from 2006/07 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
Portfolio	Service							
<b>Housing</b>	Homelessness	9	9	18				
	Private Sector Housing	4	4		8			
	Private Sector Housing	10		5	15			
	Private Sector Housing	3		2	1			
	Homelessness Prevention Officers							
	Housing strategy and empty homes surveys							
	Consultancy Private Sector Assistance Policy							
	Handyperson Scheme							
	<b>Total Housing</b>	<b>26</b>	<b>13</b>	<b>25</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Leisure</b>	Alternative Management	151		168				
	Loughton Leisure Centre			15				
	Community Development	7	4	4				
	Open Spaces			7				
	North Weald Airfield							
	North Weald Airfield	(50)	5	(73)	5			
	North Weald Airfield			11				
	Museum			10				
	Community Development	20		20				
	Community Development	(20)		(20)				
	Community Development			5				
	Sports Development	30		39				
	Sports Development	(30)		(39)				
	Community Venues Outreach Pilot Project							
	Additional Projects							
	Additional Projects							
	Youth Council							
	Additional Projects							
	Additional Projects							
	<b>Total Leisure</b>	<b>108</b>	<b>30</b>	<b>147</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environmental Protection</b>	Recycling Measures	56		56				
	Maintaining waste service whilst procurement undertaken			717				
	Subscription to procurement hub		186	15	7			
	Government Grant	(56)		(56)				
	Contract termination and new contract set up		228	66				
	Trade Waste Account		(25)					
	Safer, Cleaner and Greener				5			
	Safer, Cleaner and Greener				18			
	Air Quality Management Area				4			
	Bobbingworth Tip					4	1	
	<b>Total Environmental Protection</b>	<b>0</b>	<b>389</b>	<b>798</b>	<b>34</b>	<b>4</b>	<b>1</b>	<b>0</b>



DISTRICT DEVELOPMENT FUND		Original 2007/08 £000's	Bf from 2006/07 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
Portfolio	Service							
<b>Planning &amp; Economic Development</b>	Building Control		23					
	Building Control		(23)					
	Countrycare			40				
	Countrycare			(40)				
	Development Control		48					
	Development Control			0				
	Development Control			46				
	Development Control			40				
	Economic Development				5			
	Economic Development			4				
	Economic Development				35			
	Enforcement		122		85			
	Forward Planning		18		17			
	Forward Planning			(1)				
	Forward Planning		160		40		4	
	Planning Services		15		17		217	615
	Planning Services		24		20			
	Planning Services		10		12			
	Planning Services				0			
	Planning Services			49	49		2	
	Planning Services				(40)			
	Planning Services		15		48			
	Planning Services		(15)		(48)			
Planning Services			25	35				
Tourism					30			
Tourism				2				
Town Centre Enhancements				25				
Town Centre Enhancements					12			
Town Centre Support						12		
		<b>349</b>	<b>209</b>	<b>402</b>	<b>427</b>	<b>235</b>	<b>627</b>	<b>153</b>
<b>Total Planning &amp; Economic Development</b>								
<b>Civil Engineering &amp; Maintenance</b>	Land Drainage	199		199	90			
	Land Drainage	50		100				
	Land Drainage	(50)		(100)				
	Highways	36		34				
			<b>235</b>	<b>0</b>	<b>233</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>Total Civil Engineering &amp; Maintenance</b>								
<b>Total Portfolio District Development Fund</b>		<b>876</b>	<b>873</b>	<b>2,031</b>	<b>1,165</b>	<b>270</b>	<b>648</b>	<b>153</b>
<b>Other Items</b>	Reimbursement of Highways Residual Costs	(117)		(117)				
	Increased Investment Interest			(312)				
	Second Homes Discount Allowance			(73)				(87)
	Backdated Housing Grant			(325)				
	Local Authority Business Growth Incentives Scheme	(200)		(241)				
			<b>559</b>	<b>873</b>	<b>963</b>	<b>1,078</b>	<b>270</b>	<b>648</b>
<b>Total District Development Fund</b>								

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## REVENUE EXPENDITURE, INCOME AND FINANCING

2007/08 ORIGINAL ALL REVENUE ITEMS £	2007/08 REVISED ALL REVENUE ITEMS £		GENERAL FUND ACCOUNT £	2008/09 ORIGINAL HOUSING REVENUE ACCOUNT £	ALL REVENUE ITEMS £
<b>Gross Expenditure</b>					
2,963,380	2,890,100	Leaders	4(a) 2,904,080	0	2,904,080
1,741,670	1,777,160	Community Wellbeing	4(b) 1,964,950	0	1,964,950
36,239,500	37,610,380	Finance Performance Mgt & Corporate Support Services	4(c) 38,921,400	0	38,921,400
35,145,460	36,168,110	Housing	4(d) 2,929,000	34,517,000	37,446,000
5,161,480	5,316,790	Leisure & Young People	4(e) 5,244,080	0	5,244,080
2,710,050	2,817,890	Civil Engineering & Maintenance	4(f) 2,716,330	0	2,716,330
3,957,080	4,122,690	Planning & Economic Development	4(g) 4,398,860	0	4,398,860
7,927,930	9,102,450	Environmental Protection	4(h) 7,910,920	0	7,910,920
168,110	230,610	Internal Trading Organisations	4(i) 237,200	0	237,200
<b>96,014,660</b>	<b>100,036,180</b>	<b>Total Expenditure on Services</b>	<b>67,226,820</b>	<b>34,517,000</b>	<b>101,743,820</b>
39,000	61,000	Interest Payable (Inc HRA)	2,050,000	(2,003,000)	47,000
2,787,075	2,787,075	Precepts Paid to Parish Councils	2,830,204	0	2,830,204
<b>98,840,735</b>	<b>102,884,255</b>	<b>Total Gross Expenditure</b>	<b>72,107,024</b>	<b>32,514,000</b>	<b>104,621,024</b>
<b>Gross Income</b>					
34,299,600	34,749,650	Government Subsidies	36,092,500	0	36,092,500
23,467,000	23,390,000	Rents from Dwellings	0	24,430,000	24,430,000
5,293,600	5,205,790	Miscellaneous Rents, Trading Operations etc.	2,555,620	2,501,000	5,056,620
7,057,960	7,643,520	Fees and Charges	6,552,160	1,512,000	8,064,160
2,698,000	3,582,000	Interest on Mortgages and Investments	3,099,000	17,000	3,116,000
526,590	1,303,940	Grants and Reimbursements by other Bodies	471,860	0	471,860
<b>73,342,750</b>	<b>75,874,900</b>	<b>Total Operational Income</b>	<b>48,771,140</b>	<b>28,460,000</b>	<b>77,231,140</b>
(45,132)	(682,082)	Contribution from/(to) Revenue Reserves	(217,561)	18,000	(199,561)
(64,000)	93,000	FRS 17 Adjustment	(2,000)	0	(2,000)
559,000	963,000	Contribution from/(to) District Development Fund	1,078,000	0	1,078,000
0	0	Contribution from/(to) Other Reserves	0	0	0
5,601,950	7,189,270	Contribution from/(to) Capital Reserves	2,600,590	4,036,000	6,636,590
<b>79,394,568</b>	<b>83,438,088</b>	<b>Total Gross Income</b>	<b>52,230,169</b>	<b>32,514,000</b>	<b>84,744,169</b>
<b>19,446,167</b>	<b>19,446,167</b>	<b>To be met from Government Grants and Local Taxation</b>	<b>19,876,855</b>	<b>0</b>	<b>19,876,855</b>
<b>Financed by:</b>					
1,316,489	1,316,489	Revenue Support Grant			1,139,084
7,844,617	7,844,617	Distribution from Non-Domestic Rate Pool			8,182,596
0	0	Collection Fund Adjustment			0
<b>9,161,106</b>	<b>9,161,106</b>	<b>Exchequer Support and Collection Fund Surpluses</b>	<b>7d</b>		<b>9,321,680</b>
7,497,986	7,497,986	District Precept			7,724,971
2,787,075	2,787,075	Parish Council Precepts	<b>7f</b>		2,830,204
<b>19,446,167</b>	<b>19,446,167</b>	<b>Total Financing</b>			<b>19,876,855</b>

## Leaders Portfolio

## Portfolio Programme 2008/09

## Portfolio Holder - Councillor Diana Collins

	2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
	342,450	342,960	Elections	347,930
	1,967,300	2,001,460	Corporate Activities	1,888,110
	1,121,730	1,079,250	Member Activities	1,184,450
	34,210	40,660	Local Council Liaison	46,050
	635,400	477,960	Public Relations & Customer Services	535,240
	461,980	351,580	Democratic Services	359,490
	<b>4,563,070</b>	<b>4,293,870</b>	<b>Total Expenditure</b>	<b>4,361,270</b>
	<b>1,599,690</b>	<b>1,403,770</b>	Income from Internal Charges	<b>1,457,190</b>
	<b>2,963,380</b>	<b>2,890,100</b>	<b>Net Expenditure (see Annex 3)</b>	<b>2,904,080</b>
			<b>Service Generated Income</b>	
	-	-	Government Subsidies	
	-	-	Rents from Dwellings	
	-	-	Miscellaneous Rents, Trading Operations etc	
	2,280	1,740	Fees and Charges	1,200
	22,500	33,980	Interest on Mortgages and Investments	
			Grants and Reimbursements by other Bodies	20,500
	<b>24,780</b>	<b>35,720</b>	<b>Total Income</b>	<b>21,700</b>
	<b>2,938,600</b>	<b>2,854,380</b>	<b>To be met from Government Grant and Local Taxation</b>	<b>2,882,380</b>
	-	15,000	<b>Capital Expenditure (see Annex 5)</b>	-

## Community Wellbeing

## Portfolio Programme 2008/09

## Portfolio Holder - Councillor Syd Stavrou

2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
149,900	157,310	Emergency Planning	175,020
404,490	403,170	Voluntary Services	413,300
337,140	322,590	Safer Communities	453,170
850,140	909,090	Travel Schemes	938,460
<b>1,741,670</b>	<b>1,792,160</b>	<b>Total Expenditure</b>	<b>1,979,950</b>
-	15,000	Income from Internal Charges	15,000
<b>1,741,670</b>	<b>1,777,160</b>	<b>Net Expenditure (see Annex 3)</b>	<b>1,964,950</b>
		<b>Service Generated Income</b>	
-		Government Subsidies	
-		Rents from Dwellings	
10,120	10,100	Miscellaneous Rents, Trading Operations etc	10,100
13,590	60,230	Fees and Charges	237,520
-	-	Interest on Mortgages and Investments	
-	-	Grants and Reimbursements by other Bodies	
<b>23,710</b>	<b>70,330</b>	<b>Total Income</b>	<b>247,620</b>
<b>1,717,960</b>	<b>1,706,830</b>	<b>To be met from Government Grant and Local Taxation</b>	<b>1,717,330</b>
-	-	<b>Capital Expenditure (see Annex 5)</b>	-

