

EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES

Committee: Council **Date:** 17 February 2009

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 9.40 pm

Members Present: Councillors J Knapman (Chairman), Mrs P Smith (Vice-Chairman), K Angold-Stephens, R Barrett, R Bassett, D Bateman, A Boyce, Mrs R Brookes, Mrs P Brooks, K Chana, Mrs S Clapp, M Cohen, Miss R Cohen, J Collier, M Colling, Mrs D Collins, R Frankel, Mrs R Gadsby, P Gode, Mrs A Grigg, Mrs A Haigh, Mrs H Harding, J Hart, D Jacobs, R Law, J Markham, Mrs M McEwen, G Mohindra, R Morgan, Mrs C Pond, G Pritchard, W Pryor, Mrs P Richardson, B Rolfe, B Sandler, Mrs M Sartin, P Spencer, D Stallan, Ms S Stavrou, Mrs J Sutcliffe, P Turpin, H Ulkun, Mrs L Wagland, A Watts, Mrs E Webster, C Whitbread, Mrs J H Whitehouse, J M Whitehouse, D Wixley and J Wyatt

Apologies: Councillors Mrs A Cooper, D Dodeja, A Green, Ms J Hedges, S Murray and J Philip

Officers Present: P Haywood (Chief Executive), D Macnab (Deputy Chief Executive), I Willett (Assistant to the Chief Executive), G Lunnun (Assistant Director Democratic Services), R Palmer (Director of Finance and ICT), S G Hill (Senior Democratic Services Officer), A Hendry (Democratic Services Officer) and J Boreham (Assistant Public Relations and Information Officer)

105. WEBCASTING INTRODUCTION

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

106. FORMER DISTRICT COUNCILLOR BILL EASTON

It was with much sadness that the Chairman informed the Council of the death of former District Councillor Bill Easton.

Following the Chairman's announcement, Councillors Mrs D Collins and R Morgan paid tribute to former Councillor Easton. Members were advised that Bill Easton had represented the Roydon Ward for 12 years between 1984 and 1986. He had been Chairman of the Council in 1993/94 and Vice Chairman of the Council in 1992/93.

The Council expressed their condolences to the family of Bill Easton. All present stood for a minute's silence in tribute to the memory of former Councillor Easton.

107. MINUTES

RESOLVED:

That the minutes of the Council meeting held on 16 December 2008 be taken as read and signed by the Chairman as a correct record.

108. DECLARATIONS OF INTEREST

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

109. ANNOUNCEMENTS**(a) Announcements by the Chairman**

Councillor Knapman reported on his attendance at the following events during the past month:

- (i) the Redbridge Annual Pantomime;
- (ii) the Tudors and Stuarts Exhibition at Epping Forest District Museum.

The Chairman was advised that he would be attending the opening of a Medieval Treasures Exhibition at Epping Forest District Museum on 18 February 2009.

The Chairman reminded members that his Charity Quiz would be held on 20 February 2009 at Theydon Bois Village Hall. He expressed his thanks to Ian Willett and other officers for organising the event. He also reminded members of the need to reply to his invitation to attend the Civic Awards event on 20 March 2009.

The Chairman advised that he had provided a tour of the Civic Offices and afternoon tea for representatives of an Indian school participating in an exchange with St John's School, Epping. He advised that the exchange formed part of the Youth Sports Trust/UK Sport Initiative to ensure a long lasting legacy to sport following the 2012 London Olympics.

The Chairman announced that he would be participating in an abseil of the Church Langley Water Tower, Harlow on 2 May 2009 and would be seeking donations to his charity.

(b) Announcements by the Leader of the Council and other Cabinet members

There were no announcements made by Cabinet members.

110. PUBLIC QUESTIONS (IF ANY)

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

111. REPORTS FROM THE LEADER, CHAIRMAN OF THE OVERVIEW AND SCRUTINY COMMITTEE AND MEMBERS OF THE CABINET

The Council received written reports from the Chairman of the Overview and Scrutiny Committee, the Civil Engineering and Maintenance Portfolio Holder, the Community Wellbeing Portfolio Holder, the Environment Portfolio Holder, the Housing Portfolio Holder and the Leisure and Young People Portfolio Holder.

The Chairman invited the Leader, Chairman of the Overview and Scrutiny Committee and members of the Cabinet to provide an oral report or an oral update of their written reports.

(a) Leader of the Council

Councillor Mrs Collins expressed her gratitude to the Council's Land Drainage Team for their work on the evening/early hours of 9/10 February 2009 in clearing a blockage from a storm grill in Loughton which had saved many residents and businesses in Loughton High Road from the very real possibility of a major flooding incident. The Leader advised that the Council's officers had acted when the Environment Agency whose responsibility it was to deal with such matters had advised that they were unable to assist. Councillor Mrs Collins reported that she would be writing to the Environment Agency expressing disappointment at their response.

The Leader thanked Sita, the Council's waste collection contractors, for their work in collecting recycling materials and waste speedily after the disruption to the service caused by the severe weather conditions.

Councillor Mrs Collins advised that on 30 January 2008 she had hosted an event at which she had announced the Staff Awards for 2008/9. Together with the Environment Portfolio Holder, Councillor Mrs Sartin, she had presented certificates to the winners and high commendation certificates to the runners up in each of three categories. She also advised that the winners of each category would be presented with a trophy at the Annual Civic Awards event on 20 March 2009. The Council noted that the winners in each of the categories were as follows:

Improving Services for the Community – Simon Hill
Innovation – The Youth Council Strategy Team
Dealing with the Public – Epping Forest Careline

Councillor Mrs Collins advised that she was continuing to attend meetings with Harlow Renaissance about the delivery of regeneration projects and the planning of the growth of Harlow.

The Leader advised that on 13 February 2009 she had received a large number of responses to the Consultation on Options for the Development Plan Provision for Gypsies and Travellers signed by several thousand residents. She advised that officers were continuing to collate responses and reminded members that the consultation exercise would finish at 5 pm on 20 February 2009.

The Council noted that together with the Planning and Economic Development Portfolio Holder, Councillor Mrs Grigg, the Leader had met with residents and traders to discuss the Loughton Broadway Town Centre Enhancement Scheme.

The Leader reported that work had commenced on a design brief for development in the vicinity of St John's Road, Epping.

Councillor Mrs Collins advised that together with the Environment Portfolio Holder, Councillor Mrs Sartin, she had attended Epping Forest College and had met the Acting Principal. She had also spoken to the Chairman of Governors regarding recent press publicity. A meeting had also been held with the Head Teachers of local secondary schools and steps were being taken to seek improved sixth form provision within the District in the short term. Councillor Mrs Collins emphasised the need for all parties to work together in seeking improvements to the College and advised that Eleanor Laing MP was also pursuing issues with the Education Minister.

(b) Planning and Economic Development Portfolio Holder

Councillor Mrs Grigg advised that she had been unable to complete her report for this meeting following problems with her computer and that she would publish her report in the Council Bulletin.

(c) Environment Portfolio Holder

Councillor Mrs Sartin thanked everyone who had helped ensure that services were maintained during the recent severe weather conditions. She also thanked residents for their patience and understanding for not receiving the normal levels of service during the exceptional circumstances.

(d) Civil Engineering and Maintenance Portfolio Holder

Councillor Bassett advised that the severe weather conditions had resulted in many highway defects. He advised that he had asked the County Council if additional resources could be made available to repair the highways and he was awaiting a reply to that request.

Councillor Bassett advised that he was taking forward the highways localism programme and would be submitting a report on proposals to the Cabinet in March 2009.

Councillor Bassett added his thanks to the Land Drainage officers for the work they had undertaken on 9/10 February 2009. He also advised that sandbags had been provided by the Council to residents of several properties across the District but that despite the Council's best efforts five properties had been flooded. Councillor Bassett advised that he would be reviewing steps which could be taken by the Council in relation to future similar incidents although the responsibility for these matters rested with the Environment Agency.

(e) Corporate Support and ICT Services Portfolio Holder

Councillor Cohen advised that he would publish in the Council Bulletin matters of interest to members including the involvement of Corporate Support Services officers in relation to the Gypsy and Traveller Consultation exercise.

112. QUESTIONS BY MEMBERS WITHOUT NOTICE**(a) Flooding**

By Councillor Mrs P Richardson to Councillor Mrs D Collins, Leader of the Council

Councillor Mrs Richardson asked if it would be possible to recharge the Environment Agency for the work undertaken by Council officers in preventing flooding.

Response by Councillor Mrs D Collins, Leader of the Council

Councillor Mrs Collins advised that she would be pursuing this suggestion.

(b) In-house Services**By Councillor R Frankel to Councillor Mrs D Collins, Leader of the Council**

Councillor Frankel referred to the work undertaken by officers in preventing flooding in the District and asked if she agreed this was an endorsement for keeping services in-house even if apparent savings could be achieved by outsourcing.

Response by Councillor Mrs D Collins, Leader of the Council

Councillor Mrs Collins advised that the Council had retained the services of the two Land Drainage officers even though the responsibility for this type of work now rested with the Environment Agency following the award of a contract to them.

(c) Epping Forest College**By Councillor Mrs P Richardson to Councillor Mrs D Collins, Leader of the Council**

Councillor Mrs Richardson asked if the Leader was aware of changes to take place in 2010 whereby the Learning and Skills Council would no longer have responsibility for colleges.

Response by Councillor Mrs D Collins, Leader of the Council

Councillor Mrs Collins confirmed that she was aware of this change which would result in the County Council taking over responsibility. She advised that this was part of the reason the College was not receiving the level of support it required to improve and for this reason the local Member of Parliament had made representations to the Education Minister.

(d) Waste Management Service**By Councillor J M Whitehouse to Councillor Mrs M Sartin, Environment Portfolio Holder**

Councillor Whitehouse asked if it was the Portfolio Holder's intention to consult other members before making decisions about the collection of food waste.

Response by Councillor Mrs M Sartin, Environment Portfolio Holder

Councillor Mrs Sartin confirmed that discussions would take place through the Partnership Board, the Safer, Cleaner, Greener Scrutiny Panel and the Cabinet.

(e) Waltham Abbey Sports Centre**By Councillor Mrs P Brooks to Councillor Mrs H Harding, Leisure and Young People Portfolio Holder**

Councillor Mrs Brooks referred to the decision to end the Joint User Agreement with King Harold School and asked what steps were being taken to ensure continuity of public use of sports facilities in the locality pending the provision of new facilities at the Waltham Abbey Swimming Pool.

Response by Councillor Mrs H Harding, Leisure and Young People Portfolio Holder

Councillor Mrs Harding referred to the long relationship with the school and expressed the hope that the school would encourage the local community to use the facility when it was not in use by the school. She acknowledged there would be a reduction in District Council provision for a period but referred to the availability of facilities at other sports and leisure centres across the District.

(f) Parsonage Court and Oakwood Hill Estate, Loughton**By Councillor Mrs R Brookes to Councillor D Stallan, Housing Portfolio Holder**

Councillor Mrs Brookes drew attention to the conditions at Parsonage Court during the recent cold weather and asked if it was possible to consider providing double glazing at the building. She also asked if it would be possible to upgrade the internal and external lighting on the Oakwood Hill Estate.

Response by Councillor D Stallan, Housing Portfolio Holder

Councillor Stallan advised that he would discuss these matters with officers in Housing Services and would advise the member of the outcome.

(g) Buckhurst Hill Parking Review**By Councillor Mrs A Haigh to Councillor R Bassett, Civil Engineering and Maintenance Portfolio Holder**

Councillor Mrs Haigh advised that at the last meeting of the Overview and Scrutiny Committee she had expressed concern about the lack of progress in relation to this review and that at that meeting County Councillor Hume had advised that he would be having a meeting the following week to progress the matter. Councillor Mrs Haigh asked if the meeting had taken place and if so what had been the outcome.

Response by Councillor R Bassett, Civil Engineering and Maintenance Portfolio Holder

Councillor Bassett advised that he had not met Councillor Hume during the last few weeks but he had met with Highways officers and had informed them of his displeasure about the delays relating to parking reviews. He advised that he now expected to receive data by the end of February and that he would share any information received with members.

(h) Advertising on Roundabouts**By Councillor Mrs A Haigh to Councillor Mrs D Collins, Leader of the Council**

Councillor Mrs Haigh referred to applications to be considered by the District Development Control Committee on 2 March 2009 regarding advertisements on roundabouts and, in particular, those immediately adjoining Epping Forest. She expressed concern about the possible effects of this advertising on the Forest and asked the Leader if she shared this concern.

Response by Councillor Mrs D Collins, Leader of the Council

Councillor Mrs Collins advised that these applications had come as a result of an initiative from the former Civil Engineering and Maintenance Portfolio Holder to increase income. She stated that she understood the concerns being expressed by the member and advised that she expected these concerns to receive consideration by the Committee.

(i) Waste Service Development Plan**By Councillor D Jacobs to Councillor Mrs M Sartin, Environment Portfolio Holder**

Councillor Jacobs referred to the funding from the County Council in support of new services such as a collection of food waste and asked why this Council would not be receiving an equivalent amount to that being made available to other authorities.

Response by Councillor Mrs M Sartin, Environment Portfolio Holder

Councillor Mrs Sartin said that she could not verify the funding to be made available to other authorities. She confirmed that funding would not be made available pro rata and would be based on individual submissions put forward by the collecting authorities.

(j) Savers Union**By Councillor Mrs J H Whitehouse to Councillor C Whitbread, Finance and Performance Management Portfolio Holder**

Councillor Mrs Whitehouse asked the Portfolio Holder if he was prepared to revise his views on the use of Council premises as it was apparent that in Basildon the Civic Offices were being used as a collection point.

Response by Councillor C Whitbread, Finance and Performance Management Portfolio Holder

Councillor Whitbread advised that this issue was being considered through Overview and Scrutiny and that if overwhelming evidence came to light to show that the use of Council premises as collection points was not contrary to Financial Services Agency regulations the matter would receive further consideration.

