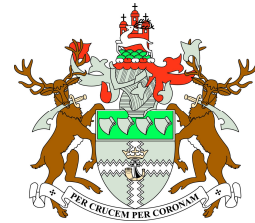


Council Agenda



**Epping Forest
District Council**

NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the EPPING FOREST DISTRICT COUNCIL to be held in the COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING at 7.30 pm on Tuesday, 14 February 2012 for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read "D Macnab".

DEREK MACNAB
Acting Chief Executive

**Democratic Services
Officer:**

Council Secretary: Ian Willett
Tel: 01992 564243 Email:
democraticservices@eppingforestdc.gov.uk

WEBCASTING NOTICE

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy and copies made available to those that request it.

Therefore by entering the Chamber and using the lower public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for web casting and/or training purposes. If members of the public do not wish to have their image captured they should sit in the upper council chamber public gallery area

If you have any queries regarding this, please contact the Senior Democratic Services Officer on 01992 564249.

BUSINESS

1. WEBCASTING INTRODUCTION

1. This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking.

2. The Chief Executive will read the following announcement:

“This meeting will be webcast live to the Internet and will be archived for later viewing. Copies of recordings may be made available on request.

By entering the chamber’s lower seating area you consenting to becoming part of the webcast.

If you wish to avoid being filmed you should move to the public gallery or speak to the webcasting officer”

2. MINUTES (Pages 9 - 24)

To approve as a correct record and sign the minutes of the meeting held on 13 December 2012 (attached).

3. DECLARATIONS OF INTEREST

(Chief Executive) To declare interests in any item on the agenda.

4. ANNOUNCEMENTS

(a) Apologies for Absence

(b) Announcements

To consider any announcements by:

- (i) the Chairman of the Council;
- (ii) the Leader of the Council; and
- (iii) any other Cabinet Member.

5. PUBLIC QUESTIONS (IF ANY)

To answer questions asked after notice in accordance with the provisions contained in paragraph 9.3 of the Council Procedure Rules of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

- (a) to the Leader of the Council;
- (b) to the Chairman of the Overview and Scrutiny Committee; or
- (c) to any Portfolio Holder.

Questions, if any, will follow if not received in time to be incorporated into the agenda.

6. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 25 - 44)

To receive reports from the Leader and members of the Cabinet on matters falling within their area of responsibility:

- (a) Report of the Leader and Legal Portfolio Holder;
- (b) Report of the Environment Portfolio Holder;
- (c) Report of the Finance and Economic Development Portfolio Holder;
- (d) Report of the Housing Portfolio Holder;
- (e) Report of the Leisure and Wellbeing Portfolio Holder;
- (f) Report of the Planning and Technology Portfolio Holder;
- (g) Report of the Safer, Greener and Highways Portfolio Holder;
- (h) Report of the Support Services Portfolio Holder.

7. QUESTIONS BY MEMBERS WITHOUT NOTICE

Council Procedure Rule 10.6 provides for questions by any member of the Council to the Leader, Chairman of the Overview and Scrutiny Committee or any Portfolio Holder, without notice on:

- (i) reports under item 6 above; or
- (ii) any other matter of a non operational character in relation to the powers and duties of the Council or which affects all or part of the District or some or all of its inhabitants.

Council Procedure Rule 10.7 provides that answers to questions without notice may take the form of:

- (a) direct oral answer from the Leader or, at the request of the Leader, from another member of the Cabinet;
- (b) direct oral answer from the Chairman of the Overview and Scrutiny Committee or, at their request, from another member dealing with that issue as part of an Overview and Scrutiny review;
- (c) where the desired information is in a publication of the Council or other published work, a reference to that publication;
- (d) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner; or
- (e) where the question relates to an operational matter, the Leader, Chairman of the Overview and Scrutiny Committee or a member of the Cabinet will request that a response be given direct to the questioner by the relevant Chief Officer.

In accordance with the Council Procedure Rule 10.8, a time limit of twenty minutes is set for questions. Any question not dealt with within the time available will receive a written reply. The Chairman may extend this period by up to a further 10 minutes to ensure that all political groups and independent members may have their questions answered.

8. MOTIONS

To consider any motions, notice of which has been given under Council Procedure Rule 11.

Motions, if any, will follow if not received in time to be incorporated into the agenda.

9. QUESTIONS BY MEMBERS UNDER NOTICE

To answer questions asked after notice in accordance with the provisions contained in paragraph 10.3 of the Council Procedure Rules of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

- (a) to the Chairman of the Council;
- (b) to the Leader of the Council;
- (c) to the Chairman of the Overview and Scrutiny Committee or
- (d) to any Member of the Cabinet;.

Council Procedure rule 10.4 provides that answers to questions under notice may take the form of:

- (a) direct oral answer;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

Answers to questions falling within (a) and (b) above will be made available to the member asking the question one hour before the meeting. Answers to questions falling within (c) above will be circulated to all councillors.

Questions, if any, will follow if not received in time to be incorporated into the agenda.

10. REPORTS OF THE CABINET (Pages 45 - 178)

To consider the attached reports of the Cabinet:

- (a) Capital Strategy;
- (b) Key Objectives;
- (c) Treasury Management Strategy; and
- (d) Budgets and Council Tax Declaration - 2012/13.

11. OVERVIEW AND SCRUTINY (Pages 179 - 192)

- (a) Report of the Chairman of the Overview and Scrutiny Committee (attached);
- (b) Reports of the Overview and Scrutiny Committee (if any); and
- (c) Reports of Overview and Scrutiny Panels:
 - (i) Senior Recruitment Task and Finish Panel (attached).

12. COMMITTEE FOR THE APPOINTMENT OF A CHIEF EXECUTIVE (Pages 193 - 196)

To consider the attached report.

13. POLICE AND CRIME COMMISSIONER ELECTION**Recommendations:**

- (1) That Mr I Willett, Assistant to the Chief Executive, be appointed as Local Returning Officer for the Police and Crime Commissioner election to be held on 15 November 2012;**
- (2) To note that the Local Returning Officer will be entitled to be remunerated in accordance with the relevant scale of fees prescribed by a Fees Order and on a superannuable basis under Council minute 115 – 19 April 2005;**
- (3) To note that the Council’s insurers have confirmed that the existing insurance indemnifying the Returning Officer will provide cover against legal expenses reasonably incurred in connection with the role of the Local Returning Officer for this election for the defence of any proceedings brought for contravention of the legislation or an accidental breach of any other duty by him or any other person employed by or officially acting for him; and**
- (4) To note that such insurance carrying an ‘excess’ clause by which an initial portion of risk is not insured, will through the Council’s internal insurance fund or otherwise, indemnify the Local Returning Officer up to the value of such excess.**

(Returning Officer) Mr S Packham, Chief Executive of Chelmsford Borough Council, has been appointed as Police Area Returning Officer (PARO) for Essex for the Police and Crime Commissioner election to be held on 15 November 2012.

The Police Reform and Social Responsibility Act 2011 provides that PAROs will be assisted in the discharge of their duties by Local Returning Officers who are defined as returning officers for any local elections. Accordingly, the Council is asked to confirm the appointment of Mr I Willett, Assistant to the Chief Executive, as a Local Returning Officer.

The terms of reference for the appointment including fees, superannuation and insurance are as set out in Council minute 115 of 19 April 2005.

14. DECISIONS TAKEN BY THE LEADER OF COUNCIL**(a) Review of Staff Car Leasing Scheme****Decision:**

- (1) To appoint Councillor J Knapman (Portfolio Holder for Environment) and Councillor J Wyatt (Portfolio Holder for Support Services) jointly to carry out a review of the present staff car leasing scheme;**

- (2) To determine that the terms of reference for this review should be as follows:
- (a) to review and reduce the cost to the Council of the current scheme;
 - (b) to review the report of the officer working party (attached) submitted to the Management Board on 28 September 2011, including:
 - staff eligibility;
 - vehicle arrangements;
 - alternative schemes designed to reduce costs;
 - financial contributions by staff under the scheme;
 - (c) to consider arrangements for consulting staff and union representatives;
 - (d) to consider any changes to staff contracts of employment, taking account of recent legal advice;
 - (e) to consider any impact on staff working arrangements arising from new car leasing arrangements; and
 - (f) to consider compensation arrangements appropriate to changes to the scheme.
- (3) To undertake, pursuant to (2) above:
- (a) discussions with the officer working party on the options for altering the scheme;
 - (b) attendance at the relevant Joint Consultative Committee as part of the consultation arrangements; and
 - (c) liaison with the officer working party in preparing a report and recommendations for consideration by the Cabinet.
- (4) To present a report to the Cabinet on the review of the scheme no later than the Cabinet meeting on 6 June 2012.

(b) Local Development Framework Cabinet Committee

Decision:

- (1) To amend the title of this Committee to read “Local Plan Cabinet Committee”; and
- (2) To appoint Councillor J Philip (Planning and Technology Portfolio Holder) to be the Chairman of the Committee

15. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS (Pages 197 - 218)

- (a) To receive the attached report from two of the District Council nominated

managing trustees on the Grange Farm Centre Trust and answers to any questions on that body which may be put without notice;

- (b) To receive from other Council representatives the reports (attached - if any) on the business of joint arrangements and external organisations and to receive answers to any questions on those bodies which may be put without notice; and
- (b) To request written reports from representatives on joint arrangements and external organisations for future meetings.

16. EXCLUSION OF PUBLIC AND PRESS

Exclusion: To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

Agenda Item No	Subject	Exempt Information Paragraph Number
17	Report of the Cabinet – Supplementary Estimate and Reduced Capital Receipt – North weald airfield Market Operator	3

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Confidential Items Commencement: Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and

- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

17. REPORT OF THE CABINET - SUPPLEMENTARY ESTIMATE AND REDUCED CAPITAL RECEIPT - NORTH WEALD AIRFIELD MARKET OPERATOR (Pages 219 - 220)

To consider the attached restricted report.

EPHING FOREST DISTRICT COUNCIL COUNCIL MINUTES

Committee: Council **Date:** 13 December 2011

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 8.55 pm

Members Present: Councillors K Angold-Stephens (Chairman), B Rolfe (Vice-Chairman), K Avey, R Barrett, R Bassett, A Boyce, W Breare-Hall, Ms R Brookes, K Chana, Mrs T Cochrane, R Cohen, Mrs D Collins, Mrs R Gadsby, P Gode, Mrs A Grigg, J Hart, Ms J Hart, D Jacobs, D C Johnson, Mrs S Jones, P Keska, J Knapman, Ms Y Knight, Mrs J Lea, L Leonard, A Lion, Mrs M McEwen, J Markham, A Mitchell MBE, G Mohindra, R Morgan, S Murray, J Philip, Mrs C Pond, Mrs P Richardson, B Sandler, Mrs M Sartin, Mrs P Smith, P Spencer, D Stallan, Mrs J Sutcliffe, Mrs L Wagland, G Waller, Ms S Watson, A Watts, Mrs E Webster, C Whitbread, Mrs J H Whitehouse, J M Whitehouse, D Wixley and J Wyatt

Apologies: Councillors D Dodeja, C Finn, S Packford, W Pryor and Ms S Stavrou

Officers Present: D Macnab (Acting Chief Executive), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT), I Willett (Assistant to the Chief Executive), G Lunnun (Assistant Director (Democratic Services)), S G Hill (Senior Democratic Services Officer), P Seager (Chairman's Secretary) and S Mitchell (PR Website Editor)

91. WEBCASTING INTRODUCTION

The Assistant to the Chief Executive 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.

92. DAVE SMITH

It was with much sadness that the Chairman informed the Council of the death of Dave Smith, one of the Council's carpenters.

Members noted that Dave had given over 15 years loyal service to the Council, and had been a dedicated and conscientious carpenter who had earned the respect of his managers, his colleagues and the tenants with whom he had come into contact.

The Council stood for a minute's silence in tribute to the memory of Dave Smith.

93. MINUTES

RESOLVED:

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

94. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor Gadsby declared a personal interest in agenda item 14 (Joint Arrangements and External Organisations – Grange Farm Managing Trustees). The Councillor advised that she had determined that her interest was prejudicial and that she would leave the meeting for the consideration of the matter.

(b) Pursuant to the Council's Code of Member Conduct, Councillor Watson declared a personal interest in agenda item 12 (Report of Overview and Scrutiny – Audit and Governance Committee – Appointment of Portfolio Holder Assistant). The Councillor advised that she had determined that her interest was prejudicial and that she would leave the meeting for the consideration and voting on the matter.

95. ANNOUNCEMENTS**(a) Announcements by the Chairman of the Council****(i) Attendance at Events**

The Chairman reported on his attendance at the Annual General meeting of Crossroads Care which had also been a celebration of the silver anniversary of the Crossroads Scheme in the Epping Forest District. The Chairman drew attention to the work undertaken by carers for those with a wide range of physical and mental conditions.

The Chairman drew attention to the Remembrance Services which he had attended and thanked past Chairmen and other members for their attendance at services.

The Chairman announced that together with staff from the Animal Welfare and Emergency Planning Teams he had attended an event to celebrate a special award from the RSPCA in recognition of the Council's Emergency Animal Welfare Plans. He advised that this had given him an insight into one of the lesser known parts of the Environment and Street Scene Directorate although the star of the event had been a Bull Mastiff Cross dog.

The Chairman thanked Christine Eyles, Volunteer Centre Co-ordinator for the work she had undertaken in organising a donation station where members and staff could donate clothing for sale in St Clare Hospice Shops, one of the Chairman's Charities. He advised that 50 bags of clothing had been collected, the sale of which would provide a welcome boost to the Charity.

The Chairman referred to his attendance at the official opening of Zinc Arts Centre and Tolpuddle House, Ongar and the new Pavilion at the Grange Farm Trust, Chigwell. He advised that the Earl of Wessex had been present at both openings.

The Council noted that on 2 December 2011, the Chairman had attended the Debden Christmas celebrations. He thanked the Epping Forest College and schools for the entertainment they had provided at that event.

The Chairman reported that he had attended the Children's Sports Awards lunch organised by the President's Sporting Club/Essex Disabled Sports Foundation. Over 600 disabled children and their helpers from special schools from the region had attended the event which had been held at North Weald Airfield.

The Chairman advised that on 7 December 2011 he had attended a VIP performance by the East 15 Acting School.

The Council noted that the Chairman had attended the RAD Carol Service for deaf and deafblind held at Chelmsford Cathedral on 9 December 2011.

The Chairman reported that together with the Vice-Chairman of the Council and the Leader of the Council he had attended the Chigwell Riding Trust for Special Needs Carol Service which he had very much enjoyed.

The Chairman reminded members that the Council's Civic Carol Service was taking place on 16 December 2011 and that a quiz night in aid of its charity would be held at Theydon Bois Village Hall on 3 February 2012.

(ii) Chairman's Charity

The Chairman announced that £1,118 had been raised for his charity from the White Water Rafting Event held at the Lee Valley Water Centre. The Chairman thanked those who had taken part and especially those who had waived the refund of their entry fee.

The Chairman advised that tickets for a Christmas raffle in aid of his charity would be available in the Members' Room after this meeting.

(iii) The Floral Display

The Chairman announced that he intended to send the flowers from tonight's meeting to the family of Dave Smith.

(b) Announcements by the Leader of Council

The Leader advised that she had no announcements to make under this heading.

(c) Announcements by Portfolio Holders

The Portfolio Holders advised that they had no announcements to make under this heading.

96. PUBLIC QUESTIONS (IF ANY)

The Council noted that there were no public questions for this meeting.

97. 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 Environment Portfolio Holder, the Finance and Economic Development Portfolio Holder, the Housing Portfolio Holder, the Leisure and Wellbeing Portfolio Holder, the Planning and Technology Portfolio Holder, and the Safer, Greener and Highways Portfolio Holder. The Council also received a supplementary written report from the Safer, Greener and Highways Portfolio Holder. The Council noted that the Support Services Portfolio Holder did not have any matters to report to the Council under this item.

The Chairman invited the Leader and Legal Portfolio Holder to provide an oral report, and the Chairman of the Overview and Scrutiny Committee and other members of the Cabinet to give an oral update of their written reports.

(a) Leader and Legal Portfolio Holder

Councillor Wagland reported on her attendance at a meeting of the full board and formal re-launch of the South East Local Enterprise Partnership at which the Chairman, John Spence, had emphasised its mission statement to become the most enterprising economy in England. The Leader advised that the Partnership which covered Essex, Kent and East Sussex contributed £55bn to the National Economy (17%). Members noted that John Spence had again stated the need for the Partnership to add value, and only to undertake matters which could be achieved more effectively and efficiency than at the local level. The Leader advised that she would place documents reflecting the vision of the Partnership in the Council Bulletin. Councillor Wagland reported on progress being made by the Partnership in relation to two enterprise zones, one at Sandwich and one at Harlow. Members noted that the Partnership had received the largest allocation of Growing Places funding outside London amounting to £32m as well as £27m funding for Broadband development. A scheme in Essex would receive £6.2m regional growth fund for research and development within the medical and science, aerospace, defence and industrial markets.

The Leader reported that together with John Houston, LSP Manager, she had recently met Doctor Kamal Bishai, Head of the Local GP Commissioning Body who would be Chairing the Health Group LSP and would join the Board. Members noted that at a Board meeting earlier in the day, Doctor Bishai had reported on the role of the GP Consortia.

The Leader reported that together with J Chandler, Assistant Director, she had met Essex County Council officers in relation to the Essex Health and Wellbeing Board. She advised that Essex County Council was responsible for setting up a shadow board and District Council interests on that board would be represented by Tendring District Council representative. In due course the full board would have four District Council representatives from Tendring, Rochford, Harlow and Braintree. A stakeholder forum was to take place at which the views of the Epping Forest District would be put forward. A contribution would also be made to a Strategic Needs Assessment. The Leader advised that it appeared the GP Consortium would present plans to the Board in accordance with the Strategic Needs Assessment and that funds were likely to stay with the Consortium. Councillor Wagland advised that she would report further to the Council when she had more information.

Councillor Wagland advised that there had been an incursion by gypsies and travellers onto a District Council owned site opposite the Marriott Hotel in Waltham Abbey. She advised that contrary to rumour the Council's Legal Officers had issued proceedings as soon as they became aware of the situation and had secured the first available Court date of 8 December at which a Possession Order had been granted. An approach had been made to the Police requesting them to use Section 61 powers but they had not been prepared to do so. Accordingly it had been necessary to proceed with the trespass proceedings and following advice that Court bailiffs would not be available until the New Year, steps had been taken to engage a private bailiff service at a cost of £2,500. Those bailiffs had been successful in moving the gypsies and travellers from the land but they had now moved onto the Cornmill Car Park in Waltham Abbey and it would be necessary to take similar steps in order to seek their removal from that site although it appeared that the Police would be more inclined to use their Section 61 powers.

The Leader advised that the Council had joined the Public Law Partnership as a way of contributing and sharing expertise and costs. She advised that through this Partnership, District Council Officers had undertaken investigations about member complaints for Harlow and Basildon Councils and as a result this Council had received approximately £4,000 income. The Leader advised that the Partnership had been shortlisted for the Local Government Chronicle Legal Team Award in recognition of its approach to shared services.

Councillor Wagland advised that the Localism Bill had now been enacted and that a training session was planned for members in the New Year. She advised that this training session would be webcast and available for those members unable to attend the event.

(b) Leisure and Wellbeing Portfolio Holder

Councillor Gadsby, Leisure and Wellbeing Portfolio Holder, reported that the internal and external decorations, fixtures and fittings for the new Limes Centre at Limes Farm would be completed during the current week and that the statutory undertakers were due to complete their work before Christmas. She advised that although the Centre would not be open for Christmas, the project would be completed within budget and would be handed over to the Council during January 2012. She drew attention to the attractive facilities which would be available including a large hall with an integral kitchen suitable for functions such as wedding receptions, a medium size hall, a 12 seat meeting room, and a health clinic facility. Councillor Gadsby reported that a resident Community Development Worker would be on site two days a week and that all of the services would be provided within existing staffing resources.

Councillor Gadsby referred to the break-in at the Epping Forest Museum. She advised that two items had still not been recovered but the case was still under investigation. As a result of the break-in some improved security measures had been introduced.

The Portfolio Holder advised that the concerns of the Environment Agency regarding the integrity of the Town Mead site had now been overcome and work was expected to commence on the All Weather Pitch in the New Year.

(c) Planning and Technology Portfolio Holder

Councillor Philip, Planning and Technology Portfolio Holder, reported that WiFi was now available in the Council Chamber. He advised that access would be controlled through Democratic Services who would provide members with a password when requested.

(d) Finance and Economic Development Portfolio Holder

Councillor Mohindra, Finance and Economic Development Portfolio Holder, referred to his written report regarding changes to Housing Benefit for single people under 35 and stated that a copy of the letter to be sent to relevant claimants would be published in the Council Bulletin and details would also appear in the latest edition of The Forester.

Councillor Mohindra drew attention to the success of the Estates and Valuation Section in securing new tenants for shops in The Broadway, Loughton.

In relation to the redevelopment of the St John's Road area in Epping, the Portfolio Holder advised that a meeting was to be held on 12 January 2012 with Epping Town Council to discuss progress with the preparation of a development brief. He confirmed that an invitation to that meeting would be extended to Epping members. The Portfolio Holder advised that officers had been working with County Council officers and as a result a road safety audit had been undertaken. At a meeting of the Project Team terms of reference had been agreed and a timescale had been discussed. A further meeting of the Project Team was due to take place on 15 December 2011 at which it was hoped a realistic timescale would be agreed. Councillor Mohindra advised that he had emphasised to officers the need for a meaningful consultation exercise with adequate time for responses.

98. QUESTIONS BY MEMBERS WITHOUT NOTICE

(a) Buckhurst Hill Parking Review

Councillor Spencer asked the Safer, Greener and Highways Portfolio Holder if a team of officers was in place to undertake the Buckhurst Hill Parking Review next year.

Councillor Smith, Safer, Greener and Highways Portfolio Holder stated that a team of officers had not yet been established but that she was fully aware of the need for a team to be developed.

(b) Revenue Income Optimisation – Parking Charges

Councillor J M Whitehouse drew attention to the written report of the Finance and Economic Development Portfolio Holder regarding the revenue income optimisation exercise recently undertaken by Price Waterhouse Coopers. He asked the Portfolio Holder to acknowledge the direct relationship between off and on-street parking and sought confirmation that any proposals would take account of the impact on on-street parking and ensure that the car parks in town centres would be available for local shoppers.

Councillor Mohindra, Finance and Economic Development Portfolio Holder advised that the main purpose of the proposals was to secure better utilisation of the car parks. Councillor Mohindra advised that the view of the Finance and Performance Management Committee had been to retain current off-street car parking charges to support the local economy of the District and further work would be carried out on how car parking charges could be structured to benefit local businesses by increasing turnover within the car parks. Councillor Mohindra invited Councillor Smith, Safer, Greener and Highways Portfolio Holder, to respond to that part of the question regarding on-street parking.

Councillor Smith, Safer, Greener and Highways Portfolio Holder advised that the correlation between off and on-street parking was recognised and would be taken into account.