## Finance, Performance Management &amp; Corporate Support Services

## Portfolio Programme 2008/09

## Portfolio Holder - Councillor Chris Whitbread

2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
33,919,420	34,799,500	Housing Benefits	36,243,100
1,642,920	1,693,250	Local Taxation	1,686,630
280,960	346,850	Land & Property	324,190
2,730,750	3,206,560	Other Activities	3,144,820
2,315,780	2,343,180	Financial Services	2,448,510
2,605,710	2,761,910	Information Technology	2,970,100
1,660,120	1,519,650	Legal & Administration Services	1,694,740
2,043,450	1,961,750	Accommodation Services	2,277,250
2,250,430	2,246,650	Other Support Services	2,355,100
49,449,540	50,879,300	<b>Total Expenditure</b>	53,144,440
13,210,040	13,268,920	Income from Internal Charges	14,223,040
36,239,500	37,610,380	<b>Net Expenditure (see Annex 3)</b>	38,921,400
		<b>Service Generated Income</b>	
33,332,050	33,982,100	Government Subsidies	35,483,040
1,086,390	1,105,900	Rents from Dwellings	1,080,190
986,770	1,127,030	Miscellaneous Rents, Trading Operations etc Fees and Charges	1,149,840
-	-	Interest on Mortgages and Investments	
-	-	Grants and Reimbursements by other Bodies	
35,405,210	36,215,030	<b>Total Income</b>	37,713,070
834,290	1,395,350	<b>To be met from Government Grant and Local Taxation</b>	1,208,330
1,060,000	1,148,000	<b>Capital Expenditure (see Annex 5)</b>	1,298,000

**Housing Portfolio**  
**Portfolio Programme 2008/09**  
**Portfolio Holder - Councillor David Stallan**

				<b>2007/08 Revised</b>		<b>2007/08 Original</b>		<b>2008/09 Original</b>	
General Fund £	Housing Revenue £	General Fund £	Housing Revenue £	Total £	Revenue Expenditure	General Fund £	Housing Revenue £	Total £	Housing Revenue £
	31,887,000	31,887,000	32,934,000	32,934,000	Council Housing	1,568,060	34,517,000	34,517,000	
1,669,020		1,311,950	1,311,950	1,311,950	Private Sector Housing	456,450		1,568,060	
673,310		468,240	468,240	468,240	Homelessness			456,450	
44,850		45,390	45,390	45,390	Housing Investment Programme	46,830		46,830	
721,620		1,257,560	1,257,560	1,257,560	Housing Associations Grants	696,380		696,380	
149,660		150,970	150,970	150,970	Leasehold Services Administration	161,280		161,280	
3,258,460	31,887,000	3,234,110	32,934,000	36,168,110	<b>Total Expenditure</b>	2,929,000	34,517,000	37,446,000	
<b>Service Generated Income</b>									
967,550		767,550	767,550	767,550	Government Subsidies	609,460		609,460	
23,467,000		23,467,000	23,390,000	23,390,000	Rents from Dwellings		24,430,000	24,430,000	
390,970	2,476,000	2,866,970	2,525,000	2,700,000	Miscellaneous Rents, Trading Operations etc	155,000	2,501,000	2,656,000	
185,660	1,509,000	1,694,660	1,499,000	1,687,970	Fees and Charges	199,280	1,512,000	1,711,280	
	18,000	18,000	18,000	18,000	Interest on Mortgages and Investments		17,000	17,000	
24,110		24,110	24,110	24,110	Grants and Reimbursements by other Bodies	24,110		24,110	
	4,784,000	4,784,000	6,070,000	6,070,000	HRA Interest & Reversal of Deprn		6,039,000	6,039,000	
	(367,000)	(367,000)	(568,000)	(568,000)	Use of Balances		18,000	18,000	
1,568,290	31,887,000	33,455,290	32,934,000	34,089,630	<b>Total Income</b>	987,850	34,517,000	35,504,850	
1,690,170	-	1,690,170	-	2,078,480	<b>To be met from Government Grant and Local Taxation</b>	1,941,150	-	1,941,150	
1,855,000	6,204,000	8,059,000	6,088,000	8,485,000	<b>Capital Expenditure (see Annex 5)</b>	2,027,000	8,815,000	10,842,000	

## Leisure &amp; Young People

## Portfolio Programme 2008/09

## Portfolio Holder - Councillor Mitchell Cohen

2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
2,035,430	2,119,380	Leisure Facilities	1,978,630
792,500	808,410	Arts, Museum and Library	856,740
697,590	717,010	Parks and Grounds	761,140
850,040	860,560	North Weald Centre	849,200
780,150	804,230	Sports Development and Miscellaneous	791,160
605,930	682,040	Leisure Administration	544,250
		<b>Total Expenditure</b>	<b>5,781,120</b>
5,761,640	5,991,630		
600,160	674,840	Income from Internal Charges	537,040
5,161,480	5,316,790	<b>Net Expenditure (see Annex 3)</b>	<b>5,244,080</b>
		<b>Service Generated Income</b>	
-		Government Subsidies	
-		Rents from Dwellings	
1,308,120	1,371,430	Miscellaneous Rents, Trading Operations etc	1,289,180
265,480	225,640	Fees and Charges	247,530
		Interest on Mortgages and Investments	
29,750	148,600	Grants and Reimbursements by other Bodies	138,460
		<b>Total Income</b>	<b>1,675,170</b>
1,603,350	1,745,670		
		<b>To be met from Government Grant and Local Taxation</b>	<b>3,568,910</b>
3,558,130	3,571,120		
		<b>Capital Expenditure (see Annex 5)</b>	<b>230,000</b>
50,000	135,000		



## Civil Engineering &amp; Maintenance

## Portfolio Programme 2008/09

Portfolio Holder - Councillor Andrew Green

	2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
	573,870	581,060	Highways	577,040
	1,061,940	1,222,000	Car & Lorry Parking	1,218,150
	905,680	889,000	Land Drainage & Sewerage	792,140
	1,082,500	1,146,840	Grounds Maintenance	1,219,420
	650,120	597,510	Civil Engineering & Building Services	612,310
	4,274,110	4,436,410	<b>Total Expenditure</b>	4,419,060
	1,564,060	1,618,520	Income from Internal Charges	1,702,730
	2,710,050	2,817,890	<b>Net Expenditure (see Annex 3)</b>	2,716,330
			<b>Service Generated Income</b>	
	-		Government Subsidies	
	-		Rents from Dwellings	
	22,000	18,360	Miscellaneous Rents, Trading Operations etc	21,150
	1,791,570	1,780,100	Fees and Charges	1,803,890
	50,000	110,270	Interest on Mortgages and Investments	
			Grants and Reimbursements by other Bodies	10,350
	1,863,570	1,908,730	<b>Total Income</b>	1,835,390
	846,480	909,160	<b>To be met from Government Grant and Local Taxation</b>	880,940
	312,000	377,000	<b>Capital Expenditure (see Annex 5)</b>	700,000

## Environmental Protection

## Portfolio Programme 2008/09

## Portfolio Holder - Councillor Mary Sartin

	2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
	1,432,380	1,399,350	Environmental Health	1,523,150
	6,143,670	7,392,800	Waste Collection & Street Cleansing	6,051,860
	98,580	91,480	Environmental Initiatives	91,230
	253,250	218,750	Licensing	244,610
	558,000	526,660	Environmental Admin	568,090
	8,485,880	9,629,040	<b>Total Expenditure</b>	8,478,940
	557,950	526,590	Income from Internal Charges	568,020
	7,927,930	9,102,450	<b>Net Expenditure (see Annex 3)</b>	7,910,920
			<b>Service Generated Income</b>	
	-		Government Subsidies	
	-		Rents from Dwellings	
	-		Miscellaneous Rents, Trading Operations etc	
	930,120	1,315,490	Fees and Charges	1,348,250
	56,290	56,290	Interest on Mortgages and Investments	-
			Grants and Reimbursements by other Bodies	
	986,410	1,371,780	<b>Total Income</b>	1,348,250
	7,499,470	7,730,670	<b>To be met from Government Grant and Local Taxation</b>	6,562,670
	1,300,000	1,820,000	<b>Capital Expenditure (see Annex 5)</b>	704,000

## Planning &amp; Economic Development

## Portfolio Programme 2008/09

## Portfolio Holder - Councillor Anne Grigg

	2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
	85,010	116,630	Economic Development	135,420
	15,860	18,640	Tourism	46,690
	20,210	21,630	Bus Shelters	22,570
	219,620	266,230	Countryside	248,520
	223,970	180,340	Conservation Policy	209,270
	629,680	510,050	Forward Planning	761,060
	113,470	147,670	Town Centre Enhancements	135,050
	2,648,220	2,874,410	Regulatory Services	2,768,200
	523,310	539,700	Planning Administration	631,920
	4,479,350	4,675,300	<b>Total Expenditure</b>	4,958,700
	522,270	552,610	Income from Internal Charges	559,840
	3,957,080	4,122,690	<b>Net Expenditure (see Annex 3)</b>	4,398,860
			<b>Service Generated Income</b>	
	-		Government Subsidies	
	-		Rents from Dwellings	
	-		Miscellaneous Rents, Trading Operations etc	
	1,205,380	1,214,710	Fees and Charges	1,327,450
	26,940	174,690	Interest on Mortgages and Investments	
			Grants and Reimbursements by other Bodies	191,440
	1,232,320	1,389,400	<b>Total Income</b>	1,518,890
	3,247,030	2,733,290	<b>To be met from Government Grant and Local Taxation</b>	2,879,970
	1,970,000	293,000	<b>Capital Expenditure (see Annex 5)</b>	2,000,000

## Portfolio Programme 2008/09

## Internal Trading Organisations

	2007/08 Original £	2007/08 Revised £	Revenue Expenditure	2008/09 Original £
	3,001,090	2,885,560	Housing Maintenance	2,973,130
	371,910	450,530	Fleet Operations	460,720
	3,373,000	3,336,090	<b>Total Expenditure</b>	3,433,850
	3,204,890	3,105,480	Income from Internal Charges	3,196,650
	168,110	230,610	<b>Net Expenditure (see Annex 3)</b>	237,200
			<b>Service Generated Income</b>	
	168,110	230,610	Fees and Charges	237,200
	168,110	230,610	<b>Total Income</b>	237,200
	-	-	<b>To be met from Government Grant and Local Taxation</b>	-
	50,000	51,000	<b>Capital Expenditure (see Annex 5)</b>	50,000