(k) Rethink**By Councillor P Turpin to Councillor Mrs D Collins, Leader of the Council**

Councillor Turpin referred to a booklet which he claimed had been issued by the Council and which included an advertisement for a new mental health service for black and minority ethnic groups. He asked the Leader of the Council why this service was being restricted to those groups.

Response by Councillor Mrs D Collins, Leader of the Council

Councillor Mrs Collins advised that she believed this to be a service being offered by West Essex PCT. She emphasised that everyone in the District was treated equally and she suggested that the advertisement simply drew attention to the fact that the same level of service was available to everyone.

(l) Loughton High Road Enhancement – Tree Planting**By Councillor J Markham to Councillor Mrs A Grigg, Planning and Economic Development Portfolio Holder**

Councillor Markham stated that despite numerous meetings and assurances trees had still not been planted in Loughton High Road as part of the Enhancement Scheme. He sought an assurance that the trees would be planted during the next planting season.

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

Councillor Mrs Grigg said that she also was concerned about the delays. She advised that it was her understanding the trees would possibly be planted during the current planting season before the end of March or if not during the next planting season.

(m) Loughton Broadway Enhancement Scheme – Health Centre**By Councillor Mrs P Richardson to Councillor Ms S-A Stavrou, Community Wellbeing Portfolio Holder**

Councillor Mrs Richardson asked if any response had been received from the PCT in relation to the possible provision of a health centre for the elderly.

Response by Councillor Ms S-A Stavrou, Community Wellbeing Portfolio Holder

Councillor Ms Stavrou advised that she had not yet received a reply and that she would pursue the matter.

113. MOTIONS**(a) Local Development Framework Cabinet Committee****Moved by Councillor Mrs A Grigg and seconded by Councillor Mrs D Collins**

“(1) That a Local Development Framework Cabinet Committee be appointed with the following terms of reference:

(a) To oversee and submit recommendations to the Cabinet as appropriate on:

(i) the preparation of the Local Development Framework (LDF);

(ii) the preparation of the Core Strategy including agreement of consultation stages and documentation, and the responses that should be made to any representations received;

(iii) the preparation of other Development Plan Documents including agreement of consultation stages and documentation, and the responses that should be made to any representations received;

- (iv) the preparation of Supplementary Planning Documents including agreement of consultation stages and documentation, and the responses that should be made to any representations received;
- (v) the revision of the Local Development Scheme and monitoring the achievement of milestones;
- (b) To consider and provide input to consultants' reports which contribute to the establishment of an up-to-date evidence base to influence preparation of the LDF;
- (c) To consider options for joint or co-ordinated working with other councils, which best meet the needs of this District, as required by the East of England Plan and (where relevant) the London Plan and to make recommendations to the Cabinet thereon;
- (d) To consider the comprehensive review of the East of England Plan, and make recommendations to the Cabinet on any responses to be made;
- (e) To liaise with the Planning Services Scrutiny Standing Panel as appropriate; and
- (f) To work within the budgetary provision for the LDF, as approved by the Cabinet and the Council;
- (2) That the membership of the Committee comprise of Councillors R Bassett, Mrs D Collins, Mrs A Grigg, Mrs M Sartin, D Stallan, Ms S-A Stavrou, and C Whitbread;
- (3) That the Committee be chaired by the Portfolio Holder for Planning and Economic Development;
- (4) That the first meeting of the Committee be held on 24 March 2009."

Mover: Councillor Mrs D Collins

Seconder: Councillor Mrs A Grigg

By leave of the Council it was agreed that the motion be amended to allow for the first meeting of the Committee to be held on a date to be notified.

Carried

Motion as amended ADOPTED

RESOLVED:

- (1) That a Local Development Framework Cabinet Committee be appointed with the following terms of reference:
 - (a) To oversee and submit recommendations to the Cabinet as appropriate on:
 - (i) the preparation of the Local Development Framework (LDF);
 - (ii) the preparation of the Core Strategy including agreement of consultation stages and documentation, and the responses that should be made to any representations received;

(iii) the preparation of other Development Plan Documents including agreement of consultation stages and documentation, and the responses that should be made to any representations received;

(iv) the preparation of Supplementary Planning Documents including agreement of consultation stages and documentation, and the responses that should be made to any representations received;

(v) the revision of the Local Development Scheme and monitoring the achievement of milestones;

(b) To consider and provide input to consultants' reports which contribute to the establishment of an up-to-date evidence base to influence preparation of the LDF;

(c) To consider options for joint or co-ordinated working with other councils, which best meet the needs of this District, as required by the East of England Plan and (where relevant) the London Plan and to make recommendations to the Cabinet thereon;

(d) To consider the comprehensive review of the East of England Plan, and make recommendations to the Cabinet on any responses to be made;

(e) To liaise with the Planning Services Scrutiny Standing Panel as appropriate; and

(f) To work within the budgetary provision for the LDF, as approved by the Cabinet and the Council;

(2) That the membership of the Committee comprise of Councillors R Bassett, Mrs D Collins, Mrs A Grigg, Mrs M Sartin, D Stallan, Ms S-A Stavrou, and C Whitbread;

(3) That the Committee be chaired by the Portfolio Holder for Planning and Economic Development;

(4) That the first meeting of the Committee be held on a date to be notified.

(b) Concessionary Fares – London Underground Service

Moved by Councillor D Bateman and seconded by Councillor H Ulkun

By leave of the Council, Councillor Bateman with the consent of Councillor Ulkun the seconder, amended the wording of his motion to read.

“(1) That this Council asks the Overview and Scrutiny Committee to recognise the real benefit to local people including those whom I represent of introducing free London Underground passes for residents in the District aged 65 years and above, to include the Central Line to Epping, bearing in mind that this District is the only area served by the Underground without this valuable facility; and

(2) That the Overview and Scrutiny Committee be asked to establish a Task and Finish Panel to ensure that the review is completed without delay.”

Attention was drawn to the fact that other areas served by the Underground did not benefit from this facility.

By leave of the Council and with the consent of the seconder, Councillor Bateman further amended his motion to remove the words in (1) above after "Central Line to Epping".

Carried

Motion as amended ADOPTED

RESOLVED:

(1) That this Council asks the Overview and Scrutiny Committee to recognise the real benefit to local people including those in the Grange Hill Ward of introducing free London Underground passes for residents in the District aged 65 years and above, to include the Central Line to Epping; and

(2) That the Overview and Scrutiny Committee be requested to establish a Task and Finish Panel to ensure that the review is completed without delay.

114. QUESTIONS BY MEMBERS UNDER NOTICE

(a) To any member of the Cabinet

(i) Green Waste Collection System

By Councillor Mrs C Pond to Councillor Mrs M Sartin, Environment Portfolio Holder

"When the proposed changes to the green waste collection system are made:

(a) will residents be able to put out just the food waste kerbside caddy for collection when they have no garden waste?

(b) will arrangements be made for residents faced with difficulties such as steep drives or steps, terraced properties with no front gardens, or who are elderly or otherwise unable to manage a garden waste bin, to opt out of having a second wheeled bin and, if so, what mechanism does the Portfolio Holder envisage to allow this?

(c) will food waste wrapped in newspaper or biodegradable bags be acceptable in the caddy?

(d) will the Portfolio Holder consider using the stockpile of wheeled bins at North Weald Airfield for green waste, with a suitably painted lid, or label?"

Response read by Councillor Mrs M Sartin, Environment Portfolio Holder

"Cabinet, at its special meeting on 19 January 2009 approved the basic principles of the new service. There is much work yet to be done on the final arrangements. However, I shall endeavour to respond to the Member's questions, as at the current point in time.

(a) In all probability the answer will be yes. However, the contractor will only be able to collect either the new wheeled bin with commingled waste or the kerbside

caddy with kitchen waste only, not both. This is because the collection of additional containers adds time to the collection process, which will in turn increase the cost of the service.

(b) The situation with the second wheeled bin is no different than with the existing residual bin. There will be a presumption that residents will use the provided second wheeled bin for commingled waste. If properties are currently suitable for the residual wheeled bin they will be considered suitable for the second. As in the present system, residents with particular issues or difficulties will be assessed by the waste management officers and appropriate arrangements made where practical to do so, including for example assisted collections. It is important to recognise however, that under the new regime, the use of biodegradable sacks will cease completely.

(c) This cannot be answered at this stage, since the answer depends upon the nature of the in-vessel composting facility which Sita eventually use. Some are able to accept paper and special compostable sacks, and others are not. Information will be made available once Sita have made their decision on the facilities to be used for the commingled waste.

(d) The Council proposes to use standard coloured bins (i.e. the same as current residual bins) with different coloured lids for the new service. This will enable a speedier and cheaper procurement whilst providing flexibility between the containers for the residual and commingled waste service. Therefore, depending upon the size of bin selected and the stock at North Weald, it should be possible to make use of some of those in storage”.

(ii) Dry Battery Collection Scheme

By Councillor Mrs C Pond to Councillor Mrs M Sartin, Environment Portfolio Holder

“Has there been any progress in restarting the doorstep dry battery collection scheme?”

Response read by Councillor Mrs M Sartin, Environment Portfolio Holder

“The original battery collection scheme was undertaken as a trial under the auspices of WRAP (Waste & Resources Action Programme). Now that the new contract with Sita has settled, officers have been discussing with them the possibility of reinstating the collection of batteries alongside the existing dry recyclables. However, the key difficulty at the present time is to find an outlet which is able to take the collected batteries over an extended period of time. The present economic downturn and subsequent difficulties in the commodities markets, is making this difficult. I would assure the Member that officers will continue to keep this issue under review, and as soon as it is practical to put into place a viable collection scheme, I will bring forward proposals to Cabinet for consideration. In the meantime batteries can be taken for recycling to any of the County Council’s Household Waste Recycling Centres (Civic Amenity Sites).

115. REPORT OF THE CABINET - BUDGETS AND COUNCIL TAX DECLARATION 2009/10

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

(Mover: Councillor C Whitbread, Finance and Performance Management 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 matters which have been taken into account in preparing the budget including:

- (a) the “credit crunch” and reduced housing market activity;
- (b) taking forward Safer, Cleaner, Greener and Waste Management;
- (c) future provision of leisure facilities in Epping and Waltham Abbey;
- (d) pay disputes and utility costs;
- (e) need to obtain annual approval for capitalisation of pension deficit payments;
- (f) introduction of nationwide concessionary fares scheme; and
- (g) Customer Service Transformation Programme.

He advised that the revised budget guidelines reflecting the worsening economic climate, clearer costs on Leisure and Waste Management and slippage in the District Development Fund had been established as:

- (a) the ceiling for Continuing Services Budget net expenditure to be no more than £17.9M including net growth/savings;
- (b) the ceiling for District Development Fund net expenditure to be no more than £700,000;
- (c) the District Council Tax to be increased by no more than 2.5%.

Councillor Whitbread reported that the CSB total was £115,000 above the target of £17.9M. However, the Cabinet has decided that this was not significantly above the target and that a CSB total of £18.015M was acceptable.

Councillor Whitbread also reported that the DDF programme exceeded the target by £536,000. He advised that this excess was also considered to be acceptable by the Cabinet. He pointed out that all of the DDF items currently programmed to the end of 2012/13 could be funded from within existing DDF resources. Also recent experience had shown that there was usually a substantial slippage on the DDF.

Councillor Whitbread advised that the proposed increase in District Council Tax of 2.5% complied with the previously set target.

The Council was advised that the opening revenue reserve for 2009/10 would be just over £8M and although the estimates for 2009/10 showed a reduction of £704,000, reserves would still be above £7M. Councillor Whitbread drew attention to the

Medium Term Financial Strategy which showed deficit budgets for the three years 2009/10 to 2011/12. Members noted that the level of deficit peaked at £704,000 in 2009/10 and returned to breakeven in 2012/13 through CSB savings of £300,000 in 2010/11 and 2011/12 reducing to £250,000 in 2012/13.

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

By leave of the Council, Councillor Whitbread added the following recommendations to those set out in the report of the Cabinet:

“(13) That it be noted that the Portfolio Holder for Finance and Performance Management will be monitoring progress towards achieving the Council’s midterm budget strategy and will be holding regular informal meetings with Portfolio Holders and Service Directors with that in mind; and

(14) This Council deplores the excessive increase in NNDR in 2009/10 and asks the Chief Executive to write to the Government expressing our concerns and asking the Government to reconsider this increase.

Report as amended ADOPTED

RESOLVED:

Budget

- (1) That the list of CSB growth for the 2009/10 budget (set out in Annex 1) be approved;
- (2) That the list of District Development Fund items for the 2009/10 budget (set out in Annex 2) be approved;
- (3) That the revenue estimates for 2009/10 and the draft Capital Programme for 2009/10 be approved as set out in Annexes 3, 4 (a-k) 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 8 a and 8 b;
- (5) That the 2009/10 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 4% from £72.61 to £75.52, be approved.