(c) Epping New Road

Councillor Watts suggested that the Safer, Greener and Highways Portfolio Holder had omitted from her report reference to the filling of a pothole in the Epping New Road.

Councillor Smith, Safer, Greener and Highways Portfolio Holder thanked Councillor Watts for drawing this to the attention of the Council.

(d) Changes to Housing Benefit

Councillor Murray drew attention to the written report of the Finance and Economic Development Portfolio Holder regarding changes to Housing Benefit for single people under 35. He asked the Portfolio Holder if he agreed that a small section of the society was being unduly affected.

Councillor Mohindra, Finance and Economic Development Portfolio Holder advised that the decision of Central Government was a matter of concern to him. He acknowledged that a small minority would be affected and advised that the Government was trying to ensure that people lived in suitable sized accommodation. Councillor Mohindra said that the Council help those affected as best as it could.

(e) Council House Building Programme

Councillor Murray drew attention to the written report of the Housing Portfolio Holder regarding the decision of the Cabinet to commence a new Council House Building Programme. He pointed out that the District Council had not built a Council house since 1985 and that the current proposals would not secure a property until 2015. He asked the Portfolio Holder if she agreed that this was both a local and national disgrace.

Councillor McEwen, Housing Portfolio Holder pointed out that whilst the District Council had not built any houses during the last 30 years, a number had been built by Housing Associations. She emphasised that the District Council had been prevented from building houses as a result of Government regulations.

(f) Community Safety

Councillor Wixley drew attention to the written report of the Safer, Greener and Highways Portfolio Holder regarding operations undertaken in the Loughton Way area. He advised that the report referred to the Loughton Way area in Loughton whereas it should have referred to the Loughton Way in Buckhurst Hill.

Councillor Smith, Safer, Greener and Highways Portfolio Holder asked Councillor Wixley to accept that Buckhurst Hill was a safe place in which to reside as was Loughton. She pointed out that the reference to Loughton Way had been intended as a reference to the general area in which the Council had invested as had the local Town Council.

(g) Community Safety – The Broadway, Loughton

Councillor Markham referred to the domestic violence one stop shop in The Broadway, Loughton and to the proposed CCTV regeneration project in that area. He said that he was alarmed that it was felt necessary to give this much attention to The Broadway and he sought an assurance from the Safer, Greener and Highways Portfolio Holder that The Broadway was no different from any other part of the District.

Councillor Smith, Safer, Greener and Highways Portfolio Holder stated that earlier this month four doves had been released at a small service on the green adjoining the Civic Offices to symbolise the four deaths which had occurred in Essex in the last year as a result of domestic violence. She urged anyone experiencing home concerns to contact the Centre. The Portfolio Holder advised that domestic violence was a real problem and suggested that the provision of a on stop shop was a very

worthwhile facility. She said that the Broadway had been chosen due its accessibility and the availability of premises.

(h) Revenue of Income Optimisation – Advertising

Councillor Sutcliffe drew attention to the written report of the Finance and Economic Development Portfolio Holder regarding the opportunities for the introduction of advertising on the Council's website and vehicle fleet. Whilst acknowledging the need to increase income she sought an assurance that any such advertising would be limited and carefully controlled.

Councillor Mohindra, Finance and Economic Development Portfolio Holder, advised that this suggestion would be subject to a detailed report and the concerns of the Councillor would be taken into account.

(i) Olympic Games

Councillor J H Whitehouse referred to local events being organised to celebrate the Olympic Games in 2012 and asked the Leisure and Wellbeing Portfolio Holder if a comprehensive list was available showing all the events.

Councillor Gadsby, Leisure and Wellbeing Portfolio Holder stated that such a list was not available at present but that she considered this to be a good idea which she would pursue with officers.

(j) Relocation of Refuse Freighters to North Weald Airfield

Councillor Stallan asked the Environment Portfolio Holder about the current position regarding the possible relocation of refuse freighters to North Weald Airfield.

Councillor Knapman, Environment Portfolio Holder stated that matters were moving slowly and that at present no plans had been submitted. He continued that he was awaiting a report regarding contaminated land and on receipt of that report it might be possible to progress matters. However, there were other options and it was his preference not to relocate the refuse freighters to North Weald Airfield.

(k) Anti-Social Behaviour in North Weald

Councillor Grigg referred to the reduction in the number of reported incidences of anti-social behaviour and asked the Safer, Greener and Highways Portfolio Holder if she agreed that the figures distorted the extent of the problem due to residents being reluctant to report situations. Councillor Grigg stated that a resident in North Weald had suffered repeated attacks by graffiti artists outside of her property, most of which had taken place whilst the resident had been at work or asleep. Councillor Grigg reported that the resident had been advised that unless she witnessed the attacks and could provide evidence there was little action that could be taken. Councillor Grigg invited the Portfolio Holder to meet her outside of this meeting in order to consider this matter with a view to taking some remedial action.

Councillor Smith, Safer, Greener and Highways Portfolio Holder said that she remembered Councillor Grigg had raised this matter with her previously and that officers from the Safer Communities Team had spoken to the resident. Councillor Smith agreed to meet Councillor Grigg outside of the meeting in order to discuss possible further remedial action.

(l) Recycling – Blocks of Flats

Councillor Jenny Hart congratulated the Environment Portfolio Holder, officers and residents for the Epping Forest District Council being one of the top twenty District Councils for recycling rates. She stated that she understood communal bins were to be provided for a number of blocks of flats to enable the collection recycling of dry waste and she questioned when it would be possible for food waste to be collected from blocks of flats. She also asked if blocks of flats not within the communal scheme would still have clear sacks and blue boxes collected.

Councillor Knapman, Environment Portfolio Holder, thanked Councillor Hart for her compliments but stated that despite this Council's good performance he wanted to achieve a higher rate of re-cycling. He advised that a meeting was to be held in early January at which Councillor Hart will be welcome to attend when he would be discussing with officers the need for bespoke systems for individual blocks of flats so that all residents of flats were given the same opportunities to re-cycle as other residents.

(m) Reduction in Non-Recyclables to Landfill

Councillor Jenny Hart advised that members had been informed via the Council Bulletin in May 2011 of a proposal for a strategic waste management site at Courtauld Road in Basildon. She stated that she understood the aim was to provide a facility which would extract recyclable materials and process the remainder to produce a dried output material that could potentially be used or landfilled without the problems associated with the disposal of untreated household waste to landfill sites. She asked the Environment Portfolio Holder if he was aware what progress was being made in relation to the provision of this facility.

Councillor Knapman, Environment Portfolio Holder stated that the Courtauld Road site was going ahead. Officers were currently investigating a PFI arrangement and ultimately waste from this District would go to a transfer station at Harlow and then onto the Courtauld Road site.

99. MOTIONS

The Chairman reported that there were no motions to be considered at this meeting.

100. QUESTIONS BY MEMBERS UNDER NOTICE

The Chairman reported that there were no questions by members under notice to be considered at this meeting.

101. REPORT OF THE CABINET - CALENDAR OF MEETINGS 2012/13

Mover: Councillor Wyatt, Support Services Portfolio Holder

Councillor Wyatt submitted a report recommending the adoption of a calendar of meetings for 2012/13. He drew attention to changes which had been made to the draft calendar which had been considered by the Cabinet in order to avoid a clash of meetings.

Report as first moved ADOPTED

RESOLVED:

That the calendar of Council meetings for 2012/13 attached as an Appendix to these minutes be adopted.

102. REPORT OF THE CABINET - TREASURY MANAGEMENT STRATEGY/COUNCIL'S BANK

Mover: Councillor Mohindra, Finance and Economic Development Portfolio Holder

Councillor Mohindra submitted a report on the Council's overall treasury position and advised that the Council's bank no longer met the Council's minimum rating criteria.

Report as first moved ADOPTED

RESOLVED:

That the change in the Treasury Management Strategy to reduce the minimum long-term rating from a plus (or equivalent) down to a minus (or equivalent) specifically only for the use of the Council's bank, Nat West, and only while it remains in the ownership of the UK Government, be approved.

103. REPORT OF OVERVIEW AND SCRUTINY - AUDIT AND GOVERNANCE COMMITTEE - APPOINTMENT OF PORTFOLIO HOLDER ASSISTANTS

Mover: Councillor Bassett, Chairman of the Overview and Scrutiny Committee

Councillor Bassett submitted a report following consideration by the Constitution and Member Services Panel on a review of the Constitution of the Audit and Governance Committee to clarify whether a Portfolio Holder Assistant could be a member of that body.

By leave of the Council, Councillor Bassett sought approval to the insertion of the word "primarily" after the word "dealing" in recommendation 1 of the report in order to accord with the views which had been agreed by the Committee.

Report as amended ADOPTED

RESOLVED:

(1) That Portfolio Holder Assistants, except those involved with the Portfolio dealing primarily with the Council's finances, be eligible for appointment to the Audit and Governance Committee, subject to careful consideration by the Councillor concerned of the need to declare a prejudicial interest in any matter relating to the relevant Portfolio which comes before that Committee;

(2) That the decision set out in (1) above be reviewed after one year or if there is a change either in the roles of Portfolio Holder Assistants or the Audit and Governance Committee;

(3) That the designation "Deputy Portfolio Holder" be changed to "Portfolio Holder Assistant";

(4) That paragraph 1.6(a) (Councillor Members) of Article 11 of the Constitution (Audit and Governance Committee) be amended to read as follows:

"11.6(a) (Councillor Members)

Councillors appointed to the Audit and Governance Committee may not also be members of the Cabinet, any Cabinet Committee or any Panel appointed by the Overview and Scrutiny Committee with responsibility for reviewing the Council's finances or financial procedures.

A Portfolio Holder Assistant (other than any Assistant involved in any Portfolio dealing primarily with the Council's finances) appointed by the Leader of the Council shall be eligible for appointment to the Committee";

(5) That the Standards Committee be asked to issue advice to Portfolio Holder Assistants on how such conflicts of interest should be dealt with and to consult with the Audit and Governance Committee before it is issued;

(6) That the proposed review by the Audit and Governance Committee of its own constitution including the following specific matters be noted:

(a) terms of appointment for independent members;

(b) method of appointing Councillor members of the Committee (including pro rata rules and appointment by Council rather than political groups);

(c) whether the Committee should be increased in size;

(d) whether there should be a majority of independent members; and

(e) whether there should be separate Audit and Governance Committees;

(7) That any review of the Constitution which results from (6) above be added to the Work Programme of the Constitution and Member Services Scrutiny Panel;

(8) That the Audit and Governance Committee be advised of the view of the Constitution and Member Services Panel that the number of its members should be increased.

104. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE - REPORTING BY SCRUTINY PANEL CHAIRMAN AT COUNCIL MEETINGS

Mover: Councillor Bassett, Chairman of the Overview and Scrutiny Committee

Councillor Bassett submitted a report following consideration by the Constitution and Members Services Panel on a review of the reporting arrangements at Council meetings in relation to matters considered by Overview and Scrutiny Panels

Report as first moved ADOPTED

RESOLVED:

(1) That the principle of Scrutiny Panel Chairmen presenting reports at Council and other Council bodies be approved;

(2) That Overview and Scrutiny Procedure Rules 12(3)(h) (Standing Scrutiny Panels) and 13(3)(h) (Task and Finish Scrutiny Panels) be amended to read as follows:

“be able, after consideration by the Overview and Scrutiny Committee, to report to the Council, the Cabinet, a Cabinet Committee, a Portfolio Holder or any other Council body”;

(3) That Overview and Scrutiny Procedure Rules 12(4) and 13(3) be further amended by the addition of the following sub paragraphs:

“(i) in the circumstances set out in (h), the report shall be submitted in the name of the Panel and presented by its Chairman, unless the work of more than one Scrutiny Panel is involved, in which case any report to another Council body will be in the name of the Overview & Scrutiny and presented by its Chairman;

(j) in the event that the submission of a Panel report to another Council body is required such that it cannot be considered by the Overview & Scrutiny Committee in accordance with paragraph (h) above, the Panel report may proceed for consideration subject to prior consultation with the Chairman of that Committee as to the reasons for urgency”;

(4) That, at Council meetings, the written report of the Chairman of the Overview and Scrutiny Committee be dealt with prior to the reports by the Committee or any of its Panels and grouped under a single item relating to Overview and Scrutiny business; and

(5) That the Assistant to the Chief Executive be authorised to make any other consequential amendments to the Constitution arising from the above changes.

105. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

The Council received a written report from Councillors Smith and Johnson in relation to their roles as Grange Farm Managing Trustees.

Councillor Murray suggested that the facilities currently provided at Grange Farm in no way replaced what had been available to the public some 30 years ago. He suggested that this Council had been responsible for the loss of public facilities.

Councillor Murray drew attention to the difficulty in accessing the Chigwell Nature Reserve from the west due to the gate on the pedestrian motorway bridge being locked. He suggested that there was a need to regularise the arrangements for the opening of the gate and suggested that during the summer months it should be open from dawn to dusk.

Councillor Smith apologised about the restricted access and stated that she would pursue this matter although she understood that the opening of the gates was controlled by another party.

Councillor Wixley stated that he had visited the pavilion on 1 October 2011 and had not seen any evidence of an Interpretation Centre for Essex Wildlife Trust. He asked if a lack of funds had prevented this from being pursued.

Councillor Smith advised that the Essex Wildlife Trust had moved into the pavilion and a wealth of information was now available. The Trust were also engaging with local schools. She suggested that on 1 October 2011 the project had been in its infancy and that matters had progressed considerably since that time.

Councillor Knapman referred to the grants awarded by the Grange Farm Trust amounting annually to approximately £120,000. He questioned how many projects had received grants and what proportion of the Trust's investment income was being devoted to grants each year.

Councillor Smith advised that grants were paid on the receipt of invoices for approved schemes. She stated that there were a number of outstanding applications which had been approved but in respect of which invoices had not yet been received. Accordingly, the grants in respect of those schemes had not yet been paid. Councillor Smith also referred to money which had been spent by the Trust in recent years on the pavilion and on the provision of football pitches.

Councillor Wagland referred to the comments made by Councillor Murray about the facilities on the site and pointed out that there had been doubts about ownership of the land which had been resolved through the establishment of a Trust. This had also ensured that any future development of the land could be controlled.

Councillor Knapman repeated his request for a report on the Trust's investments income and the amounts given in grant.

Councillor Smith confirmed that she would submit a report to a future Council meeting.

Councillor Webster advised that she was also a Managing Trustee nominated by Essex County Council. She advised that the Clerk to the Trustees could provide the information requested by Councillor Knapman and there was no reason why such information could not be provided on an annual basis.

Councillor Smith agreed with the comments made by Councillor Webster and again confirmed that she would report to a future meeting.

106. SEASON'S GREETINGS

The Chairman extended season's greetings to members and officers.

CHAIRMAN

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Epping Forest District Council Calendar of Meetings 2012/13															
		2012									2013				
Meeting		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Executive															
Council		22nd		31st		27th		6th	18th		19th(21st)		23rd	21st	
Cabinet			11th	23rd		10th	22nd		3rd		4th	11th	15th		
FPM Cab Comm			25th			20th		26th		21st		18th			
NWA & AM Cab Comm				9th			8th				11th		8th		
LDF Cab Comm				2nd		3rd		19th		14th		25th			
Scrutiny															
OS Committee			7th	17th		4th	16th	27th		22nd		5th	9th		
Finance & Perf Mgmt			19th			18th		20th		21st		12th			
Housing				24th			23rd			29th		19th			
Planning Services			12th			11th			11th				16th		
safer, Cleaner, Greener				10th			30th			8th	12th		2nd		
Constitution & Mbr Serv's			26th			25th			4th			26th			
Planning															
District Development			13th		8th		3rd			30th		27th			
Plans East		9th	6th	4th	1st-29th	26th	24th	28th	19th	23rd	20th	20th	17th	22nd	
Plans West		23rd	20th	18th	15th	12th	10th	7th	5th	9th	6th	6th	3rd	8th	
Plans South		30th	27th	25th	22nd	19th	17th	21st	12th	16th	13th	13th	10th	15th	
Licensing															
Licensing Committee							10th						10th		
Licensing Sub-Comm			12th	10th	7th	4th	2nd	6th	4th	8th	5th	5th	9th		
Miscellaneous															
Audit & Governance			21st			24th		29th			7th		4th		
Housing Appeals Panel			7th	5th	2nd	6th	4th	1st	6th	10th	7th	7th	4th		
Joint Consultative Comm				26th			18th			31st			25th		
Local Councils Liaison				5th				8th				7th			
Standards Committee			28th				2nd		13th			28th			
		<u>Diamond Jubilee</u>			Mon 4Jun-12 & Tue 5-Jun-12				<u>Crime Commissioner Election</u>			Thu 15-Nov-12			
Webcast meeting		<u>Easter 2012</u>			Fri 29-Mar-13 - Mon 1-Apr-13				<u>Local Elections</u>			Thu 2-May-13			

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Report to the Council

Committee: Cabinet

Date: 14 February 2012

Subject: Environment Portfolio

Portfolio Holder: Councillor John Knapman

Recommending:

That the report of the Environment Portfolio Holder be noted

Waste Management

I am pleased to be able to inform Members that the revised contract with Sita has now been signed by Sita and the Council and this puts into place the £850,000 per annum savings arising from changes to the income stream arising from dry recyclables. It will remain important for the existing levels of recycling to be maintained, and where possible increased further. To that end I have asked officers to continue to develop ways in which we can provide a range of recycling facilities in flats and similar communal buildings.

Towards the end of 2011 officers undertook a survey of residents to find out what they thought of the Council's waste and recycling services. Whilst I have asked that the full results of the survey be placed into the Council Bulletin after this meeting, I would like to share some of the highlights with Members this evening. Taking comments for very good, good and satisfactory as 'positive', the key outcomes are as follows:

Refuse collection:	85% positive (44% very good, 30% good)
Food & garden:	92% positive (54% very good, 23% good)
Dry recycling:	92% positive (47% very good, 30% good)
Glass recycling:	94% positive (50% very good, 30% good)
Bulky waste:	79% positive (15% very good, 26% good)
Street cleaning:	75% positive (4% very good, 22% good)
Service delivery:	88% positive (38% very good, 34% good)

(i.e. crews behaviour etc)

This is an encouraging picture and shows that our core services are working well. It is not surprising that bulky collections are less well received because this is a service which has to be paid for. The street cleansing outcome is marginally disappointing given that inspections on the ground show considerable improvement. However, if residents don't see a street cleaner they assume that roads are not cleansed. This of course is not the case.

Alongside the core data we also have a lot of positive and less positive comments which we will look carefully at to see what else we can do to improve. Overall, it's an excellent outcome and I would like to thank the Council's waste team and Sita for their continued good work.

Environmental Health and Neighbourhoods

In my last report to Council I mentioned the Council's prosecution relating to the death of a child at a nursery back in 2007. The case has now started its passage through the Courts with the first hearing having taken place in mid January 2012. As is often with a first hearing, there were a number of procedural issues raised, and defence lawyers sought additional time. The hearing was adjourned for two months and I will continue to update Members as matters move forwards.

Also in my last report I made mention of an accident at a local logistics company where an employee fell from a height and sustained a serious injury. The Council is prosecuting under the Health and Safety at Work Act 1974 and officers will be attending court in February. Officers are also prosecuting a local bakery following a routine inspection which showed food hygiene standards to be far below legislative requirements.

Land Drainage

I have previously informed Members of the Environment Agency takeover of the Council's flood warning telemetry systems and their reluctance to inform the Council in the event of a flood alarm. Although not able to reach an ideal agreement I am pleased to report that the Environment Agency has now agreed to inform the Council if they cannot respond to flood alerts from our assets or at other times when assistance may be required. I have asked officers to formalise the arrangements. This is a good example of joint working and we will be able to offer an improved flood risk response.

The County Council has acquired new powers under the Flood and Water Management Act 2010 and is keen to work with us to reduce flood risk across the district. Currently two main areas of partnership working are being explored:

- 1) Granting legal consents for works in and around rivers and watercourses, and
- 2) Delegated authority to this Council to make it a Sustainable Drainage System Approval Body.

These are complex areas of work and I have asked officers to look very carefully at the details and any resource impact of taking on additional responsibility. I will update Members when more information becomes available.

Parks and Grounds

The Roding Valley Lake is now back to the level that it was prior to it being partially drained in May last year as part of a murder investigation. The reed beds will need to be replanted but other than that there appear to be no other apparent long term affects. Officers have been working with the Environment Agency (EA) to improve fishing facilities and the general condition of the lake. In December, the EA supplied free of charge, over 1,000 fish in order to help increase the stock in the lake. Two aeration units are to be purchased with a grant from the EA and will be positioned on the lake islands in the next few weeks which will do much to improve the water quality. There will also be the planting of water lily sets that will not only give aesthetic value to the lake but also provide essential cover to the smaller fish. Parts of the causeway between the lake and the river has been repaired and new wooden posts are to be installed in order to prevent vehicular access to this area since it is very vulnerable to erosion.

To assist in the management of the lake there has been discussion with a fishing club to bailiff the lake. Draft terms have been agreed and I will consider these in due course. There are issues with regard to the use of the lake by both fishermen and the public and the monitoring of the area and its wildlife. It is impossible for EFDC officers to be continually patrolling the area either in the day or at night and some inappropriate behaviour can arise both in terms of anti-social behaviour and damage to fauna and flora. Having a fishing club to bailiff the site would give a much needed presence which could control some of these activities as well as being able to alert the appropriate agencies should wildlife get into in difficulty. The club will also be able to promote the sport of fishing by having open days and also having a diverse membership including adults, children and disabled anglers. Day tickets will be available for non club members.

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Subject: Finance and Economic Development Portfolio

Portfolio Holder: Councillor Gagan Mohindra

Recommending:

That the report of the Finance & Economic Development Portfolio

Holder be noted

Accountancy

This is always a very busy time of year for the Accountancy Service with the work to compile the budget and produce a variety of reports to the many meetings that consider the budget. Accountancy also produces the Capital Strategy, but as there are separate reports on both the budget and the Capital Strategy I will not say anything more here about either of these pieces of work.

Benefits & Revenues

I am sure that Members will be aware from the media coverage of the difficult passage of the various welfare reforms through Parliament. Putting the merits of the many changes to one side; it is unhelpful that this process has created further delay and uncertainty around the legislation.

The timetable for implementing the changes is a very challenging one and major questions remain on the localisation of Council Tax Benefit and the role of local authorities in the delivery of Universal Credit. It is difficult to develop plans without an exact structure and regulations to follow but officers are working closely with colleagues at other districts and the county council to prepare for these changes.

The structure and regulations for the local retention of business rates are also eagerly awaited. This is another area where officers are working closely across the county to evaluate the threats and opportunities arising from the changes.

Economic Development

The Council's Economic Development Officer has returned to her post following maternity leave. The main task at hand is preparing the Economic Development and Tourism Strategy for the district, which is an important piece of evidence for the preparation of the Local Plan.

The Council continues to build links and develop partnerships working with the West Essex Alliance, the South East LEP and has formed the London Anglia Growth Partnership with Harlow, Uttlesford and the North London Strategic Alliance.