## Portfolio Programme 2008/09

## Non Service Budgets

2007/08 Original		2007/08 Revised		2008/09 Original		Total
£	Total	£	Total	£	Housing Revenue	£
(2,680,000)	(3,564,000)	(3,564,000)	Interest & Investment Income	(3,099,000)		(3,099,000)
(117,000)	(117,000)	(117,000)	Highways Residual Cost Reimbursement	-		-
(200,000)	(241,000)	(241,000)	Local Authority Business Growth Scheme	-		-
-	(398,000)	(398,000)	Other Items	(87,000)		(87,000)
39,000	61,000	61,000	Interest Payable (Inc HRA)	2,050,000	(2,003,000)	47,000
3,684,050	2,793,730	2,793,730	Depreciation Reversals & Other Adj's.	(2,600,590)	8,785,000	6,184,410
726,050	(1,465,270)			(3,736,590)	6,782,000	3,045,410
3,062,000	3,924,000	3,924,000	Transferred to Housing Summary	-	4,036,000	4,036,000
3,788,050	2,458,730			(3,736,590)	10,818,000	7,081,410
(321,868)	114,082	114,082	Contribution (from)/to Revenue Reserves			217,561
64,000	(93,000)	(93,000)	FRS 17 Adjustment			2,000
-	-	-	Contribution (from)/to Other Reserves			-
(559,000)	(963,000)	(963,000)	Contribution from District Development Fund			(1,078,000)
2,971,182	1,516,812	1,516,812	<b>Reduction in Amount to be met from Government Grant and Local Taxation</b>			6,222,971

## Portfolio Programme 2008/09

## Capital Programme

2007/08 Original		2007/08 Revised		2008/09 Original		Total
General Fund £	Housing Revenue £	General Fund £	Housing Revenue £	General Fund £	Housing Revenue £	£
-	-	15,000	15,000	-	-	-
1,060,000	-	1,148,000	1,148,000	1,298,000	-	1,298,000
1,855,000	6,204,000	2,397,000	6,088,000	2,027,000	8,815,000	10,842,000
50,000	50,000	135,000		230,000		230,000
312,000		377,000		700,000		700,000
1,970,000		293,000		2,000,000		2,000,000
1,300,000		1,820,000		704,000		704,000
	50,000		51,000		50,000	50,000
<b>6,547,000</b>	<b>6,254,000</b>	<b>6,185,000</b>	<b>6,139,000</b>	<b>6,959,000</b>	<b>8,865,000</b>	<b>15,824,000</b>
	6,224,000	-	6,059,000	-	8,785,000	8,785,000
<b>6,547,000</b>	<b>30,000</b>	<b>6,577,000</b>	<b>80,000</b>	<b>6,959,000</b>	<b>80,000</b>	<b>7,039,000</b>
<b>5,421,000</b>		<b>5,080,000</b>		<b>6,232,000</b>		<b>6,232,000</b>
841,000		760,000		517,000		517,000
285,000	30,000	345,000	80,000	210,000	80,000	290,000
<b>6,547,000</b>	<b>30,000</b>	<b>6,577,000</b>	<b>80,000</b>	<b>6,959,000</b>	<b>80,000</b>	<b>7,039,000</b>

## COUNCIL TAX RATES FOR DISTRICT &amp; PARISH/TOWN COUNCILS 2008/09

Authorities	Tax Base No.'s	Precept 2008/09	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
				£	£	£	£	£	£	£	£
District Expenses	54017.3	7,724,971	143.01	95.34	111.23	127.12	143.01	174.79	206.57	238.35	286.02
Abbess, Berners and Beauchamp Roding	202.7	5,000	24.67	111.79	130.42	149.05	167.68	204.94	242.20	279.47	335.36
Buckhurst Hill	5230.1	345,000	65.96	139.31	162.53	185.75	208.97	255.41	301.85	348.28	417.94
Chigwell	5942.0	204,130	34.35	118.24	137.95	157.65	177.36	216.77	256.19	295.60	354.72
Epping Town	5026.9	360,000	71.61	143.08	166.93	190.77	214.62	262.31	310.01	357.70	429.24
Epping Upland	404.5	11,160	27.59	113.73	132.69	151.64	170.60	208.51	246.42	284.33	341.20
Fyfield	412.2	10,400	25.23	112.16	130.85	149.55	168.24	205.63	243.01	280.40	336.48
High Ongar	557.8	12,261	21.98	109.99	128.33	146.66	164.99	201.65	238.32	274.98	329.98
Lambourne	942.1	29,000	30.78	115.86	135.17	154.48	173.79	212.41	251.03	289.65	347.58
Loughton Town	12812.1	613,000	47.85	127.24	148.45	169.65	190.86	233.27	275.69	318.10	381.72
Matchingham	318.9	8,200	25.71	112.48	131.23	149.97	168.72	206.21	243.71	281.20	337.44
Mdreton, Bobbingworth and the Lavers	660.1	11,000	16.66	106.45	124.19	141.93	159.67	195.15	230.63	266.12	319.34
Nazeing	2099.7	79,936	38.07	120.72	140.84	160.96	181.08	221.32	261.56	301.80	362.16
North Weald Bassett	2552.2	117,343	45.98	125.99	146.99	167.99	188.99	230.99	272.99	314.98	377.98
Ongar Town	2757.3	157,150	56.99	133.33	155.56	177.78	200.00	244.44	288.89	333.33	400.00
Roydon	1307.5	27,430	20.98	109.33	127.55	145.77	163.99	200.43	236.87	273.32	327.98
Sheering	1370.1	26,350	19.23	108.16	126.19	144.21	162.24	198.29	234.35	270.40	324.48
Stanford Rivers	358.3	10,200	28.47	114.32	133.37	152.43	171.48	209.59	247.69	285.80	342.96
Stapleford Abbotts	494.5	5,783	11.69	103.13	120.32	137.51	154.70	189.08	223.46	257.83	309.40
Stapleford Tawney	56.5	1,300	23.01	110.68	129.13	147.57	166.02	202.91	239.81	276.70	332.04
Theydon Bois	1978.3	61,936	31.31	116.21	135.58	154.95	174.32	213.06	251.80	290.53	348.64
Theydon Garnon	66.3	963	14.52	105.02	122.52	140.03	157.53	192.54	227.54	262.55	315.06
Theydon Mount	109.4	1,507	13.78	104.53	121.95	139.37	156.79	191.63	226.47	261.32	313.58
Waltham Abbey Town	8112.2	727,255	89.65	155.11	180.96	206.81	232.66	284.36	336.06	387.77	465.32
Willingale	245.6	3,900	15.88	105.93	123.58	141.24	158.89	194.20	229.51	264.82	317.78
<b>Town and Parish Total</b>	<b>54017.3</b>	<b>2,830,204</b>	<b>52.39</b>	<b>34.93</b>	<b>40.75</b>	<b>46.57</b>	<b>52.39</b>	<b>64.03</b>	<b>75.67</b>	<b>87.32</b>	<b>104.78</b>
<b>District, Town and Parish Total</b>	<b>54017.3</b>	<b>10,555,175</b>	<b>195.40</b>	<b>130.27</b>	<b>151.98</b>	<b>173.69</b>	<b>195.40</b>	<b>238.82</b>	<b>282.24</b>	<b>325.67</b>	<b>390.80</b>

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## PART A : ANALYSIS OF MAJOR PRECEPTING AUTHORITIES 2008/09

Authorities	Tax Base No.'s	Precept 2008/09 £	Council Tax		Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
			Band D	£								
Essex County Council	54017.3	56,535,046	1,046.61	930.32	814.03	930.32	1,046.61	1,279.19	1,511.77	1,744.35	2,093.22	
Essex Police Authority	54017.3	6,601,994	122.22	108.64	95.06	108.64	122.22	149.38	176.54	203.70	244.44	
Essex Fire Authority	54017.3	3,364,197	62.28	55.36	48.44	55.36	62.28	76.12	89.96	103.80	124.56	
District Expenses	54017.3	7,724,971	143.01	127.12	111.23	127.12	143.01	174.79	206.57	238.35	286.02	

## PART B : SUMMARY - COUNCIL TAX RATES INCLUDING ALL PRECEPTS 2008/09

Abbeys, Berners and Beauchamp Roding	202.7	5,000	24.67	1,243.37	1,087.95	1,243.37	1,398.79	1,709.63	2,020.47	2,331.32	2,797.58
Buckhurst Hill	5230.1	345,000	65.96	1,280.07	1,120.06	1,280.07	1,440.08	1,760.10	2,080.12	2,400.13	2,880.16
Chigwell	5942.0	204,130	34.35	1,251.97	1,095.48	1,251.97	1,408.47	1,721.46	2,034.46	2,347.45	2,816.94
Epping Town	5026.9	360,000	71.61	1,285.09	1,124.46	1,285.09	1,445.73	1,767.00	2,088.28	2,409.55	2,891.46
Epping Upland	404.5	11,160	27.59	1,245.96	1,090.22	1,245.96	1,401.71	1,713.20	2,024.69	2,336.18	2,803.42
Fyfield	412.2	10,400	25.23	1,243.87	1,088.38	1,243.87	1,399.35	1,710.32	2,021.28	2,332.25	2,798.70
High Ongar	557.8	12,261	21.98	1,240.98	1,085.86	1,240.98	1,396.10	1,706.34	2,016.59	2,326.83	2,792.20
Lambourne	942.1	29,000	30.78	1,248.80	1,092.70	1,248.80	1,404.90	1,717.10	2,029.30	2,341.50	2,809.80
Loughton Town	12812.1	613,000	47.85	1,263.97	1,105.98	1,263.97	1,421.97	1,737.96	2,053.96	2,369.95	2,843.94
Matching	318.9	8,200	25.71	1,244.29	1,088.76	1,244.29	1,399.83	1,710.90	2,021.98	2,333.05	2,799.66
Moreton, Bobbingworth and the Lavers	660.1	11,000	16.66	1,236.25	1,081.72	1,236.25	1,390.78	1,699.84	2,008.90	2,317.97	2,781.56
Nazeing	2099.7	79,936	38.07	1,255.28	1,098.37	1,255.28	1,412.19	1,726.01	2,039.83	2,353.65	2,824.38
North Weald Bassett	2552.2	117,343	45.98	1,262.31	1,104.52	1,262.31	1,420.10	1,735.68	2,051.26	2,366.83	2,840.20
Ongar Town	2757.3	157,150	56.99	1,272.10	1,113.09	1,272.10	1,431.11	1,749.13	2,067.16	2,385.18	2,862.22
Roydon	1307.5	27,430	20.98	1,240.09	1,085.08	1,240.09	1,395.10	1,705.12	2,015.14	2,325.17	2,790.20
Sheering	1370.1	26,350	19.23	1,238.53	1,083.72	1,238.53	1,393.35	1,702.98	2,012.62	2,322.25	2,786.70
Stanford Rivers	358.3	10,200	28.47	1,246.75	1,090.90	1,246.75	1,402.59	1,714.28	2,025.96	2,337.65	2,805.18
Stapleford Abbotts	494.5	5,783	11.69	1,231.83	1,077.85	1,231.83	1,385.81	1,693.77	2,001.73	2,309.68	2,771.62
Stapleford Tawney	56.5	1,300	23.01	1,241.89	1,086.66	1,241.89	1,397.13	1,707.60	2,018.08	2,328.55	2,794.26
Theydon Bois	1978.3	61,936	31.31	1,249.27	1,093.11	1,249.27	1,405.43	1,717.75	2,030.07	2,342.38	2,810.86
Theydon Garnon	66.3	963	14.52	1,234.35	1,080.05	1,234.35	1,388.64	1,697.23	2,005.81	2,314.40	2,777.28
Theydon Mount	109.4	1,507	13.78	1,233.69	1,079.48	1,233.69	1,387.90	1,696.32	2,004.74	2,313.17	2,775.80
Waltham Abbey Town	8112.2	727,255	89.65	1,301.13	1,138.49	1,301.13	1,463.77	1,789.05	2,114.33	2,439.62	2,927.54
Willingale	245.6	3,900	15.88	1,235.56	1,081.11	1,235.56	1,390.00	1,698.89	2,007.78	2,316.67	2,780.00