Declaration of Council Tax

- (6) That it be noted that on 10 November 2008, the Finance and Performance Management Portfolio Holder in consultation with the Chairman of the Overview and Scrutiny Committee calculated the following amounts for the year 2009/10 in accordance with regulations made under Section 33(5) and 34(4) of the Local Government Finance Act 1992:
 - (a) 54,178.8 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)	54,178.8
Essex Police Authority	54,178.8
Essex Fire Authority	54,178.8
Epping Forest District Council (General Expenses)	54,178.8
Abbess, Beauchamp & Berners Roding	204.0
Buckhurst Hill	5,261.9
Chigwell	5,966.5
EppingTown	5,032.8
Epping Upland	410.2
Fyfield	413.4
High Ongar	556.0
Lambourne	932.9
Loughton Town	12,882.6
Matching	326.9
Moreton, Bobbingworth and The Lavers	660.1
Nazeing	2,094.8
North Weald Bassett	2,584.3
Ongar	2,747.7
Roydon	1,311.4
Sheering	1,361.7
Stanford Rivers	355.5
Stapleford Abbots	483.6
Stapleford Tawney	55.4
Theydon Bois	1,963.4
Theydon Garnon	66.0
Theydon Mount	110.4
Waltham Abbey Town	8,153.5
Willingale	243.8

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 2009/10 in accordance with sections 32 to 36 of the Local Government Finance Act 1992:

- (a) £109,197,341 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) £88,943,518 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) £20,253,823 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) £9,368,289 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) £200.92 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) £2,942,351 being the aggregate amount of all special items referred to in Section 34(1) of the Act;
- (g) £146.61 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 £
Abbess, Beauchamp & Berners Roding	171.12
Buckhurst Hill	215.86
Chigwell	181.87
Epping Town	226.09
Epping Upland	190.37
Fyfield	168.14
High Ongar	170.89
Lambourne	178.62
Loughton Town	195.33
Matching	173.59
Moreton, Bobbingworth and The Lavers	163.27
Nazeing	177.66
North Weald Bassett	193.15
Ongar	203.32
Roydon	168.15
Sheering	167.10
Stanford Rivers	175.30
Stapleford Abbots	159.94
Stapleford Tawney	170.78
Theydon Bois	184.67
Theydon Garnon	161.31
Theydon Mount	160.26
Waltham Abbey Town	238.40
Willingale	163.09

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 2009/10 the major precepting authorities have stated that the amounts shown in Annex 7 Part A 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 as the amounts of Council Tax for the year 2009/10 for each of the categories of dwellings shown;

(10) That the Council's policy of retaining revenue balances at no lower than £4.0M or 25% of the net budget requirement whichever is the higher for the four year period to 2011/12 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 2012/13;

(11) That the recommendations included in the report on the Prudential Indicators and the Treasury Management Strategy for 2009/10 (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 2009/10 budgets and the adequacy of the reserves (see Annex 10) be noted.

(13) That it be noted that the Portfolio Holder for Finance and Performance Management will be monitoring progress towards achieving the Council's midterm budget strategy and will be holding regular informal meetings with Portfolio Holders and Service Directors with that in mind;

(14) This Council deplores the excessive increase in NNDR in 2009/10 and asks the Chief Executive to write to the Government expressing our concerns and asking the Government to reconsider this increase.

116. REPORT OF THE CABINET - CALENDAR OF COUNCIL MEETINGS 2009/10

(Mover: Councillor Mrs D Collins, Leader of the Council)

The Leader of the Council submitted a report proposing a programme of meetings of the Council for the municipal year 2009/10.

Report as first moved ADOPTED

RESOLVED:

That the calendar of meetings for the period May 2009-May 2010 attached as Annex 11 to these minutes be adopted.

117. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE - REVIEW OF CONTRACT STANDING ORDER C14 (PROVISIONS FOR THE APPOINTMENT OF CONSULTANTS)

(Mover: Councillor R Morgan, Chairman of the Overview and Scrutiny Committee)

Councillor Morgan submitted a report proposing changes to the arrangements for the recruitment of consultants.

Report as first moved ADOPTED

RESOLVED:

That the revised Contract Standing Order C14 as set out in Appendix 1 to the report of the Committee be approved.

118. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE - ANNUAL REVIEW OF CONTRACT STANDING ORDERS

(Mover: Councillor R Morgan, Chairman of the Overview and Scrutiny Committee)

Councillor Morgan submitted a report following an annual review of Contract Standing Orders to reflect changes in the law or operational matters regarding interpretation and good governance.

Report as first moved ADOPTED

RESOLVED:

(1) That Contract Standing Order CSO C1 be amended by the addition of a new sub-paragraph (13) as follows:

"(13) Chief Officers are required to ensure that, whichever procurement method is selected, they obtain the appropriate approval from a Portfolio Holder or the Cabinet in accordance with the value thresholds for contracts as set out in these Contract Standing Orders."

(2) That CSO C1 be amended by the addition of a new sub-paragraph (14) as follows:

"(14) The provisions of Contract Standing Orders relating to competitive quotations or tenders and use of the Essex Procurement Hub shall not apply to the procurement of goods or services from its own works organisations or equivalent unless in the opinion of the relevant Head of Service there are clear value for money reasons for doing otherwise."

and that the subsequent paragraphs of this Standing Order be re-numbered accordingly;

(3) That CSO C15 be amended by the addition of the following new sub-paragraphs to be numbered (1) and (7):

"(1) All specifications for the provision of goods and services by tender or quotation shall include a statement advising potential bidders that details of their tender may be published in the public agenda or minutes of the Council or may become available as a background paper or by means of Freedom of Information Act (FOI) request in response to which the Council would provide any information which is not covered by any of the Statutory Exemptions."

"(7) Specifications for tenders and quotations shall include a statement regarding the Council's policy of paying invoices within 20 days of receipt and a requirement for the following:

(a) the submission of a statement of the policies of tenderers regarding payment of sub contractors and suppliers and the timescales which apply to such payments; and

(b) a statement by the Council that the statement under (a) above will be taken into in the Council's assessment of all tenders and quotations."

and that the other paragraphs of this Standing Order be renumbered accordingly.

(4) That CSO C34 be amended by the addition of a new sub-paragraph (1) as follows:

"(1) Chief Officers are required to obtain, where possible, at least one quotation or tender from a business located in the Epping Forest District (including those with headquarters elsewhere) for any contract or official order being placed by the Authority, provided that in awarding the contract to a local business, the Council's duty to achieve value for money and to comply with legal duties and any other requirements of Contract Standing Orders is not compromised."

(5) That Contract Standing Order C32 be amended by paragraph (2) being substituted with the following revised wording:

"(2) The Director of Corporate Support Services may negotiate, agree terms and complete any lease, assignment, under letting, change of use or alterations to premises leased (irrespective of term) with a rental or premium not exceeding £25,000 per annum, subject to the exercise of this delegated authority being exercised:

(a) only up to a limit of £250,000 (or ten years) for any single transaction;

(b) after consultation with the relevant Portfolio Holder in the case of any transaction which involves a material change of use or conflicts with any other Council policy in order to determine whether a decision is to be made by the Director of Corporate Support Services, by the Portfolio Holder or by the Cabinet."

and that the effectiveness of these arrangements be reviewed after one year.

119. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE - ANNUAL REVIEW OF FINANCIAL REGULATIONS

(Mover: Councillor R Morgan, Chairman of the Overview and Scrutiny Committee)

Councillor Morgan submitted a report following an annual review of Financial Regulations to ensure that they complied with current legal requirements and achieved good governance of the Council's financial operations.

By leave of the Council, Councillor Morgan amended the recommendations of the Committee to omit the words "on a permanent basis".

Report as amended ADOPTED**RESOLVED:**

(1) That the limit for writing-off arrears and debts in respect of Housing Benefit, National Non-Domestic Rates (NNDR), Council Tax and Sundry Debtors under delegated authority by the Director of Finance and ICT be retained at £2,500; and

(2) That the limit for writing off arrears and debts in respect of housing rents by the Director of Housing be retained at £2,500.

120. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE - CIVIC CEREMONIAL FUNCTION - REVIEW 2008 - CONSTITUTION ARTICLE 5 AND PROTOCOLS

(Mover: Councillor R Morgan, Chairman of the Overview and Scrutiny Committee)

Councillor Morgan submitted a report following a review of the Civic and Ceremonial function of the Authority taking account of views of past Chairmen of Council and practice in other local authorities.

Report as first moved ADOPTED**RESOLVED:**

(1) That the following protocols be incorporated into Article 5 of the Constitution, namely:

(i) the appointment of the Vice-Chairman of the Council; and

(ii) the role of the Chairman and Vice-Chairman; and

(2) That the revised Constitution Article 5 (attached as Annex 12 to these minutes) incorporating changes suggested by the review, be adopted.

121. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE - LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007 - EXECUTIVE CONSTITUTION

(Mover: Councillor R Morgan, Chairman of the Overview and Scrutiny Committee)

Councillor Morgan submitted a report proposing a number of changes to the operation of the Executive and in particular the powers of the Leader of the Council.

Report as first moved ADOPTED**RESOLVED:**

(1) That the amendments to the following parts of the Constitution as set out in Appendices to the report of the Committee be approved:

Article 3 (Citizens and the Council) (Appendix 1)
Article 4 (The full Council) (Appendix 2)
Article 7 (The Executive) (Appendix 3)
Council Procedure Rules (Appendix 4)
Executive Procedure Rules (Appendix 5)
Scheme of Delegation (Appendix 6);

(2) That the following schedules which have been compiled by separating those matters which are to be approved by the Leader of the Council and those to be determined by the Council as set out in the Appendices to the report of the Committee be noted:

Delegation to Officers

- Appendix 7 – Leader Approval
- Appendix 8 – Council Approval

Outside Bodies

- Appendix 9 – Leader Approval
- Appendix 10 – Council Approval;

(3) That the Council's public statement regarding this review of the Council's executive arrangements as set out in Appendix 11 to the report of the Committee be approved;

(4) That the deadline for submission of questions by Councillors be amended to "seven days" from "seven working days" in Council Procedure Rule 10.3 (Appendix 4 to the report of the Committee);

(5) That the Local Councils' Liaison Committee, Victoria County History of Essex and the West Essex Area Forum be included in Appendix 10 to the report of the Committee;

(6) That the proposed changes to the Constitution be approved and authority for other minor and consequential amendments be delegated to the Assistant to the Chief Executive; and

(7) That the support of the Cabinet for this report be noted.

122. AUDIT AND GOVERNANCE COMMITTEE

The Council noted that at its last meeting, the Chairman and Vice-Chairman of the Audit and Governance Committee had been authorised to fill the vacancy on the Committee following the interview of applicants. Members noted that three applicants had been interviewed on 7 January 2009 by the Vice-Chairman of the Committee, Ms M Rickman (Independent Member) and Councillor Mrs A Haigh (Member of the Committee in place of the Chairman of the Committee who had been unwell at the time). Following the interviews, Mr Robert Thompson had been offered the position which he had accepted. The Council was informed that Mr Thompson had been a member of the Council's Independent Remuneration Panel but that as Government regulations prevented him from serving on both that Panel and the Audit and Governance Committee he had decided to resign from the Panel with effect from 7 February 2009. Steps were being taken to fill the vacancy on the Panel.

RESOLVED:

- (1) That the appointment of Mr R Thompson as an Independent Member of the Audit and Governance Committee with effect from 8 February 2009 be noted; and
- (2) That the decision of the Chairman of the Committee to appoint Councillor Mrs A Haigh to take his place at the interview of applicants as he was unwell at the time be noted.

123. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS**(a) Epping Town Centre Partnership**

Councillor B Rolfe advised that the Secretary to the Partnership had resigned and that there had not been any meeting recently. He advised that the Partnership did not intend to invite the public to their meetings and that the main aim of the Partnership was to act as a forum for traders to secure benefits for the High Street.

(b) Ongar Town Forum – Steering Group

Councillor D Jacobs reported that the Forum was made up of local business people, shopkeepers, publicans, and residents who had the best interests of Ongar at heart. The Forum met every eight weeks or so and in the interim smaller sub-committees met to progress individual projects. The Forum had taken responsibility for the High Street Christmas lights for several years and had established its own newspaper, the Ongar News. The publication was now self-financing from advertising and approximately 1,000 copies were produced each month. The Forum had taken up several local issues including car park lighting, parking costs, local policing and a "say no to plastic bags" campaign. The Forum had also taken over the running of the Wednesday market. Councillor Jacobs advised that the Forum advertised its Annual General Meeting through various media.

(c) Buckhurst Hill Town Centre Partnership

Councillor Mrs L Wagland advised that she had attended three meetings of the Partnership. The Partnership had worked hard on a number of local issues including CCTV, a direct emergency telephone contact with the Police, the parking review and the speed of traffic in Queens Road. She advised that she was not sure of the

constitutional position in relation to annual meetings but she would endeavour to clarify the position.

(d) Waltham Abbey Town Partnership

Councillor Mrs R Gadsby advised that the Partnership's Constitution had been approved by Council officers and was constantly monitored. The accounts were audited and the Partnership involved the whole town. Working breakfasts were held with local businesses on a quarterly basis.

(e) Loughton Broadway Town Centre Partnership

Councillor K Angold-Stephens reported that the Partnership was working well and the main topic under consideration at present was the Enhancement Scheme. He advised that the Partnership had an open door policy but he was not sure of the constitutional position in relation to annual meetings.

(f) Loughton High Road Town Centre Partnership

Councillor R Barrett reported that it had been difficult to get representatives of traders or residents present at meetings but attempts continued to be made.

(g) Ongar Leisure Centre Liaison Group

Councillor G Pritchard advised that this Group provided a vital link between customers and management to enable a two-way communication. As the Group were also users of the Leisure Centre it provided an additional means of raising small details which might otherwise be overlooked or not considered via other means of feedback. The Group had encouraged staff and given valuable advice on energy saving measures that could be taken. He advised that the Group currently was encouraging more young people to become involved and to express their ideas.

124. CALL -IN AND URGENCY - GYPSIES AND TRAVELLERS CONSULTATION ON OPTIONS

Members noted that the Cabinet had decided to extend the consultation period and had also considered the decision to be an urgent matter and therefore not subject to call-in. The Chairman of Council had subsequently agreed that the decision was reasonable in all the circumstances, should be treated as a matter of urgency and should not be subject to call-in.

RESOLVED:

That the agreement of the Chairman of Council that the decision of the Cabinet to extend the consultation period until 5 pm on 20 February 2009 was reasonable in all the circumstances, should be treated as a matter of urgency and should not be subject to call-in be noted.