Officers are working on a London Anglia Growth Prospectus, aiming to identify regeneration and development priorities in the area and attract inward investment.

The Local Strategic Partnership business team has been developing and progressing the following projects:

1. A procurement event was held on 25 January with forty businesses attending. Officers from Essex County Council, Epping College and our own Procurement Team made presentations and were available to discuss and share information on their procurement processes.
2. One Shops Local. 130 businesses had registered by the end of January. Approximately twenty of these were outside the district and taken off the site for this reason. The site is being monitored to ensure that business representation is confined to only our district area. We have been contacted by a number of organisations interested in buying the concept and design for the website. The 100th shop to register on the site was Churches butcher on Epping High Street and a photo opportunity took place on 27 January.
3. At the time of writing, LSP partners were being lined up to send an email to all their staff containing information about the site and its offers. The website was updated to include a section with vouchers from a wide array of businesses, offers are now available. A fashion show, showcasing local high street boutiques is being organised to take place in July. Epping Forest College students are being lined up to assist with running the show and offer input on organising the event.
4. On employment skills, the Future Jobs fund achieved 67 placements over six months, 29 of which were within the District Council. This amounted to £373,441 worth of funding being brought into the District, £162,355 of this was brought directly into this Council.
5. The Task and Finish Group has made a number of recommendations for improvement and these are being implemented. A request for expanded Hail and Ride in the rural areas of the district is being progressed
6. The work of the Big Society Task and Finish Panel has been completed and recommendations made, these are now being prioritised by the partners, while a new charter to support volunteering is being finalised

Performance Management

Key Objectives 2012/13

At this meeting, the Council will consider a recommendation of the Cabinet to adopt the Council's Key Objectives for 2012/13.

The Key Objectives reflect national and local priorities and specific service challenges, and provide a clear statement of the Council's plans for the year ahead. The Key Objectives detail specific actions articulating how they will be achieved, and measurable outcomes to demonstrate achievement. A number of the Key Objectives have been carried forward from 2011/12, with new or revised actions and intended outcomes, alongside new objectives that seek to respond to developing issues of national or local importance. Six-monthly and outturn progress against the

achievement of the Key Objectives will be reported to the Cabinet and the Overview and Scrutiny Committee.

The delivery of the Key Objectives will also be reflected within the Directorate Business Plans to be produced for 2012/13, thereby further linking the various elements of the Council's performance management framework. The business plans will be approved by each Portfolio Holder having executive responsibility for the work of individual directorates or service areas, and progress will also be formally reviewed with the relevant Portfolio Holder(s) on a six-monthly and year-end basis.

The Key Objectives will be published on the Council's website as an update to the Corporate Plan for 2011/12 to 2014/15, alongside details of progress against the achievement of the Key Objectives for 2011/12. In order to minimise production costs, the Corporate Plan is only published on the website, although copies are available on request from the Performance Improvement Unit. Physical copies of the Plan will however be made available for all members newly elected to the Council in May 2012, as part of the new member induction arrangements.

Key Performance Indicators 2011/12 – Quarter 3 Performance

The Finance and Performance Management Scrutiny Panel will consider cumulative performance for the third quarter of 2011/12, in relation to the Key Performance Indicators (KPI) for the year, at its meeting in March 2012. At that time, the Scrutiny Panel and the Finance and Performance Management Cabinet Committee will also consider proposed targets for the KPIs for 2012/13. The nine-month position with regard to the achievement of target performance for the KPIs for the current year, will be reflected in my next report to the Council

The Scrutiny Panel has also considered the continued relevance of a number of existing KPIs, and recommendations in respect of the deletion of several indicators were agreed by the Cabinet Committee on 16 January 2012.

Facilities Management & Estates

Facilities Management

With the Government's expansion of the Building Regulations in 2005, the adequacy of the design, installation and testing of domestic wiring installations under Approved Document "P" has been the responsibility of Building Control. Until now, where an approved and registered electrical installer is not used, Building Control has had to engage the services of private electrical contractors to undertake this work. Arrangements have been agreed with the Council's Facilities Management Section for qualified electrical staff to carry out the testing, inspection and certifications on behalf of Building Control.

Whilst the numbers involved and revenue generated is not significant there will be a small income but perhaps more importantly an improved service to the customer through quicker response times and less administration for the Building Control section.

This further collaboration follows on from the work Building Control undertook in 2011 to carry out the survey of all operational and commercial properties for the Five Year Planned and Preventative Maintenance Programme 2012 – 2017. This type of

collaboration is a very good example of internal partnership working to make the most efficient use of in house expertise and resources.

Estates and Valuation

The recent work of the section has included:

(1) Brooker Road Industrial Estate Waltham Abbey

A new 10 year lease was completed in January 2012 in respect of 143 Brooker Road a difficult to let unit that has been vacant since June 2009 despite continual efforts to find a new tenant. This will produce an annual income of £17,000. There will be a rent review at 5 years.

This follows on from the successful letting to a security company of two difficult to let units at Oakwood Hill Industrial Estate Loughton that I reported at the last meeting all of which help the Council to maintain a high percentage of occupancy and to maximise income from the commercial property assets.

(2) Langston Road Depot and adjoining T11 Site Loughton

I am pleased to report a positive response has been received from Essex County Council Highways Department in relation to the planning application for the redevelopment of the site.

Arrangements are now being made by officers in the Planning and Economic Development Directorate in consultation with the Chairman of the District Development Control Committee to convene a special meeting of the Committee to consider the planning application. It is anticipated that the meeting will take place during March 2012.

(3) Liaison with Parish and Town Councils

I, together with other appropriate Cabinet Members, have recently had the opportunity to meet with local members and interested parties at both Epping and North Weald to discuss particular land related items of concern.

In the case of Epping the purpose was to discuss the progress with the Development Design Brief for the St John's area and to seek local input into how the consultation should be conducted to maximise the chances for people to comment. I know further meetings have taken place since and am grateful for this continuing constructive approach.

Equally at North Weald we were happy to answer the questions of and listen to the views of the local representatives. Understandably these focussed around the Airfield but also touched on the wider agenda of how local opinion and experience can be fed into the planning process to positively influence the future of the area. I was therefore grateful to the Leader and the Planning and Economic Development Portfolio holder for their detailed knowledge and advice.

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Subject: Housing

Portfolio Holder: Councillor Maggie McEwen

Recommending:

That the report of the Housing Portfolio Holder be noted.

Housing Repairs Service – Introduction of Mears' IT System

As members will be aware, following the transfer of the former Works Unit, the Housing Directorate has embarked on an ambitious Repairs Refresh Programme to significantly improve the customer service, performance and response times for housing repairs. This has involved: the creation of a new Housing Repairs Service, following a staff restructure and relocation; the increased use of framework contractors; and the appointment of a private sector Repairs Management Contractor to manage the service and introduce a more commercial approach to the operation.

With Mears now operating as the Council's Repairs Management Contractor, much work has been taking place to develop and roll-out the five specific "Key Deliverables" the Council has required of Mears in the first year of the contract.

Four of these Key Deliverables rely on the introduction and operation of Mears' own repairs IT system. These are the implementation of an efficient IT system; an appointment system for all repairs; mobile working for the Council's tradesmen; and the provision of a pricing system for tenants and leaseholders that accurately reflects the cost of the works.

The Mears IT system, called MCM, was successfully introduced on target in January 2012. This has brought with it a number of changes and improvements for both the Council and, more particularly, tenants.

The MCM system is quicker and easier for staff to use when recording a repair request. At the point of reporting a repair, all tenants are now being offered an appointment for their work (am, pm or "school times"), whether it is for an emergency or a routine repair. If the tenant provides a mobile phone number, a text message is sent to the tenant immediately confirming the appointment. The tenant then receives a further text message the day before the appointment to remind them, and a final message once the tradesman is on his way to their home, confirming the estimated time of arrival and the tradesman's name. Since implementation, in addition to dramatically improving customer service, the system has increased productivity amongst our housing workforce, as most tenants are now at home when tradesmen call.

There are 23 tradesmen that now have smartphones to receive and update repairs orders electronically whilst on the go. This has been rolled out on a phased basis to aid training and to iron out any issues at an early stage.

In time, the Council will see improved productivity through this new paperless IT system, which will improve performance when the system is used to its full potential from April 2012. Personally, I was interested to learn that, in the first few days of launching the new system, the Housing Directorate received its first compliment via a text message !

Council Housebuilding Programme

At its meeting in December 2011, the Cabinet agreed the approach to be adopted for the implementation of a new Council Housebuilding Programme. The key element is the appointment of a Development Agent to provide all of the required development and construction services (e.g. architects, quantity surveyors, engineers, project management etc). Since the associated fees over the length of the Development Agent Contract will be above the EU procurement threshold for services, officers have had to follow the EU procurement rules.

The first step in the process has been the publication by the Council of an advert in the Official Journal of the European Union inviting expressions of interest from suitably experienced organisations to complete a Pre-Qualification Questionnaire (PQQ), which will be used to shortlist interested organisations for the detailed invitation to tender.

As at 27 January 2012, 56 expressions of interest to complete a PQQ were received by the Council's consultant who is undertaking the overall tender process.

Housing Improvements and Service Enhancements Proposals

At its meeting in December 2011, the Cabinet agreed to include budget provision within the Housing Revenue Account (HRA) Financial Plan of £770,000 per annum for the next 10 years to fund housing service improvements and enhancements. This has been possible due to the additional funding that has been made available through the new self-financing arrangements for the HRA. The Cabinet also agreed to ask the Housing Scrutiny Panel, in consultation with the Tenants and Leaseholders Federation, to consider and recommend to the Cabinet the most appropriate use for this additional funding.

The Director of Housing is currently consulting other officers within the Housing Directorate on a proposed list of housing improvements and service enhancements - comprising proposals with both one-off and ongoing funding requirements - to bring forward to an additional meeting of the Housing Scrutiny Panel scheduled for the 5th March 2012. Prior to the meeting, the Tenants and Leaseholders Federation will meet to consider the officers' proposals, and the Federation's views will be reported at the Scrutiny Panel meeting.

Park Home Licence Conditions

A report was scheduled to be considered by the Housing Scrutiny Panel on 31 January 2012 inviting the Scrutiny Panel to make recommendations to the Cabinet on a number of matters relating to the licensing of park homes sites in the District. This was as a result of certain issues arising after the Cabinet agreed, last year, the conditions that would be attached to the new site licences. These issues mainly relate to suitable smoke detection systems in porches and how far porches and combustible decking should be allowed to extend into the separation space between homes.

Essex County Fire and Rescue Service's (ECFRS) advice on these issues has been that the Council should adhere to the 'Model Standards 2008 for Caravan Sites in England'. However, to date, they have not been willing to confirm their advice in writing. Their oral advice has been the same as it was in July 2010, when the site licences were first considered.

A meeting was held on 24 January 2012 between the Leader of the Council, myself, senior housing officers and Fire Officers to discuss the ECFRS's views. The Leader put forward the view that the Council needs more comprehensive advice in writing on the issues to be considered by members.

As a result of these discussions, the Fire Officers agreed to provide their written views on the current issues, including statistical evidence. However, they advised that they would not be able to provide a written report on these issues before the end of February 2012. As a result of this, the Chairman of the Housing Scrutiny Panel agreed to postpone consideration of this matter until the views of the ECFRS have been received. Site owners and the representatives of residents associations were notified of the deferral in advance of the scheduled meeting.

Private Sector Housing Renewal Strategy

The Private Sector Housing teams, together with the support of a specialist consultant, are currently updating the Private Sector Housing Renewal Strategy. The updated Strategy will set out the Council's approach to matters such as providing financial and other support for vulnerable people living in the private sector, bringing empty homes back into use and improving access to good quality homes in the privately-rented sector.

The Strategy will be partly based on the outcome of the Private Sector House Condition Survey undertaken by the Housing Directorate in late 2011. The Survey Report is in its final stages of drafting and an item will be included in a future Council Bulletin notifying Members when the Report is available. Copies will be put on deposit in the Members Room and the Report will also be made available on the Council's web-site.

To assist in the development of the Strategy, a consultation exercise has been carried out with staff whose work involves private sector housing. The C.A.R.E. Advisory Panel has also been consulted on the direction the Strategy should take and further consultation is to be carried out with the Leaseholders Association and the C.A.R.E. Service Users Forum. Once the draft Strategy has been prepared, further consultation will be carried out with other stakeholders including, but not limited to: Essex County Council, other local authorities, parish councils, charities, registered housing providers, neighbouring Home Improvement Agency leads and the PCT. The draft Strategy and a report on the outcome of the consultation will be considered by the Housing Scrutiny Panel in March 2012. The Panel will be asked to make its recommendations to the Cabinet and, on this basis, it is hoped that the Strategy will be implemented in Spring 2012.

Government Consultation Papers:

The Council has recently received a number of consultation papers from the Department of Communities and Local Government (CLG).

“Reinvigoration of the Right to Buy and one for one replacement”

This proposes to increase to £50,000 the maximum discount that tenants can receive when they exercise the Right to Buy throughout the country. At present, the maximum amount varies by region. In London, the current maximum discount is £16,000, whilst in the East of England it is £34,000.

The consultation paper also invites views on options for the Government to meet its stated commitment of ensuring that, for every home sold under the Right to Buy as a result of the Government’s proposals, sufficient sale proceeds are used to fund the provision of a replacement home, somewhere in the country. Options include local authorities being able to retain these additional capital receipts and use them to provide replacement affordable housing in their own district; another option is for the net capital receipts to be surrendered to the Government, to enable the Homes and Communities Agency to redistribute the money nationally, through some form of bidding process.

It is also proposed to amend the calculation of the administration allowances that councils receive from capital receipts, to administer the Right to Buy function.

The Council’s response was agreed by the Housing Scrutiny Panel at its meeting on the 31st January 2012. The Tenants and Leaseholders Federation also decided to send a response.

“Allocation of accommodation: guidance for local housing authorities in England”

Following the introduction of the Localism Act 2011, the CLG is consulting on revised statutory guidance for local authorities on the allocation of social housing. The new guidance is intended to assist authorities to take advantage of the provisions in the Localism Act 2011, which give back to local authorities the freedom to manage their own waiting lists, and make it easier for them to move existing social tenants to more suitable accommodation. It also encourages authorities to make use of the existing flexibilities within the allocation legislation to ensure that social homes go to people who need and deserve them the most.

Alongside the guidance, the Government is consulting on two sets of draft regulations relating to the Armed Forces. The regulations will ensure that former Service men and women who have urgent housing needs are given 'additional preference' (i.e. high priority) for social housing - so that they will be at or near the top of housing waiting lists, and that Service personnel who move from base-to-base do not lose their qualification rights.

Officers are currently studying the proposed guidance and will be reporting on a proposed response to the Housing Scrutiny Panel at its meeting on 13th March 2012.

Social Housing Fraud

Social Housing Fraud can cover a range of situations, whereby social housing is being improperly used due to fraudulent activity. The most common mis-use is through ‘unlawful occupation’, which generally means subletting the whole of a tenant’s home, key-selling (where the tenant leaves the property and passes on the keys in return for a one-off lump sum payment) and unauthorised succession (where someone misrepresents their circumstances in order to qualify to succeed to the tenancy following the previous tenant’s death). Each case involves someone living in the home who should not be there.

At present, the majority of remedies available to the social landlords are *civil* remedies. However, this consultation paper considers the introduction of a new *criminal* offence of social housing tenancy fraud. It is proposed that criminal penalties could take the form of a fine, a custodial sentence, or both. In addition, measures could be introduced to allow for any profits to be confiscated and for a restitutionary payment to be made to the landlord.

If a new criminal offence was to be created, the CLG proposes that the maximum sentence should be 2 years imprisonment and a fine of up to £50,000.

Currently, the Proceeds of Crime Act can be used to confiscate money made from certain kinds of criminal activity; however, this money goes back to the state rather than to the person or organisation against whom the offence was committed. The CLG is proposing to allow restitutionary payments to be made to the social landlord in whose stock tenancy fraud was committed. Payments of this nature would allow a landlord to recoup, in both civil and criminal cases, any money the tenant made using the landlord's property (independent of any loss to the landlord).

It is intended that an officer response is provided to the CLG on the proposals.

Members Information Evening: Housing and Welfare Reforms - 28 February 2012

I would just like to remind members of the Members Information Evening being held on the housing and welfare reforms of the Localism Act 2011 and the Welfare Reform Bill at **7pm on Tuesday 28 February 2012** in the Council Chamber.

Under the new Localism Act, housing providers like the Council are being given new powers to make more decisions locally about a range of housing issues. The Council will therefore need to make a number of important decisions in the coming year. These will include:

- **Powers to grant flexible tenancies** - whether or not we continue to provide secure "lifetime" tenancies in all cases in the future, or grant some new tenancies for a fixed term, and if so the length of that term and the circumstances in which this tenancy would be either terminated or extended.
- **Housing Register** - whether or not we wish to take advantage of the new power to be introduced to exclude housing applicants from the Housing Register who do not live within the District.
- **Housing Allocations Scheme** – whether or not we wish to revert to the policy adopted by the Council a number of years ago (which had to be discontinued due to the introduction of legislation at the time but which has now been repealed by the Localism Act) of having a separate Housing Register and Transfer List, perhaps restricting eligibility for houses and bungalows to existing tenants once again.
- **Homelessness** - Whether or not we wish to discharge the Council's homelessness duty by securing accommodation for homeless applicants in the private sector without their agreement, which will now be possible
- **Succession** - Due to the succession rights of new tenants being restricted under the Act to a tenant's spouse, partner or civil partner (thereby excluding

family members who are currently eligible), whether or not we wish to provide discretionary succession rights through the tenancy agreement, as now allowed under the Act.

Many of these provisions will come into effect in April 2012, with others (including the changes to housing allocations schemes) being introduced later in the year.

In addition, the new provisions of the Welfare Reform Bill currently passing through Parliament will have a significant impact on the Council's tenants, tenants in the private rented sector and the Council itself.

A personal invitation will be sent to all members shortly, but you may like to make a note in your diary now.

I would encourage all Members to attend this event, as it is very important that you are all briefed on these major changes which will affect many residents in the District.

Following the Members Information Evening, officers will be working with members to establish our views on each of these issues and to develop our policies for the future.

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Subject: Leisure and Wellbeing Portfolio

Portfolio Holder: Councillor Ricki Gadsby

Recommending:

That the report of the Leisure and Wellbeing Portfolio Holder be noted

Leisure

I was delighted to be able to open the upgraded fitness suites at the Ongar and Epping Leisure Centres on 5 January. The fitness suites have been updated with the latest 'hi-tech' equipment and I have no doubt that they represent the very best of what's available to our leisure centre users. The new equipment was purchased by Sports & Leisure Management (SLM) using capital provided by the Council. As a result of that financial transfer the Council has received a significant discount on the annual revenue management fee for these two centres, making it financially beneficial for both the Council and SLM.

Olympic Games

We are now in the Olympic year of 2012 and the start of the Games, as measured by the start of the Torch relay is now just 16 weeks away, when the Torch commences its journey around the UK starting from Lands End. Whilst I still can't reveal the actual route or timings, work is now well underway in planning for the Torch to visit Waltham Abbey on 7 July 2012. A Community Task Force comprising all the necessary agencies and local communities has been established and has met a couple of times. Work has been split into two areas – one being technical/safety and the other event management. As to the Games proper, we are moving very rapidly into the delivery phase rather than planning stage, and arrangements for the White Water Centre are now well advanced, including all of the "Look and Feel" for the venue area and the park and ride at North Weald having been ordered.

Community Services

The Limes Centre – The new Limes Centre at Limes Farm, Chigwell is due to be formally opened at 4pm on Monday 20 February 2012 and members are invited to attend between 3pm and 6.45pm to view the facilities and some of the activities that will be available. Offering high quality community facilities and a wide range of services, this new centre will be the new home of the Chigwell based Housing team & a new Housing Benefits service plus a range of external partners who will provide a Children's Centre and Health Clinic. A programme of activities is being developed for people of all ages during the evening and at weekends which includes fitness and dance classes, film screening and tea dances. The venue also offers a facility for young people with its own kitchen and a fully fitted kitchen off of the main hall. A marketing exercise is currently underway to promote the venue for weddings and events.

NB. If you would like to attend the Limes Centre opening event on 20th February please email cburr@eppingforestdc.gov.uk

Works Like A Charm – During the redevelopment of Limes Farm Hall, the Council's Arts team have been working with residents of all ages to create a range of artwork for installation in an art trail in the new Limes Centre. Work has included transferring people's 'lucky messages' onto ceramic tiles

around the centre and a range of workshops are underway to produce pieces of work for installation in display boxes set into the fabric of the building. These workshops are continuing through to the summer.

Epping Forest & Lowewood Museum Services – On 1 February the Council took over the management of Broxbourne Borough Council's Museum Service based at Lowewood Museum, Hoddesdon, following development of a five year Service Level Agreement between the two authorities. Epping Forest Museum was approached by Broxbourne early 2011 with a request to consider the potential for a joint service, following the retirement of the management staff at Lowewood in February 2012. The approach was made due to the excellent reputation that the Council's own Museum Service has across the East Region for its outreach education and temporary exhibitions programme and is seen as an excellent opportunity for both museums to develop services even further and potentially secure external funding for cross border projects. The partnership has been applauded by Museums in Essex and by the Heritage Lottery Fund.

An excellent start to this partnership has seen the Museum attracting a grant of £1,000 to be spent across EFDM and Lowewood Museums on material supporting family learning.

Epping Forest Museum - The Council's Museum Service received an excellent review by VAQAS (Visitor Attraction Quality Assurance Scheme) run by Visit Britain which commended many aspects of the Museum's work during its re-qualification for the standard.

On Saturday 21 January the Museum celebrated Chinese New Year and the year of the dragon with a Chinese inspired lanterns workshop. Run by Chinese artist Hsiao Chi Tai, over 30 participants made a Chinese dragon lantern and the event received excellent feedback. This workshop is one of a series of events taking place at the museum in the lead up to the launch of our Stories of the World exhibition, China in the East. 'Stories of the World' is led by the Arts Council in partnership with the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG), presenting exciting new museum exhibitions across the country. The next workshop to take place at the museum is 'Chinese Calligraphy' on 14 February and the exhibition opens at the museum on Saturday 7 July 2012.

Young Citizen of the Year – Judging has recently taken place for the Young Citizen of the Year and I was invited to take part in the interview process which was very inspiring. The calibre of applicants was extremely high this year and final judging took place on 11 January. The very worthy winner, whose name will be announced at the Civic Awards ceremony, is a young man who has raised in excess of £32K for charity.

Arts & Sports Awards – The level of applications for the annual Arts & Sports Awards were exceptionally high this year in both the arts and sports categories. The Arts overall winner was Alisha Margretson, aged 18 from Waltham Abbey. Alisha won the Award for her talent and commitment as a dancer. She is currently studying at the North London Dance Studios and the Award of £1500 will go towards her fees. The Sports Award winner was talented athlete Holly Pattie-Belleli who is a seventeen year old from Ongar, who competes in 100m and 400m hurdles and Heptathlon for Woodford Green Athletics Club. Hollie has won medals at Essex County, East of England and South of England Championships. Hollie's short term aim is to participate in the 2014 Commonwealth Games in Glasgow.