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## **Medium Term Financial Strategy**

### **Introduction**

1. For a number of years as part of the Council's sound financial planning arrangements a four-year financial strategy has been prepared. This document allows a considered view to be taken of spending and resources. Without a medium term financial strategy finances would be managed on an annual basis leading to sudden expansions and contractions in services. Clearly such volatility would lead to waste and be confusing for stakeholders.
2. Managing this Council's finances has been made easier by isolating one off fluctuations (District Development Fund or DDF) from the ongoing core services (Continuing Service Budgets or CSB). This distinction highlights the differing effects in the medium term of approving different types of initiative.
3. A key part of the strategy is future rises in Council Tax and the Council has a stated ambition to not only remain a low tax authority but to ultimately have the lowest Band D charge in Essex. The Council currently has the third lowest charge and last year set one of the lowest increases in Essex.
4. At its 24 September 2007 meeting the Finance and Performance Management Cabinet Committee decided that communication of the revised medium term financial strategy to staff, partners and other stakeholders be undertaken by way of publishing key bullet points in appropriate publications.

### **Previous Medium Term Financial Strategy**

5. That meeting of the Finance and Performance Management Cabinet Committee considered the annual Financial Issues Paper and an updated medium term financial strategy. At that time Members attention was drawn to a number of areas of significant uncertainty. The restructuring of top management was still ongoing and the re-organisation below assistant heads of service had not commenced. Information was still awaited from the Government on the outcome of the Comprehensive Spending Review (CSR) and the mechanism for funding the new national concessionary fares scheme. The outcome of the latest triennial valuation of the pension fund was also unknown.
6. Given the level of risk and uncertainty a prudent forecast was constructed that capped CSB expenditure for 2008/09 at £17.3m and introduced a requirement for annual CSB savings of £200,000 until the end of the forecast period. At this time deficit budgets were anticipated for each year of the forecast, although all of the deficits were kept below £400,000.
7. At that time the predicted General Fund balance at 1 April 2011 of £5.6m represented just over 31% of the anticipated Net Budget Requirement (NBR) for 2010/11 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be some £1.3m left in the DDF at 1 April 2011. However, the target savings in the forecast confirmed the need for the review of services and expenditure that is being undertaken.

## Updated Medium Term Financial Strategy

8. As it became clear what the level of savings was likely to be from the corporate restructuring and the new waste management contract it was necessary to re-evaluate the CSB target for 2008/09. The meeting of the Finance and Performance Management Cabinet Committee on 10 December considered a draft General Fund summary together with growth lists of both CSB and DDF items. This meeting decided that it was possible to revise the CSB target downwards by £0.5m to £16.8m. To reflect these budget reductions a revised medium term financial strategy has been prepared and is attached as Annexes 8 a and b. In constructing the forecast it has been necessary to make certain assumptions, these are set out below:
- a) CSB Growth – net savings for 2008/09 have been included at a total of £344,000. For 2009/10 growth items of £144,000 have currently been identified. In common with the earlier version of the strategy, target CSB savings of £200,000 per annum are included for the period 2009/10 to 2011/12. Having successfully exceeded the savings targets for 2007/08 and 2008/09, the search for the further savings needed in subsequent periods will continue throughout 2008/09.
  - b) DDF – all of the known items for the four-year period have been included and at the end of the period a balance of only £69,000 is still available. This is after revising the estimates for the inclusion of the Local Development Framework (LDF), which uses up £1.3m of DDF resource over the forecast period. It is hoped that the replacement for Planning Delivery Grant will provide funds that can be used for the LDF but these will only be included in the estimates when the amounts to be received are certain.
  - c) Grant Funding – the provisional settlement figures have been included for the CSR period of 2008/09 to 2010/11. Once provisional figures have been announced it is unusual for them to change significantly. For 2011/12 it has been assumed that there will be a 1% increase in the base grant but that there will be no floor support, this gives a net increase of 0.6%.
  - d) Council Tax Increase – Members have confirmed they wish to keep rises below the rate of increase in the Retail Prices Index and so an increase of 2.5% has been included for 2008/09. It is anticipated that growth in the retail prices index will reduce from the current level of 4.0% to 2.5% in subsequent years and so 2.5% has been used for future increases.
9. This revised medium term financial strategy still has deficits in the final three years of the period, although these are clearly affordable. The predicted revenue balance at the end of the period is £6.1m, which represents 34% of the NBR and thus comfortably exceeds the target of 25%. Members are asked to approve the medium term financial strategy. The strategy will be monitored during the year and updated for the September 2008 meeting of the Finance and Performance Management Cabinet Committee.

## GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2007/08 - 2011/12

ORIGINAL 2007/08	REVISED				
	FORECAST 2007/08	FORECAST 2008/09	FORECAST 2009/10	FORECAST 2010/11	FORECAST 2011/12
£'000 <b>NET REVENUE EXPENDITURE</b>	£'000	£'000	£'000	£'000	£'000
16,842 Continuing Services Budget	16,708	17,173	17,571	18,008	18,367
138 CSB - Growth Items	-163	-344	144	113	0
0 Target saving	0	0	-200	-200	-200
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
16,980 Total C.S.B	16,545	16,829	17,515	17,921	18,167
876 One - off Expenditure	2,031	1,165	270	648	153
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
17,856 Total Net Operating Expenditure	18,576	17,994	17,785	18,569	18,320
-876 Contribution to/from (-) DDF Balances	-2,031	-1,165	-270	-648	-153
-321 Contribution to/from (-) Balances	114	218	-228	-387	-371
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
16,659 Net Budget Requirement	16,659	17,047	17,287	17,534	17,796
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>FINANCING</b>					
9,350 Government Support (NNDR+RSG)	9,350	9,020	9,195	9,379	9,473
-189 RSG Floor Gains/(-Losses)	-189	302	173	36	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
9,161 Total External Funding	9,161	9,322	9,368	9,415	9,473
7,498 District Precept	7,498	7,725	7,919	8,119	8,323
0 Collection Fund Adjustment	0	0	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
To be met from Government 16,659 Grants and Local Tax Payers	16,659	17,047	17,287	17,534	17,796
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Band D Council Tax	139.50	143.01	146.61	150.30	154.08
<b>Percentage Increase %</b>		2.5	2.5	2.5	2.5

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## GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2007/08 - 2011/12

	REVISED FORECAST 2007/08	FORECAST 2008/09	FORECAST 2009/10	FORECAST 2010/11	FORECAST 2011/12
<b>REVENUE BALANCES</b>	£'000	£'000	£'000	£'000	£'000
Balance B/forward	6,761	6,875	7,093	6,865	6,478
Surplus/Deficit(-) for year	114	218	-228	-387	-371
Balance C/Forward	6,875	7,093	6,865	6,478	6,107
<b>DISTRICT DEVELOPMENT FUND</b>					
Balance B/forward	3,181	2,218	1,140	870	222
Income	1,068	87	0	0	0
Transfer Out	-2,031	-1,165	-270	-648	-153
Balance C/Forward	2,218	1,140	870	222	69
<b>CAPITAL FUND (inc Cap Receipts)</b>					
Balance B/forward	26,425	25,877	20,476	18,241	17,767
New Usable Receipts	7,032	831	819	817	725
CR Used to Fund Capital Expenditure					
- Transitional Relief Receipts	-1,000	0	0	0	0
- Other Capital Receipts	-6,580	-6,232	-3,054	-1,291	-1,172
Balance C/Forward	25,877	20,476	18,241	17,767	17,320
<b>TOTAL BALANCES</b>	<b>34,970</b>	<b>28,709</b>	<b>25,976</b>	<b>24,467</b>	<b>23,496</b>

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## Report on the Council's Prudential Indicators for 2008/09 to 2010/11 and the Treasury Management Strategy for 2008/09

### Recommendations;

1. The Council is recommended to adopt the prudential indicators and limits for 2008/09 to 2010/11 contained within the report. The main indicators are summarised in the table below:

	2006/07 Actual	2007/08 Revised	2008/09 Estimate	2009/10 Estimate	2010/11 Estimate
Capital Expenditure	£10.500 m	£12.324m	£15.824 m	£8.780 m	£6.624 m
Capital financing requirement	-£0.784 m	-£0.784 m	-£0.784 m	-£0.784 m	-£0.784 m
Authorised limit for external debt	£5.0 m	£5.0 m	£5.0 m	£5.0 m	£5.0 m
Operational boundary for external debt	£0.5 m	£0.5 m	£0.5 m	£0.5 m	£0.5 m
Ratio of financing costs to net revenue stream – General Fund	-7.14 %	-10.45 %	-8.86 %	-7.11 %	-6.31 %
Ratio of financing costs to net revenue stream – HRA	-7.38 %	-10.80 %	-9.15 %	-7.35 %	-6.52 %
Incremental impact of capital investment decisions on the Band D Council Tax	N/a	-£0.05	£1.63	£4.10	£5.23
Incremental impact of capital investment decisions on weekly housing rents levels	N/a	-£0.01	£0.92	£1.16	£1.05

2. Members are recommended to approve the treasury management strategy for 2008/09. The treasury prudential indicators as set out in the tables below;

Exposure to fixed/variable interest rates	2008/09 Upper	2009/10 Upper	2010/11 Upper
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	30%	30%	30%

Maturity Structure of fixed interest rate borrowing						
	2008/09		2009/10		2010/11	
	Lower	Upper	Lower	Upper	Lower	Upper
Under 12 months	0%	100%	0%	100%	0%	100%
12 months to 2 years	0%	0%	0%	0%	0%	0%
2 years to 5 years	0%	0%	0%	0%	0%	0%
5 years to 10 years	0%	0%	0%	0%	0%	0%
10 years and above	0%	0%	0%	0%	0%	0%
Maximum principal sums invested for 1 year or more	£30 m		£30 m		£30 m	
Investment returns to exceed the 7 day LIBID rate by;	0.10 %		0.10%		0.10%	

3. Members are recommended to approve the Council's Statement on the Minimum Revenue Provision.
4. Members are recommended to approve the investment strategy for 2008/09 contained in the treasury management strategy, and the detailed criteria included within it, specifically approving:
  - o The criteria for specified investments
  - o The criteria for non-specified investments

## The Prudential Indicators 2008/09 – 2009/10

1. The Local Government Act 2003 required the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. This report revises the indicators for 2007/08, 2008/09 and 2009/10, and introduces new indicators for 2010/11. Each indicator either summarises the expected activity or introduces limits upon the activity, and reflects the outcome of the Council's underlying capital appraisal systems.
2. Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence, the treasury management strategy for 2008/09 and the treasury indicators form part of this report.