CHAIRMAN

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST		Original	Revised	Estimate	Estimate	Estimate	Estimate
Portfolio	Service	2008/09 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's
Leaders Portfolio							
	Corporate Policy Making	(128)	(144)				
	Corporate Policy Making	10	10				
	Democratic Services		5				
	Democratic Services	25	7				
	Public Relations & Information			(10)			
	Subscriptions	(6)					
	Civic and Member	30	42				
	Electoral Registration		(8)				
	Top Management Structure Salary Savings						
	Development of Community Strategy						
	Committee Attendance Allowances						
	Webcasting Project						
	Consultation						
	Disbanding of the Essex Local Govt Association						
	Members Allowances						
	Savings on postages						
	Total Leaders Portfolio	(69)	(88)	(10)	0	0	0
Community Wellbeing							
	Safer Communities	28	21	12			
	Safer Communities	47	30	25			
	Safer Communities	5	5				
	Safer Communities	35	17	18			
	Grants to Voluntary Orgs		(16)				
	CCTV Operations Officer						
	ASB Investigations Officer						
	Equipment and maintenance						
	CCTV replacement and maintenance						
	Furniture Exchange Scheme Cost Reduction						
	Total Community Wellbeing	115	57	55	0	0	0
Finance & Performance Management							
	Finance Miscellaneous	92	92	93			
	External Audit	20	20				
	Finance Miscellaneous	(300)	(258)				
	Finance Miscellaneous	175					
	Accountancy			(10)			
	Housing Benefits/Local Taxation	16	16	4			
	Housing Benefits	22	22	33		30	
	Housing Benefits						13
	Performance Management Unit		5	2			
	Increase in Employers Pension Conts (Act Val 2007)						
	Increase in External Audit Fees						
	Restructuring savings						
	Finance contingency						
	Staff costs Post FAC/15						
	Replacement Revenues & Benefits System						
	Housing Benefit Admin Subsidy settlement reductions						
	Systems Admin Officer - Excess cost of post						
	Ten Performance Manager						
	Total Finance and Performance Management	25	(103)	122	135	0	0
Corporate Support Services & ICT							
	Industrial Estates	24	24				
	Industrial Estates		(5)				
	Local Land Charges		175				
	Local Land Charges		(31)				
	All Services	(5)	(7)				
	ICT		18				
	ICT						
	Human Resources			(20)			
	Hackney Carriage Licensing	(6)		(20)			
	Energy Sites		45				
	Energy Sites		17				
	Langston Road Industrial Estate - Temporary Car Parking						
	Langston Road Industrial Estate - Commission						
	Reduced Income from fees & Charges						
	Reduction in search costs to Essex County Council						
	New Mobile Phone Contract						
	Webcasting Project						
	Network maintenance						
	Recruitment & Retention savings						
	Increased Income from Fees						
	Energy Costs Offices						
	Energy Costs Depots						
	Total Corporate Support Services & ICT	13	236	(40)	0	0	0

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST		Original 2008/09 £000's	Revised 2009/10 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's	Estimate 2012/13 £000's
Portfolio	Service						
Housing	Private Sector Housing	30	18	12			
	Private Sector Housing Finders Fee Scheme		10				
	Reinstatement Grants	331	332				
	Total Housing	361	360	12	0	0	0
Leisure & Young People	Leisure Management	(36)					
	Leisure Services		10				
	Leisure Facilities		33	107			
	Waltham Abbet Sports Centre			(68)	(202)		
	North Weald Airfield		6				
	North Weald Airfield		5				
	North Weald Airfield		13				
	Total Leisure	(36)	67	39	(202)	0	0
Environmental Protection	Contaminated Land						
	Pest Control		(4)	7			
	Waste Management	(604)	(604)	(10)			
	Waste Management			150	150		
	Waste Management	(148)	(148)				
	Waste Management		(124)				
	Waste Management	59	59				
	Abandoned Vehicles		20				
	Neighbourhoods / Rapid Response	76	19	57			
	Animal Welfare	8	8				
	Total Environmental Protection	(609)	(774)	204	150	0	0
Planning & Economic Development	Building Control						
	Building Control		80				
	Development Control	20	(80)				
	Development Control	(20)	(10)				
	Forward Planning	(7)	(7)				
	Total Planning & Economic Development	(7)	(7)	0	0	0	0

DISTRICT DEVELOPMENT FUND		Original	Bf from 2007/08	Revised	Estimate	Estimate	Estimate	
Portfolio	Service	2008/09 £000's	2008/09 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's
Leaders	Democratic Services	4		6				
	Elections				(90)			
	Electoral Registration			(6)				
	Electoral Registration			(5)	(1)			
	Public Relations	31		11	20			
	Public Relations & Information				25	25	25	
	Total Leaders	35	0	6	(46)	25	25	0
Community Wellbeing	ASB Investigator training	2		2				
	Protective clothing	5		5				
	Police community safety accreditation	2		2				
	Safer Communities Project HO Funded		16	5	11			
	Furniture Exchange Scheme Suspended				20			
	Total Community Wellbeing	9	16	14	31	0	0	0
Finance & Performance Management	Asset Register		20	20				
	Asset Register - HRA contribution		(10)	(10)				
	Finance System Outstanding Commitments	14	5	19				
	Transfer of excess Reserves on Insurance Fund		(460)	(25)				
	Area Based Grant		(22)	(22)		(22)		
	Area Based Grant Expenditure				44			
	Restructuring savings		(110)					
	Cover for Maternity leave		40	40				
	Hit squad to improve performance		23	23				
	DWP residual grant aided admin costs		8	8				
	Electronic Document management	7		0				
	Local Housing Allowance Implementation Costs		65	65				
	HBSD/IAD Scan Funding Grant		(14)	(14)				
	HBSD/IAD Scan Funding Costs		14	14				
	Employment Support Allowance		(30)	(30)				
	Employment Support Allowance Implementation Cost		30	30				
	Customer Account Management		(2)	(2)				
	Customer Account Management Implementation Costs		2	2				
	Additional Admin grant re unemployed				(66)			
	Additional costs for unemployed admin grant				66			
	Replacement Revenues & Benefits system	40	82	122				
	Increase in External Audit Fees		3	37				
	Implementation of Risk Management Strategy		3	3				
	Total Finance & Performance Management	61	223	(265)	9	0	0	0

DISTRICT DEVELOPMENT FUND		Original	Bf from 2007/08	Revised	Estimate	Estimate	Estimate	
Portfolio	Service	2008/09 £000's	2008/09 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's
Corporate Support Services & ICT	NWA Strategy Action Plan				50			
	Legal Services	11			11			
	Legal Services	17			17			
	Legal Services	42	(1)		31			
	Legal Services	3	(1)	0				
	Local Land Charges			10				
	Land Charges			75				
	Human Resources			(74)				
	Office Accommodation	77	(1)	62	45	74	40	
	Office Accommodation	100		100				
	Office Accommodation	100	8	108				
	Facilities Management				19			
	Unappropriated Land		13	13				
	Unappropriated Land		13	13				
	Non HRA Building Maintenance		204	142		10	38	52
	Energy Sites					40		
	Energy Sites					10		
	Hackney Carriage Licensing				(28)			
	Licensing & Registration				(10)			
		Total Corporate Support Services & ICT	480	235	410	233	112	92
Housing	Homelessness							
	Homelessness		8	8	20			
	Private Sector Housing	8						
	Private Sector Housing					55		
	Private Sector Housing	15	(1)	2				
	Private Sector Housing	1	1	2				
	Private Sector Housing							
	Total Housing	24	8	12	20	55	0	0

DISTRICT DEVELOPMENT FUND		Original	Bf from 2007/08	Revised	Estimate	Estimate	Estimate		
Portfolio	Service	2008/09 £000's	2008/09 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	
Leisure	Loughlin Leisure Centre		15		15				
	Community Development	5	4	4					
	North Weald Airfield		(2)	3					
	North Weald Airfield		2	2					
	North Weald Airfield			64					
	North Weald Airfield			18					
	North Weald Airfield			15					
	North Weald Airfield				6				
	North Weald Airfield				20				
	Community Development				10				
	Community Development			32	12				
	Community Development			(32)	(12)				
	Community Development		1	1					
	Sports Development			60	12				
	Sports Development			(60)	(12)				
	Youth Council				12				
	Leisure Facilities				39				
	Leisure Facilities				(39)				
	Leisure Facilities				10				
	Leisure Management				(35)				
	Limes Farm Hall					48			
		Total Leisure	5	20	82	166	0	0	0
	Environmental Protection	Waste Management							
Waste Management		7		7					
Waste Management		5		5					
Waste Management				60					
Waste Management					215				
Neighbourhoods / Rapid Response		18		162					
Pollution Control		4		18					
Pollution Control				4					
Pollution Control				20					
Pollution Control				(20)					
Contaminated Land					5				
		Total Environmental Protection	34	0	256	220	0	0	0

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REVENUE EXPENDITURE, INCOME AND FINANCING

2008/09 ORIGINAL ALL REVENUE ITEMS £	2008/09 REVISED ALL REVENUE ITEMS £		GENERAL FUND ACCOUNT £	2009/10 ORIGINAL HOUSING REVENUE ACCOUNT £	ALL REVENUE ITEMS £
Gross Expenditure					
2,749,960	2,584,170	Leaders	4(a) 2,678,310	0	2,678,310
1,044,010	1,109,360	Community Wellbeing	4(b) 1,206,840	0	1,206,840
38,090,620	38,963,490	Finance Performance Mgt & Corporate Support Services	4(c) 40,428,020	0	40,428,020
1,229,430	1,148,710	Corporate Support Services & ICT	4(d) 1,299,410	0	1,299,410
37,446,000	38,527,030	Housing	4(e) 2,415,430	35,895,000	38,310,430
5,244,080	5,336,980	Leisure & Young Services	4(f) 5,636,250	0	5,636,250
3,885,790	3,553,920	Civil Engineering & Maintenance	4(g) 3,810,440	0	3,810,440
4,241,570	4,014,370	Planning & Economic Development	4(h) 4,229,930	0	4,229,930
7,575,160	7,816,980	Environmental Protection	4(i) 8,353,260	0	8,353,260
237,200	259,100	Internal Trading Organisations	4(j) 259,100	0	259,100
101,743,820	103,314,110	Total Expenditure on Services	70,316,990	35,895,000	106,211,990
47,000	47,000	Interest Payable (Inc HRA)	1,310,000	(1,267,000)	43,000
2,830,204	2,830,204	Precepts Paid to Parish Councils	2,942,351	0	2,942,351
104,621,024	106,191,314	Total Gross Expenditure	74,569,341	34,628,000	109,197,341
Gross Income					
36,092,500	37,048,640	Government Subsidies	38,791,450	0	38,791,450
24,430,000	24,506,000	Rents from Dwellings	0	25,454,000	25,454,000
5,056,620	5,004,790	Miscellaneous Rents, Trading Operations etc.	2,623,820	2,552,000	5,175,820
8,064,160	8,431,990	Fees and Charges	6,394,640	1,790,000	8,184,640
3,116,000	3,546,000	Interest on Mortgages and Investments	2,142,000	7,000	2,149,000
471,860	1,146,530	Grants and Reimbursements by other Bodies	824,080	0	824,080
77,231,140	79,683,950	Total Operational Income	50,775,990	29,803,000	80,578,990
(199,561)	(518,491)	Contribution from/(to) Revenue Reserves	703,528	388,000	1,091,528
(2,000)	(295,000)	FRS 17 Adjustment	(352,000)	0	(352,000)
1,078,000	243,000	Contribution from/(to) District Development Fund	1,236,000	0	1,236,000
0	0	Contribution from/(to) Other Reserves	0	0	0
6,636,590	7,201,000	Contribution from/(to) Capital Reserves	1,952,000	4,437,000	6,389,000
84,744,169	86,314,459	Total Gross Income	54,315,518	34,628,000	88,943,518
19,876,855	19,876,855	To be met from Government Grants and Local Taxation	20,253,823	0	20,253,823
Financed by:					
1,139,084	1,139,084	Revenue Support Grant			1,757,000
8,182,596	8,182,596	Distribution from Non-Domestic Rate Pool			7,611,289
0	0	Collection Fund Adjustment			0
9,321,680	9,321,680	Exchequer Support and Collection Fund Surpluses	7d		9,368,289
7,724,971	7,724,971	District Precept			7,943,183
2,830,204	2,830,204	Parish Council Precepts	7f		2,942,351
19,876,855	19,876,855	Total Financing			20,253,823

Leaders Portfolio

Portfolio Programme 2009/10

Portfolio Holder - Councillor Diana Collins

2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
347,930	389,580	Elections	494,290
1,888,110	1,847,790	Corporate Activities	1,898,340
1,183,450	1,050,220	Member Activities	1,034,190
46,050	30,030	Local Council Liaison	30,510
382,120	434,500	Public Relations	514,090
359,490	302,710	Democratic Services	310,180
4,207,150	4,054,830	Total Expenditure	4,281,600
1,457,190	1,470,660	Income from Internal Charges	1,603,290
2,749,960	2,584,170	Net Expenditure (see Annex 3)	2,678,310
		Service Generated Income	
-	-	Government Subsidies	-
-	-	Rents from Dwellings	-
-	-	Miscellaneous Rents, Trading Operations etc	-
1,200	2,200	Fees and Charges	2,310
20,500	40,160	Grants and Reimbursements by other Bodies	201,000
21,700	42,360	Total Income	203,310
2,728,260	2,541,810	To be met from Government Grant and Local Taxation	2,475,000
-	-	Capital Expenditure (see Annex 5)	-

Community Wellbeing

Portfolio Programme 2009/10

Portfolio Holder - Councillor Syd Stavrou

	2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
	175,020	195,010	Emergency Planning	202,460
	413,300	401,270	Voluntary Services	430,070
	470,690	555,530	Safer Communities	616,760
	1,059,010	1,151,810	Total Expenditure	1,249,290
	15,000	42,450	Income from Internal Charges	42,450
	1,044,010	1,109,360	Net Expenditure (see Annex 3)	1,206,840
			Service Generated Income	
	-	-	Government Subsidies	-
	-	-	Rents from Dwellings	-
	10,100	12,400	Miscellaneous Rents, Trading Operations etc	12,400
	20	8,630	Fees and Charges	7,130
	-	-	Grants and Reimbursements by other Bodies	-
	10,120	21,030	Total Income	19,530
	1,033,890	1,088,330	To be met from Government Grant and Local Taxation	1,187,310
	-	-	Capital Expenditure (see Annex 5)	-