Report to the Council

Committee: Cabinet **Date:** 14 February 2012
Subject: Planning and Technology
Portfolio Holder: Councillor John Philip

Recommending:

That the report of the Planning and Technology Portfolio Holder be noted

Planning

Planning Performance

Quarter 3 performance targets are on course in respect of KPI 51 (Major Planning Applications), currently at 82.76% against a target of 81%, although this is volatile and can change easily due to the low number of planning applications in this category, and KPI 54 (Appeals as a result of officer recommendations and delegated decisions), currently at 18.18% against a target of 20%.

KPI 53 (Appeals allowed – Members reversal of officer recommendations) is just exceeding the 50% target with 7 out of 16 appeals allowed and therefore 56% of appeals have been dismissed.

Forward Planning

Staffing

We have appointed a new member of staff to the Planning Officer role (Grade 6) and her start date is expected to be during March. Interviews are being held in the first two weeks of February for the temporary Information and Technical Officer and Forward Planning (Administrative) Assistant roles.

Evidence Base

The Council is currently appointing consultants to work on the Strategic Land Availability Assessment (SLAA), following the consultation on methodology carried out late last year. This SLAA will help to identify potential sites for housing, employment and retail uses over the future Local Plan period (to 2031). The tenders have been returned and interviews were carried out at the end of January. Over the coming months we will be appointing consultants to complete a Heritage Review, Carbon Reduction Strategy and an Assessment of Open Space & Recreation Facilities.

Statutory Monitoring

Regular work, including the Annual Monitoring Report, the 5 year assessment of land supply and the Town Centre Surveys, has been completed on schedule.

Local Plan

The team is drafting the Issues and Options document for the new Local Plan. Work continues on the new population and household projections from the jointly-commissioned Essex Planning Officers' Association study. Officers are continuing to work to a condensed timetable and are focussed on collating and finalising evidence. After finalising the Evidence Base, the team can move on to identify strategic options for the Local Plan.

Technology

Mobile Working Solutions

Information and Communication Technology (ICT) have recently implemented the Information at Work Mobile Briefcase application. This will allow Planning Officers, and potentially others, easily to take electronic documentation off-site in a secure manner. To compliment this system, a number of tablet devices, which are a mobile computer with a touchscreen or pen-enabled interface, are also being evaluated. Following an intensive trial period, a product from *GOOD Technology* has now been purchased and will allow staff to have secure real-time access to their EFDC Calendar and emails using their work or personal Smartphone.

Wireless Broadband

The Disaster Recovery and wireless broadband Invitation to Quote (**ITQ**) has been awarded to the Chelmsford based Buzcom. Buzcom have also been involved in the provision of wireless broadband in both the Maldon and Uttlesford areas. ICT will now progress both the Disaster Recovery and District wide broadband project and it is hoped to begin discussion with the successful supplier in the week commencing 6th February.

Website replacement.

The website replacement project is progressing well. The Website User Group has met a number of times to identify data requiring conversion. *Wordpress*, the product that will deal with the news element of the new site, has been tested and deployed successfully. The most recently updated project plan still indicates a live date during July 2012, prior to the Olympics.

Limes Centre

This project is nearing completion and all major ICT elements have been completed on schedule.

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Subject: Safer, Greener and Highways Portfolio

Portfolio Holder: Councillor Penny Smith

Recommending:

That the report of the Safer, Greener and Highways Portfolio Holder be noted

Community Safety

I would like to remind Members of the special Safer, Cleaner Greener Scrutiny Panel on 21 February. This is one of the Panel meetings dedicated to Crime and Disorder issues, and at next week's meeting we intend to hold a discussion on the effects of the Police Reform Programme and the process in preparing for the transition to Police and Crime Commissioners, who will be elected for the first time in November this year. There will also be an opportunity to discuss crime issues generally with members of the Safer Communities Partnership.

The Safer Communities Team has been very successful in using re-deployable cameras for the identification and prosecution of fly-tippers and in partnership with the police for the prevention of crime. Essex Police have purchased a number of re-deployable cameras which are compatible with Safer Communities equipment and Safer Communities were recently successful in obtaining four additional cameras on loan from the police. These cameras will be a valuable asset in the ongoing prevention of crime and for supporting the security operation in the district during the Olympic games.

In 2011 Safer Communities Team were awarded funding from Epping Forest Safer Communities Partnership for £27,000 to provide CCTV cameras in Epping High Street. In January 2012 this system went live. This is a new wireless system where images are transmitted direct to the Council Offices. The coverage is now from the Council Offices to the junction at St Johns Road Epping. The system will be managed and maintained by Epping Forest District Council

The Safer Communities Team was successfully awarded a grant of £3000 from Essex County Council towards the launch of the Restore Community Shop in the Broadway Loughton. On 17 February the shop will be holding a consultation day to find out what services and activities local residents and businesses would like to see provided in the shop. The Grand Opening will be on the 9 March and a number of activities involving the local community have been planned to celebrate the occasion.

Following on from work before Christmas to promote Domestic Abuse Awareness in the District. The Safer Communities Team will be shortly launch 'J9'. J9 stands for Janine Munday who was killed in 2003 by her husband. Free domestic abuse training will be provided as well as Information Packs to allow community Groups, business's and other groups to sign post domestic violence victims. After training organisations can display the J9 symbol in a prominent position so victims know where they can obtain the relevant information to access the support they need.

Highway matters

I would like to remind Members of the forthcoming changes to the County Highways contracts. In November 2011, Essex County Council selected Ringway Jacobs as its preferred bidder, with the

intention of forming one of the largest integrated highways partnerships in the UK. The contract is due to commence in April 2012 and will have an estimated value in excess of £1 billion. Of the ten different highway contracts currently in place, nine expire in March and will be incorporated into the new partnership. The tenth contract expires in March 2013 whereupon it will also form part of the new arrangements. I hope to be able to report back to Members in due course with details of any changes to local highway arrangements.

Parking matters

I am pleased to be able to report progress on the Epping Parking Review and that signing and lining work started on 26 January. The work will move forward in a phased manner and in the first instance the following roads, which are to have marked residents' bays, will be completed: Lindsey Street, Madells, Springfield and Sunnyside Road. It is intended to achieve an overall completion date for the whole of the review area of the end of March 2012. All the residents of the above roads have received an explanatory letter setting out the proposed changes and advising them of the contact details at District and County. As with previous exercises, for the first two weeks of the new regime drivers parked in marked resident parking bays will receive a 'warning ticket' rather than a Penalty Charge Notice so as to enable them to understand the new restrictions in their area. As I have previously reported, once work on the Epping review is complete, Essex County Council will commence work of the Buckhurst Hill review, which will be followed in due course by Loughton/Loughton Broadway.

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Subject: Support Services Portfolio

Portfolio Holder: Councillor John Wyatt

Recommending:

That the report of the Support Services Portfolio Holder be noted.

Portfolio Holder Decision – Freedom of Information Publication Scheme

I have approved a revised Publication Scheme and Guide to Information in accordance with the provisions of the Freedom of Information Act 2000 (FOIA) and guidance from the Information Commissioner.

The FOIA gives rights of access to information held by public authorities.

Section 19 of the FOIA requires every public authority to adopt, maintain and review from time to time a Publication Scheme. The Council last adopted a new Publication Scheme in 2008. The Publication Scheme represents a commitment to publishing information within certain broad classes.

The Guide to Information supports the Publication Scheme. It specifies the information the Council routinely publishes, how it will be published and what charges, if any, will be made. At present no charges are proposed.

Applicants requesting information listed in the Guide to Information will be directed to the Guide as to how that information can be obtained (the majority is available via a link to the Council's website). Requests for information which are not listed in the Guide will continue to be dealt with by way of formal written responses within 20 working days.

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Report to the Council

Committee: Cabinet

Date: 14 February 2012

Portfolio Holder: Councillor G Mohindra
(Finance and Economic Development)

1. CAPITAL STRATEGY – 2012-2016

Recommending:

... **That the attached Capital Strategy 2012-2016 be approved.**

Background

1. Although local authorities are not required to revise the Capital Strategy annually, it is felt important to do so in order to ensure that it is up-to-date. Also, a good Capital Strategy enables the Council to make sound strategic decisions in relation to its use of capital resources and forms an important part of the Council's Performance Management and Financial Planning frameworks.
2. The Capital Strategy is a key "high level" strategic document and is linked to all other key corporate and strategic documents produced by the Council and its partners; including the Corporate Plan, the Sustainable Community Strategy, and the Asset Management Plan.
3. Each year, the Council's strategic aims and priorities are used to re-assess the Key Capital Priorities and we have reconsidered the ranking of each Key Priority as part of our consideration of the Capital Strategy. The order of importance will subsequently influence future decisions regarding individual capital projects.
4. This year the Capital Strategy has focused on current capital schemes and investment plans to 2015/16. It also identifies partnership arrangements with other councils and organisations, which aim to enhance the Capital Programme, and sets out the funding approved to date, having regard to forecast income generation.
5. The attached Capital Strategy has been updated with the latest examples of historical achievements, cross cutting partnership initiatives and cross border working relationships. The generation and application of capital receipts has also been revised in line with latest trends and forecasts.

Key Capital Priorities

6. We have reassessed the Key Capital Priorities and reviewed the ranking of each priority in order of strategic importance to the District, having regard to the contribution that each one makes to the achievement of relevant corporate aims. The Key Capital Priorities for 2012 - 2016 are listed in paragraph 4.1 of the Strategy. The only change from last year's Strategy is the insertion of a new Key Capital Priority – Developing Council Assets which is ranked 7 and results in the remaining Priorities being ranked 8 and 9.

Appendices

7. The Appendices to the Strategy show:
 - (a) Key Strategic Council documents that complement and link with the Capital strategy;
 - (b) Capital Programme 2011/12 to 2015/16 Forecast – Latest Position;
 - (c) Capital programme 2011/12 to 2015/16 forecast analysed in Capital Strategy format – Expenditure and Funding Summary and Detailed Capital Programme;
 - (d) Capital Reserves 2011/12 to 2015/16 Forecast – Capital Receipts and Major Repairs Reserve;
 - (e) Key partners in Delivering the Capital Strategy.

8. We recommend as set out at the commencement of this report.

Capital Strategy 2012/2016



INVESTOR IN PEOPLE

January 2012

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Epping Forest District Council

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Appendices

1. Key Strategic Council Documents that Complement and Link with the Capital Strategy
2. Capital Programme 2011/12 to 2015/16 Forecast – Latest Position:
 - (a) Expenditure and Funding Summary
 - (b) Non-Housing Capital Programme
 - (c) Housing Capital Programme
3. Capital Programme 2011/12 to 2015/16 Forecast analysed in Capital Strategy format:
 - (a) Expenditure and Funding Summary
 - (b) Detailed Capital Programme
4. Capital Reserves 2011/12 to 2015/2016 Forecast
 - (a) Capital Receipts
 - (b) Major Repairs Reserve
5. Key Partners in Delivering the Capital Strategy

1. Introduction

1.1 Epping Forest District Council's Capital Strategy is an important document which is fundamental to supporting the Council's commitment to improving the quality of its services and facilities to make the district a great place to live, work, study and do business. Capital investment in the form of large scale one-off projects plays a vital role in achieving this objective. It is essential that a strategic approach is taken, having regard to the Council's aims and priorities, and that the Capital Strategy is formulated in consultation with the community in order to direct resources into projects which will be of greatest benefit to the local community. Once approved, individual projects are carefully planned, managed and reviewed to ensure that best value is achieved. At the same time, every effort is made to maximise the generation of income in the form of capital receipts and utilise all capital resources available to fund capital investment in the most appropriate and advantageous way. This Capital Strategy has been produced to accord with the latest guidance on capital accounting arrangements for local government.

1.2 The Capital Strategy is a high-level summary of the Council's approach to capital investment. It describes how the deployment of capital resources contributes towards improving the economic, social and environmental well-being of the Epping Forest District, as set out in the Council's Corporate Plan and the Community Strategy.

1.3 The key objective of the Capital Strategy is to maximise the capital resources available to achieve the Council's strategic aims. The Capital Strategy outlines the Council's approach to capital investment and how it ensures that investment is directed towards corporate aims, and shows how the Council works with partners to deliver schemes. The strategy outlines the basis for the prioritisation of capital schemes, and their monitoring and evaluation.

1.4 The Capital Strategy is designed to:

- provide a basis for prioritising capital investment on the basis of its contribution towards the achievement of the Council's aims;
- optimise the utilisation of the Council's assets in pursuit of its objectives
- optimise returns on the Council's investment portfolio;
- ensure that the investment required to maintain existing assets throughout their lives is made available;
- establish a clear framework for managing and monitoring the capital programme;
- optimise external funding to augment the total resource available;
- evaluate projects to ensure they secure value for money, promote best procurement practice, and are subject to a rigorous risk assessment; and
- facilitate joint and cross-cutting working;

2. The Council's Aims and Priorities

2.1 All Council strategies (including the Capital Strategy) are driven by the aims and objectives of the Community Strategy and the Council's vision and its Corporate Plan. This Capital Strategy links to, and complements, other key corporate and strategic documents produced by the Council and its partners. The documents that influence and are influenced by the Capital Strategy are summarised at Appendix 1 and the Council ensures that the links between these documents are maintained and updated annually. These plans should be read in conjunction with the Capital Strategy, since they are instrumental in determining the Council's strategic priorities

2.2 In September 2010, the Local Strategic Partnership for the Epping Forest District, which represents the public, social, voluntary and economic sectors of the district, adopted the Community Strategy 'Putting Epping Forest First'. This is a twenty-year plan, which will help to deliver the vision for where the district wants to be in 2021 and how this vision will be delivered.

2.3 The Council established its own aims and priorities for the Epping Forest District for the four years from 2011/12 to 2014/15 as part of the adoption of a new Corporate Plan in February 2010. The Corporate Plan 2011-2015 is the Council's key strategic planning document for the four-year period, setting out service delivery priorities, with strategic themes reflecting those of the Community Strategy for the district.

2.4 In order to help deliver the Council's vision to make the district a great place to live, work, study and do business, the following objectives have been set as the Council's corporate aims for the four years to 2014/15:

- (a) To safeguard frontline services that our local residents tell us are important, against a background of diminishing resources;
- (b) To have the lowest District Council Tax in Essex and maintain that position;
- (c) To be recognised as an innovative and transparent council, involving residents in our decisions;
- (d) To continuously improve efficiency by adopting new ways of working with our partners and maximising revenue from our assets; and
- (e) To provide clear community leadership and be a strong advocate, championing the interests of the people of Epping Forest and protecting the special character of the district.

2.5 These aims form the basis of annual Business Plans, which ensure that activities and the allocation of resources at all levels reflect the vision of the Council. The Council's key Capital Priorities also reflect the contribution that capital investment makes to the achievement of the Council's vision for the district.

2.6 The Capital Strategy is intrinsically linked to the Council's Asset Management Plan (AMP), as a substantial amount of capital expenditure is invested in the property assets held by the Council. The Capital Strategy provides the policy framework for the operational work of asset management, and the Council's performance in managing its assets is assessed against a range of performance criteria as set out in the AMP.

2.7 The Capital Strategy recognises the importance played by the Asset Management Plan (AMP), coordinating and balancing asset requirement and service provision with corporate aims and economic factors. Despite no longer being required to submit the AMP to Government, the Council has continued to update the core data and national performance indicators each year, which have been forwarded to the Institute of Public Finance Asset Management Plan Network for comparison with other member authorities, and the current AMP 2007-2012 was adopted by the Council in July 2007.

3. Formulating the Council's Key Capital Priorities – The Corporate Framework

3.1 The Council's four-year Corporate Plan aims are set out in section 2 above. Each year, the Council re-assesses its key capital priorities on a corporate basis, having regard to:

- The Council's aims and priorities
- The Council's financial position
- The capital priorities of the Council's key partners
- The Council's ability to influence other partners' plans through the use of its capital resources
- Service Development and Improvement Plans.

3.2 It is essential that potential capital schemes that advance the Council's key strategic and capital aims be prioritised, having regard to the capital resources available. Therefore, project appraisals are undertaken for all capital schemes in excess of £2,000,000 (and appropriate schemes of lesser amounts) in order to:

- Assess how the project will meet the Council's aims
- Provide estimates of expenditure
- Examine appropriate options
- Set out any relevant consultation arrangements
- Identify the most appropriate method of procurement
- Explain the proposed method of project monitoring and review
- Provide an assessment of key risks and their management.

3.3 Capital projects that meet the Council's Aims are then selected and prioritised through detailed discussion and evaluation by the Council's Cabinet, having regard to project appraisals and other relevant information.

3.4 In considering individual capital items and the programme overall, the Council gives due consideration to the environmental consequences of its intentions in respect to issues such as sustainability, energy and waste management endeavouring at all times to reduce potential effects upon the environment. In the light of this, the Council has adopted the "Nottingham Declaration" and is thereby committed to managing its internal processes in a way that mitigate and adapt to the potential effects of climate change.

Revenue Implications

3.4 When appraising potential capital schemes, it is essential that the associated revenue implications be assessed, since these can be an important factor in deciding whether a scheme should be undertaken and, indeed, its relative priority compared with other projects. The project appraisals therefore require the associated revenue implications to be identified. Once identified and approved, the Council's Director of Finance and ICT incorporates the revenue implications within the Council's revenue budget and monitors expenditure accordingly.

4 The Council's Key Capital Priorities – 2012 -2016

4.1 The Council re-assesses its Key Capital Priorities every year and reviews the ranking of each priority in order of strategic importance to the District, having regard to the contribution that each one makes to the achievement of relevant corporate aims. The Key Capital Priorities for 2012-2016 are listed in order below, showing last year's ranking in brackets under the first column.

Priority	Key Capital Priority	Relevant Corporate Plan Aims
1 (1)	Meeting housing need	Community leadership and protection of the special character of the district.
2 (2)	Improving the Council's housing stock	Community leadership and protection of the special character of the district.
3 (3)	Improving quality of life	Safeguard frontline services; Innovative and transparent council; Improve efficiency; Community leadership and protection of the special character of the district.
4 (4)	Protecting the environment	Community leadership and protection of the special character of the district.
5 (5)	Promoting economic development	Have the lowest District Council Tax; Innovative and transparent council; Improve efficiency;
6 (6)	Regenerating areas in need	Have the lowest District Council Tax; Innovative and transparent council; Improve efficiency;
7 (new)	Developing Council Assets	Maximising revenue from our assets Have the lowest District Council Tax Innovative and transparent council.
8 (7)	Delivering quality public services through e-government	Innovative and transparent council;
9 (8)	Improving private sector housing stock	Community leadership and protection of the special character of the district.

4.2 The only change from last year's Strategy is the insertion of a new Key Capital Priority – Developing Council Assets which is ranked 7 and results in the remaining Priorities being ranked 8 and 9.

4.3 Due to the amount of capital receipts that are currently being held by the Council, income from investment interest is being generated. This is beneficial to the General Fund and Housing Revenue Account, since they provide additional revenue income. However, it is forecast that capital receipts will fall to less than half their current levels by 31 March 2016 as they are used to fund capital projects over this period. There is a financial risk involved in reducing the balance of usable capital receipts and this has been recognized in the Council's Corporate Risk Register. The following potential consequences have been identified under risk no 17: loss of interest; loss of cover for contingencies; the financial strategy becoming untenable in the long run; service reductions may be required; and large Council Tax increases may be required. In order to reduce this risk as much as possible, the Council has adopted a policy of actively seeking the investment of capital resources in revenue-generating assets.

5. Working in Partnership

5.1 The Council places great emphasis on the importance of working in partnership with other councils and organisations to meet the objectives and responsibilities of all parties. The Council regards partnerships as an effective way of achieving many of its aims and priorities and delivering service improvements or, in some cases, new services where none currently exist. Partners have three important roles:

- To provide information, views and feedback on Council proposals as part of the consultation process set out in the Council's Consultation Strategy.
- To provide required services identified and facilitated by the Council, where best value can be obtained through the provision by the partner. This may involve the provision of funding by the Council.
- To work with the Council to jointly deliver the Council's aims and priorities, where both the Council and the partner provide funding.

5.2 The Council is committed to continuing to identify and secure opportunities for best value through either an external partner undertaking capital projects or jointly funding/undertaking projects in a partnership arrangement. The Council will also consult key partners on appropriate capital projects, in accordance with the Council's Consultation Strategy, to obtain views and feedback on proposals.

Cross-Cutting Themes

5.3 The Council works effectively with its partners and has an excellent record of working in partnership with other organisations to achieve our mutual objectives and to obtain best value. The main partners with whom the Council works on capital schemes are listed at Appendix 5.

5.4 An example of one of the Council's effective partnerships is the close working relationship with Essex County Council to maximise the benefits of the major refurbishment scheme being undertaken on Limes Farm Hall. Once completed, the hall will provide improved facilities particularly for children, young people and families. An ongoing partnership also exists with the market operator at North Weald Airfield, which enables a more effective investment programme to be undertaken at the airfield to improve infrastructure facilities.

5.5 The Council also has a good track record of working effectively with its Preferred Housing Association Partners to help fulfill its objective of meeting the District's affordable housing needs. Furthermore, the Council has assisted housing associations in two other main ways:

- a) The provision of free or discounted Council-owned land to housing associations; and
- b) The provision of social housing grants.

5.6 The Council works with the Environment Agency to ensure a coordinated approach to flood risk management. The Environment Agency will replace the Council's old flood warning systems and incorporate them into the national network, thus saving capital expenditure for the Council. The Environment Agency, as the national authority responsible for managing flood risk in England and Wales, will then be responsible for the on going operation and maintenance of the systems along with all the others in the country. There will continue to be close liaison between the two organisations and the Environment Agency will utilise the Council's local expertise and resources when required. This will increase efficiency in terms of monitoring and responding to potential flood risk incidents and affords a more cost effective way of managing the assets and combining resources.