### Capital Expenditure Plans

3. The first prudential indicators govern the Council's capital expenditure plans, its net borrowing position and its Capital Financing Requirement (CFR). The Council's capital expenditure plans are summarised below. Capital expenditure can be financed immediately (by resources such as contributions from revenue, capital receipts and capital grants), so that with no unfinanced expenditure there is no need to borrow.
4. A certain level of capital expenditure will be grant supported by the Government; anything above this level will be unsupported and will need to be paid for from the Council's own resources. The Government has the power to restrict the level of external debt undertaken by either all councils as a whole or of a specific council, although these powers have not yet been exercised.
5. The key risks to the plans are that the level of Government support has been estimated and is therefore subject to change. Similarly some of the estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.
6. **The Council is recommended to approve the capital expenditure estimates presented in Table 1 as Prudential Indicators 2 and 3.**

Portfolio	2006/07 Actual £'000	2007/08 Revised Estimate £'000	2008/09 Original Estimate £'000	2009/10 Original Estimate £'000	2010/11 Original Estimate £'000
Finance, Performance Management & Corporate Support Services	619	1,148	1,298	2,125	304
Leader of the Council	15	15	0	0	0
Leisure	564	135	230	61	62
Environmental Protection	1,001	1,820	704	0	0
Planning & Economic Development	1,714	293	2,000	0	0
Civil Engineering & Maintenance	331	377	700	262	262
Housing General Fund	520	2,397	2,027	1,005	875
<b>Total General Fund</b>	<b>4,764</b>	<b>6,185</b>	<b>6,959</b>	<b>3,453</b>	<b>1,503</b>
HRA	5,687	6,088	8,815	5,277	5,071
Housing DLO	49	51	50	50	50
<b>Total Housing Revenue Account</b>	<b>5,736</b>	<b>6,139</b>	<b>8,865</b>	<b>5,327</b>	<b>5,121</b>
<b>TOTAL</b>	<b>10,500</b>	<b>12,324</b>	<b>15,824</b>	<b>8,780</b>	<b>6,624</b>

## The Council's Capital Financing Requirement

7. The Council's Capital Financing Requirement (CFR) is the total capital expenditure which has not yet been financed from either revenue contributions or capital income. It is essentially a measure of the Council's underlying borrowing need; any unfinanced capital expenditure will increase the Council's CFR. Table 2 demonstrates that all projected capital expenditure over the current and the next three financial years is expected to be financed, and that the Council's CFR is expected to remain unchanged.
8. **Members are asked to agree that the Council has complied with the requirement of Prudential Indicator 1 by keeping net borrowing below the appropriate CFR in 2006/07, and that no difficulties are envisaged for the financial years 2007/08 to 2010/11.**
9. **Members are further asked to approve Prudential Indicators 4 and 5, the Capital Financing Requirement from 2006/07 to 2010/11, contained within Table 2**

<b>Table 2: Capital Expenditure Financing and its effect on the CFR</b>					
	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>Actual</b>	<b>Revised</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>General Fund</b>					
<b>Capital Expenditure</b>	<b>4,764</b>	<b>6,185</b>	<b>6,959</b>	<b>3,453</b>	<b>1,503</b>
<b>Financed by:</b>					
Capital receipts	3,749	5,080	6,232	3,054	1,291
Capital grants	1,015	1,105	727	399	212
Revenue Contributions	0	0	0	0	0
<b>Total Financed Expenditure</b>	<b>4,764</b>	<b>6,185</b>	<b>6,959</b>	<b>3,453</b>	<b>1,503</b>
<b>Net financing need for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Opening CFR</b>	<b>23,844</b>	<b>23,844</b>	<b>23,844</b>	<b>23,844</b>	<b>23,844</b>
CFR arising during the year	0	0	0	0	0
<b>Closing CFR</b>	<b>23,844</b>	<b>23,844</b>	<b>23,844</b>	<b>23,844</b>	<b>23,844</b>
<b>HRA</b>					
<b>Capital Expenditure</b>	<b>5,736</b>	<b>6,139</b>	<b>8,865</b>	<b>5,327</b>	<b>5,121</b>
<b>Financed by:</b>					
Capital receipts	986	0	0	0	0
Capital grants	178	80	80	80	80
Revenue Contributions	4,572	6,059	8,785	5,247	5,041
<b>Total Financed Expenditure</b>	<b>5,736</b>	<b>6,139</b>	<b>8,865</b>	<b>5,327</b>	<b>5,121</b>
<b>Net financing need for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Opening CFR</b>	<b>- 24,628</b>	<b>- 24,628</b>	<b>- 24,628</b>	<b>- 24,628</b>	<b>- 24,628</b>
CFR arising during the year	0	0	0	0	0
<b>Closing CFR</b>	<b>- 24,628</b>	<b>- 24,628</b>	<b>- 24,628</b>	<b>- 24,628</b>	<b>- 24,628</b>
General Fund CFR	23.844	23.844	23.844	23.844	23.844
HRA CFR	- 24,628	- 24,628	- 24,628	- 24,628	- 24,628
<b>Total CFR</b>	<b>- 0.784</b>	<b>- 0.784</b>	<b>- 0.784</b>	<b>- 0.784</b>	<b>- 0.784</b>

10. Local authorities are required to repay an element of the accumulated General Fund capital spend – represented by the CFR - through an annual revenue charge (the Minimum Revenue Provision, or MRP).
11. Draft DCLG Regulations are currently issued for comment which, if implemented, will require full Council to approve an MRP Statement. This will need to be approved in advance of each financial year. As the timetable for consultation is very tight, members are asked to approve the following MRP statement:
 

*As the Council is currently debt-free and intends to remain so for the foreseeable future, there is no requirement to make a provision for external debt repayment. If the Council identifies a need to borrow externally, the Council will draw up a minimum revenue policy in accordance with proper accounting practice, and will present this to members for approval.*
12. **Members are asked to approve the Council's Minimum Revenue Provision Statement, set out in paragraph 11 above.**

### Limits to Borrowing Activity

13. Prudential Indicators 6, 7 and 8 are intended to ensure that the Council operates its external borrowing activities within well defined limits. The first two of these are:
  - The Authorised Limit for External Debt. This represents a limit beyond which external debt is prohibited, and needs to be approved by full Council. It reflects the level of external debt which could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.
  - The Operational Boundary for External Debt. This indicator is based on the expected maximum external debt during the course of the year; it is not a limit.
14. The Council became debt-free on 29<sup>th</sup> March 2004, and intends to remain debt-free for the foreseeable future, meaning that the Authorised Limit is unlikely to be breached. The Director of Finance & ICT confirms that the Council has remained within these two limits during the current year, and does not foresee any difficulty in continuing to do so.
15. **The Council is recommended to approve the Authorised Limit and Operational Boundary set out in Table 3 as Prudential Indicators 6 and 7.**

<b>Table 3: The Authorised and Operational Limits of External Debt</b>				
	<b>2007/08 Revised £ m</b>	<b>2008/09 Estimate £ m</b>	<b>2009/10 Estimate £ m</b>	<b>2010/11 Estimate £ m</b>
Authorised limit	5.0	5.0	5.0	5.0
Operational boundary	0.5	0.5	0.5	0.5

16. In order to comply with Prudential Indicator 8 the Council must ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2008/09 and next two financial years. This allows flexibility for limited early borrowing for future years.
17. The Director of Finance & ICT confirms that the Council has complied with this prudential indicator throughout the current year and does not envisage difficulties for the foreseeable future. This view takes into account current commitments, existing plans, and proposals contained within this budget report. The Council's net debt position as at 31 March 2007 and its estimated position as at 31 March 2008 is shown for information in Table 4.

	<b>31 March 2007 Actual £'000</b>	<b>Rate %</b>	<b>31 March 2008 Estimate £'000</b>	<b>Rate %</b>
External debt	0		0	
Less transferred debt	- 585	5.10	- 559	5.10
<b>Total Debt</b>	<b>- 585</b>		<b>- 559</b>	
Fixed Investments	-53,000	5.35	-55,000	5.88
Variable Investments	-1,548	5.37	-3,000	5.50
<b>Total Investments</b>	<b>-54,548</b>		<b>-58,000</b>	
<b>Net Investments</b>	<b>-55,133</b>		<b>-58,559</b>	

### **Affordability Prudential Indicators**

18. The previous sections cover prudential indicators designed to examine capital expenditure and control of borrowing: prudential indicators in this section are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's financial affairs, and identify the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.
19. The estimates of financing costs include current commitments and the proposals in this budget report.
20. Prudential Indicators 9 and 10 are the actual and estimated ratios of financing costs to net revenue stream for the General Fund and Housing Revenue Accounts, and are shown in Table 5. As the Council is debt-free, these are based on investment income and are therefore negative.

	<b>2006/07 Actual %</b>	<b>2007/08 Revised Estimate %</b>	<b>2008/09 Estimated Forecast %</b>	<b>2009/10 Estimated Forecast %</b>	<b>2010/11 Estimated Forecast %</b>
General Fund	- 7.14	- 10.45	- 8.86	- 7.11	- 6.31
HRA	- 7.38	- 10.80	- 9.15	- 7.35	- 6.52

21. Prudential Indicator 11 concerns an estimate of the incremental impact of capital investment decisions on the Band D Council Tax over the next three financial years, and is shown in Table 6. This indicator identifies the revenue costs associated with new schemes introduced to the capital programme considered as Appendix 14 to this report, compared to the capital programme examined for the 2007/08 Prudential Indicators. The assumptions are based on the budget, but will invariably include some estimates, such as the level of government support in future years.
22. Prudential Indicator 12 examines estimates of the incremental impact of capital investment decisions on housing rent levels over the next three financial years. Similar to the Council Tax calculation, this indicator identifies the trend in the cost of proposed changes in the part of the capital programme relating to the Housing Revenue Account. It compares the most recent programme to that examined for the 2007/08 Prudential Indicators, and is expressed as a discrete impact on weekly rent levels.

	<b>2007/08 Revised</b>	<b>2008/09 Estimate</b>	<b>2009/10 Estimate</b>	<b>2010/11 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Band D Council Tax	-0.05	1.63	4.10	5.23
Housing rents levels	-0.01	0.92	1.16	1.05

23. It should be emphasised that these are theoretical, and do not imply an actual requirement to raise either Council Tax or housing rent levels. Any move to raise housing rent levels will be constrained by the rent restructuring controls.