Corporate Support Services & ICT

Portfolio Programme 2009/10

Portfolio Holder - Councillor Mitchell Cohen

2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
244,610	263,300	Licensing	273,320
419,270	369,030	Local Land Charges	412,550
324,190	351,770	Land & Property	381,970
153,120	86,120	Customer Services and Complaints	90,180
2,970,100	2,688,100	Information Technology	2,749,100
1,694,740	1,615,780	Legal & Administration Services	1,694,120
2,277,250	2,322,390	Accommodation Services	2,210,410
1,870,310	1,831,010	Other Support Services	1,778,750
9,953,590	9,527,500	Total Expenditure	9,590,400
8,724,160	8,378,790	Income from Internal Charges	8,290,990
1,229,430	1,148,710	Net Expenditure (see Annex 3)	1,299,410
		Service Generated Income	
-	-	Government Subsidies	61,920
-	-	Rents from Dwellings	-
1,080,190	1,055,680	Miscellaneous Rents, Trading Operations etc	1,079,860
750,780	531,470	Fees and Charges	499,290
-	-	Interest on Mortgages and Investments	-
-	-	Grants and Reimbursements by other Bodies	-
1,830,970	1,587,150	Total Income	1,641,070
-	601,540	To be met from Government Grant and Local Taxation	-
1,298,000	678,000	Capital Expenditure (see Annex 5)	1,394,000

Housing Portfolio
Portfolio Programme 2009/10
Portfolio Holder - Councillor David Stallan

2008/09 Original		2008/09 Revised		2009/10 Original	
General Fund £	Housing Revenue £	General Fund £	Housing Revenue £	General Fund £	Housing Revenue £
1,568,060	34,517,000	35,428,000	Council Housing	1,334,380	35,895,000
456,450	1,568,060	1,243,170	Private Sector Housing	511,500	1,334,380
46,830	456,450	489,380	Homelessness	43,680	511,500
696,380	46,830	42,810	Housing Investment Programme	247,620	43,680
161,280	696,380	1,055,640	Housing Associations Grants	278,250	247,620
	161,280	268,030	Leasehold Services Administration		278,250
2,929,000	34,517,000	3,099,030	Total Expenditure	2,415,430	38,310,430
			Service Generated Income		
609,460	24,430,000	719,360	Government Subsidies	637,360	637,360
155,000	2,501,000	150,000	Rents from Dwellings	157,500	25,454,000
199,280	1,512,000	270,030	Miscellaneous Rents, Trading Operations etc	280,250	2,709,500
	17,000	9,000	Fees and Charges	16,990	2,070,250
	6,039,000	17,640	Interest on Mortgages and Investments		7,000
	18,000	22,000	Grants and Reimbursements by other Bodies		16,990
			HRA Interest & Reversal of Deprn		5,704,000
			Use of Balances		388,000
987,850	34,517,000	1,157,030	Total Income	1,092,100	36,987,100
1,941,150	-	1,942,000	To be met from Government Grant and Local Taxation	1,323,330	1,323,330
2,027,000	8,815,000	10,842,000	Capital Expenditure (see Annex 5)	2,011,000	8,801,000

Leisure & Young People

Portfolio Programme 2009/10

Portfolio Holder - Councillor Heather Harding

2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
1,978,630	2,012,400	Leisure Facilities	2,181,990
856,740	833,540	Arts, Museum and Library	854,860
761,140	787,240	Parks and Grounds	795,130
849,200	894,750	North Weald Centre	920,250
791,160	805,810	Sports Development and Miscellaneous	884,030
544,250	126,310	Leisure Administration	116,150
5,781,120	5,460,050	Total Expenditure	5,752,410
537,040	123,070	Income from Internal Charges	116,160
5,244,080	5,336,980	Net Expenditure (see Annex 3)	5,636,250
		Service Generated Income	
-	-	Government Subsidies	-
-	-	Rents from Dwellings	-
1,289,180	1,254,560	Miscellaneous Rents, Trading Operations etc	1,351,850
247,530	260,140	Fees and Charges	270,620
138,460	207,730	Grants and Reimbursements by other Bodies	218,100
1,675,170	1,722,430	Total Income	1,840,570
3,568,910	3,614,550	To be met from Government Grant and Local Taxation	3,795,680
230,000	320,000	Capital Expenditure (see Annex 5)	1,898,000

Civil Engineering & Maintenance

Portfolio Programme 2009/10

Portfolio Holder - Councillor Richard Bassett

	2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
	577,040	542,970	Highways	561,980
	1,218,150	1,182,990	Car & Lorry Parking	1,212,900
	792,140	690,770	Land Drainage & Sewerage	848,430
	920,940	762,070	Concessionary Fares	821,090
	248,520	231,880	Countrycare	221,670
	1,219,420	1,204,510	Grounds Maintenance	1,260,780
	612,310	324,040	Civil Engineering & Building Services	337,640
	5,588,520	4,939,230	Total Expenditure	5,264,490
	1,702,730	1,385,310	Income from Internal Charges	1,454,050
	3,885,790	3,553,920	Net Expenditure (see Annex 3)	3,810,440
			Service Generated Income	
	-	-	Government Subsidies	-
	-	-	Rents from Dwellings	-
	21,150	21,150	Miscellaneous Rents, Trading Operations etc	22,210
	2,041,390	1,879,460	Fees and Charges	1,892,760
	31,740	322,780	Grants and Reimbursements by other Bodies	267,050
	2,094,280	2,223,390	Total Income	2,182,020
	1,791,510	1,330,530	To be met from Government Grant and Local Taxation	1,628,420
	700,000	254,000	Capital Expenditure (see Annex 5)	789,000

Environmental Protection

Portfolio Programme 2009/10

Portfolio Holder - Councillor Mary Sartin

2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
1,523,150	1,599,660	Environmental Health	1,776,150
6,051,860	6,217,180	Waste Collection & Street Cleansing	6,576,920
1,060,140	1,003,230	Environmental Admin & Policy	1,031,800
8,635,150	8,820,070	Total Expenditure	9,384,870
1,059,990	1,003,090	Income from Internal Charges	1,031,610
7,575,160	7,816,980	Net Expenditure (see Annex 3)	8,353,260
Service Generated Income			
-	-	Government Subsidies	-
-	-	Rents from Dwellings	-
-	-	Miscellaneous Rents, Trading Operations etc	-
1,109,790	1,216,690	Fees and Charges	1,234,430
-	-	Grants and Reimbursements by other Bodies	-
1,109,790	1,216,690	Total Income	1,234,430
6,465,370	6,600,290	To be met from Government Grant and Local Taxation	7,118,830
704,000	607,000	Capital Expenditure (see Annex 5)	1,875,000

Planning & Economic Development

Portfolio Programme 2009/10

Portfolio Holder - Councillor Anne Grigg

2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
135,420	147,240	Economic Development	199,360
46,690	16,670	Tourism	19,070
22,570	18,370	Bus Shelters	19,010
91,230	54,750	Environmental Initiatives	55,360
209,270	187,640	Conservation Policy	214,350
761,060	571,270	Forward Planning	779,530
135,050	186,670	Town Centre Enhancements	180,530
2,768,200	2,656,290	Regulatory Services	2,751,220
1,082,950	1,325,780	Planning Administration & Policy	1,099,640
5,252,440	5,164,680	Total Expenditure	5,318,070
1,010,870	1,150,310	Income from Internal Charges	1,088,140
4,241,570	4,014,370	Net Expenditure (see Annex 3)	4,229,930
		Service Generated Income	
-	-	Government Subsidies	-
-	-	Rents from Dwellings	-
-	-	Miscellaneous Rents, Trading Operations etc	-
1,327,450	1,224,840	Fees and Charges	1,268,810
170,050	277,220	Grants and Reimbursements by other Bodies	30,940
1,497,500	1,502,060	Total Income	1,299,750
2,744,070	2,512,310	To be met from Government Grant and Local Taxation	2,930,180
2,000,000	872,000	Capital Expenditure (see Annex 5)	1,630,000

Portfolio Programme 2009/10

Internal Trading Organisations

	2008/09 Original £	2008/09 Revised £	Revenue Expenditure	2009/10 Original £
	2,973,130	2,858,800	Housing Maintenance	2,879,050
	460,720	441,520	Fleet Operations	425,990
	3,433,850	3,300,320	Total Expenditure	3,305,040
	3,196,650	3,041,220	Income from Internal Charges	3,045,940
	237,200	259,100	Net Expenditure (see Annex 3)	259,100
			Service Generated Income	
	237,200	259,100	Fees and Charges	259,100
	237,200	259,100	Total Income	259,100
	-	-	To be met from Government Grant and Local Taxation	-
	50,000	54,000	Capital Expenditure (see Annex 5)	50,000

Portfolio Programme 2009/10

Non Service Budgets

2008/09 Original		2008/09 Revised	2009/10 Original		Total
£	Total	£	General Fund	Housing Revenue	£
(3,099,000)	(3,537,000)	Interest & Investment Income	(2,142,000)		(2,142,000)
-	-	Local Authority Business Growth Scheme	-		-
(87,000)	(281,000)	Other Items	(90,000)		(90,000)
47,000	47,000	Interest Payable (Inc HRA)	1,310,000	(1,267,000)	43,000
6,184,410	5,498,000	Depreciation Reversals & Other Adj's.	(1,952,000)	6,790,000	4,838,000
3,045,410	1,727,000		(2,874,000)	5,523,000	2,649,000
4,036,000	4,542,000	Transferred to Housing Summary	-	4,437,000	4,437,000
7,081,410	6,269,000		(2,874,000)	9,960,000	7,086,000
217,561	540,491	Contribution (from)/to Revenue Reserves			(703,528)
2,000	295,000	FRS 17 Adjustment			352,000
-	-	Contribution (from)/to Other Reserves			-
(1,078,000)	(243,000)	Contribution from District Development Fund			(1,236,000)
6,222,971	6,861,491	Reduction in Amount to be met from Government Grant and Local Taxation & other Housing Revenue Account items			5,498,472

Portfolio Programme 2009/10

Capital Programme

		2008/09 Original		2008/09 Revised		2009/10 Original		Total	
General Fund	Housing Revenue	General Fund	Housing Revenue	General Fund	Housing Revenue	General Fund	Housing Revenue	General Fund	Housing Revenue
£	£	£	£	£	£	£	£	£	£
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	241,000	-	241,000	-	90,000	-	90,000	-
1,298,000	8,815,000	678,000	8,153,000	678,000	8,153,000	1,394,000	6,790,000	1,394,000	1,394,000
2,027,000		1,721,000		1,721,000		2,011,000		2,011,000	
230,000		320,000		320,000		1,898,000		1,898,000	
700,000		254,000		254,000		789,000		789,000	
2,000,000		872,000		872,000		1,630,000		1,630,000	
704,000		607,000		607,000		1,875,000		1,875,000	
	50,000		54,000		54,000		50,000		50,000
6,959,000	8,865,000	4,693,000	8,207,000	4,693,000	8,207,000	9,687,000	6,840,000	9,687,000	16,527,000
	8,785,000		8,157,000		8,157,000		6,790,000		6,790,000
6,959,000	80,000	7,039,000	50,000	4,693,000	50,000	9,687,000	50,000	9,687,000	9,737,000
6,232,000		3,721,000		3,721,000		7,476,000		7,476,000	
517,000		493,000		493,000		493,000		493,000	
210,000		479,000		529,000		1,718,000		1,768,000	
	80,000		50,000		50,000		50,000		50,000
6,959,000	80,000	7,039,000	50,000	4,693,000	50,000	9,687,000	50,000	9,687,000	9,737,000

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COUNCIL TAX RATES FOR DISTRICT & PARISH/TOWN COUNCILS 2009/10

Authorities	Tax Base No.'s	Precept 2009/10	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£	£	£
District Expenses	54,178.8	7,943,183	146.61	97.74	114.03	130.32	146.61	179.19	211.77	244.35	293.22
Abbess, Berners and Beauchamp Roding	204.0	5,000	24.51	114.08	133.09	152.11	171.12	209.15	247.17	285.20	342.24
Buckhurst Hill	5,261.9	364,382	69.25	143.91	167.89	191.88	215.86	263.83	311.80	359.77	431.72
Chigwell	5,966.5	210,355	35.26	121.25	141.45	161.66	181.87	222.29	262.70	303.12	363.74
Epping Town	5,032.8	400,000	79.48	150.73	175.85	200.97	226.09	276.33	326.57	376.82	452.18
Epping Upland	410.2	17,950	43.76	126.91	148.07	169.22	190.37	232.67	274.98	317.28	380.74
Fyfield	413.4	8,900	21.53	112.09	130.78	149.46	168.14	205.50	242.87	280.23	336.28
High Ongar	556.0	13,500	24.28	113.93	132.91	151.90	170.89	208.87	246.84	284.82	341.78
Lambourne	932.9	29,860	32.01	119.08	138.93	158.77	178.62	218.31	258.01	297.70	357.24
Longthorpe Town	12,882.6	627,700	48.72	130.22	151.92	173.63	195.33	238.74	282.14	325.55	390.66
Marching	326.9	8,820	26.98	115.73	135.01	154.30	173.59	212.17	250.74	289.32	347.18
Moffeton, Bobbingworth and the Lavers	660.1	11,000	16.66	108.85	126.99	145.13	163.27	199.55	235.83	272.12	326.54
Nazeing	2,094.8	65,043	31.05	118.44	138.18	157.92	177.66	217.14	256.62	296.10	355.32
North Weald Bassett	2,584.3	120,277	46.54	128.77	150.23	171.69	193.15	236.07	278.99	321.92	386.30
Ongar Town	2,747.7	155,815	56.71	135.55	158.14	180.73	203.32	248.50	293.68	338.87	406.64
Roydon	1,311.4	28,253	21.54	112.10	130.78	149.47	168.15	205.52	242.88	280.25	336.30
Sheering	1,361.7	27,900	20.49	111.40	129.97	148.53	167.10	204.23	241.37	278.50	334.20
Stanford Rivers	355.5	10,200	28.69	116.87	136.34	155.82	175.30	214.26	253.21	292.17	350.60
Stapleford Abbotts	483.6	6,445	13.33	106.63	124.40	142.17	159.94	195.48	231.02	266.57	319.88
Stapleford Tawney	55.4	1,339	24.17	113.85	132.83	151.80	170.78	208.73	246.68	284.63	341.56
Theydon Bois	1,963.4	74,731	38.06	123.11	143.63	164.15	184.67	225.71	266.75	307.78	369.34
Theydon Garnon	66.0	970	14.70	107.54	125.46	143.39	161.31	197.16	233.00	268.85	322.62
Theydon Mount	110.4	1,507	13.65	106.84	124.65	142.45	160.26	195.87	231.49	267.10	320.52
Walkham Abbey Town	8,153.5	748,387	91.79	158.93	185.42	211.91	238.40	291.38	344.36	397.33	476.80
Willingale	243.8	4,017	16.48	108.73	126.85	144.97	163.09	199.33	235.57	271.82	326.18
Town and Parish Total	54,178.8	2,942,351	54.31	36.21	42.24	48.28	54.31	66.38	78.45	90.52	108.62
District, Town and Parish Total	54,178.8	10,885,534	200.92	133.95	156.27	178.60	200.92	245.57	290.22	334.87	401.84