Cross-border working

5.7 In order to meet its aims and priorities and deliver its Capital Strategy effectively, not only must the Council work in partnership with other agencies, it must also work across traditional geographical boundaries. Such cross-border working brings a more cohesive approach to achieving objectives and also benefits from economies of scale and shared expertise. Some of the initiatives relevant to this Capital Strategy are listed below:

- The Council is working collaboratively with neighbouring local authorities in respect of planning and economic development in order to bring forward the Local Plan and in particular, in establishing the required evidence base.
- During 2011, the Council developed a Young Parent Scheme at Railway Meadow, Ongar in partnership with Uttlesford DC, Brentwood BC, East Thames Housing and NHS West Essex to provide 13 self-contained flats for young parents from the three local authority areas. The Scheme provides young parents with support and parenting skills for around 6-9 months, after which the nominating local authority provides move-on accommodation. The land was provided by a developer free of charge through a Section 106 Agreement and capital funding was secured from the Homes and Communities Agency, mainly due to the partnership approach employed.
- The Council led the formation of the Herts and Essex Housing Options Consortium, comprising the Council, its five neighbouring local authorities and housing associations operating in the area. The Consortium originally secured capital and revenue funding from the Government to introduce HomeOptions, a choice based lettings scheme that now operates across the six districts, with commissioning and operating costs shared amongst the local authorities, thereby reducing unit costs. HomeOptions enables the councils to offer their applicants choice in the type and location they seek, offering tenancies for affordable housing in a transparent and fair way.
- The Council is an active member of the Essex Waste Partnership. The County Council with its district & borough partners is procuring long term waste management and disposal capital infrastructure via (currently) a PFI bid to government.
- The Council is working on a joint initiative, known as the PLACE Scheme, with other councils in the area including Chelmsford, East Herts, Harlow and Uttlesford in partnership with Genesis Housing Association. Under the scheme, which is funded by £3,500,000 of government funding, empty properties that are in poor condition are brought back into use to provide short-term accommodation to people in housing need.
- The Council is working jointly with East Herts and Harlow District Councils to produce a Strategic Flood Risk Assessment.
- Joint Municipal Waste Management Strategy with the County and district and boroughs.
- The Council is working closely with Broxbourne Borough Council and is an active Member on the Stakeholder Group with the Lea Valley Regional Park Authority, to maximise the benefits of the Olympic 2012 White Water Canoe Venue. The Council jointly funds an Olympic Officer post with Broxbourne and Hertfordshire County Council.
- The Epping Forest District Safer Communities Partnership has been set up with the Police, Fire, Health, County Council and other agencies to give people who live and work in Epping Forest an opportunity to consult on future priorities.

6. Procurement and Use of Private Sector Initiatives

6.1 The Council generally undertakes capital projects itself, procuring the works through competition. However, opportunities for delivering and procuring capital schemes through the private sector are continually being identified and appraised where appropriate. A collaborative procurement approach has resulted in a number of benefits.

6.2 The Council is a member of the Procurement Agency for Essex (PAE), the Essex Procurement Hub (the Hub) and the Essex On-Line Partnership (EOLP). The Council also makes use of a wide range of nationally available Framework Agreements, let by, for example, the Hub; Government Procurement Services (GPS); Eastern Shires Purchasing Organisation (ESPO); and the Yorkshire Purchasing Organisation (YPO). Through this, the Council has been able to secure large savings on goods such as IT equipment; toner and ink cartridges; and the installation and repair of stair lifts for the Districts' disabled residents (through a ground-breaking initiative with other Essex local authorities). The Council has also achieved significant cost and efficiency savings resulting in improved quality of service to local residents.

6.3 The Council has also worked with a number of Registered Social Landlords and has adopted a partnering approach with developers for the procurement and provision of new affordable housing schemes.

6.4 Partnering agreements have successfully been adopted since 1 April 2003 for the use of consultants and contractors to deliver the Council's increased housing maintenance and improvements programme in order to ensure that the Government's "decent home" target is met. Additional partnering contracts have also been used for the leisure management contract with SLM; the remediation works contract for the former landfill site at Bobbingworth with Veolia; and the waste management contract with SITA.

6.5 The Council will continue to consider the use of the Private Finance Initiative (PFI) and Public Private Partnerships (PPP) for appropriate capital schemes. It will also continue to adopt, and encourage partners undertaking capital projects to adopt, the principles relating to sustainability and the reduction of construction costs as set out in the Government Construction Strategy (May 2011) wherever possible.

7. HRA Self Financing

7.1 In March 2012, the Government will be introducing a major change in the way that local authority Housing Revenue Accounts (HRAs) are funded; this is known as self-financing. Originally included within the Localism Bill, which received Royal Assent on 15 November 2011, self-financing will enable councils to retain their own rents and then fund and manage their housing stock without Government intervention. However, the Council will need to make a one-off capital payment to the Government to move away from the current Subsidy system. The Council's draft determination to implement self-financing for council housing is £186.2 million and was issued on 21 November 2011. The final figure will not be known until January 2012 when the final determination is issued by the Department for Communities and Local Government (CLG). The debt will be paid to CLG on 28 March 2012 and self-financing will commence from 1 April 2012. The debt is likely to be financed by loan(s) by the Public Works Loans Board (PWLB). The composition of the debt portfolio is still being reviewed and future reports will come to Members nearer the time.

7.2 On 18 July Cabinet reaffirmed its decision, in principle, to commence a modest affordable house-building programme once the HRA has moved to a self-financing basis and on 5 December 2011 Cabinet agreed to commence a new Council Housing Building Programme and to make provision within the Financial Plan to fund the programme.

8. Income Generation and Funding the Programme

8.1 Capital investment can be funded from a number of sources; including the use of capital receipts generated from the sale of council assets; the Major Repairs Reserve which can be used for HRA capital projects; borrowing provided that the Council can demonstrate that it is affordable; capital grants available from Central Government and other government bodies; commuted sums and other contributions from private businesses; and contributions made directly from the Council's revenue accounts. The Council recognises the importance of continually seeking opportunities to maximise the generation of income to fund capital projects in order to increase funding for key projects and maximise capital investment generally. As part of this process the Council takes the following action:

- Generate capital receipts from the sale of appropriate parcels of Council-owned land. Currently, some potential sales have been put on hold pending an improvement in market conditions.
- Identify and maximise any opportunities for further capital receipts (eg through the release of restrictive covenants) and planning gain, having due regard to the effects on the local community of obtaining such windfalls and planning gains.
- Forecast the amount of usable capital receipts available to the Council over the next five-year period and estimated usage in a planned way as detailed in Appendix 4(a) of this Capital Strategy.
- Plan and monitor the use of the Major Repairs Reserve for HRA capital investment as set out in Appendix 4(b)
- Seek external funding in the form of Government grants, commuted sums and other contributions to help support the Capital Programme.
- Undertake an assessment, at least quarterly, of the likely level of capital receipts and other income that will be available to fund capital expenditure over the period of the Five -Year Forecast.

8.2 It is essential that the Council accurately forecasts the likely funding to become available over the period of the Five Year Forecast, and regularly reviews those forecasts, making adjustments as appropriate. Appendix 4(a) shows the latest forecast of capital receipt generation, their application and hence the likely level of resources available to fund new projects. The figures take into account the pooling arrangements, which will remain despite the introduction of self-financing for the HRA. The appendix shows that, based on current expenditure and projected receipts, usable capital receipts will be reduced to £8,168,000 by 31 March 2016 at the end of the programme period.

8.3 Under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, if HRA capital receipts that are not received from Right to Buy Sales are used to finance expenditure on affordable housing or regeneration, there is no requirement for them to be pooled. The Council has therefore agreed that such capital receipts should be used to help fund the required expenditure on repairs and improvements for the Council's own housing stock.

8.4 HRA Self Financing is expected to increase the amount of funds available for investment in the Council's housing stock. The HRA Capital Expenditure Charged to Revenue in the years 2011/12 to 2015/16 has been adjusted in line with the latest forecasts of the five and thirty year HRA business plan, which take into account the anticipated impact of Self Financing.

8.5 The Five Year Capital Programme 2011/12 -2015/16 will be funded as follows, subject to required annual variations to reflect actual funding availability:

	£'000
Grants	2,966
Capital Receipts	11,677
Charged to Revenue	27,128
Major Repairs Reserve.	<u>36,979</u>
Total	<u>78,750</u>

9. Investments in Council Housing

9.1 The Council's HRA Business Planning Consultants, CIHConsult, were tasked to carefully consider the most effective way of investing in Council housing under the new self-financing regime. Having taken into account a range of issues and available options, the Cabinet has adopted a new 30-Year HRA Financial Plan. This will allow the Council to raise the level of maintenance of its housing stock to a modern standard, based on current stock condition and standard industry life cycles, as opposed to the current minimum Decent Homes Standard. The Expenditure for the years 2012/13 to 2015/16 included in the 30-Year HRA Financial Plan is also include in the Capital strategy.

9.2 The Council achieved the Decent Homes Standard for all of its housing stock in June 2009, a full six months earlier than the Governments target of 2010. Since then, the Council has been working to maintain that standard thereby setting a capital programme of works to prevent any homes falling below the Decent Homes Standard. Under Self Financing, this will mean the Council will significantly increase the amount it spends on improving each Council home from £30,600 to £45,760 over a 30-year period. This will mean that individual components in the home will be replaced more frequently than the Council has previously been able to.

9.3 Since the 1980s, councils have been discouraged by successive governments from building new affordable housing themselves, and encouraged to act as "enablers", by facilitating housing associations to build new social housing. To discourage councils from building, governments have previously established financial rules that penalise many local authorities that build. However, this has now changed, and local authorities are once again encouraged to build, with the financial disincentives removed.

9.4 With the introduction of self-financing and the increased resources this brings, the Council has agreed to implement a modest Council Housebuilding Programme. The main reasons for this are that:

- (a) The Council's HRA land can be developed for much-needed affordable housing (with almost 6,000 applicants currently on the Housing Register);
- (b) The Council will receive the associated New Homes Bonus (NHB) – equivalent to around £6,700 per property over the six-year NHB period, to use for any Council purpose;
- (c) The land and constructed buildings will be retained as a Council asset - rather than transferring the land to a housing association at a subsidised price, for the housing association to develop the affordable housing;
- (d) The Council will benefit from the net rental income in the future, once the development loan has been covered;
- (e) It may be possible for the Council itself to receive the benefit of capital grant funding from the Homes and Communities Agency;
- (f) The Council will have greater control over the future use of the affordable homes;

- (g) The cost of construction will be less than for a housing association, since the Council can recover the cost of VAT for fees from Her Majesty's Revenue and Customs (HMRC), which housing associations cannot; and
- (h) It will enable the Council to increase its housing stock, instead of continuing to reduce the stock through the Right to Buy, and thereby slowly reduce the associated unit costs of managing and maintaining the Council's housing stock.

With the exception of (a) and (b) above, all the other benefits would only be received if the Council undertook the developments itself.

9.5 The Council has a number of difficult-to-let garage sites and other sites that may have development potential to provide an estimated 120 homes. Approval has been granted to appoint a Development Agent, through a competitive tender process, to provide all the required development and project management services, including the provision of all professional building services. It is estimated that capital funding of around £2.5 million per annum will be required for such a programme and provision has been made within the five year period of the Capital Strategy for the programme to commence in 2013/14. Development appraisals for each of the identified sites would initially be undertaken to assess whether or not development potential does exist, and where appropriate, the anticipated costs and income would then be evaluated. It is proposed that rents charged for the new developments would be at the new "Affordable Rent" levels, up to 80% of market rent levels.

9.6 Grant funding from the Homes and Communities Agency (HCA) may be available in the future, but any shortfall in capital funding for developments will be met from financial contributions received through Section 106 Agreements, the sale of some development sites on the open market and, if allowed by the Government, capital receipts arising from the Right to Buy (which the Government has committed to ring fence for new affordable housing), to ensure that the Programme is self-funded, without any financial support from the General Fund. A Development Strategy will be adopted by the Council in due course, setting out the proposed approach to the House building Programme.

10. Investments in Other Affordable Housing

10.1 Located within the London Commuter Belt, the Epping Forest District has a significant need for additional affordable housing. There are currently 5,750 households on the Council's Housing Register seeking affordable housing, this number has increased significantly over recent years. Many local residents are unable to access home ownership, due to the current economic conditions and the unavailability of affordable mortgages, without the need for large deposits. It is for these reasons that "Meeting Housing Need" continues to be the Council's highest-ranked Key Capital Priority.

10.2 During 2011/12, the Council embarked on an innovative and unique Open Market Shared Ownership Scheme, in partnership with Broxbourne Housing Association, to assist housing applicants with sufficient income to access low-cost home ownership. The Scheme provides an opportunity for applicants who are unable to purchase the freehold or leasehold of a property with a full mortgage to have a shared ownership property. However, instead of applicants having to buy a shared ownership home on a specific new development, which is usually the only option available, they can choose a home of their choice (within limits) being sold on the open market. The Scheme offers people the opportunity to buy an initial 50% share in a home of their choice and to pay an affordable rent on the remaining 50% share, with the freehold of the property being held by BHA. Further shares in the property can be purchased in the future, in manageable, affordable stages until the individual owns the home outright. Where the scheme assists housing applicants who are also currently Council tenants, it also enables the resultant vacancy of the Council property to be offered to a housing applicant.

10.3 In addition, for a number of years, the Council has implemented a Home Ownership Grants Scheme, which was introduced in 2008 to assist Council tenants to access home ownership, and at the same time resulting in vacant Council properties that can be let to housing applicants on the Housing Register. Under the Scheme, Council tenants are given a grant (originally five tenants each year given grants of £34,000, but subsequently changed to six tenants each year given £28,000) to buy a property on the open market and vacate their current Council-owned property. Although the scheme proved popular initially, applicants have found it increasingly difficult to obtain a mortgage. As a result, the Council suspended the scheme for the time being and agreed to review the situation in September 2012, with a view to resuming the scheme in 2013/14 if the property market has improved.

11. Investments in Private Sector Housing Stock Conditions

11.1 The Council has an important strategic housing role, including a number of statutory requirements, to seek to ensure that people occupy homes in the private sector which are safe, healthy, decent and adequate for their needs. Periodically, the Council undertakes Private Sector Stock Condition Surveys, which informs the Council's adopted Private Sector Housing Strategy. The latest Stock Condition Survey was undertaken in 2011, and the information obtained will inform a new Private Sector Housing Strategy, to be produced in 2012. The Private Sector Housing Strategy summarises the condition of the private housing stock, analyses the current internal and external environment, sets out objectives, provides an action plan and identifies the required resources.

11.2 A number of the Council's private sector housing objectives rely on capital funding for their achievement, which can be summarised as follows:

- The provision of capital grants to home owners and private occupiers, primarily Decent Homes Assistance, Small Works Assistance, Thermal Comfort Grants and Conversion Grants.
- The provision of mandatory means-tested Disabled Facilities Grants to enable occupants to arrange disabled adaptations to their homes. These are funded jointly by the Government and the Council
- Empty Property Grants, to help private owners bring empty homes back into use.
- Section 5.7 refers to the Council's PLACE Scheme, which provides Government funding to a housing association to lease long-term empty properties and then undertake improvements to enable them to be let to housing applicants

11.3 The Council operates the only in-house home improvement agency in Essex (Caring and Repairing in Epping Forest – CARE), which provides practical support to older and vulnerable home owners to access grants assistance (including Disabled Facilities Grants), specify required works, select and appoint a contractor, and project manage the work. CARE is funded by the Council, Essex County Council and fees charged to clients. Due to reductions in County Council funding in 2011/12, it was necessary to increase the fees charged to project manage disabled facilities grants.

12. Investments in Protecting the Environment

12.1 The Council has always given high priority to protecting the environment and a number of large scale flood alleviation and other environmental improvement schemes have been undertaken, the most recent being the remediation and restoration works at the Bobbingworth Tip site near Ongar. This site comprises of a 23 acre parcel of land owned by the Council, which was used as an active waste landfill receiving domestic waste from 1961 to 1972, for which the then Epping and Ongar Rural Council received financial contributions. A capital project was approved by the Council in 2003 to deal with the pollution caused by leachate at the site. The scheme was completed in 2010 at a cost of £2,492,000 and there was a £20,000 contribution from Essex County Council for planting circa 5000 trees on site. The former landfill site has now been converted to an amenity site for the enjoyment of the local community.

12.2 Although the Council no longer undertakes large scale flood alleviation schemes, it has responsibility to manage a number of schemes and assets that are either on it's land or were built by the Council in previous years. In order to carry out flood investigations, CCTV cameras and high pressure water jetting equipment are used. The current CCTV camera equipment has reached the end of it's operational life and it is intended to replace it as part of the capital programme.

12.3 The Council's waste management service places a strong emphasis on recycling and substantial investment has been put into the vehicles and equipment necessary to make this service a success. As a result, all residents in the District have new wheeled bins and 19 out of the 23 refuse freighters are now owned by the Council and 4 are owned by Sita, the Council's waste service provider. At the end of the useful life of a vehicle the Council has three options; to let the contractor provide the vehicle at a charge, lease or purchase. Whenever the need to replace a vehicle arises the Council carries out a comparison of lease hire and capital purchase costs. In recent years, the cost of capital purchase have proved to provide best value.

12.4 The waste and recycling operations are currently undertaken at Langston Road Depot. As the Council intends to redevelop this site, plans are being made for the current users to be relocated. A number of alternatives are being considered for the preferred new location of the waste and recycling operations. Consultants have been engaged and work has commenced on the submission of a planning application for a possible new depot at North Weald Airfield.

12.5 The Council is currently undertaking three major parking and traffic reviews as a result of extensive consultation exercises with residents in Epping, Buckhurst Hill and Loughton Broadway. The aim is to reduce the impact of commuter parking and to improve the use of available car parking spaces in each of these areas. The Epping review is at the most advanced stage and it is intended to complete all work within the 2011/12 financial year. This review will be followed by the Buckhurst Hill review and finally the Loughton Broadway review. In addition to these parking reviews, the Council has committed to the construction of off-street parking schemes at 6 sites on the Council's housing estates. These schemes will create a total of 126 new parking bays at a cost of approximately £497,000 across the district to help ease parking congestion on these housing estates. A total of around £2.4m is currently set aside for off street parking within the Capital programme up until 2013/14, which is split between the general fund and the HRA.

12.6 To improve the street scene environments in the District's main towns, enhancement schemes have been completed in all town centers. The last scheme was completed at Loughton Broadway at a total cost of £3,631,000. This scheme was undertaken in two phases: Phase 1 consisting of works to Burton Road and Vere Road car parks was completed in 2008. Phase 2 was completed in July 2009 and consisted of substantive enhancement works to the Broadway itself, namely; new foot path paving, reconstruction of the road, a raised central section making the Broadway more pedestrian friendly, new street lighting, new street furniture and planting of new semi mature trees. Following the end of maintenance and defects correction period, preparations are being made for the Highways Authority to adopt the scheme within the current financial year. A CCTV system is to be installed in 2012 by this Council to improve pedestrian security.

12.7 CCTV systems are considered to be an effective tool in controlling crime and the Council is currently working with a number of partners to provide a CCTV camera system in Epping High Street, which is now the only high street within the District without CCTV coverage. The need for a camera system was evidenced by Crime Pattern Analysis, the busy night time economy and a number of serious assaults and incidents over a two year period. As a member of the Epping Forest Community Safety Partnership, the Council is currently involved in investing a sum of £27,000, received in 2010, to provide two columns within Epping High Street with a controllable camera on each and a further camera on the District Council Offices looking up the high street. The system is wireless and can be expanded in the future if further funding is identified. It is anticipated that the system will be fully operational in 2012 and it will be controlled and maintained by Epping Forest District Council in accordance with EFDC Code of Practice and relevant legislation.

12.8 Since 2009 the Council has been required to publish information about how efficiently the Civic Offices are being managed in relation to energy consumption. This information is published in the form of a Display Energy Certificate or DEC. Within the DEC, a buildings' energy performance operational rating is expressed in one of seven bands A to G with A being the most efficient and G being the least efficient.

12.9 The first assessment of the Civic Offices in March 2009 attracted a G rating, the least efficient that could be achieved. In September 2010 on re-examination this improved to an E rating and following the most recent assessment in June 2011 the energy performance operational rating has improved still further to a D rating. Within the D rating the Building has a points score of 95 and the typical score for this type of building would be 100 points. This continual improvement has been achieved through a combination of better energy management of lighting, heating and comfort cooling systems, improved insulation, and sustained investment to replace old and obsolete systems with modern energy efficient systems. In 2010 old single glazed windows in the Conder building were replaced with modern double glazed units. In financial terms in the years 2009/10 and 2010/11 the Council has saved £77,311 or 43% on its gas and electricity costs for the Civic Offices over what it paid in 2008/9. In statistical terms for the same period there has been a reduction in consumption of 552,751 kilowatt hours of gas and electricity.

12.10 More work is planned through which it is hoped that a further gain can be made to the energy performance operational rating in 2012 although having attained the typical rating for this type of building it will become increasingly more difficult to achieve further significant improvement.

13. Investments in Asset Management

13.1 The Asset Management Co-ordination Group is currently reviewing the Council's depot facilities and other land holdings within the District with a view to rationalising existing provision, disposing of site(s) surplus to requirements and re-providing suitable depot facilities for the Waste Management and Grounds Maintenance Services.

13.2 In respect of Langston Road Depot a planning application was made by Polofind Ltd, the owners of the adjoining T11 site, for a retail park (c.130,000 sq feet floor space) in December 2010. Work is progressing on relocating existing services from Langston Road depot to new depots at Oakwood Hill, North Weald and other locations.

13.3 Pyrles Lane Nursery will become vacant after the completion of the new Oakwood Hill Depot and options for development are being explored.

13.4 Proposals are being progressed with Essex County Council for the St John's Road sites and alternative options will be put to public consultation in 2012.

13.5 It is anticipated that there will be significant resource implications from the above changes and capital allocations will be sought once all options have been appraised and fully costed.

13.6 Each year the Council invests money to maintain its operational and commercial property assets to either a 'good' standard, defined as performing as intended and operating efficiently or a 'satisfactory' standard, defined as performing as intended but exhibiting minor deterioration. The level of investment is determined by the results of a buildings condition survey carried out every five years. The most recent survey was carried out in September 2011 and adopted by the Council in December 2011.

13.7 Sustained investment ensures that the Council's property assets retain their value and improves the resilience of operational buildings from infrastructure and systems failures.

14. Investments in Delivering Efficient Services

14.1 The Council is committed to continuing to improve ICT systems in order to improve communications, share information and get best value from existing software applications and hardware in the foreseeable future.

14.2 The existing telephone switch will soon be obsolete and is already unable to provide much of the advanced functionality now required by Directorates to improve communication with the public. A range of solutions are currently being evaluated.

14.3 A new website, capable of dealing with channel shift and avoidable contact, is being developed in-house using Open Source software. There is now a great range of powerful Open Source software which has the potential to provide cheaper Local Authority and ICT software applications in the future.

14.3 The Council has also begun to implement mobile working solutions, which will improve communication with staff based off-site, using a standard Smartphone.

15. Investments in Regeneration Schemes

15.1 A major regeneration project commenced in 2011 with the redevelopment of Limes Farm Hall in Chigwell. The project has seen the complete refurbishment of the 1970's Limes Farm Community Hall and addition of two new extensions to the building. The building works are due to be completed by early January 2012 and the new facilities will provide a multi-agency one-stop shop facility, where local residents will be able to access a wide range of services including health care, children's centre, housing and housing benefits. In addition, the facilities include a large activity hall with fully fitted kitchen suitable for weddings and other large functions, and a smaller activity hall with kitchen able to accommodate children's parties, older people's activities and a youth club. The building is of high quality and will be an excellent community asset offering Epping Forest residents of all ages a wide variety of opportunities to participate in social, sporting and health improvement classes and initiatives. The centre will be a flagship example of collaborative working between the Council, Health Service and Essex County Council Children's Centre service. It is expected that the Centre will open to the public in late January 2012.