### **Treasury Management Strategy 2008/09 – 2010/11**

24. The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators considered so far relate to the affordability and impact of capital expenditure decisions and govern the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures that the Council meets the "balanced budget" requirement under the Local Government Finance Act 1992. There are specific treasury prudential indicators included within this strategy which require approval.
25. 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). This Council adopted the Code of Practice on Treasury Management on 22 April 2002, and as a result formulated a Treasury Management Policy Statement (approved by Cabinet on 18 October 2004). This adoption meets the requirements of the first of the treasury prudential indicators (Prudential Indicator 13).
26. The Council's Treasury Management policy requires an annual strategy to be reported to Council in advance of the first financial year to which it relates, outlining the expected treasury activity for the following three financial years. A key requirement of this report is to explain both the risks and the management of the risks associated with the treasury service. A further treasury report is produced within six months of the year-end to report on actual activity for the year.
27. This strategy covers:
- The Council's debt and investment projections;
  - The expected movement in interest rates;
  - The Council's borrowing and investment strategies;
  - Treasury performance indicators;
  - Specific limits on treasury activities;

### **Debt and Investment Projections 2008/09 – 2010/11**

28. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. Table 7 shows this effect on the treasury position over the next three years. It also highlights the expected change in investment balances, although as a matter of prudence it does not include an estimate for capital receipts from proposed land sales.

29. Although the Council is debt-free and expects to remain so for the foreseeable future, there is a reducing element of debt taken out on behalf of other local authorities. Epping Council has repaid the underlying external debt in full from its own resources; the authorities concerned are paying the Council their share of the debt plus interest in instalments. This is shown as negative debt, as it represents income to the Council.

	<b>2008 Revised £'000</b>	<b>2009 Estimate £'000</b>	<b>2010 Estimate £'000</b>	<b>2011 Estimate £'000</b>
<b>External Debt</b>				
External debt	0	0	0	0
Less transferred debt	- 559	- 534	- 508	- 481
<b>Total debt</b>	<b>- 559</b>	<b>- 534</b>	<b>- 508</b>	<b>- 481</b>
<b>Investments</b>				
Investment portfolio	55,000	50,000	45,000	40,000
Funds held in short notice accounts	3,000	3,000	3,000	3,000
<b>Total investments</b>	<b>58,000</b>	<b>53,000</b>	<b>48,000</b>	<b>43,000</b>
Change from previous year	+3,452	- 5,000	-5,000	-5,000
Annual net interest income	3,540	3,069	2,650	2,440

### **Economic Forecast**

<b>As at end of:</b>	<b>Base Rate %</b>	<b>Market investment rates</b>		
		<b>3 month %</b>	<b>6 month %</b>	<b>12 month %</b>
December 2007	5.50	6.0	5.9	5.6
March 2008	5.25	5.5	5.4	5.3
June 2008	5.00	5.2	4.9	4.7
September 2008	4.75	4.8	4.7	4.6
December 2008	4.75	4.8	4.7	4.6
March 2009	4.75	4.8	4.7	4.7

30. The summer's dip in inflation drew to a close in October and the latest Bank of England Inflation Report suggests this key aggregate will rise further in the months ahead before returning to the 2% mid-target level by early 2009.
31. The end to aggressive discounting on retail sales, the rise in oil and petrol prices, and the upward trend in food costs have contributed to the rebound in inflation. While domestically-generated inflation will remain heavily influenced by the strength of economic activity and the growth in consumer spending, external factors are likely to be under upward pressure for the foreseeable future.
32. The main restraining influence in the UK will be the prospective decline in economic activity. Recent developments in the financial markets threaten to make the slow-down more pronounced than forecast earlier. The deceleration in economic activity in the US is expected to spread to the Euro-zone and this will undermine the chances of continued export-driven growth. On the domestic front, the effect of interest rate increases upon consumer activity and confidence is set to emerge more strongly in the New Year.

33. Higher rates, concern about the stability of asset prices (notably housing, where prices are faltering) and news of weakening activity are all likely to undermine consumer confidence. This would weaken further if the problems of the financial markets were to worsen.
34. Lower activity is set to emerge in the months ahead. This, together with signs of a pronounced slow-down in personal spending will be seen as providing scope for the MPC to relax its current, tight monetary stance. But uncertainty about the path of activity and prices over the medium term suggests the authorities will tread a cautious path and will confine interest rate cuts to a relatively small number.
35. Long-term interest rates have been driven lower by the strong demand for safe haven instruments at a time of crisis in the banking industry. Yields were driven down to levels that were hard to justify purely on economic grounds. While they have subsequently rebounded, they are still below levels that can be called attractive on fundamental grounds.
36. The crisis in the financial markets is set to continue for a while longer. More banks are likely to announce large losses in business linked with asset-backed securities. This will promote persistent nervousness and ensure demand for safe haven instruments, notably government securities (gilts), remains strong. Yields are set to remain volatile in this environment and there may be times when they are driven down to levels not justified by fundamental economic analysis.
37. The longer term outlook is not as favourable. The US Federal Reserve's aggressive cuts in interest rates since mid-September were driven by reaction to a combination of factors, including the weakening of economic activity, some improvement in inflation performance and the crisis in the US property market. But the move was seen as heavy handed and a threat to the long-term outlook for inflation. The US economy continues to post a mixed performance and inflation is only just below the ceiling the central bank considers acceptable.

#### **Borrowing Strategy 2008/09 – 2010/11**

38. The uncertainty over the UK economy and the level of confidence in individual banks increases the risks associated with treasury activity. As a result the Council will take an even more cautious approach to its treasury strategy than in previous years. This may mean a reduction in investment returns, and the performance benchmark has therefore been reduced to 0.1% over the 7 day LIBID rate for 2008/09, 2009/10 and 2010/11.
39. Long term fixed interest rates are expected to fall modestly. The last rise in the Bank of England Base Rate - on which all major UK financial institutions traditionally base their own rates - was in July 2007, to 5.75%, followed by a fall to 5.50% in December and widespread predictions of further cuts. However, the volatility in the markets during the second half of 2007 has effectively removed the link between market rates and Base Rate, and has made the future course of investment rates more difficult to predict.
40. The Director of Finance & ICT, under delegated powers, will continue to consider interest rate forecasts and counterparty assessments available from professional advisors, and will take the most appropriate form of investment at the time.

#### **Investment Counterparty and Liquidity Framework**

41. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:
  - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.



- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
42. The Director of Finance & ICT will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it selects which counterparties the Council will invest with rather than defining what form its investments will take.
- **Banks and Building Societies** – the Council will invest in banks and building societies which have the following Fitch or equivalent ratings as a minimum:
    - **Short Term** – F1 (minimum of F1+ for total investments between £5m to £12m)
    - **Long Term** – A (minimum of AA- for total investments between £5m and £12m)
    - **Individual / Financial Strength** – C (Fitch / Moody's only)
    - **Support** – 3 (Fitch only)
  - **Building Societies without credit ratings** – the Council will invest in building societies based in either the United Kingdom or the Republic of Ireland, provided that these have either a credit rating as specified above or a minimum of £1,000m (€1,500 m) in capital assets.
- Societies with no credit rating are subject to investment limits, according to their capital asset base as listed in the most recent issue of the Butler's Building Society Guide;
- i. Maximum investment of £3m and maximum term of nine months (capital assets of at least £1,000m)
  - ii. Maximum investment of £2m and maximum term of six months (capital assets between £500m and £1,000m, or €750m and €1,500m)
- **Money Market Funds** – AAA
  - **UK Government** (including gilts and the DMO)
  - **Local Authorities, Parish Councils etc**
43. The time limits for institutions on the Council's counterparty list are five years, unless shorter time limits are specified above (these will cover both specified and non-specified Investments). Investments for terms of one year or more are subject to prior approval by the Director of Finance & ICT. The proposed criteria for specified and non-specified investments are shown in paragraphs 54 to 60 for approval.
44. The use of longer term instruments (one year or greater from inception to repayment) will fall into the category of non-specified investments. These instruments will be used only where the Council's liquidity requirements are safeguarded. This usage is limited by Prudential Indicator 17 at paragraph 46 below.

## Investment Strategy 2008/09 – 2010/11

### Treasury Management Prudential Indicators and Limits on Activity

45. There are four more treasury prudential indicators. The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs. The indicators are:
- Upper limits on fixed interest rate exposure (Prudential Indicator 14). This indicator identifies a maximum limit for fixed interest rates based upon the debt position net of investments

- Upper limits on variable interest rate exposure (Prudential Indicator 15). Similar to the previous indicator, this covers a maximum limit on variable interest rates.
- Maturity structures of borrowing (Prudential Indicator 16). These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing; upper and lower limits of each category are required.
- Total principal funds invested for one year or more (Prudential Indicator 17). These limits are set to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

46. **Members are recommended to approve the contents of Tables 9 and 10 as Prudential Indicators 14, 15, 16 and 17.**

	<b>2008/09 Upper</b>	<b>2009/10 Upper</b>	<b>2010/11 Upper</b>
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	30%	30%	30%

	<b>2008/09</b>		<b>2009/10</b>		<b>2010/11</b>	
	<b>Lower</b>	<b>Upper</b>	<b>Lower</b>	<b>Upper</b>	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	100%	0%	0%	0%	0%
12 months to 2 years	0%	0%	0%	0%	0%	0%
2 years to 5 years	0%	0%	0%	0%	0%	0%
5 years to 10 years	0%	0%	0%	0%	0%	0%
10 years and above	0%	0%	0%	0%	0%	0%
<b>Maximum principal sums invested &gt; 364 days</b>	£30 m		£30 m		£30 m	

### **Performance Indicators**

47. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. As a debt free council with no externally managed funds, the only effective performance indicator that can be set is an achievement margin in excess of the 7 day LIBID rate, the London Interbank Bid rate, which is the generally accepted benchmark for local authority treasury operations. The results of these indicators will be reported in the Treasury Annual Report for 2007/08.
48. **Members are recommended to approve the local performance indicators set out in Table 11.**

	<b>2008/09 %</b>	<b>2009/10 %</b>	<b>2010/11 %</b>
Returns to exceed the 7 Day LIBID rate by:	0.10	0.10	0.10

## Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management

49. The Office of the Deputy Prime Minister (now the DCLG) issued Investment Guidance on 12<sup>th</sup> March 2004, and this forms the structure of the Council's policy below.
50. The key intention of the Guidance was to maintain the current requirement for Councils to invest prudently, giving priority to security before liquidity, before yield. In order to facilitate this objective, the guidance requires this Council to have regard to the CIPFA publication "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes". This Council adopted the Code on 18 April 2002 and will continue to apply its principles to all investment activity. In accordance with the Code, the Director of Finance & ICT has produced treasury management practices. This part, TMP 1(5), covering investment counterparty policy requires approval each year.
51. The key requirements of both the Code and the investment guidance are to set an annual investment strategy as part of its annual treasury strategy for the following year, to be approved by full Council and covering the identification and approval of:
  - The strategy guidelines for decision making on investments, particularly non-specified investments.
  - The principles to be used to determine the maximum periods for which funds can be committed.
  - Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
  - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.
52. The investment policy proposed for the Council for the forthcoming financial year is based on Butler's forecast of economic conditions. Shorter-term interest rates, on which the majority of the Council's investment decisions are based, were artificially inflated by the recent turbulence in the money markets. These are expected to fall steadily for the next year, until they regain their traditional level in regard to the Base Rate.
53. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts. It is likely that investment decisions will be made for shorter periods, to take advantage of the current higher market rates and for reasons of caution; however, investments of longer terms with fixed investments rates to lock in good value and security of return will be made if opportunities arise. The Director of Finance & ICT, under delegated powers, will undertake the most appropriate form of investments depending on liquidity requirements and the prevailing interest rates at the time, taking into account the risks shown in the forecast above.