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PART A : ANALYSIS OF MAJOR PRECEPTING AUTHORITIES 2009/10

Authorities	Tax Base No.'s	Precept 2009/10	Council Tax Band D	Band							
				A	B	C	D	E	F	G	H
Essex County Council	54,178.8	£ 57,781,690	£ 1,066.50	£ 711.00	£ 829.50	£ 948.00	£ 1,066.50	£ 1,303.50	£ 1,540.50	£ 1,777.50	£ 2,133.00
Essex Police Authority	54,178.8	6,948,431	128.25	85.50	99.75	114.00	128.25	156.75	185.25	213.75	256.50
Essex Fire Authority	54,178.8	3,501,034	64.62	43.08	50.26	57.44	64.62	78.98	93.34	107.70	129.24
District Expenses	54,178.8	7,943,183	146.61	97.74	114.03	130.32	146.61	179.19	211.77	244.35	293.22

PART B : SUMMARY - COUNCIL TAX RATES INCLUDING ALL PRECEPTS 2009/10

Abbeys, Berners and Beauchamp Roding	204.0	5,000	24.51	953.66	1,112.60	1,271.55	1,430.49	1,748.38	2,066.26	2,384.15	2,860.98
Buckhurst Hill	5,261.9	364,382	69.25	983.49	1,147.40	1,311.32	1,475.23	1,803.06	2,130.89	2,458.72	2,950.46
Chigwell	5,966.5	210,355	35.26	960.83	1,120.96	1,281.10	1,441.24	1,761.52	2,081.79	2,402.07	2,882.48
Epping Town	5,032.8	400,000	79.48	990.31	1,155.36	1,320.41	1,485.46	1,815.56	2,145.66	2,475.77	2,970.92
Epping Upland	410.2	17,950	43.76	966.49	1,127.58	1,288.66	1,449.74	1,771.90	2,094.07	2,416.23	2,899.48
Fyfield	413.4	8,900	21.53	951.67	1,110.29	1,268.90	1,427.51	1,744.73	2,061.96	2,379.18	2,855.02
High Ongar	556.0	13,500	24.28	953.51	1,112.42	1,271.34	1,430.26	1,748.10	2,065.93	2,383.77	2,860.52
Lambourne	932.9	29,860	32.01	958.66	1,118.44	1,278.21	1,437.99	1,757.54	2,077.10	2,396.65	2,875.98
Loughton Town	12,882.6	627,700	48.72	969.80	1,131.43	1,293.07	1,454.70	1,777.97	2,101.23	2,424.50	2,909.40
Marching	326.9	8,820	26.98	955.31	1,114.52	1,273.74	1,432.96	1,751.40	2,069.83	2,388.27	2,865.92
Moreton, Bobbingworth and the Lavers	660.1	11,000	16.66	948.43	1,106.50	1,264.57	1,422.64	1,738.78	2,054.92	2,371.07	2,845.28
Nazeing	2,094.8	65,043	31.05	958.02	1,117.69	1,277.36	1,437.03	1,756.37	2,075.71	2,395.05	2,874.06
North Weald Bassett	2,584.3	120,277	46.54	968.35	1,129.74	1,291.13	1,452.52	1,775.30	2,098.08	2,420.87	2,905.04
Ongar Town	2,747.7	155,815	56.71	975.13	1,137.65	1,300.17	1,462.69	1,787.73	2,112.77	2,437.82	2,925.38
Roydon	1,311.4	28,253	21.54	951.68	1,110.29	1,268.91	1,427.52	1,744.75	2,061.97	2,379.20	2,855.04
Sheering	1,361.7	27,900	20.49	950.98	1,109.48	1,267.97	1,426.47	1,743.46	2,060.46	2,377.45	2,852.94
Stanford Rivers	355.5	10,200	28.69	956.45	1,115.85	1,275.26	1,434.67	1,753.49	2,072.30	2,391.12	2,869.34
Stapleford Abbotts	483.6	6,445	13.33	946.21	1,103.91	1,261.61	1,419.31	1,734.71	2,050.11	2,365.52	2,838.62
Stapleford Tawney	55.4	1,339	24.17	953.43	1,112.34	1,271.24	1,430.15	1,747.96	2,065.77	2,383.58	2,860.30
Theydon Bois	1,963.4	74,731	38.06	962.69	1,123.14	1,283.59	1,444.04	1,764.94	2,085.84	2,406.73	2,888.08
Theydon Garnon	66.0	970	14.70	947.12	1,104.97	1,262.83	1,420.68	1,736.39	2,052.09	2,367.80	2,841.36
Theydon Mount	110.4	1,507	13.65	946.42	1,104.16	1,261.89	1,419.63	1,735.10	2,050.58	2,366.05	2,839.26
Waltham Abbey Town	8,153.5	748,387	91.79	998.51	1,164.93	1,331.35	1,497.77	1,830.61	2,163.45	2,496.28	2,995.54
Willingale	243.8	4,017	16.48	948.31	1,106.36	1,264.41	1,422.46	1,738.56	2,054.66	2,370.77	2,844.92

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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. This ambition is unlikely to be realised until 2010/11, although it is anticipated that the gap will narrow considerably in 2009/10. The Council currently has the second lowest charge and last year set the lowest increase in Essex.
4. At its 22 September 2008 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 effects of the "Credit Crunch" were starting to be seen, but month-by-month the overall economic picture has worsened and the impact on the Council's property related and investment income has become more serious. There were also questions over developments in the waste and leisure services and the impact of the new national concessionary fares scheme.
6. Against this background of risk and uncertainty a forecast was constructed that set a target of £17.6m for CSB expenditure for 2009/10 and maintained the requirement for annual CSB savings until the end of the forecast period. At this time deficit budgets were anticipated for each year of the forecast, although these were reducing throughout the period of the forecast.
7. At that time the predicted General Fund balance at 1 April 2012 of £7.1m represented nearly 40% of the anticipated Net Budget Requirement (NBR) for 2011/12 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be only £124,000 left in the DDF at 1 April 2012.

Updated Medium Term Financial Strategy

8. As the effects of the “Credit Crunch” and the changes in the waste and leisure services became clearer it has been necessary to keep the CSB target for 2009/10 under review. The meeting of the Finance and Performance Management Cabinet Committee on 8 December considered a draft General Fund summary together with growth lists of both CSB and DDF items. This meeting decided to revise the CSB target upwards by £0.3m to £17.9m. However, the worsening economic position has necessitated a re-examination of some estimates and the CSB total for 2009/10 is now £18.015m. To reflect these budget increases 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 growth for 2009/10 has been included at a total of £599,000. For 2010/11 growth items of £102,000 have currently been identified. In common with the earlier version of the strategy, target CSB savings are included for the period 2010/11 to 2012/13. Given the decision to provide a stimulus to the local economy with the 2009/10 budget, greater savings are needed in subsequent periods. Consequently annual savings targets of £300,000 have been included for 2010/11 and 2011/12, reducing to £250,000 for 2012/13.
 - 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 £488,000 is still available. The improved position has arisen due to some substantial income items in 2008/09, including a transfer from the Insurance Fund of £460,000 and investment income of £264,000. The Local Development Framework (LDF) is still the largest project, using up £1.14m of DDF resource over the forecast period. It is hoped that the new Housing and Planning Delivery Grant will provide funds that can be used for the LDF and £62,000 of income has been included in the revised 2008/09 figures.
 - 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 and 2012/13 it has been assumed that there will be a 1% increase in the base grant but that there will be no floor support.
 - d) Council Tax Increase – Members have confirmed they wish to limit rises to 2.5% and this constraint has been applied to all years.
9. This revised medium term financial strategy has deficits in the next three years of the period, although these are reducing and break even is achieved in the final year of the period. The predicted revenue balance at the end of the period is £6.684m, which represents 36% of the NBR for 2012/13 and thus comfortably exceeds the target of 25%.
10. It is worth repeating that significant savings are necessary in each of the final three years of the strategy and in approving the medium term financial strategy Members are asked to note these targets. The strategy will be monitored during the year and updated for the September 2009 meeting of the Finance and Performance Management Cabinet Committee.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2008/09 - 2012/13

ORIGINAL 2008/09	REVISED				
	FORECAST 2008/09	FORECAST 2009/10	FORECAST 2010/11	FORECAST 2011/12	FORECAST 2012/13
£'000 NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
17,172 Continuing Services Budget	16,909	17,416	18,301	18,255	18,278
-344 CSB - Growth Items	-403	599	102	33	0
0 Net saving	0	0	-300	-300	-250
16,828 Total C.S.B	16,506	18,015	18,103	17,988	18,028
1,078 One - off Expenditure	243	1,236	679	270	0
17,906 Total Net Operating Expenditure	16,749	19,251	18,782	18,258	18,028
-1,078 Contribution to/from (-) DDF Balances	-243	-1,236	-679	-270	0
219 Contribution to/from (-) Balances	541	-704	-545	-167	97
17,047 Net Budget Requirement	17,047	17,311	17,558	17,821	18,125
FINANCING					
9,020 Government Support (NNDP+RSG)	9,020	9,195	9,379	9,473	9,567
302 RSG Floor Gains/(-Losses)	302	173	36	0	0
9,322 Total External Funding	9,322	9,368	9,415	9,473	9,567
7,725 District Precept	7,725	7,943	8,143	8,348	8,558
0 Collection Fund Adjustment	0	0	0	0	0
To be met from Government 17,047 Grants and Local Tax Payers	17,047	17,311	17,558	17,821	18,125
Band D Council Tax	143.01	146.61	150.30	154.08	157.95
Percentage Increase %		2.5	2.5	2.5	2.5

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2008/09 - 2011/12

	REVISED FORECAST 2008/09	FORECAST 2009/10	FORECAST 2010/11	FORECAST 2011/12	FORECAST 2012/13
REVENUE BALANCES	£'000	£'000	£'000	£'000	£'000
Balance B/forward	7,462	8,003	7,299	6,754	6,587
Surplus/Deficit(-) for year	541	-704	-545	-167	97
Balance C/Forward	8,003	7,299	6,754	6,587	6,684
DISTRICT DEVELOPMENT FUND					
Balance B/forward	2,916	2,673	1,437	758	488
Transfer Out	-243	-1,236	-679	-270	0
Balance C/Forward	2,673	1,437	758	488	488
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	26,823	23,329	16,126	13,168	11,937
New Usable Receipts	227	273	273	273	273
CR Used to Fund Capital Expenditure					
- Transitional Relief Receipts	-500	0	0	0	0
- Other Capital Receipts	-3,221	-7,476	-3,231	-1,504	-914
Balance C/Forward	23,329	16,126	13,168	11,937	11,296
TOTAL BALANCES	34,005	24,862	20,680	19,012	18,468

Report on the Council's Prudential Indicators for 2009/10 to 2011/12 and the Treasury Management Strategy for 2009/10

This report outlines the Council's prudential indicators for 2009/10 – 2011/12 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:

- The reporting of the **prudential indicators** setting out the expected capital activities;
- The Council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the Council will pay for capital assets through revenue each year;
- The **treasury management strategy statement** which sets out how the Council's treasury service will support the capital decisions taken above;
- The **investment strategy** which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.