15.2 A scheme, known as the Customer Services Transformation Service (CSTP), commenced a few years ago with the aim of transforming front line service delivery into a higher quality, co-ordinated information facility. Although not fully implemented due to financial restraints, improvements have been made the Council's IT systems and the remaining CSTP capital budget is being utilised to improve customer service through the new Limes Centre, Chigwell. The current Housing Services office on the estate will be transferred to the Centre in early January 2012 and will be joined by a new Housing Benefits team as part of the Council's requirement to provide greater access to the service following the Benefits Audit in 2010. The funding will be utilised to enhance the new reception and interview rooms.

15.3 The sporting facilities in Waltham Abbey have been considered in the light of a regeneration initiative and, following a long period of investigation into the suitability of recreation land at the Town Mead site in Waltham Abbey, approval was given to invest in a new Astroturf pitch. Planning permission has been granted to install a full size, third generation Astroturf playing pitch on the site. Concerns were raised by the Environment Agency (EA) at the planning stage of the process, with regards to potential land contamination due to it being a landfill site. However, following a series of additional soil testing requirements, the project was given approval and the building works are due to commence in January 2012. The pitch will be the first of its kind in the Epping Forest District, offering a full size high quality playing surface that is suitable for league matches as well as social games. A business plan was developed as part of the proposal for the facility that will see usage by clubs, a 5-a-side league and community coaching for young people in Waltham Abbey. Although the facility will be constructed on land owned by Waltham Abbey Town Council, it will be a partnership venture remaining in the Council's ownership, but maintained through the Town Council's parks team. A joint income share arrangement has been agreed for the facility.

16. Investments in Leisure Facilities and Grounds Maintenance

16.1 The Council's four leisure centres at Loughton, Epping, Waltham Abbey and Ongar are managed under a partnership contract by Sports and Leisure Management Ltd (SLM). When the partnership contract was set up with SLM, part of the contract was that the company committed a guaranteed investment in two phases at the facilities. The final guaranteed investment of £250,000 will be due in 2013/14 and the Council and SLM are entering into negotiations as to what work should be included for that sum.

16.2 Capital investment is undertaken annually at North Weald Airfield in respect of the infrastructure provided for the market to operate effectively. The partnership monies from the market contractor and Council expenditure has in the past been used to supply such things as safer surfacing and new toilet facilities. Each year there is agreement between the Council and the market operator on what is needed as an ongoing programme.

16.3 A set amount is committed each year to replace some part of the Grounds Maintenance fleet so as to ensure that the mowers, tractors and general vehicles are fit for purpose and environmentally friendly.

17. Performance Measurement and Monitoring

17.1 As part of its performance management to deliver capital schemes, the Council sets appropriate targets. Progress and performance is then monitored, on an ongoing basis, from conception to completion of the project, with a formal review undertaken after completion. There are a number of targets that are applied to all capital schemes, including the following:

- Total actual out-turns for works, fees and other expenditure should amount to no more than 105%, and no less than 95%, of the project estimate formulated on receipt of tenders or confirmation of works costs.
- Works should commence no later than 3 months after the receipt of tenders.
- Final accounts should be approved no later than 9 months after practical completion.

17.2 Once capital projects have been implemented, progress against key milestones, and actual expenditure compared to budget, are monitored on a regular basis. Capital projects are also reviewed to ensure that any problems or difficulties are identified, and action taken to minimise similar problems occurring on other projects. This is undertaken through officer project teams that are established for capital projects, in excess of £2,000,000. Project teams:

- Plan, manage and review projects and ensure effective financial management.
- Monitor expenditure, estimated out-turn, variances to budget, potential claims and overspends, levels of contingencies, and implications of deviations from critical paths.

17.3 On completion of schemes, post-contract evaluation is undertaken using the methodology recommended by the Audit Commission in its “Guidance on Capital Programmes and Construction Projects”.

17.4 Progress monitoring and review is not only undertaken by officers, but also quarterly by members at a strategic level, through the Finance and Performance Management Cabinet Committee and Scrutiny Panel.. Regular monitoring reports are also provided to the appropriate “client” portfolio holder for contracts in excess of £2,000,000, comprising information on progress, identified problems and the latest financial position. Portfolio holders are required to report to the Cabinet on any anticipated overspends in excess of 5%, giving the reasons and any available options for savings.

Community Strategy: Produced by the Local Strategic Partnership and adopted on 25 October 2010, the Community Strategy sets out the long-term vision & objectives for Epping Forest District.

Corporate Plan 2011/12-2014/15: The Corporate Plan is the Council's key strategic planning document, setting out service delivery priorities over a four-year period, with strategic themes reflecting those of the Community Strategy for the district. The Corporate Plan translates the vision for the district set out by the Community Strategy, into the Council's strategic direction, priorities and the most important outcomes that it wants to achieve, and informs all other plans and helps prioritise resources to provide quality services and value for money.

Asset Management Plan (2007-2012): Adopted in July 2007, it sets out how the Council will manage its assets during this period.

Business Plans: Annual business plans illustrate the work that directorates and services perform that directly contribute towards the achievement of the Council's Corporate Plan aims. Business plans translate the aims into actions for delivery.

Housing Strategy: Sets out the Council's main housing strategies for meeting housing need, new housing provision, associated planning policies, private sector housing, community care, housing benefits and the management and maintenance of the Council's own stock. Separate detailed Housing Service Strategies provide more detailed information in key areas.

Private Sector Housing Strategy: Produced every 3 years, summarises the condition of the private housing stock, analyses the current internal and external environment, sets out objectives, provides an action plan and identifies the required resources to seek to ensure that people occupy homes in the private sector which are safe, healthy, decent and adequate for their needs.

HRA Business Plan: Produced annually, provides medium and long term financial forecasts for the Housing Revenue Account (HRA), a comprehensive stock valuation broken down into asset groups, option appraisals (where relevant) and an Asset Management Plan for the HRA, incorporating the Council's Repairs and Maintenance Business Plan.

Combined Local Plan (1998) and Alterations (2006): The adapted Local Plan together with alterations sets out the Council's policies for the control of development, makes proposals for the development and use of land, and allocates land for specific purposes. It also influences the infrastructure and economic development of the District to meet the needs of the community. Work is currently in progress to collate the evidence base that will inform the District's Local Development Framework (LDF). An Issues and Options consultation is due to take place in the summer of 2011 with a view to adopting the new Core Planning Strategy in the spring of 2014.

Consultation Strategy: Sets out how the Council will consult local residents and other stakeholders on relevant issues relating to the formulation of strategies, setting of targets, delivery of services and review of performance.

Information Technology Strategy: Sets out the Council's strategies, standards and targets for the planning, procurement and management of information technology.

Treasury Management Strategy Statement & Investment Strategy: Sets out the Council's Treasury Management Strategy, Annual Investment Strategy and Prudential Indicators.

Feasibility Studies: Produced for individual capital projects to ensure that all options are properly appraised.

Crime & Disorder Strategy: Sets out the Council's approach to reducing crime and disorder within the District.

**CAPITAL PROGRAMME
2011/12 to 2015/16 FORECAST**

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
EXPENDITURE						
Finance & ICT	358	362	0	0	0	720
Corporate Support Service	536	712	310	333	227	2,118
Deputy Chief Executive	1,572	120	0	0	0	1,692
Environment & Street Scene	1,582	1,596	99	99	99	3,475
Planning & Economic Development	80	50	0	0	0	130
Total Non-Housing	4,128	2,840	409	432	326	8,135
Housing GF	1,175	2,761	790	750	750	6,226
HRA	7,026	12,806	15,017	14,809	14,524	64,182
Housing DLO	0	57	50	50	50	207
Total Housing	8,201	15,624	15,857	15,609	15,324	70,615
TOTAL	12,329	18,464	16,266	16,041	15,650	78,750
FUNDING						
DCLG Grant for DFGs	330	351	240	240	240	1,401
Housing Ass Growth Area Funding	70	0	90	0	0	160
Other Government Capital Grants	33	43	0	0	0	76
ECC/Parish Contributions	260	0	0	0	0	260
Private Funding	378	334	119	119	119	1,069
Total Grants	1,071	728	449	359	359	2,966
Housing GF (Other Capital Receipts)	610	2,210	550	510	510	4,390
Non Housing (Other Capital Receipts)	3,627	2,700	340	363	257	7,287
Total Capital Receipts	4,237	4,910	890	873	767	11,677
GF - RCCO	65	13	0	0	0	78
HRA - RCCO	2,050	5,200	5,900	6,600	7,300	27,050
HRA - MRR	4,906	7,613	9,027	8,209	7,224	36,979
Total Revenue Contributions	7,021	12,826	14,927	14,809	14,524	64,107
TOTAL	12,329	18,464	16,266	16,041	15,650	78,750

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**CAPITAL PROGRAMME
2011/12 to 2015/16 FORECAST**

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
Finance & ICT						
General IT	321	362	0	0	0	683
Cash-Receipting & Income System	12	0	0	0	0	12
Atlas Benefit Software	25	0	0	0	0	25
Total	358	362	0	0	0	720
Corporate Support Service						
Civic Office Works	304	253	218	121	150	1,046
Building Improvement Programme - Leisure	68	13	75	0	0	156
Environmental Improvements to Shops	30	75	7	24	0	136
Energy Efficiency Measures	35	13	0	0	0	48
Upgrade of Industrial Units	0	313	0	0	77	390
Solar Energy Panels	0	10	10	188	0	208
Property Management System	0	35	0	0	0	35
Langston Road Redevelopment	54	0	0	0	0	54
Pyrles Lane Redevelopment Purchases	21	0	0	0	0	21
Fleet Ops MOT vehicle lift	24	0	0	0	0	24
Total	536	712	310	333	227	2,118
Deputy Chief Executive						
Customer Services Trans Prog	14	0	0	0	0	14
Limes Farm Hall Development	1,000	0	0	0	0	1,000
Waltham Abbey All Weather Pitch	513	0	0	0	0	513
Waltham Abbey Regeneration Schemes	45	120	0	0	0	165
Total	1,572	120	0	0	0	1,692
Environment & Street Scene						
Waste Management Vehicles & Equip't	1,141	1,000	0	0	0	2,141
Fitness Equipment: Epping & Ongar	192	0	0	0	0	192
Loughton Leisure Centre:New Build	12	0	0	0	0	12
Bobbingworth Tip	39	30	0	0	0	69
Parking & Traffic Schemes	71	405	0	0	0	476
N W Airfield Market Improvements	73	84	69	69	69	364
Flood Alleviation Schemes	25	47	0	0	0	72
Grounds Maint Plant & Equipt	29	30	30	30	30	149
Total	1,582	1,596	99	99	99	3,475
Planning & Economic Development						
Loughton Broadway TCE	22	0	0	0	0	22
Loughton Broadway CCTV	49	50	0	0	0	99
Planning Services Capital Schemes	9	0	0	0	0	9
Total	80	50	0	0	0	130
TOTAL NON-HOUSING PROGRAMME	4,128	2,840	409	432	326	8,135

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**CAPITAL PROGRAMME
2011/12 to 2015/16 FORECAST**

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
Housing General Fund						
Affordable Housing Contrib to Hsg Assoc	0	372	0	0	0	372
Open Market Shared Ownership Scheme	235	550	0	0	0	785
Housing Ass Growth Area Funding	70	0	0	0	0	70
Home Ownership Grants Scheme	84	0	0	0	0	84
Disabled Facilities Grants	330	450	400	400	400	1,980
Other Private Sector Grants	290	409	350	350	350	1,749
Housing Estate Car Parking	166	980	40	0	0	1,186
TOTAL HOUSING GENERAL FUND	1,175	2,761	790	750	750	6,226
Housing Revenue Account						
House Building	0	128	2,764	2,829	2,897	8,618
Springfields, Waltham Abbey	28	0	0	0	0	28
Purchase of House in Pyrles Lane	239	0	0	0	0	239
Heating/Rewiring	1,557	2,564	2,327	2,339	2,204	10,991
Windows/Roofing/Asbestos/Water Tanks	746	3,002	2,812	2,839	2,472	11,871
Other Planned Maintenance	392	512	505	532	496	2,437
Total Planned Maintenance	2,962	6,206	8,408	8,539	8,069	34,184
Structural Schemes	471	600	600	600	300	2,571
Small Capital Repairs	896	438	438	438	438	2,648
Kitchen & Bathroom Replacements	1,837	3,750	4,543	4,177	4,188	18,495
Environmental Improvements	402	1,250	266	266	266	2,450
Garages	0	42	242	269	193	746
DCLG Grant for DFGs	423	450	450	450	450	2,223
Other Repairs and Maintenance	35	70	70	70	620	865
TOTAL HRA	7,026	12,806	15,017	14,809	14,524	64,182
Housing DLO Vehicles	0	57	50	50	50	207
TOTAL DLO	0	57	50	50	50	207
TOTAL HOUSING PROGRAMME	8,201	15,624	15,857	15,609	15,324	70,615

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**CAPITAL PROGRAMME
2011/12 to 2015/16 FORECAST**

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
EXPENDITURE						
Council Housing	6,624	11,613	14,801	14,593	14,308	61,939
Other Affordable Housing	389	922	0	0	0	1,311
Private Sector Housing Stock Conditions	620	859	750	750	750	3,729
Protecting the Environment	2,008	3,891	381	454	297	7,031
Asset Management	353	535	160	145	196	1,389
Delivering Efficient Services	381	397	0	0	0	778
Regeneration Schemes	1,067	120	0	0	0	1,187
Leisure Facilities & Grounds Maintenance	887	127	174	99	99	1,386
TOTAL	12,329	18,464	16,266	16,041	15,650	78,750
FUNDING						
DCLG Grant for DFGs	330	351	240	240	240	1,401
Housing Ass Growth Area Funding	70	0	90	0	0	160
HPDG/LABGI Capital Grants	33	43	0	0	0	76
ECC/Parish Contributions	260	0	0	0	0	260
Private Funding	378	334	119	119	119	1,069
Total Grants	1,071	728	449	359	359	2,966
Housing GF (Other Capital Receipts)	610	2,210	550	510	510	4,390
Non Housing (Other Capital Receipts)	3,627	2,700	340	363	257	7,287
Total Capital Receipts	4,237	4,910	890	873	767	11,677
GF - RCCO	65	13	0	0	0	78
HRA - RCCO	2,050	5,200	5,900	6,600	7,300	27,050
HRA - MRR	4,906	7,613	9,027	8,209	7,224	36,979
Total Revenue Contributions	7,021	12,826	14,927	14,809	14,524	64,107
TOTAL	12,329	18,464	16,266	16,041	15,650	78,750

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**CAPITAL PROGRAMME
2011/12 to 2015/16 FORECAST**

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
Council Housing						
House Building	0	128	2,764	2,829	2,897	8,618
Springfields, Waltham Abbey	28	0	0	0	0	28
Purchase of House in Pylles Lane	239	0	0	0	0	239
Heating/Rewiring	1,557	2,564	2,327	2,339	2,204	10,991
Windows/Roofing/Asbestos/Water Tanks	746	3,002	2,812	2,839	2,472	11,871
Other Planned Maintenance	392	512	505	532	496	2,437
Structural Schemes	471	600	600	600	300	2,571
Small Capital Repairs	896	438	438	438	438	2,648
Kitchen & Bathroom Replacements	1,837	3,750	4,543	4,177	4,188	18,495
Garages	0	42	242	269	193	746
Disabled Adaptations	423	450	450	450	450	2,223
Other Repairs and Maintenance	35	70	70	70	620	865
Housing DLO Vehicles	0	57	50	50	50	207
Total	6,624	11,613	14,801	14,593	14,308	61,939
Other Affordable Housing						
Affordable Housing Contrib to Hsg Assoc	0	372	0	0	0	372
Open Market Shared Ownership Scheme	235	550	0	0	0	785
Housing Ass Growth Area Funding	70	0	0	0	0	70
Home Ownership Grants Scheme	84	0	0	0	0	84
Total	389	922	0	0	0	1,311
Private Sector Housing Stock Conditions						
Disabled Facilities Grants	330	450	400	400	400	1,980
Other Private Sector Grants	290	409	350	350	350	1,749
Total	620	859	750	750	750	3,729
Protecting the Environment						
Waste Management Vehicles & Equip't	1,141	1,000	0	0	0	2,141
Bobbingworth Tip	39	30	0	0	0	69
Flood Alleviation Schemes	25	47	0	0	0	72
Solar Energy Panels	0	10	10	188	0	208
Energy Efficiency Measures	185	119	65	0	31	400
Parking & Traffic Schemes	71	405	0	0	0	476
Housing Estate Car Parking (GF)	166	980	40	0	0	1,186
Housing Estate Car Parking (HRA)	174	1,023	41	0	0	1,238
Environmental Improvements (HRA)	128	152	150	191	191	812
Watercourse Repairs (HRA)	0	10	10	10	10	40
Fencing (HRA)	5	15	15	15	15	65
CCTV (HRA)	25	50	50	50	50	225
Loughton Broadway CCTV	49	50	0	0	0	99
Total	2,008	3,891	381	454	297	7,031

**CAPITAL PROGRAMME
2011/12 to 2015/16 FORECAST**

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
Asset Management						
Environmental Improvements to Shops	100	75	7	24	0	206
Upgrade of Industrial Units	0	313	0	0	77	390
Langston Road Redevelopment	54	0	0	0	0	54
Pyrles Lane Redevelopment Purchases	21	0	0	0	0	21
Civic Office Works	154	147	153	121	119	694
Fleet Ops MOT vehicle lift	24	0	0	0	0	24
Total	353	535	160	145	196	1,389
Delivering Efficient Services						
General IT	321	362	0	0	0	683
Cash-Receipting & Income System	12	0	0	0	0	12
Atlas Benefit Software	25	0	0	0	0	25
Property Management System	0	35	0	0	0	35
Planning Services Capital Schemes	9	0	0	0	0	9
Customer Services Trans Prog	14	0	0	0	0	14
Total	381	397	0	0	0	778
Regeneration Schemes						
Limes Farm Hall Development	1,000	0	0	0	0	1,000
Waltham Abbey Regeneration Schemes	45	120	0	0	0	165
Loughton Broadway TCE	22	0	0	0	0	22
Total	1,067	120	0	0	0	1,187
Leisure Facilities & Grounds Maintenance						
Fitness Equipment: Epping & Ongar	192	0	0	0	0	192
Loughton Leisure Centre:New Build	12	0	0	0	0	12
Waltham Abbey All Weather Pitch	513	0	0	0	0	513
N W Airfield Market Improvements	73	84	69	69	69	364
Grounds Maint Plant & Equipt	29	30	30	30	30	149
Building Improvement Programme - Leisure	68	13	75	0	0	156
Total	887	127	174	99	99	1,386
TOTAL CAPITAL PROGRAMME	12,329	18,464	16,266	16,041	15,650	78,750

CAPITAL RECEIPTS
2011/12 to 2015/16 FORECAST

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
Receipts Generation						
Housing Revenue Account	586	690	928	1,166	1,165	4,535
General Fund	0	0	0	0	0	0
Total Receipts	586	690	928	1,166	1,165	4,535
Receipts Analysis						
Usable Receipts	155	174	234	294	294	1,151
Payment to Govt Pool	431	516	694	872	871	3,384
Total Receipts	586	690	928	1,166	1,165	4,535
DCLG Grant for DFGs Usable Capital Receipt Balances						
Opening Balance	18,694	14,612	9,876	9,220	8,641	18,694
Usable Receipts Arising	155	174	234	294	294	1,151
Use of Other Capital Receipts	(4,237)	(4,910)	(890)	(873)	(767)	(11,677)
Closing Balance	14,612	9,876	9,220	8,641	8,168	8,168

Appendix 4(b)

MAJOR REPAIRS RESERVE
2011/12 to 2015/16 FORECAST

	2011/12 Revised £000	2012/13 Forecast £000	2013/14 Forecast £000	2014/15 Forecast £000	2015/16 Forecast £000	5 Year Total £000
Opening Balance	6,540	6,612	5,931	3,828	2,533	6,540
Major Repairs Allowance	4,978	6,932	6,924	6,914	6,902	32,650
Use of MRR	(4,906)	(7,613)	(9,027)	(8,209)	(7,224)	(36,979)
Closing Balance	6,612	5,931	3,828	2,533	2,211	2,211

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Key Partners in Delivering the Capital Strategy

General	Town and parish councils Contractors Consultants Primary Care Trust Local Strategic Partnership
Loughton, Ongar, Epping Leisure Centres And Waltham Abbey Swimming Pool	Sports and Leisure Management Ltd. (SLM) Football Foundation Essex Football Association
Children's Play Schemes	The National Lottery
Town Centre Enhancements	Loughton Town Centre Partnership Loughton Broadway Town Centre Partnership Buckhurst Hill Town Centre Partnership Loughton Town Council Buckhurst Hill Parish Council Essex County Council East of England Development Agency Business Development Board Chambers of Commerce Local traders and businesses Essex Police Disabled access groups
Social Housing	Housing Corporation GO-East Registered social landlords
Improvements to the Council's Housing Stock	Epping Forest District Tenants and Leaseholders Federation
Disabled Facilities Grants / Private Sector Housing Grants	Caring And Repairing in Epping Forest (CARE) Essex County Council DCLG GO-East Epping Forest Primary Care Trust
Parking & Traffic Calming	Essex County Council Town and parish councils Essex Police
Economic Strategy Schemes	East Herts DC Uttlesford DC Harlow DC Essex Economic Partnership
Flood Risk Management	Environment Agency



**Epping Forest
District Council**

**Civic Offices, High Street
Epping, Essex CM16 4BZ
Telephone: 01992 464000**

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Portfolio Holder: Councillor G Mohindra
(Finance and Economic Development)

1. KEY OBJECTIVES 2012/13

Recommending:

... **That the Key Objectives for 2012/13 be agreed.**

-
1. The Corporate Plan for 2011/12 to 2014/15 includes an annually updated section reflecting the Council's Key Objectives for each of the four years to 2014/15.
 2. The Key Objectives are intended to reflect national and local priorities and specific service challenges, and to provide a clear statement of the Council's overall objectives for the year. The Key Objectives contain specific actions articulating how they will be achieved through projects and initiatives, and measurable outcomes to demonstrate their achievement. Progress against each objective is reported to the Cabinet and the Overview and Scrutiny Committee on a six-month and year-end basis.
 3. Adoption of Key Objectives at the same time as the setting of the budget enables the Council to align its business, financial and workforce planning and development processes. It also enables the delivery of the Key Objectives to be reflected within the annual Directorate Business Plans produced for each service area.
 4. Progress in respect of Key Objectives for the first six months of 2011/12 has been considered by the Cabinet and the Overview and Scrutiny Committee and used as a starting point for the identification of appropriate objectives for 2012/13. As a result a number of actions have been carried forward from 2011/12 alongside new objectives responding to issues of national or local importance.
 5. The attached Key Objectives have been considered and agreed at a joint Cabinet and Management Board meeting and by the Overview and Scrutiny Committee.
 6. Once adopted, the Key Objectives will be published on the Council's website as an update to the Corporate Plan 2011/12 – 2014/15
 7. We recommend as set out at the commencement of this report.