## Specified and Non-Specified Investments

54. Specified investments are sterling investments with original investment terms of not more than one year, or those which are agreed for a longer period where the Council has the right to be repaid within 12 months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is small. These include investments with:
- I The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity).
  - II A local authority, parish council or community council.
  - III Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
  - IV A financial body such as a bank or building society that has been awarded a high credit rating by a credit rating agency.
55. The Council proposes to invest in specified investments, with further restrictions related to credit ratings.
56. **Members are requested to confirm their approval of the following specified investments for this council:**
- **All Category I investments;**
  - **All Category II investments;**
  - **For Category III - money market funds rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.**
  - **For Category IV - bodies with a minimum rating of A-1, P-1 and F1 as rated by Standard and Poor's, Moody's or Fitch rating agencies respectively.**
57. Non-specified investments are any other type of investment (i.e. not defined as specified above). These would include sterling investments with:
- I. Securities which are guaranteed by the UK Government (such as supranational bonds). These are fixed income bonds although the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.
  - II. Gilt edged securities with a maturity of greater than one year.
  - III. Institutions not meeting the basic security requirements under the specified investments.
  - IV. A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society), for deposits with a maturity of greater than one year.
58. Proposals approved at Cabinet in December 2004 added the thirty largest building societies by capital asset base to the counterparty listing, A review of the counterparty criteria in August 2007 concluded that a more logical way of dealing with building societies would be to adopt the following criteria:
- Building societies with a credit rating would be treated on the basis of that rating
  - Building societies based in either the United Kingdom or the Republic of Ireland will be included:
  - Irish societies base their accounts on the Euro (€); however, all deals will be made in pounds sterling and will not be converted out of sterling at any stage;
  - Unrated societies with assets in excess of £1bn (€1.5 bn) are subject to cumulative investment limits of £3m and maximum terms of 9 months;

- Unrated building societies with asset bases in excess of £500m (€ 750m) are subject to cumulative investment limits of £2m and maximum terms of 6 months; and
- Unrated building societies with asset bases of less than £500m (€ 750m) are excluded from the counterparty listing.

59 Proposals approved at Cabinet in December 2004 also allow a limited proportion of funds to be invested for terms of between one and five years. On the advice of Butlers, any investment of a term of one year or more would be made only with a counterparty possessing a minimum short term credit rating of A- (Fitch), A3 (Moody's) and A (Standard & Poors).

60 **Members are requested to confirm that, for the time being, it is intended that non-specified investments will not form part of the Council's investment portfolio, with the exception of;**

- **Building societies with no credit rating, subject to the restrictions laid down in Paragraph 58 and**
- **A maximum of £30,000,000 invested for terms of one year or more, subject to the credit rating criteria in Paragraph 59 and a maximum term of five years.**

61 The credit rating of counterparties will be monitored regularly. The Council receives credit rating emails from its Treasury advisers as and when ratings change, and counterparties are checked promptly on receipt of these emails. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Finance & ICT and new counterparties which meet the criteria will be added to the list.

62 The Council is aware that a counterparty may hold investments from the Council at the time that it is removed from the approved list due to a downgraded rating. The criteria used are high enough that a minor downgrading should not affect the full receipt of the principal and interest at maturity. Existing investments with the downgraded counterparty will therefore be allowed to run to maturity, unless there is reason to believe that an attempt should be made to retrieve the funds beforehand.

63 It should be noted that credit ratings are subject to change without prior warning, and that a high credit rating is an indication, not a guarantee, of a financial body's stability and creditworthiness.

64 The Council is aware that external fund managers are potentially able to achieve higher returns on an investment portfolio than in-house staff with limited time and no specialist financial expertise. However, these potential high returns are offset by the managers' fees. The Council has considered the net returns available through the use of external managers, and has decided to retain its policy of retaining the entire portfolio in-house. This policy will be kept under review each year.

	<b>2004/05</b> <b>%</b>	<b>2005/06</b> <b>%</b>	<b>2006/07</b> <b>%</b>
In-house team	4.67%	4.73%	4.92%
External management (net of charges)	4.69%	4.60%	4.29%
Difference	(0.02)%	0.13%	0.63%

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The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2008/09 budgets and the adequacy of the reserves.

**Introduction**

1. The Local Government Act 2003 section 25 introduced a specific personal duty on the "Chief Financial Officer" (CFO) to report to the Authority on the robustness of the estimates for the purposes of the budget and the adequacy of reserves. The Act requires Members to have regard to the report when determining the Council's budget requirement for 2008/09. Where this advice is not accepted, this should be formally recorded within the minutes of the Council meeting. The Council will consider the recommendations of the Cabinet on the budget for 2008/09 and will determine the planned level of the Council's balances.
2. Sections 32 and 43 of the Local Government Finance Act 1992 also require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the net budget requirement.
3. There is also a range of safeguards, which are in place to ensure local authorities do not over-commit themselves financially. These include:
  - The CFO's s.114 powers, which require a report to the Cabinet and to all members of the local authority if there is or is likely to be unlawful expenditure or an unbalanced budget
  - The Prudential Code, which applied to capital financing from 2004/05.

**The Robustness of the Recommended Budget**

4. A number of reports to the Cabinet in recent years have highlighted the difficulties inherent in setting budgets, not least because of significant changes in the level and complexity of Government funding and continuing pressure to protect and develop services. At the same time major changes have been introduced to the way the Council is structured and managed with Member and officer roles and responsibilities changing fundamentally. These changes are still on going, and do represent a significant risk to the Council's ability to assess properly all the financial pressures it faces.
5. However the Council's budget process, developed over a number of years, has many features that promote an assurance in its reliability:
  - The rolling four year forecast provides a yardstick against which annual budgets can be measured
  - The early commencement of the budget process and the clear annual timetable for both Members and officers including full integration with the BVPP process promotes considered and reasoned decision making
  - The establishment of budget parameters in the summer is designed to create a clear focus before the budget process commences

- The analysis of the budget between the continuing services and one off District Development Fund items smoothes out peaks and troughs and enables CSB trends to be monitored
  - The adoption of a prudent view on the recognition of revenue income and capital receipts
  - The annual bid process whereby new or increased budgets require reports to Cabinet before inclusion in the draft budget
  - Clear and reasoned assumptions made about unknowns, uncertainties or anticipated or forecast changes
6. Changes to the process have also created the facility for far greater consultation, particularly with the creation of an Overview and Scrutiny Panel to deal with finance and performance management issues. An onus is now placed on Portfolio Holders to deliver acceptable and accurate budgets, this is a role that has been taken seriously and with considerable understanding.
7. The budget is therefore based on strong and well-developed procedures and an integrated and systematic approach to the preparation of soundly based capital and revenue plans and accurate income and expenditure estimates. The risks or uncertainties inherent in the budget have been identified and managed, as far as is practicable, and assumptions about their impact have been made.
- 8. The conclusion is that the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2008/09.**

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

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



## **Factor Assessment**

### **a. Inflationary pressures**

11. Every year base budget estimates are produced and then different inflation factors are applied to the resultant figures to take budgets to out-turn prices. It is inevitable that there will be either over or under provision for the full cost of inflation, as prices will inevitably vary against the estimates made. Efforts have been made to predict the level of inflation in the coming year, but it should be noted that there is one specific item where there could be additional costs:
12. The Council procures energy through consortiums and is currently intending to move to the Office of Government Commerce (OGC) framework agreement, in accordance with advice from the Essex Procurement Hub, at the next renewal. Recent announcements of double digit price increases for the domestic energy market are unlikely to be fully reflected in the wholesale market. However, there is a risk that the allowance for inflation in the budgets will not fully cover increases in energy costs.
13. Future pay awards are in doubt, as agreement has not been reached on an increase for 2008/09 and subsequent years. The Government have stated their desire for three-year deals for the public sector with 2% per annum increases. Although with RPI at 4% that may not be achievable and the 2.475% included in the estimates is felt to be more realistic. Recruitment and retention is less of a concern, but some difficulty is still being experienced in certain areas. In the budgets the centrally held vacancy allowance has been reduced from 3% to 2%. This is to reflect the deletion of some vacant posts as part of the corporate restructuring. It is unlikely that the Authority will have a full establishment throughout 2008/09 and so this allowance is reasonable.

### **b. Estimates on the level and timing of capital receipts**

14. The Council has always adopted a prudent view on the level and timing of capital receipts, a position justified by past experience. Capital receipts are not recognised for budgetary purposes unless they have been received or their receipt is contractually confirmed prior to the budget being ratified.
15. The exception to this relates to receipts from council house sales. In this instance because sales occur throughout the year and the receipts are significant in providing either revenue income to the General Fund or financing the capital programme, assumptions have to be made about their generation. Sales completed in 2007/08 are likely to be less than the 46 in 2006/07, and in line with the current estimate of 30. It is anticipated that sales will now stabilise at 30 for the following three years.
16. Clearly if the forecasts contained in this report are not realised in full, there could be a financial impact on the General Fund because investment income to that account has been based on that level of sales. However, this is relatively unlikely given the low numbers involved.
17. Other capital receipts are likely to be generated during 2008/09. The Council is conducting a review of depot accommodation and is likely to dispose of any surplus land identified. However, as stated above, no receipts are recognised prior to contractual confirmation.

18. Even with the Authority's substantial capital programme, which exceeds £50m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2012 will be £17.3m. The Capital Strategy has made it clear that priority will be given to capital schemes that will create future revenue income. This follows from the increased awareness amongst Members that the using up of balances reduces investment income.