Recommendations;

1. **The Council is recommended to adopt the prudential indicators and limits for 2009/10 to 2011/12 contained within the report. The main indicators are summarised in the table below:**

	2007/08 Actual	2008/09 Revised	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate
Capital Expenditure (Indicators 2 & 3)	£10.597 m	£12.900m	£16.527 m	£9.207 m	£7.481 m
Capital financing requirement (Indicators 4 & 5)	-£0.784 m	-£0.784 m	-£0.784 m	-£0.784 m	-£0.784 m
Authorised limit for external debt (Indicator 6)	£5.0 m	£5.0 m	£5.0 m	£5.0 m	£5.0 m
Operational boundary for external debt (Indicator 7)	£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 (Indicators 9 & 10)	-10.73 %	-10.15 %	-6.04 %	-4.91 %	-4.86 %
Ratio of financing costs to net revenue stream – HRA (Indicators 9 & 10)	-11.11 %	-10.51 %	-6.26 %	-5.09 %	-5.03 %
Incremental impact of capital investment decisions on the Band D Council Tax (Indicator 11)	N/a	-£1.17	£0.59	£3.11	£4.09
Incremental impact of capital investment decisions on weekly housing rents levels (Indicator 12)	N/a	£0.82	£0.03	£1.02	£1.08

2. Members are recommended to approve the treasury management strategy for 2009/10. The treasury prudential indicators are set out in the tables below;

Exposure to fixed/variable interest rates (Indicators)	2009/10 Upper	2010/11 Upper	2011/12 Upper
Limits on fixed interest rates (14)	100%	100%	100%
Limits on variable interest rates (15)	30%	30%	30%

Maturity Structure of fixed interest rate borrowing						
(Indicator 16)	2009/10		2010/11		2011/12	
	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 2009/10 contained in the treasury management strategy, and the detailed criteria included within it, specifically approving:

- The criteria for specified investments
- The criteria for non-specified investments

The Prudential Indicators 2009/10 – 2011/12

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 2008/09, 2009/10 and 2010/11, and introduces new indicators for 2011/12. 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 2009/10 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 risk to the plans is 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	2007/08 Actual £'000	2008/09 Revised Estimate £'000	2009/10 Original Estimate £'000	2010/11 Original Estimate £'000	2011/12 Original Estimate £'000
Finance & Performance Management	0	241	90	0	0
Corporate Support & ICT Services	589	678	1,394	2,107	380
Leisure & Young People	97	320	1,898	62	63
Environmental Protection	2,074	607	1,875	0	0
Planning & Economic Development	285	872	1,630	0	0
Civil Engineering & Maintenance	724	254	789	557	557
Housing General Fund	1,180	1,721	2,011	1,060	1,060
Total General Fund	4,949	4,693	9,687	3,786	2,060
HRA	5,601	8,153	6,790	5,371	5,371
Housing DLO	47	54	50	50	50
Total Housing Revenue Account	5,648	8,207	6,840	5,421	5,421
TOTAL	10,597	12,900	16,527	9,207	7,481

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 2007/08, and that no difficulties are envisaged for the financial years 2008/09 to 2011/12.**
9. **Members are further asked to approve Prudential Indicators 4 and 5, the Capital Financing Requirement from 2007/08 to 2011/12, contained within Table 2**

Table 2: Capital Expenditure Financing and its effect on the CFR					
	2007/08	2008/09	2009/10	2010/11	2011/12
	Actual	Revised	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
General Fund					
Capital Expenditure	4,949	4,693	9,687	3,786	2,060
Financed by:					
Capital receipts	4,053	3,721	7,476	3,231	1,504
Capital grants	896	972	2,211	555	556
Revenue Contributions	0	0	0	0	0
Total Financed Expenditure	4,949	4,693	9,687	3,786	2,060
Net financing need for the year	0	0	0	0	0
Opening CFR	22,019	22,019	22,019	22,019	22,019
CFR arising during the year	0	0	0	0	0
Closing CFR	22,019	22,019	22,019	22,019	22,019
HRA					
Capital Expenditure	5,648	8,207	6,840	5,421	5,421
Financed by:					
Capital receipts	11	0	0	0	0
Capital grants	41	50	50	50	50
Revenue Contributions	5,596	8,157	6,790	5,371	5,371
Total Financed Expenditure	5,648	8,207	6,840	5,421	5,421
Net financing need for the year	0	0	0	0	0
Opening CFR	-22,803	-22,803	-22,803	-22,803	-22,803
CFR arising during the year	0	0	0	0	0
Closing CFR	-22,803	-22,803	-22,803	-22,803	-22,803
General Fund CFR	22,019	22,019	22,019	22,019	22,019
HRA CFR	-22,803	-22,803	-22,803	-22,803	-22,803
Total CFR	-0.784	-0.784	-0.784	-0.784	-0.784

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. CLG Regulations 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 29th 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.**

Table 3: The Authorised and Operational Limits of External Debt				
	2007/08 Revised £ m	2008/09 Estimate £ m	2009/10 Estimate £ m	2010/11 Estimate £ m
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 2009/10 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 2008 and its estimated position as at 31 March 2009 is shown for information in Table 4.

Table 4: Net external debt on the final day of the financial year

	31 March 2008 Actual £'000	Rate %	31 March 2009 Estimate £'000	Rate %
External debt	0		0	
Less transferred debt	- 559	5.97	- 534	2.88
Total Debt	- 559		- 534	
Fixed Investments	-57,250	5.88	-61,000	5.70
Variable Investments	-2,055	5.25	-1,500	2.74
Total Investments	-59,305		-62,500	
Net Investments	-59,864		-63,034	

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.

Table 5: Actual and estimated ratios of financing Costs to net revenue stream

	2007/08 Actual %	2008/09 Revised Estimate %	2009/10 Estimated Forecast %	2010/11 Estimated Forecast %	2011/12 Estimated Forecast %
General Fund	- 10.73	- 10.15	- 6.04	- 4.91	- 4.86
HRA	- 11.11	- 10.51	- 6.26	- 5.09	- 5.03

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 15 to this report, compared to the capital programme examined for the 2008/09 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 2008/09 Prudential Indicators, and is expressed as a discrete impact on weekly rent levels.

Table 6: Incremental impact of capital investment decisions on Council tax and rents

	2008/09 Revised	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate
	£	£	£	£
Band D Council Tax	-1.17	0.59	3.11	4.09
Housing rents levels	0.82	0.03	1.02	1.08

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 2009/10 – 2011/12

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 2009/10 – 2011/12

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.

	2009 Revised £'000	2010 Estimate £'000	2011 Estimate £'000	2012 Estimate £'000
External Debt				
External debt	0	0	0	0
Less transferred debt	- 534	- 508	- 481	- 452
Total debt	- 534	- 508	- 481	- 452
Investments				
Investment portfolio	61,000	57,000	54,000	52,000
Funds held in short notice accounts	1,500	1,500	1,500	1,500
Total investments	62,500	58,500	53,500	52,500
Change from previous year	+3,195	- 4,000	-3,000	-1,000
Annual net interest income	3,521	2,126	1,753	1,761

Economic Forecast

As at end of:	Base Rate %	Market investment rates		
		3 month %	6 month %	12 month %
December 2008	2.00	3.0	3.2	3.3
March 2009	1.00	2.0	2.2	2.4
June 2009	0.75	1.5	1.6	1.8
September 2009	0.50	1.5	1.6	1.7
December 2009	1.00	1.6	1.7	1.8
March 2010	1.25	1.7	1.9	2.0

30. The UK economy has entered a profound recession, worsened by a dangerous combination of negative growth and dislocation in the domestic and world financial markets. The situation in the economy is considered critical by the policy setters who are concerned that the testing financial environment, the sharp decline in house prices and persistently tight credit conditions could trigger a collapse in consumer confidence. At best this could deliver a short, sharp downturn, at worst a prolonged Japanese-style recession.
31. The sharp downturn in world commodity, food and oil prices, the lack of domestic wage pressures and weak retail demand promises a very steep decline in inflation in the year ahead. In the recent pre-Budget Report, the Treasury suggested RPI inflation could fall to minus 2.25% by September 2009. Inflation considerations will not be a constraint upon Bank of England policy action. Indeed, the threat of deflation strengthens the case for more aggressive policy easing.
32. The Government's November pre-Budget Report did feature some fiscal relaxation but it also highlighted the very poor health of public sector finances. The size of the package is considered insufficient to kick-start the economy. The onus for economic stimulation will fall upon monetary policy and the Bank of England.

33. The Bank will continue to ease policy and the need to drive commercial interest rates, currently underpinned by the illiquidity of the money market, to much lower levels suggests the approach will be more aggressive than might otherwise have been the case. A Bank Rate of 1% now seems a distinct possibility and short-term LIBOR rates of below 2% may result. Only when the markets return to some semblance of normality will official rates be edged higher.
34. Long-term interest rates will be the victim of conflicting forces. The threat of deep global recession should drive bond yields to yet lower levels and this will be a favourable influence upon the sterling bond markets. But the prospect of exceptionally heavy gilt-edged issuance in the next three years (totalling in excess of £100bn per annum), as the Government seeks to finance its enormous deficit, could severely limit the downside potential for yields.

Sensitivity to Interest Rate Movements

35. Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to treasury management income for next year. That element of the investment portfolio which is of a longer term, fixed interest rate nature will not be affected by interest rate changes.

Table 9: Sensitivity to Interest Rate Movements		
	2009/10 Estimated + 1% £'000	2009/10 Estimated - 1% £'000
Revenue Budgets		
Investment income	419	-470

Treasury Strategy 2009/10 – 2011/12

36. 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 a cautious approach to its treasury strategy and leave the target for investment returns unchanged at 0.1% over the 7 day LIBID rate for 2009/10, 2010/11 and 2011/12.
37. Long-term fixed interest rates are at risk of being higher over the medium term. The Director of Finance & ICT, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide better opportunities.

Investment Counterparty and Liquidity Framework

38. 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.
39. 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. The rating criteria (see explanation of the credit ratings in Appendix 9a) use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria.
- **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 £10m)
 - **Long Term** – A (minimum of AA- for total investments between £5m and £10m)
 - **Individual / Financial Strength** – C (Fitch / Moody's only)
 - **Support** – 3 (Fitch only)
 - **Banks and Building Societies** – the Council will use banks and building societies whose ratings fall below the criteria specified above if all of the following conditions are met:
 - Wholesale deposits in the bank are covered by a government guarantee;
 - The government providing the guarantee is rated “AAA”.
 - **Building Societies with no credit ratings** –The Council will no longer invest with unrated societies.
 - **HM Treasury Credit Guarantee Scheme** – the Council will invest in institutions that are included within this scheme initially announced on 13 October 2008.
 - **Council's own banker** – the Council will continue to invest with our own banker if they fall below the above criteria.
 - **Money Market Funds** – AAA
 - **UK Government** including gilts and the Debt Management Account Activity Deposit Facility (DMADF – a Government body which accepts local authority deposits)
 - **Local Authorities, Parish Councils etc**
40. The time limits for institutions on the Council's counterparty list are five years (these will cover both specified and non-specified Investments). Where a counter party is only on the Councils list because of a Government guarantee no loan will be entered into which exceeds the period of that guarantee. 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 52 to 58 for approval.
41. 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 43 below.

Treasury Management Prudential Indicators and Limits on Activity

42. 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.
43. **Members are recommended to approve the contents of Tables 10 and 11 as Prudential Indicators 14, 15, 16 and 17.**

Table 10: Exposure to fixed/variable interest rates (Prudential Indicators 14 and 15)			
	2009/10 Upper	2010/11 Upper	2011/12 Upper
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	30%	30%	30%

Table 11: Maturity structure of fixed interest rate borrowing and limits on longer term investments (Prudential Indicators 16 and 17)						
Borrowing	2009/10		2010/11		2011/12	
	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 > 364 days	£30 m		£30 m		£30 m	

Performance Indicators

44. 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 2008/09.
45. **Members are recommended to approve the local performance indicators set out in Table 12.**

Table 12: Performance indicator for the Council's Treasury operations			
	2009/10	2010/11	2011/12
	%	%	%
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

46. The Office of the Deputy Prime Minister (now the CLG) issued Investment Guidance on 12th March 2004, and this forms the structure of the Council's policy below.
47. 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.
48. 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.
49. Expectations on shorter-term interest rates, on which investment decisions are based, show a likelihood of the current 1.5% Bank Rate reducing throughout 2009 and into 2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

50. There is a clear operational difficulty arising from the current banking crisis. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.
51. The criteria for choosing counterparties set out above provide a sound approach to investment in “normal” market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Director of Finance & ICT will temporarily restrict further investment activity to those counterparties with a credit rating from Fitch of AA- or above or where a government guarantee is in place and that the government providing the guarantee is rated “AAA” and limit investment to a maximum of 3 months. These restrictions will remain in place until the banking system returns to “normal” conditions.

Specified and Non-Specified Investments

52. 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 DMADF, 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.
 - V A financial body which has been provided with a government issued guarantee for wholesale deposits within specific timeframes.
53. The Council proposes to invest in specified investments, with further restrictions related to credit ratings.
54. **Members are requested to confirm their approval of the following specified investments for this council:**
- **All Category I, II and V 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 short term rating of A-1, P-1 and F1 as rated by Standard and Poor’s, Moody’s or Fitch rating agencies respectively.**
55. 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. A government issued guarantee for wholesale deposits within specific timeframes and the government has an AAA sovereign long term rating from the three major credit agencies.

- IV. An institution on the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008.
- V. The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.
- VI. 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.

56 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 introduced limits on investments in unrated societies determined by their asset base. In the current climate it is no longer felt prudent to invest with unrated societies. The Council will now only deal with building societies that satisfy the minimum rating requirements set out above.

57 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 long term credit rating of AA- (Fitch), Aa3 (Moody's) and AA- (Standard & Poors).

58 **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;**

- **A maximum of £30,000,000 invested for terms of one year or more, subject to the credit rating criteria in Paragraph 57 and a maximum term of five years.**

59 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.

60 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.

61 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.

62 The Council is aware that external fund managers are potentially able to achieve higher returns on an investment portfolio than in-house staff. 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.

Table 13: Returns achieved by the in-house Treasury team compared to the industry average net returns for external fund management teams			
	2005/06	2006/07	2007/08
	%	%	%
In-house team	4.73%	4.92%	5.85%
External management (net of charges)	4.60%	4.29%	5.86%
Average 7 Day LIBID	4.53%	4.82%	5.59%

Credit Ratings

Long-Term Credit Ratings

Long-term credit ratings are set up along a scale from 'AAA' to 'D', and adopted and licensed by Standard and Poor (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, BBB+, BBB, BBB- etc.). Moody's intermediate modifiers for each category between Aa to Caa are Aa1, Aa2, Aa3, A1, A2 etc.

Definitions	Fitch	Moody	Standard & Poor
The best quality institutions, reliable & stable	AAA	Aaa	AAA
Quality institutions, slightly higher risk than AAA	AA	Aa	AA
Economic situation can affect finance	A	A	A
Medium class institutions, which are satisfactory at the moment	BBB	Baa	BBB

Short-Term Credit Ratings

Short-term ratings indicate the potential level of default within a 12-month period.