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DRAFT KEY OBJECTIVES 2012/13

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
<p>(1) The development of the Council's new Local Plan as the spatial strategy for development and growth across the Epping Forest District, and to support the aspirations of the Community Strategy for the district;</p>	<p>To develop the Council's new Local Plan in accordance with the project plan timetable agreed by the Local Development Framework Cabinet Committee;</p> <p><i>(Planning and ICT Portfolio Holder/Director of Planning and Economic Development)</i></p>	<p>(i) The establishment of joint working arrangements with other relevant local planning authorities on strategic matters relating the development of the new Local Plan, in accordance with the duty to cooperate introduced by the Localism Act 2011;</p>	<p>Medium-Term Aims</p> <p>Aim 5 - Provide clear community leadership;</p> <p>Budget 2012/13</p> <p>Corporate Strategies and Policies</p>
		<p>(ii) The development of the new Local Plan in accordance with the project plan timetable for the issues and options (February-March 2012), and draft plan (July-August 2012) consultation exercises;</p>	
		<p>(iii) The submission of progress reports in respect of the development of the new Local Plan, to each meeting of Management Board;</p>	
		<p>(iv) The submission of the draft new Local Plan to the Planning</p>	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
		Inspectorate by 28 August 2013;	
<p>(2) The achievement of the levels of net savings necessary to maintain the Council's sound financial position, and the provision of the best level of service possible with reduced resources;</p>	<p>(a) To ensure that over the period of the Medium-Term Financial Strategy, the use of reserves to balance the Council's budget is reduced;</p> <p><i>(Finance and Economic Development Portfolio Holder/Director of Finance and ICT)</i></p>	<p>The success of the Medium-Term Financial Strategy in reducing the use of reserves to balance the budget for 2015/16;</p>	<p>Medium-Term Aims</p> <p>Aim 1 - Safeguard frontline services;</p> <p>Aim 2 - Lowest Council Tax in Essex;</p> <p>Aim 4 - Continuously improve efficiency;</p> <p>Budget 2012/13</p> <p>Corporate Strategies and Policies</p>
	<p>(b) To ensure that the General Fund Reserve Balance falls to no lower than 25% of the Council's Net Budget Requirement;</p> <p><i>(Finance and Economic Development Portfolio Holder/Director of Finance and ICT)</i></p>	<p>The predicted level of the General Fund Reserve Balance for 2015/16;</p>	
	<p>(c) To achieve improvement in respect of the Council's Key Performance Indicators for each of the four years from 2010/11 to</p>	<p>The achievement of improved performance against the Key Performance Indicators for 2012/13, compared with performance for</p>	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies	
	2014/15;	2011/12, by 31 March 2013;		
	(d) To continue to achieve high levels of revenue collection; <i>(Finance and Economic Development Portfolio Holder/Director of Finance and ICT)</i>	(i) The collection of 97.8% of the Council Tax due for 2012/13 by 31 March 2013, as measured by Key Performance Indicator 31;		(ii) The collection of 98.0% of the National Non-Domestic Rates due for 2012/13 by 31 March 2013, as measured by Key Performance Indicator 32;
		(e) To implement improvements to the Council's housing repairs service, to improve repair response times and maintain high levels of tenant satisfaction; <i>(Housing Portfolio Holder/Director of Housing)</i>		(i) The introduction of a full housing repairs appointment system, by 30 April 2012;
	(iii) The achievement of all target times within the Repairs Management Contract for the fourth quarter of 2012/13 (January-March 2013), by 31 March 2013;			

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
		(iv) The achievement of 99.00% tenant satisfaction with the performance of the housing repairs service for 2012/13, as measured by Key Performance Indicator 45;	
	(f) To further improve the Council's housing service, utilising additional resources available as a result of arrangements for the self-financing of local authority Housing Revenue Accounts introduced as part of the Localism Act 2011; <i>(Housing Portfolio Holder/Director of Housing)</i>	(i) The consideration of relevant housing service improvements and enhancements by the Epping Forest Tenants and Leaseholders Federation, by 30 April 2012;	
	(ii) The consideration by the Housing Scrutiny Panel of a report in respect of relevant housing service improvements and enhancements, by 30 April 2012;		
(3) The implementation of the Government's proposed welfare	(a) To work with other Essex local authorities and Essex County	The implementation of an agreed common Council Tax Benefit scheme	Medium-Term Aims

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
and other finance reforms with the least possible disruption to service users and the Council's operations;	<p>Council to develop and introduce a common local scheme of Council Tax Benefit;</p> <p><i>(Finance and Economic Development Portfolio Holder/Director of Finance and ICT)</i></p>	across Essex, by 31 March 2013;	<p>Aim 1 - Safeguard frontline services;</p> <p>Aim 5 - Provide clear community leadership;</p> <p>Budget 2012/13</p> <p>Corporate Strategies and Policies</p>
	<p>(b) To work with other Essex local authorities and Essex County Council to maximise income from the retention of Business Rates;</p> <p><i>(Finance and Economic Development Portfolio Holder/Director of Finance and ICT)</i></p>	The consideration of different Business Rate pooling options by 31 March 2013 and, if appropriate, the implementation of a Business Rate pool;	
	<p>(c) To examine the impact of the proposed introduction of the housing-related elements of the proposed welfare reforms on Council tenants, private tenants and the Council;</p> <p><i>(Housing Portfolio Holder/Director</i></p>	<p>(i) The seeking of external funding for the commission of a study by the Chartered Institute of Housing into the effects of the housing-related elements of the proposed welfare reforms, by 30 April 2012;</p> <p>(ii) The completion, subject to the</p>	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 88</p>	<p><i>of Housing)</i></p>	<p>securing of appropriate funding, of the Chartered Institute of Housing study by 30 June 2012;</p>	
	<p>(d) To support local residents and landlords, through the provision of appropriate information on the effects of the introduction of the proposed welfare reforms;</p> <p><i>(Finance and Economic Development Portfolio Holder/Director of Finance and ICT)</i></p> <p><i>(Housing Portfolio Holder/Director of Housing)</i></p>	<p>The publication of appropriate welfare reform information and guidance on the Council's website;</p>	
<p>(4) The implementation of initiatives to help mitigate the impact of the current economic conditions on local communities and businesses, where resources permit and value for money can be achieved from the Council's activities;</p>	<p>(a) To make no increase in the Council Tax for 2012/13;</p> <p><i>(Finance and Economic Development Portfolio Holder/Director of Finance and ICT)</i></p>	<p>(i) The freezing of the Council Tax for 2012/13, at 2011/12 levels;</p> <p>(ii) The securing of the specific grant made available by the Government in lieu of the local increase in Council Tax for 2012/13, by 31 March 2013;</p>	<p>Medium-Term Aims</p> <p>Aim 2 - Lowest District Council Tax in Essex;</p> <p>Aim 3 - Innovative and transparent council;</p> <p>Aim 4 - Continuously improve</p>

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
	(b) To make no increase in the Council's off-street car parking fees and charges for 2012/13; <i>(Environment Portfolio Holder/Director of Environment and Street Scene)</i>	The freezing of all off-street car parking fees and charges for 2012/13, at 2011/12 levels;	efficiency; Aim 5 - Provide clear community leadership; Budget 2012/13 Corporate Strategies and Policies
	(c) To provide free off-street car parking on Saturdays throughout the year in each of the six primary towns of the district (Buckhurst Hill, Chigwell, Epping, Loughton, Ongar, Waltham Abbey), to support the local economy of the district; <i>(Environment Portfolio Holder/Director of Environment and Street Scene)</i>	The provision of free Saturday car parking in at least one of the Council's off-street car parks in each of the six primary towns of the district, throughout 2012/13;	
	(d) To provide free car parking in all of the Council's off-street car parks on each Saturday during December 2012, to support the local economy of the district during the pre-Christmas period;	The provision of free car parking in each of the Council's off-street car parks on all Saturdays during December 2012;	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
	<i>(Environment Portfolio Holder/Director of Environment and Street Scene)</i>		
	(e) To undertake further work following the revenue income optimisation exercise undertaken in 2011/12, in order to ensure parity in the Council's fees and charges regime for short and long-term off-street parking; <i>(Environment Portfolio Holder/Director of Environment and Street Scene)</i>	(i) The completion of a car park usage survey by 31 March 2013; (ii) The assessment of the car parking needs/concerns of local businesses, once data from the car park usage survey has been analysed and considered;	
	(f) To make no increase in other of the Council's fees and charges for 2012/13;	(i) The freezing at 2011/12 levels, or the reduction from 2011/12 levels, of at least 50% of the Council's housing-related fees and charges for 2012/13; <i>(Housing Portfolio Holder/Director of Housing)</i>	
		(ii) The freezing of all of the Council's	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 91</p>		<p>domestic and trade waste related fees and charges for 2012/13 at 2011/12 levels, other than where costs to the Council rise through external influences (e.g. through contracted costs);</p> <p><i>(Environment Portfolio Holder/Director of Environment and Street Scene)</i></p>	
		<p>(iii) The review of the effect of the Council's fees and charges for 2012/13 by 30 November 2012, as part of the preparation of the budget for 2013/14;</p>	
<p>(5) Maximising the provision of affordable housing within the district;</p>	<p>(a) To prepare for the commencement of a council house building programme during 2013/14;</p> <p><i>(Housing Portfolio Holder/Director of Housing)</i></p>	<p>(i) The appointment of a Development Agent to undertake the house building development process for the Council, by 31 March 2013;</p> <p>(ii) The identification by the Cabinet of potential Council-owned development sites for the house building programme by 30 June</p>	<p>Medium-Term Aims</p> <p>Aim 4 - Continuously improve efficiency;</p> <p>Aim 5 - Provide clear community leadership;</p> <p>Budget 2012/13</p>

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
		2012, to enable development appraisals to be undertaken by the appointed Development Agent;	Corporate Strategies and Policies
		(iii) The determination of the future use of the Council-owned Leader Lodge site at North Weald following completion of a 'Planning for Real' exercise, to include consideration of whether the site should provide affordable housing or be sold on the open market for private housing, and whether any resultant capital receipt should be utilised as a cross-subsidy for the council house building programme;	
	(b) To provide interest-free loans to the Council's housing association partner through the Shared Ownership Scheme, to enable local residents to purchase open-market properties on a shared ownership basis; <i>(Housing Portfolio Holder/Director of Housing)</i>	(i) The provision of the first shared ownership loan to Broxbourne Housing Association, by 31 May 2012;	
		(ii) The completion of the remaining seven shared ownership loans to Broxbourne Housing Association, by 31 March 2013;	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
		(iii) The review of the Shared Ownership Scheme, including the possible extension to Stage 2 of the scheme (a further five shared ownership loans), by 31 December 2012;	
	(c) To work with Hastoe Housing Association to complete the first housing association properties in the country built with straw bales, at Millfield, High Ongar; <i>(Housing Portfolio Holder/Director of Housing)</i>	(i) The determination of the planning application for the straw bale development at Millfield, High Ongar, by 30 April 2012;	
	(ii) The completion, subject to the grant of planning permission for the straw bale development, of the lease of land at Millfield to Hastoe Housing Association by 30 April 2012;		
	(iii) The commencement of the straw bale development at Millfield, High Ongar, by 30 June 2012;		
(d) To work with housing association partners to complete at least 34 new affordable homes and commence the construction of at	(i) The completion of 5 new affordable homes for shared ownership at Church Hill, Loughton with Moat Housing, by		

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
	<p>least 69 new affordable homes, in the form of both rented housing and shared ownership;</p> <p><i>(Housing Portfolio Holder/Director of Housing)</i></p>	31 March 2013;	
		(ii) The completion of 29 new affordable homes for rent and shared ownership at Sewardstone Road, Waltham Abbey with Hastoe Housing Association and Genesis Housing Association, by 31 March 2013;	
		(iii) The start on site of 52 new affordable homes for rent and shared ownership at Jennikings Nursery, Chigwell with Moat Housing, by 31 March 2013;	
		(iv) The start on site of 17 new affordable homes for rent and shared ownership at Manor Road, Chigwell with East Thames Housing, by 31 March 2013;	
	(e) To progress the residential development at the Council's nursery site at Pyrles Lane, Loughton, to include the provision of new affordable homes for rent	The determination of an outline planning application for the residential development of the Council's nursery site, including the provision of at least 40% new affordable homes for rent	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
	and shared ownership; <i>(Housing Portfolio Holder/Director of Housing)</i>	and shared ownership, by 31 May 2012;	
	(f) To review the Strategic Housing Market Assessment to determine whether it remains fit for purpose to evaluate the number of new affordable homes required over the period of the Council's new Local Plan; <i>(Housing Portfolio Holder/Director of Housing)</i>	(i) The review of the Strategic Housing Market Assessment, by 30 May 2012;	
		(ii) The update, if required, of the Strategic Housing Market Assessment by 31 December 2012;	
(6) The implementation of relevant provisions contained within the Localism Act 2011, and other public sector reforms;	(a) To implement relevant provisions contained in the Localism Act 2011; <i>(Support Services Portfolio Holder/Assistant to the Chief Executive)</i>	The determination of the Council's approach to the following elements of the Localism Act, by 31 March 2013: <ul style="list-style-type: none"> • a local standards regime; • a local petitions regime; and • local referendums on Council Tax increases; 	Medium-Term Aims Aim 3 - Innovative and transparent council; Aim 5 - Provide clear community leadership;
	(b) To improve understanding and partnership between the Council	The review of the Epping Forest District Compact, to ensure an	Budget 2012/13

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
	<p>and the voluntary and community agencies operating in the Epping Forest District;</p> <p><i>(Leisure and Wellbeing Portfolio Holder/Assistant to the Chief Executive)</i></p>	<p>effective working relationship between the voluntary sector and the Local Strategic Partnership and its partner organisations (including the Council), by 31 March 2013;</p>	<p>Corporate Strategies and Policies</p>
	<p>(c) To progress arrangements for the transition to Individual Electoral Registration for electoral purposes, required to be undertaken over the period from 2013 to 2015;</p> <p><i>(Support Services Portfolio Holder/Assistant to the Chief Executive)</i></p>	<p>(i) The identification of necessary resource requirements for the following elements of the transition to Individual Electoral Registration, by 31 March 2013:</p> <ul style="list-style-type: none"> • the removal of registrations after the 2014/15 canvass, where these have not been renewed; • measures to encourage electors to re-register under the new arrangements as individual voters; and • arrangements for applications for absent voting following re-registration under the individual voter registration system; 	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
		(ii) The determination of the resource implications of the Individual Electoral Registration process after the transitional phase from 2015 onwards, by 31 March 2013;	
	(d) To consider the introduction of fixed-term, flexible tenancies for some new Council tenants, as a result of powers provided by the Localism Act 2011, instead of the granting of 'lifetime' secure tenancies for all tenants; <i>(Housing Portfolio Holder/Director of Housing)</i>	(i) The provision of appropriate information sessions for the Council's members and the Epping Forest Tenants and Leaseholders Federation on the housing tenure reform provisions of the Localism Act 2011, by 30 April 2012;	
	(ii) The consideration by the Cabinet of the high-level policy issues relating to the possible introduction and use of fixed term tenancies, by 30 April 2012;		
	(iii) The consideration by the Housing Scrutiny Panel, of a proposed new Tenancy Policy based on Cabinet policy direction, by 31 July 2012;		
(iv) The adoption by the Cabinet of the			

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
		new Tenancy Policy, by 30 September 2012;	
		(v) The implementation of the new Tenancy Policy from 1 April 2013;	
	(e) To undertake a review of the Housing Allocations Scheme, as a result of powers provided by the Localism Act 2011, to ensure that local residents are given the highest priority for Council and housing association properties, and that vacant properties are offered to those most in housing need; <i>(Housing Portfolio Holder/Director of Housing)</i>	(i) The provision of appropriate information sessions for the Council's members and the Epping Forest Tenants and Leaseholders Federation on the new housing allocation provisions of the Localism Act 2011, by 30 April 2012;	
		(ii) Subject to the issue of the relevant Commencement Order and new Code of Guidance on Allocations, the consideration by the Cabinet of the high-level policy issues relating to the adoption of a revised Housing Allocations Scheme, by 31 July 2012,	
		(iii) The consideration by the Housing Scrutiny Panel, of a new Housing Allocations Scheme based on	

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
		Cabinet policy direction, by 31 October 2012;	
		(iv) The adoption by the Cabinet of the new Housing Allocations Scheme by 31 December 2012;	
		(v) The implementation of the new Housing Allocations Scheme from 1 April 2013;	
	(f) To ensure that the Council is able to fully engage in the development of new Health and Wellbeing Boards, to improve health and wellbeing outcomes across the district; <i>(Leisure and Wellbeing Portfolio Holder/Director of Environment and Street Scene)</i>	The establishment of joint-working arrangements with Harlow and Uttlesford District Councils, to ensure that the Joint Strategic Needs Assessment properly reflects the health and wellbeing needs of west Essex, and the Epping Forest District in particular;	
(g) To ensure that the Council is able to fully engage in the process of appointing and overseeing the work of the new Police and Crime Commissioner for Essex, due for	(i) The appointment of an executive member as the Council's representative on the Police and Crime Panel for Essex, at the annual Council meeting on 22 May		

Key Objective	Action(s)	Target(s)/How Measured	Links to Medium-Term Aims, the Budget and other Corporate Strategies and Policies
	<p>election in November 2012.</p> <p><i>(Safer, Greener and Highways Portfolio Holder/Director of Environment and Street Scene)</i></p>	<p>2012;</p>	
		<p>(ii) The introduction of arrangements to ensure that, with partner agencies, the Epping Forest Safer Communities Partnership is able to positively engage with the Police & Crime Commissioner for Essex when elected;</p>	
		<p>(iii) The consideration of any proposals for the amalgamation of local Safer Communities Partnerships, ahead of the election of the Police and Crime Commissioner for Essex in November 2012.</p>	

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Portfolio Holder: Councillor G Mohindra
(Finance and Economic Development)

TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2012 -15

Recommendations:

That, subject to the views of the Audit and Governance Committee:

(a) the following attached documents be adopted:

(i) Treasury Management Strategy Statement and Annual Investment Strategy 2012/13 to 2014/15;

(ii) Minimum Revenue Provision (MRP) Statement;

(iii) Treasury Management Prudential Indicators for 2012/13 to 2014/15; and

(iv) Treasury Management Policy Statement; and

(b) the use of the average interest earned for the year on the Council's investments as the rate of interest to be applied to any inter-fund borrowing between the General Fund and the Housing Revenue Account be approved.

(NOTE: The Chairman of the Audit and Governance Committee will report orally on the views of that Committee)

Introduction

1. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2009). There is a requirement for the Council to approve its treasury and investment strategy and prudential indicators each year.

2. The attached strategy has been prepared in line with advice from the Council's treasury advisors, Arlingclose.

3. There are no major changes to the strategy from the current strategy approved in July 2011.

Minimum Revenue Provision

4. Each year the Council has to approve its statement on the Minimum Revenue Provision (MRP). In previous years the Council has been debt free and therefore, it has not been necessary to provide MRP in our accounts. However, the Council is taking on debt of £185.456m and this would normally require the local authority to charge MRP to the General Fund. The Department for Communities and Local Government has produced draft regulations intended to mitigate this impact, whereby the Council can ignore the borrowing incurred in relation to the Housing Self-financing when calculating MRP and therefore, (for MRP purposes only) the Council is classed as debt free and does not have to make provision for MRP.

Inter-fund balances

5. The Council has inter-fund borrowed for many years between the General Fund and Housing Revenue Account and the interest charge made between the funds has been based on the average interest earned on investment for the year. Under draft regulations issued by CIPFA, it is now proposed that the interest rate applicable to any inter-fund borrowing should be approved by full Council before the start of the financial year. As the Council has been undertaking inter-fund borrowing for many years, we are proposing to continue to use the average interest earned for the year on investments as the rate for any inter-fund borrowing.

Policy Statement

6. The Treasury Management Policy Statement is a high level mission statement for how the Council Treasury function will be undertaken. The Policy Statement was last updated as part of the 2010/11 Treasury Strategy following the changes made to the Code in November 2009.

7. CIPFA has now updated this Policy to include a high level statement for borrowing and investments. This amended Policy is attached. Our treasury advisors are still in the process of considering the best possible borrowing schedule for the Council, based on the 30 year financial plan. If any of the borrowing indicators were to change then this will be reported orally at the meeting.

Current Investments

8. The Council's investments are all denominated in UK sterling and receive regular information from our treasury advisors on the latest position on the use of Counterparties. The latest information supplied is as follows:

UK Banks and building societies:

(a) a maximum maturity limit of 3 months applies to HSBC and Standard Chartered

(b).a maximum maturity limit of 1 month to Barclays Bank, Lloyds TSB, Bank of Scotland, Royal Bank of Scotland, National Westminster, and Nationwide Building Society.

(c) a maximum maturity limit of overnight applies to Santander UK plc.

European Banks:

All temporarily suspended for new investments.

Non European Banks:

A maximum maturity limit of 3 months applies to Australian, Canadian and US banks that are on our list.

Money Market Funds:

A maximum exposure limit of 10% of your total investment per MMF

9. The Council currently has an investment portfolio of £55m, this will vary from day to day, depending on the cash flow of the authority. A breakdown of this portfolio by Country and length of time remaining on investments are shown in the two tables below.

Country of counterparty	£m
United Kingdom	34.6
France	4.0
Australia	5.0
Ireland **	11.4
Total	55.0

** The investments shown under Ireland relates to Money Market Funds that are AAA rated and approved to be used by Arlingclose, however they are domicile in Ireland for tax purposes only.

Maturity profile of investment as at 18 January 2012	£m
Overnight (Call / Money Market Fund)	23.0
Up to 7 days	7.0
8 days to 1 month	5.0
1 month to 3 months	15.0
3 months to 6 months	0.0
6 months to 9 months	5.0
Total	55.0

10. The continued low interest rates, the use of fewer counterparties and the shorter durations of investments have reduced estimated interest income for 2012/13 to £561,000.

11. Following our meeting on 30 January 2012, the Audit and Governance Committee were due to consider this matter at its meeting on 9 February 2012 and the Chairman of that Committee will report orally at the council meeting on the views of that Committee.

12. We recommended as set out at the commencement of this report.

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Treasury Management Strategy Statement and Investment Strategy

2012/13 to 2014/15

1. Background

- 1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the Department for Communities & Local Government (CLG) Investment Guidance.
- 1.2. The purpose of this TMSS is, therefore, to approve:
 - Treasury Management Strategy for 2012/13
 - Annual Investment Strategy for 2012/13
 - Prudential Indicators for 2012/13, 2013/14 and 2014/15
 - MRP Statement.
- 1.3. Treasury Management is about the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.
- 1.4. As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management Code on 22 April 2002.
- 1.5. All treasury activity will comply with relevant statute, guidance and accounting standards.