**c. Treatment of demand led pressures and savings**

19. The largest demand led pressure facing the Council is the new national concessionary fares scheme. Under the new scheme travel is no longer restricted to within the district or county issuing the pass but is allowed anywhere in England. District councils will be required to pay for all concessionary travel within their areas regardless of where the traveller actually lives. This is likely to cause particular difficulties for coastal districts and those with other tourist attractions.
20. The projections from the current consultant to the Essex Countywide scheme are that Epping Forest is unlikely to be significantly worse off under the new scheme. However, where a change of this size occurs it is difficult to forecast the outcome with any degree of certainty. To provide a degree of comfort the CSB budget has been matched to the consultant's projections and the specific grant of £235,000 has been taken to the DDF to meet any additional costs.
21. It is clear that in order to avoid breaching the guideline on reserves it will be necessary to seek savings throughout the period covered by the medium term financial strategy. However, the current strength of reserves means that it will be possible to do this in a structured and progressive way.

**d. Risks inherent in partnership arrangements etc**

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

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

23. The Authority is currently debt free and intends to remain so in the medium term. Revenue reserves for both the General Fund and the Housing Revenue Account are in a healthy state.

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

24. The Authority has a proven track record in financial management as borne out by the Use of Resources assessments from the Authority's external auditors. A comparison of actual net expenditure with estimates over a number of years shows that the Council rarely experiences under or over spends of any significance.

25. However, the discipline of Financial Regulations - not incurring spending without a clear budget - must be rigidly observed, and the monitoring of the riskier budgets, particularly income budgets, needs to be maintained. The quarterly budget monitoring reports on key budgets to the Finance and Performance Management Scrutiny Panel will continue throughout 2008/09. The production of these reports during the year is essential in identifying emerging problems at the earliest opportunity. This allows maximum benefit to be accrued from any corrective action taken.

**g. The authority's virement and year-end procedures in relation to under and overspends**

26. The Authority has recognised and embedded virement procedures that allow funds to be moved to areas of pressure. Although underspends and overspends are not automatically carried forward, the Authority does have an approved carry forward scheme for capital and DDF which is actioned through the formal provisional outturn report to Cabinet in the summer of each year.

**h. The adequacy of insurance arrangements**

27. The Council is now in the third year of a five-year agreement, which was subject to a competitive tendering process. As part of this exercise different levels of excess and policy cover were considered. The Council made a decision to undertake a greater degree of self-insurance and accept higher excess levels to reduce insurance premiums. Savings on premiums resulting from this exercise are likely to be in the order of £1m over the life of the agreement, and some of this saving is being paid into the Council's insurance fund. Any claims resulting from the acceptance of higher excesses will have to be paid from the fund. However, in 2006/07 a net surplus arose on the account, which has led to an increase in the fund from £831,000 to £981,000.

**i. Pension liabilities**

28. Following receipt of the latest triennial valuation of the Pension Fund a report setting out the different payment options was made to the 19 November meeting of the Finance and Performance Management Cabinet Committee. The current ongoing employers contribution is 10.1%, which has to increase to 13.1% over the three-year life of the valuation. Members decided to introduce the increases by 1% per annum and consequently make higher deficit payments, although total payments over the three years are lower with this option.
29. Despite taking the higher deficit payment option, the deficit payments to the fund will reduce from £1.822m in 2007/08 to £1.796m in 2008/09. Council agreed in December, as part of approving the Capital Strategy, that the policy of capitalising deficit payments would continue and a further £2.5m of capital receipts will be moved to the Pension Deficit Reserve to fund this.
30. An annual application is made to Department for Communities and Local Government (DCLG) for a capitalisation direction. Authority was given to capitalise the full additional deficit payment in 2005/06 although for 2006/07 the capitalisation was limited to 57.19% of the value of the application. This followed concerns at the Treasury about excessive capitalisations creating pressure on the Chancellor's "Golden Rule".

31. The regulations for issuing capitalisation directions were changed for 2006/07, with a “Two Gate” system being introduced. Applications must satisfy the previous criteria to clear Gate 1 but applications will not pass Gate 2 until the national economic impact has been considered in total. Confirmation has now been received that the applications to capitalise the additional pension deficit payments for 2007/08 have cleared both Gate 1 and Gate 2. If capitalisation directions had not been obtained then the additional charges to revenue for 2007/08 would have been £680,000 General Fund and £319,000 HRA. As the deficit payments have not changed significantly the amounts at risk in future years are broadly similar.

### Statement on the adequacy of the reserves and balances

32. The Use of Resources assessment now conducted by the external auditors has moved on from the formulaic approach of CPA to achieve the ‘good’ ranking for reserves. The old formula had suggested that the Council should maintain a General Fund balance of at least £0.89m but no more than £17.86m. The Council’s current best estimate of the General Fund balance at 31 March 2009 is £7.1m as shown in the Annex 12. This is clearly within the range specified but as a benchmark is not particularly useful. Therefore a risk assessment related to the Authority’s individual circumstances is provided as a more meaningful benchmark against which the adequacy of the balances can be determined.
33. The following table lists those developments and cost pressures within the four-year forecast that offer the greatest risk to financial stability.

Item of risk	Estimated level of financial risk £000	Level of risk %	Adjusted level of risk £000
Basic 5% of Net Operating Expenditure			910
Pay award being settled 1% in excess of 2.475% est. for 08/09 and future years	600	20	120
Inflationary pressures between 1-4% higher than budget	600+	20	120+
Loss of North Weald Market Income	4,000+	20	800+
General Income between 1-4% less than budget	600+	10	60+
Interest Rates 1% less than budget	500+	10	50+
Emergency Contingency	800+	20	160+
Capitalisation applications refused for 08/09 and 09/10	1,300	40	520
Renegotiating External contracts and partnership arrangements	Say 1,000+	10	100+
Total	9,400+		2,840+

34. The presentation in this table is not a scientific approach, but a crude attempt to put a broad order of scale on the main financial risks potentially facing the Council. It is meant to be thought provoking rather than definitive. It is certainly not a complete list of all the financial risks the Council faces but it shows the potential scale of some of the risks and uncertainties and the impact they may have on the Council’s balances if they were to come to fruition.

35. Based on the CPA formula there is an expectation that an authority should carry a level of balance that equates to at least 5% of the net operating expenditure (NOE) of the Authority. During the period of the four-year plan NOE is expected to average out at £18.13m, which suggests a figure of £910,000.
36. The income generated from the market at North Weald airfield is significant to the ongoing financial well being of the Authority. Uncertainties surrounding the future of the airfield create a risk to the Authority that needs to be recognised and quantified hence its inclusion in the list above. A number of contracts have been granted to outside bodies for the provision of Council services. The failure of any of these contracts would inevitably lead to the Council incurring costs, which may not be reimbursed. Other than certain bond arrangements there is no specific provision made in the estimates for this type of expenditure, which therefore would have to be covered by revenue balances. Although the awarding of a new long-term contract for waste management to SITA has reduced this risk for 2008/09.
37. It is common practice amongst other councils to include contingency sums in their budgets for major risk items such as pay awards, general inflation, income and emergencies. Previously this Authority has chosen to cover such risks through its revenue balances. However, by way of additional comfort for 2008/09 a contingency of £175,000 has been included in the budget for the first time. The contingency will be allocated by Council as and when necessary and should help reduce the need for supplementary estimates during the year.
38. The Council has always been conscious of its balances position as can be demonstrated by budget reports over many years. Fortunately for the Authority the question had not been whether it had a sufficient level of balance but rather that it had too much. Balances have been increasing since 2003/04 and are predicted to peak at £7.1m as at 31 March 2009.
39. A number of policies have been determined previously to bring about reductions and the current policy reflects that deficit budgets are now necessary for the balances to fall. That is to say that the current policy allows for balances to fall to no lower than 25% of Net Budget Requirement (NBR). This is slightly different from the NOE stated above, the average NBR figure for the next four years is expected to be £17.42m therefore 25% of that figure equates to £4.35m. The current four-year forecast shows balances still at £6.11m at the end of 2011/12.
40. The risk assessment undertaken above suggests that 20-25% of NBR is about the range that this authority should be maintaining its balances within. By 31 March 2012 balances will represent 34.3% of NBR, which is perfectly adequate. However, Members are aware that this situation can only be achieved with CSB savings and have stated a clear target of reducing expenditure throughout the period of the medium term financial strategy.
41. It has already been stated that the capital fund is expected to remain in a surplus position beyond 2011/12 and the capital programme can be fully funded.
42. The Council has a few earmarked reserves (e.g. DDF), which are intended to be used for specific purposes over a period of time of more than a single financial year. These earmarked reserves have been excluded from the assessment for this reason.

43. HRA revenue balances are expected to decrease slightly from £6.2m as at 31 March 2008 to £6.18m as at 31 March 2009. The balance on the Housing Repairs Fund is expected to increase slightly over the next year, from £3.29m to £3.30m. However, the Housing Major Repairs Reserve is predicted to reduce from £6.34m to £3.31m. Overall the financial standing of the HRA and its reserves going into 2008/09 remain healthy.
44. **The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2008/09 but that spending needs to be kept under review and savings made in the medium term.**

<b><u>Epping Forest District Council Calendar of Meetings 2008-09</u></b>													
	2008					2009					ANNEX 11		
Meeting	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<b><u>Executive</u></b>													
Council	15th	26th	29th		(30th)	28th		16th		17th(19th)		28th	21st
Cabinet		9th	14th		1st	6th	10th	15th		2nd	9th	20th	
FPM Cabinet Comm		16th			22nd		17th	8th	26th		16th		
<b><u>Scrutiny</u></b>													
OS Committee		5th	10th	28th		2nd	6th	11th	29th		5th	16th	
Finance & Perf Mgmt		17th		19th			11th		13th	10th	31st		
Housing			3rd			9th			8th		26th		
Environment & Planning		24th			2nd	21st		9th		24th		21st	
Constitution & Mbr Serv's		30th			8th		3rd		12th			6th	
<b><u>Planning</u></b>													
District Development		3rd		5th		7th		2nd		3rd		7th	
Plans South	21th	11th	2nd-23rd	13th	3rd-24th	15th	5th-26th	17th	21st	11th	4th-25th	15th	13th
Plans East	7th-28th	18th	9th-30th	20th	10th	1st-22nd	12th	3rd	7th-28th	18th	11th	1st-22nd	20th
Plans West	14th	4th-25th	16th	6th-27th	17th	8th-29th	19th	10th	14th	4th-25th	18th	8th-29th	27th
<b><u>Licensing</u></b>													
Licensing Committee						15th						15th	
Licensing Sub-Comm		5th	3rd	7th	4th	2nd	6th	4th	8th	5th	5th	2nd	
<b><u>Miscellaneous</u></b>													
Audit & Governance		23rd			15th		24th			9th	30th		
Housing Appeals Panel		19th	24th	21st	18th	23rd	20th	18th	22nd	12th	19th	23rd	
Joint Consultative Comm			17th			16th			15th			9th	
Local Councils Liaison		11th					5th				4th		
Standards Committee			15th			13th			27th			14th	
<b><u>Easter 2009</u></b>													
Fri 10-Apr to Mon 13-Apr Inc.													
		<b><u>Election 2009</u></b>											
		Thu 7-May											

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