Definitions	Fitch	Moody	Standard & Poor
Best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment	F1+	P-1	A-1+
Best quality grade, indicating strong capacity of obligor to meet its financial commitment	F1	P-2	A-1
Good quality grade with satisfactory capacity of obligor to meet its financial commitment	F2	P-3	A-2
Fair quality grade with adequate capacity of obligor to meet its financial commitment, but near term adverse conditions could impact the obligor's commitments	F3		A-3

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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 2009/10 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 2009/10. If this advice is not accepted, the reasons must be formally recorded within the minutes of the Council meeting. Council will consider the recommendations of Cabinet on the budget for 2009/10 and 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 and the next year is likely to see significant changes to the waste and leisure services. These changes and the "Credit Crunch" are still ongoing and represent significant risks 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 business planning 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 should be reported 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 development of the Overview and Scrutiny Panel which deals with finance and performance management issues. With a Cabinet system the onus is on Portfolio Holders to deliver acceptable and accurate budgets. This role has been taken seriously and has helped enhance the detailed knowledge of the Cabinet.
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 2009/10.**

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. This is particularly relevant in the current unstable economic climate. Efforts have been made to predict the level of inflation in the coming year, but it should be noted that there are two specific items where there could be additional costs:
12. The Council procures energy through consortiums and has recently moved to the Office of Government Commerce (OGC) framework agreement, in accordance with advice from the Essex Procurement Hub. Substantial price increases have been seen for both electricity and gas, but the OGC view is that wholesale prices have reduced from their peak. On this basis the additional budgets for energy are split between CSB and DDF. However, there is a risk that this split may not prove correct.
13. Current and future pay awards are in doubt, as agreement has still not been reached on an increase for 2008/09. The divergence in views between the Unions and the Employers resulted in industrial action earlier in the year. This dispute is now in arbitration and it is hoped the 2008/09 award can be resolved before we enter 2009/10. The Medium term Financial Strategy (MTFS) includes an allowance of 2.475% in both 2008/09 and 2009/10, which is believed to be prudent. 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 maintained at 2%. This reflects the ongoing underspends, which will again lead to a greater increase in reserves than had been originally estimated. It is unlikely that the Authority will have a full establishment throughout 2009/10 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. Cabinet has adopted a policy of not entering into further disposals until the property market has improved and so no significant disposals are likely in 2009/10.
15. The exception to this relates to receipts from council house sales. In this instance because sales occur throughout the year assumptions are made about their generation. Sales completed in 2008/09 are likely to be less than the 28 in 2007/08, and the original estimate of 30 has now been reduced to 8. It is anticipated that sales will now stabilise at 10 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. Even with the Authority's substantial capital programme, which exceeds £53m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2013 will be £11.3m. The Capital Strategy continues to emphasise that priority will be given to capital schemes that will create future revenue benefit, either through increased income or reduced costs. This has been the case with the recent decisions to invest in waste and leisure services.

c. Treatment of demand led pressures and savings

18. The largest demand led pressure facing the Council is for the green waste service. Members previously decided to boost recycling rates by removing the charge for sacks and providing an all year service. The public responded positively to the service and vast quantities of green waste are now being collected. However, the biodegradable sacks currently used for this service are expensive and the numbers of sacks being put out for collection by residents has caused problems for the contractor. A revised service utilising a second wheeled bin will be introduced during 2009/10. This requires considerably investment in terms of CSB, DDF and capital. However, this is a key service and by moving forward in this way it has been possible to secure significant ongoing revenue support from Essex County Council and one-off capital assistance to help purchase the necessary equipment.
19. Demand has also increased dramatically for bus passes, following the introduction of the new national scheme. The number of passes in issue has increased by more than 50% and over 16,000 passes have been issued. Negotiations are ongoing with Essex County Council, as they are keen to take over responsibility for this service from district councils. This would greatly reduce the financial risk to the districts and the Department for Transport has already indicated that responsibility for the scheme is likely to change as part of the next Comprehensive Spending Review.
20. The "Credit Crunch" has seen new benefit claims increase by more than 25% and is also likely to increase demand for the Council's homelessness service. These will not be the only Council services to face extra demands in the current economic climate. Against this background, it is clear that in order to avoid breaching the guideline on reserves it will be necessary to seek savings in the last three years of the period covered by the medium term financial strategy. However, the current strength of reserves means that it should be possible to do this in a structured and progressive way.

d. Risks inherent in partnership arrangements etc

21. 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)

22. 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

23. 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.
24. 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 both the Finance and Performance Management Cabinet Committee and the Finance and Performance Management Scrutiny Panel will continue throughout 2009/10. 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

25. 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

26. The Council is now in the fourth 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. However, as part of the 2007/08 external audit the need for such a large insurance fund was questioned. Following a review of the annual transactions through the fund, the meeting of the Finance and Performance Management Cabinet Committee on 8 December decided to cap the fund at £500,000 and take the surplus of £460,000 to the DDF.

i. Pension liabilities

27. Last year Members decided to take the option to phase in the increase required in employer's contributions, following receipt of the latest triennial valuation of the Pension Fund. The previous ongoing employer's contribution was 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.
28. 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 2007, 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.

29. 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". Despite the overall level of applications being higher in 2007/08 concern about the "Golden Rule" appeared to have eased as full directions were obtained.
30. 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 that the applications have been successful has now been received. If capitalisation directions had not been provided the additional charges to revenue for 2008/09 would have been £662,000 General Fund and £311,000 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

31. 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 2010 is £8m as shown in the Annex 8 b. 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.
32. 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			1,100
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 09/10 and 10/11	1,300	40	520
Renegotiating External contracts and partnership arrangements	Say 1,000+	10	100+
Total	9,400+		3,030+

33. 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.
34. 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 £18.6m, which suggests a figure of £930,000.
35. 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.
36. 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 £8m as at 31 March 2010.
37. 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 £17.70m therefore 25% of that figure equates to £4.43m. The current four-year forecast shows balances still at £6.684m at the end of 2012/13.
38. 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 2013 balances will represent 36% 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.
39. It has already been stated that the capital fund is expected to remain in a surplus position beyond 2012/13 and the capital programme can be fully funded.
40. 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.
41. HRA revenue balances are expected to decrease slightly from £6.2m as at 31 March 2009 to £5.79m as at 31 March 2010. The balance on the Housing

Repairs Fund is expected to reduce over the next year, from £3.83m to £3.48m. Similarly the Housing Major Repairs Reserve is predicted to reduce from £4.52m to £4m. Even though reductions in reserves are budgeted the overall financial standing of the HRA and its reserves going into 2009/10 remain healthy.

- 42. The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2009/10 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term.**

<u>Epping Forest District Council Calendar of Meetings 2009/10</u>													
	2009					2010					ANNEX 11		
Meeting	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<u>Executive</u>													
Council	21st	30th	28th		29th		3rd	22nd		16th(18th)		20th	25th
Cabinet		8th	13th		7th	12th	16th	21st		1st	8th	19th	
FPM Cabinet Comm		15th				5th	23rd	14th	25th		15th		
NWA Cabinet Committee			27th										
<u>Scrutiny</u>													
OS Committee		2nd	9th		3rd	8th	12th	17th	28th		4th	15th	
Finance & Perf Mgmt		16th		25th			17th		12th	23rd		22nd	
Housing			30th			29th			21st		25th		
Planning Services		18th			8th		10th		5th	11th		27th	
Safer, Cleaner, Greener		23rd			1st	27th		8th		25th		29th	
Constitution & Mbr Serv's		29th			14th		2nd		11th		22nd		
<u>Planning</u>													
District Development		9th		4th		6th		1st		2nd		6th	
Plans South	6th-27th	24th	15th	5th-26th	16th	7th-28th	18th	9th	13th	3rd-24th	17th	7th-28th	26th
Plans East	13th	10th	1st-22nd	12th	2nd-23rd	14th	4th-25th	16th	20th	10th	3rd-24th	14th	12th
Plans West	20th	17th	8th-29th	19th	9th-30th	21st	11th	2nd	6th-27th	17th	10th-31st	21st	19th
<u>Licensing</u>													
Licensing Committee						14th						14th	
Licensing Sub-Comm	28th		2nd	6th	3rd	1st	5th	3rd	7th	4th	4th	1st	
<u>Miscellaneous</u>													
Audit & Governance		22nd			24th		30th			8th	29th		
Housing Appeals Panel		18th	23rd	20th	17th	22nd	19th	17th	21st	18th	18th	22nd	
Joint Consultative Comm			16th			15th			14th		17th	8th	
Local Councils Liaison			15th				18th						
Standards Committee			14th			13th			19th			13th	
<u>Easter 2010</u>	Fri 2-Apr to Mon 5-Apr Inc.												
<u>Elections</u>	Thu 4-Jun-09 & Thu 6-May-10												

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ARTICLE 5 - CHAIRING THE COUNCIL

5.01 Introduction

This article sets out the role, responsibilities and duties of the Chairman of Council. The role, responsibilities and duties fall to the Vice-Chairman in the absence of the Chairman.

5.02 Election of Chairman of the Council and Appointment of Vice-Chairman of Council

The individual elected to the office of Chairman of Epping Forest District Council shall be elected on merit, without regard to party affiliation.

The appointment of the Vice-Chairman of the Council shall also be on the basis of merit and without regard to party affiliation in accordance with the following provisions:

- (a) Nominees for the office of Vice-Chairman of the Council should submit a nomination form signed by not less than 12 District Councillors drawn from at least two political groups;
- (b) Nominees for Vice-Chairman of the Council may be drawn from any political group or any independent member serving on the Council;
- (c) The process of agreeing a nomination for Vice-Chairman of the Council shall be co-ordinated by the Leader of the Council in consultation with independent members and the Leaders of all political groups;
- (d) It is expected that the person nominated under this article and appointed by the Council as Vice-Chairman of the Council shall normally become the Chairman of the following Council year;
- (e) It shall be open to the Council to suspend the operation of the appointment process at any Annual Council meeting if this is in the best interests of the Council. Such suspension shall, however, only be agreed if 65% of the Council membership support a motion to that effect.

5.03 Overall Responsibilities

The Chairman and Vice-Chairman will be elected by the Council annually. Set out below are the overall responsibilities. It will be noted that these fall into two categories i.e. 'Chairing the Council meeting' and 'Civic/Ceremonial'. Further information on these two roles is set out in 5.04 - 5.06.

- (a) to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
- (b) to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community;

- (c) to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and at which members who are not on the Executive or hold Committee Chairmanship are able to hold the Executive and Committee Chairmen to account;
- (d) to promote public involvement and local democratic engagement in the Council's activities;
- (e) to uphold the Members' Charter; and
- (f) to attend such civic and ceremonial functions as the Council and he/she determines appropriate.

5.04 Chairing the Council Meeting

The Chairman shall undertake the following duties:

- (a) to determine that meetings of the Council are properly constituted and that a quorum of members is present;
- (b) to be informed as to the business and objects of meetings;
- (c) to preserve order in the conduct of those present;
- (d) to confine discussion within the limits required by the business to be determined and within a reasonable period of time;
- (e) to rule on the admissibility of motions and amendments put in debate by the Members of the Council;
- (f) to formulate summaries of those issues arising in debate for the consideration of the meeting;
- (g) to adjudicate on points of order and personal explanation raised at meetings and other incidental issues;
- (h) to determine the proper and most appropriate method of voting on any question before the Council;
- (i) to put relevant questions to the meeting, secure orderly votes thereon and declare the result;
- (j) to inform the Council whether he or she will vote on any matter to be determined;
- (k) to give, if appropriate, a second vote or a casting vote in order to deal with an equality of votes in the circumstances set out in this Article;
- (l) to adjourn any meeting of the Council should the circumstances justify or require it, having first of all taken such steps to establish that Members of the Council support such action;
- (m) to read out any motion to exclude the press and public from meetings and to seek the consent of the Council; and

(n) to sign the minutes of Council meetings as a correct record, following approval by the Council.

In carrying out these duties, the Chairman shall at all times act in accordance with legal requirements as advised by the Chief Executive, shall take care to ensure that the rights of individual members shall at all times be protected and, in the conduct of meetings shall disregard considerations arising from political affiliation and shall always have regard to the civic dignity of the Council and the office of Chairman.

5.05 Use of Casting Vote

The Chairman of the Council shall, at all times, have due regard to the requirements of the Constitution and statute law concerning the use of a "second" or "casting" vote. The Chairman shall:

- (a) give a "second" vote (after voting previously on the issue) or a "casting" vote (having not voted previously) on any issue on which there is equality of voting;
- (b) shall issue a "second" or "casting" vote in favour of the status quo unless there is a legal requirement to vote otherwise than for the status quo;
- (c) may decline to give a second or casting vote if an affirmative vote is not required on grounds of urgency or otherwise and an opportunity will arise to consider the matter again, within a reasonable period; and
- (d) shall, in the circumstances outlined in (c) above, explain such a decision to the Council.

5.06 Civic/Ceremonial Role

(a) In the carrying out of civic duties on behalf of the Council, the Chairman shall at all times act in a way consistent with the dignity of the office of Chairman and the policies of the Council.

(b) The Chairman of Council as first citizen in the district and the representative of the Queen will take precedence in the absence of the Lord Lieutenant of Essex. If the Chairman is invited to a function organised by or within the district he/she is always the Guest of Honour.

(c) When the Chairman of Council is invited to carry out duties at an official Council function (e.g. naming of a street or opening of Council buildings), the following people should be invited to attend:

- (i) the Chairman of the Committee or member of the Executive responsible for the function;
- (ii) the Leader of the Council or a member of Cabinet nominated by the Leader;
- (iii) if the Chairman of the Committee is unavailable, the Vice-Chairman of the Committee shall deputise;
- (iv) district members for the ward in question;
- (v) the Service Director responsible for the function;

- (vi) Parish Chairman or Town Mayor;
- (vii) other members and officers agreed by the Chairman of Council, the Chairman of Committee, the Leader of the Council and the Service Director; and
- (viii) the Public Relations and Marketing Officer will attend appropriate functions when the press are invited.

5.07 Absence of Chairman and Vice-Chairman

There may be occasions when the Chairman of the Council and Vice-Chairman of the Council cannot attend functions. In these circumstances, the Chairman of the Council shall nominate a past Chairman of the Council or other appropriate member to act on his/her behalf at any such event.