2. Capital Financing Requirement

- 2.1. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.
- 2.2. The Authority's current level of debt and investments is set out at **Appendix A**.
- 2.3. The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2014/15. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.
- 2.4. The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

Table 1: Balance Sheet Summary Analysis

	2011/12 Estimate £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
General Fund CFR	37.519	31.097	31.097	31.097	31.097
HRA CFR**	141.697	153.575	153.575	153.575	153.575
Total CFR	179.216	184.672	184.672	184.672	184.672
Less: Existing Profile of Borrowing and Other Long Term Liabilities	0.0	0.0	0.0	0.0	0.0
Cumulative Maximum External Borrowing Requirement	179.216	184.672	184.672	184.672	184.672
Usable Reserves	47.000	47.000	47.000	47.000	47.000
Cumulative Net Borrowing Requirement/(Investments)	132.216	137.672	137.672	137.672	137.672

** this figure reflects the potential increase/decrease on account of Housing Reform.

2.5 Table 1 shows that the capital expenditure plans of the Authority cannot be funded entirely from sources other than external borrowing.

3. Self-Financing of Housing

3.1 The reforms involve a removal of the housing subsidy system by offering a one-off reallocation of debt. The settlement of the reallocation is expected to take place on 28th March 2012 and will result in the Authority having:

An increase in debt to fund the settlement of £185.5m. The specific borrowing amount and terms will be determined by the Authority in conjunction with the advice of its treasury advisers. This will be based on the draft 30 year financial plan for the HRA approved by Cabinet on 5 December 2011.

In **Appendix B** revisions are made to the Prudential Indicators for 2011/12 to reflect the increase in borrowing in relation to the self-financing settlement.

4. Interest Rate Forecast

4.1 The economic and interest rate forecast provided by the Authority's treasury management advisor is attached at **Appendix C**. The Authority will reappraise its strategies from time to time in response to evolving economic, political and financial events.

5. Borrowing Strategy

- 5.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in *Appendix C* indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a “cost of carry” for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority’s wider financial position.
- 5.2 As indicated in Table 1, the Authority is currently debt free, although the changes to the HRA set out in section 3 will cause the Authority to take on debt before the end of 2011/12. Capital expenditure plans do not currently imply any additional external borrowing requirement in 2012/13.

6. Sources of Borrowing and Portfolio implications

- 6.1 In conjunction with advice from its treasury advisor, Arlingclose, the Authority will keep under review the following borrowing sources:
- PWLB
 - Local authorities
 - Commercial banks
 - European Investment Bank
 - Money markets
 - Capital markets (stock issues, commercial paper and bills)
 - Structured finance
 - Leasing
 - Use of Internal Resources
- 6.2 The cost of carry has resulted in an increased reliance upon shorter dated and variable rate borrowing. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority’s exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs. A narrowing in the spread by 0.5% will result in an immediate and formal review of the borrowing strategy to determine whether the exposure to shorter dated and variable rates is maintained or altered.

6.3 If the Council decides to use internal resources (borrowing between the General Fund and Housing Revenue Account) then the average rate of interest earned on the Council's investments will be used as the charge for interest.

7. Debt Rescheduling

7.1 The Authority's debt portfolio could be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

7.2 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling would be one or more of the following:

- Savings in risk adjusted interest costs
- Rebalancing the interest rate structure of the debt portfolio
- Changing the maturity profile of the debt portfolio

7.3 Borrowing and rescheduling activity will be reported in the Annual Treasury Management Report to the Finance & Performance Management Cabinet Committee.

8. Annual Investment Strategy

8.1 In accordance with Investment Guidance issued by the CLG and best practice this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yields earned on investments are important but are secondary considerations.

8.2 Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt built up have lead to a sovereign debt crisis and a banking crisis with the outcome still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.

8.3 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute.

Non specified investments are, effectively, everything else, including term deposits that are beyond one year.

- 8.4 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 2: Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	✗
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	✗
Commercial Paper	✓	✗
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	✗
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	✗

- 8.5 A number of changes have been implemented to investment strategy for 2012/13 in response to changes in the CLG Guidance and evolving conditions in financial markets. This results in the inclusion of corporate bonds which the CLG have indicated will become an eligible non-capital investment from 1st April 2012. However, the principal amendments are in relation to the individual institutions with which the Authority is prepared to lend its funds.

- 8.6 The Authority and its advisors, Arlingclose, select countries and financial institutions after analysis and ongoing monitoring of:

- Published credit ratings for financial institutions (minimum long term rating of A- or equivalent for counterparties; AA+ or equivalent for non-UK sovereigns) - this is lower than the A+ minimum adopted in 2011/12 and is in response to downgrades in credit ratings below A+ of many institutions considered to be systemically important to the financial system.
- Credit Default Swaps (where quoted)

- Economic fundamentals (for example Net Debt as a percentage of GDP)
- Sovereign support mechanisms
- Share Prices
- Corporate developments, news, articles, markets sentiment and momentum
- Subjective overlay - or, put more simply, common sense.

Any institution can be suspended or removed should any of the factors identified above give rise to concern.

The countries and institutions that meet the criteria for term deposits, Certificates of Deposit (CDs) and call accounts are included in *Appendix D*.

It remains the Authority's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.

8.7 **Authority's Banker** - The Authority banks with National Westminster Bank. At the current time, it does meet the minimum credit criteria of A- (or equivalent) long term. Even if the credit rating falls below the Authority's minimum criteria National Westminster Bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

9. **Investment Strategy**

9.1 With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

9.2 In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.

9.3 Money market funds (MMFs) will be utilised but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to diversify any exposure by utilising more than one MMF. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF.

9.4 Collective Investment Schemes (Pooled Funds)

The Authority has evaluated the use of Pooled Funds and determined the appropriateness of their use within the investment portfolio. Pooled funds enable the Authority to diversify the assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns.

9.5 Investments in pooled funds will be undertaken with advice from Arlingclose. The Authority currently has no investments in Pooled Funds.

10. **The Use of Financial Instruments for the Management of Risks**

10.1 Currently, Local Authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Bill is not sufficiently explicit. Consequently, the authority does not intend to use derivatives.

10.1 Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require full Council approval.

11. **Balanced Budget Requirement**

11.1 The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

12. **2012/13 MRP Statement**

12.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

12.2 The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

12.3 MRP in 2012/13: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include

Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.

- 12.4 The MRP Statement will be submitted to Authority before the start of the 2012/13 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.

The Authority's CFR at 31st March 2012 is estimated to become positive as a result of the Housing Subsidy reform settlement. This would normally require the local authority to charge MRP to the General Fund in respect of Non-HRA capital expenditure funded from borrowing. CLG has produced draft regulations intended to mitigate this impact and as such under Option 2 (the CFR method) there is no requirement to charge MRP in 2012/13.

13. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

- 13.1 The Director of Finance & ICT will report to the Finance & Performance Cabinet Committee on treasury management activity / performance and Performance Indicators as follows:

- Mid-year against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- Audit & Governance Committee will be responsible for the scrutiny of treasury management activity and practices.

14. Other Items

14.1 Training

CIPFA's Code of Practice requires the Director of Finance & ICT to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Training in 2011/12 concentrated on the options for financing the HRA related borrowing. Going forward the emphasis is likely to be on debt management and any opportunities for restructuring.

14.2 Investment Consultants/Treasury Advisors

The CLG's Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
- How the quality of any such service is controlled.

The authority has appointed Arlingclose as external contractor to provide information and advice on investments and treasury issues. The quality of the service is controlled through regular meetings with Arlingclose.

Appendix A - Existing Investment & Debt Portfolio Position (Section 2.2)

	31/12/2011 Actual Portfolio £m
External Borrowing:	
Fixed Rate - PWLB	
Fixed Rate - Market	
Variable Rate - PWLB	
Variable Rate - Market	
Total External Borrowing	0.0
Other Long Term Liabilities:	
- PFI	
- Finance Leases	
Total Gross External Debt	0.0
Investments:	
<i>Managed in-house</i>	
- Short-term monies (Deposits/ monies on call /MMFs)	48.3
- Long-term investments	0.0
<i>Managed externally</i>	
- By Fund Managers	
- Pooled Funds (<i>please list</i>)	0.0
Total Investments	48.3

Appendix B
Prudential Indicators 2012/13 - 2014/15

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Net Borrowing and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Director of Finance & ICT reports that the authority had no difficulty meeting this requirement in 2011/12, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
	£m	£m	£m	£m	£m
Non-HRA	6.431	5.303	5.601	1.199	1.182
HRA	6.973	192.482	12.863	15.067	14.859
Total	13.404	197.785	18.464	16.266	16.041

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
	£m	£m	£m	£m	£m
Capital receipts	5.801	4.237	4.910	0.890	0.873
Government Grants	0.658	1.071	0.728	0.449	0.359
Major Repairs Allowance	5.160	4.906	7.613	9.027	8.209
Revenue contributions	1.785	2.115	5.213	5.900	6.600
Total Financing	13.404	12.329	18.464	16.266	16.041
Supported borrowing	0	185.456	0	0	0
Unsupported borrowing	0	0	0	0	0
Total Funding	0	185.456	0	0	0
Total Financing and Funding	13.404	197.785	18.464	16.266	16.041

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
	%	%	%	%	%
Non-HRA	0.54	-0.53	-0.03	-3.28	-5.07
HRA	-4.59	1.99	19.11	19.46	18.48

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Non-HRA	37.519	31.097	31.097	31.097	31.097
HRA	141.697	153.575	153.575	153.575	153.575
Total CFR	179.216	184.672	184.672	184.672	184.672

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2011	£m
Borrowing	0.0
Other Long-term Liabilities	0.0
Total	0.0

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2011/12 Approved £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £
Increase in Band D Council Tax	0.71	0.32	0.72	1.12
Increase in Average Weekly Housing Rents	1.81	9.33	11.90	15.08

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Borrowing	200.0	200.0	200.0	200.0	200.0

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Director of Finance & ICT has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Council.

Operational Boundary for External Debt	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Borrowing	181.0	186.0	186.0	186.0	186.0

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 22 April 2002.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Gross and Net Debt:

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need.

Gross and Net Debt	2011/12	2012/13	2013/14	2014/15
	Estimated £m	Authorised £m	Authorised £m	Authorised £m
Outstanding Borrowing (at nominal value)	185.456	185.456	185.456	185.456
Other Long-term Liabilities (at nominal value)	0.000	0.000	0.000	0.000
Gross Debt	185.456	185.456	185.456	185.456
Less: Investments	47.000	47.000	47.000	47.000
Net Debt	138.456	138.456	138.456	138.456

11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on (*select as appropriate*) net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / net interest paid (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments))

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

Interest Rate Exposures	Maximum during 2010/11 %	2011/12 Approved %	2011/12 Revised %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
Fixed						
Upper Limit for Fixed Interest Rate Exposure on Debt	0	0	100	100	100	100
Upper Limit for Fixed Interest Rate Exposure on Investments	(84.26)	(100)	(100)	(100)	(100)	(100)
Variable						
Upper Limit for Variable Interest Rate Exposure on Debt	0	0	25	25	25	25
Upper Limit for Variable Interest Rate Exposure on Investments	(37.29)	(50)	(75)	(75)	(75)	(75)

11.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

12. Maturity Structure of Fixed Rate borrowing:

12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Existing level (or Benchmark level) at 31/03/11 %	Lower Limit for 2012/13 %	Upper Limit for 2012/13 %
under 12 months	0	0	100
12 months and within 24 months	0	0	100
24 months and within 5 years	0	0	100
5 years and within 10 years	0	0	100
10 years and within 20 years	0	0	100
20 years and within 30 years	0	0	100
30 years and above	0	0	100

13. Credit Risk:

13.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

13.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

13.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

13.4 The only indicators with prescriptive values are credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

14. Upper Limit for total principal sums invested over 364 days:

14.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
	30.0	30.0	30.0	30.0	30.0

Appendix C - Economic & Interest Rate Forecast (Sections 4.1 & 5.1)

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Official Bank Rate													
Upside risk						0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
1-yr LIBID													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.75	1.75	1.75	1.75	1.75	1.80	1.85	1.95	2.00	2.10	2.20	2.30	2.40
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.25	1.30	1.35	1.40	1.50	1.60	1.70	1.80	2.00	2.10	2.30	2.40	2.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.20	2.30	2.40	2.45	2.50	2.55	2.60	2.70	2.75	2.80	2.85	2.90	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.00	3.05	3.05	3.10	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.60	3.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.25	3.40	3.50	3.60	3.70	3.80	3.90	4.00	4.00	4.00	4.10	4.20	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- Momentum in economic growth is scarce.
- Conventional monetary policy has become largely redundant; the Bank of England and the US Federal Reserve have signalled their respective official interest rates will be on hold through to the end of 2012. We think that it could be 2016 before official interest rates rise.
- The Bank of England's Monetary Policy Committee has returned to unconventional monetary policy and embarked on a further round of Quantitative Easing. There will be more to come.

Underlying Assumptions:

- Against a backdrop of turmoil within the Eurozone and the unwillingness of its politicians to acknowledge and issue a credible plan to resolve it the result is that financial markets continue to see saw between risk "on" and risk "off" daily patterns. The reality is that the risk "off" days outnumber the risk "on" days with the implication that the growth outlook is an increasing cause for concern.
- Despite the efforts of the politicians at the Brussels summit, the initial optimism of markets has been punctured as, once again, the lack of credible detail on the delivery of action as opposed to aspirations becomes worryingly clear. The detail appears to amount to the news that President Sarkozy will head to China to secure funds for the extended EFSF.

- The MPC's decision to embark on a further £75 billion of QE - which the Minutes showed was unanimously supported - demonstrated the strength of the economic headwinds that are blowing against the nascent UK economic recovery. For growth to occur you need somebody to spend.
- Inflation increased more than predicted to 5.2% in September. Energy prices continued to be the primary cause although the markets are now less interested in inflation given the economic growth focus. The Bank's Inflation Forecasts still point to a sharp downturn in CPI into 2012 as the index effects of VAT and earlier energy price shocks subside.
- Business confidence has yet to recover sufficiently for commitment to new capital investment and employment. Taken together the levels of unemployment remain very high and are a significant drag on consumption despite reasonably robust retail sales data.
- Q3 GDP is expected to be weak but positive.
- Public Finances remain just about on track to meet the Coalition's target. With the risk of lower growth, there is very little scope for tax giveaways to boost business and consumer spending.

Appendix D - Recommended Sovereign and Counterparty List (Section 8)

- **Group Limits** - For institutions within a banking group, the authority executes a limit of 1.5 times the individual limit of a single bank within that group.

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) %/£m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)	10.0	
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	10.0	
Term Deposits / CDs / Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	10.0	
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc	10.0	
Term Deposits / CDs / Call Accounts	UK	Clydesdale Bank (National Australia Bank Group)	10.0	
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc	10.0	
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society	10.0	
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)	10.0	
Term Deposits / CDs / Call Accounts	UK	Royal Bank of Scotland (RBS Group)	10.0	
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	10.0	
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group	10.0	
Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia	10.0	
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	10.0	
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp	10.0	
Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal	10.0	
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia	10.0	
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce	10.0	
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada	10.0	
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank	10.0	
Term Deposits / CDs / Call Accounts	Finland	Nordea Bank Finland	10.0	

Term Deposits / CDs / Call Accounts	France	BNP Paribas	10.0	
Term Deposits / CDs / Call Accounts	France	Credit Agricole CIB (Credit Agricole Group)	10.0	
Term Deposits / CDs / Call Accounts	France	Credit Agricole SA (Credit Agricole Group)	10.0	
Term Deposits / CDs / Call Accounts	France	Société Générale	10.0	
Term Deposits / CDs / Call Accounts	Germany	Deutsche Bank AG	10.0	
Term Deposits / CDs / Call Accounts	Netherlands	ING Bank NV	10.0	
Term Deposits / CDs / Call Accounts	Netherlands	Rabobank	10.0	
Term Deposits / CDs / Call Accounts	Netherlands	Bank Nederlandse Gemeenten	10.0	
Term Deposits / CDs / Call Accounts	Sweden	Svenska Handelsbanken	10.0	
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse	10.0	
Term Deposits / CDs / Call Accounts	US	JP Morgan	10.0	

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened.*

The current advice supplied by Arlingclose is as follows:

UK Banks and building societies:

1. A maximum maturity limit of 3 months applies to HSBC and Standard Chartered
2. A maximum maturity limit of 1 month to Barclays Bank, Lloyds TSB, Bank of Scotland, Royal Bank of Scotland, National Westminster, and Nationwide Building Society.
3. A maximum maturity limit of overnight applies to Santander UK plc.

European Banks:

All temporarily suspended for new investments.

Non European Banks:

A maximum maturity limit of 3 months applies to Australian, Canadian and US banks that are on our list.

Money Market Funds:

A maximum exposure limit of 10% of your total investment per MMF

Appendix E– HRA Self-financing Principles – Two Pools

Principles

The key principles upon which the allocation of loans should be based are as follows:

- The underlying principle for the splitting of loans, at transition, must be that of no detriment to the General Fund.
- Local authorities are required to deliver a solution that is broadly equitable between the HRA and the General Fund.
- Future charges to the HRA in relation to borrowing are not influenced by General Fund decisions, giving a greater degree of independence, certainty and control.
- Uninvested balance sheet resources which allow borrowing to be below the CFR are properly identified between General Fund and HRA.

The Council has decided to adopt a two-pool approach in relation to the allocation of debt between the General Fund and HRA.

Transitional Issues

Settlement will take place on 28th March 2012; however, CFR and debt figures will not be finalised until the accounts are closed. As a result of this difference in timing:

- Budgets and treasury management strategies will be compiled based on estimates.
- New Borrowing from 1st April 2012 will be allocated to the relevant GF and HRA debt pools.
- Pre-settlement loans will be frozen at 31st March 2012 will be allocated as soon as final figures are known.

Loan Pools

This authority has decided to adopt a two pool approach.

A *two pool* approach involves splitting loans between the HRA & GF and then allocating new loans to each pool as required. The borrowing undertaken for Housing Self financing will be wholly allocated to the HRA pool. This has been adopted for clarity and transparency. Treasury management decisions on the structure and timing of borrowing will be made independently for the GF and HRA. Interest on loans will be calculated in accordance with proper accounting practices. This will require interest expenditure on external borrowing attributed to HRA loans being allocated to the HRA. Interest expenditure on external borrowing attributed to the General Fund will be allocated to the General Fund.

Transfer of Loans between Debt Pools

The authority's policy on transferring loans between the HRA and GF debt pools is as follows:

- In the case of the HRA/GF being in a position to reduce the CFR to a level lower than the principal outstanding on HRA/GF external borrowing, loans will be transferred between the pools without the need to recognise an internal premium or discount as the interest expenditure charged to the HRA/GF will reduce as a result of the transfer. This will be dependent upon the pool having loans transferred to it having a requirement to fund its CFR.

- If the HRA and GF wish to swap loans as a result of strategic decisions and suitability of their relevant debt structures, this could be undertaken at no internal premium or discount.

NB:

- CIPFA's Guidance Notes to the 2011 Treasury Management Code has referred to instances where the HRA and GF wish to swap loans as a result of strategic decisions and suitability of their relevant debt structures and recognising an internal premium or discount as part of this process. These would be notional amounts and would not relate to physical debt repayments where transactions must be accounted for as Extinguishments or Modifications under proper accounting practices.
- The draft Item 8 Determination applicable from 1st April 2012 currently only permits premiums and discounts to be debited or credited to the HRA in accordance with proper accounting practices.

Internal Borrowing

Where the HRA or GF has surplus cash balances which allow either account to have external borrowing below its level of CFR (internal borrowing), the rate charged on this internal borrowing will be based on the average rate of interest earned on cash balances for the financial year.

Borrowing in Advance

The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.

HRA Limit on Indebtedness

Please note that housing authorities should also include the following Prudential Indicator, as required by the revised Prudential Code, issued in November 2011:

HRA Limit on Indebtedness	2011/12 Approved	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
	£m	£m	£m	£m	£m
HRA CFR	141.697	153.575	153.575	153.575	153.575
HRA Debt Cap (as prescribed by CLG)	203.774	185.456	185.456	185.456	185.456
Difference	62.077	31.881	31.881	31.881	31.881

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TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Finance & Performance Cabinet Committee and for the execution and administration of treasury management decisions to Director of Finance & ICT who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates Audit & Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the

principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”

2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority’s investments followed by the yield earned on investments remain important but are secondary considerations.

Report to the Council

Committee: Cabinet

Date: 14 February 2012

Portfolio Holder: Councillor Gagan Mohindra

BUDGETS AND COUNCIL TAX DECLARATION 2012/13

Recommending:

- (1) That the list of CSB growth and savings for the 2012/13 budget (set out in Annex 1) be approved;**
- (2) That the list of District Development Fund items for the 2012/13 budget (set out in Annex 2) be approved;**
- (3) That the revenue estimates for 2012/13 and the draft Capital Programme for 2012/13 be approved as set out in Annexes 3, 4 (a-i) 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 2012/13 HRA budget be approved and that the application of rent increases and decreases resulting in an average increase of 6.0% from £82.19 to £87.15, be approved;**
- (6) 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 2014/15 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 2015/16;**
- (7) That the report of the Chief Financial Officer on the robustness of the estimates for the purposes of the Council's 2012/13 budgets and the adequacy of the reserves (see Annex 9) be noted.**

Declaration of Council Tax

- (8) That it be noted that on 2 December 2011, the Finance and Economic Development Portfolio Holder in consultation with the Chairman of the Overview and Scrutiny Committee calculated the Council Tax Base 2012/13:**
 - (a) for the whole Council area as 54,900.8 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended); and**
 - (b) for dwellings in those parts of its area to which a Parish precept relates as set out below and in Annex 6.**

	Tax Base
Abbess, Beauchamp & Berners Roding	212.9
Buckhurst Hill	5,311.4
Chigwell	5,996.9
Epping Town	5,179.1
Epping Upland	416.1
Fyfield	421.2
High Ongar	576.0
Lambourne	931.1
Loughton Town	13,077.4
Matching	446.4
Moreton, Bobbingworth and The Lavers	572.4
Nazeing	2,108.6
North Weald Bassett	2,646.4
Ongar	2,782.6
Roydon	1,322.7
Sheering	1,361.9
Stanford Rivers	359.0
Stapleford Abbotts	518.2
Stapleford Tawney	74.6
Theydon Bois	2,019.4
Theydon Garnon	67.4
Theydon Mount	112.0
Waltham Abbey Town	8,140.0
Willingale	247.1

(9) That the following amounts be calculated for the year 2012/13 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:

- (a) £130,286,737 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;
- (b) £118,952,358 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
- (c) £11,334,379 being the amount by which the aggregate at 9 (a) above exceeds the aggregate at 9 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);
- (d) £206.45 being the amount at 9 (c) above (Item R), all divided by Item T (the amount at 8 (a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);
- (e) £3,166,787 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Annex 6);
- (f) £148.77 being the amount at 9 (d) above less the result given by dividing the amount at 9 (e) above by Item T (8 (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 Parish precept relates.

(10) That it be noted that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the category of dwellings in the Council's area as shown in Annex 7 (to be tabled);

(11) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts in Annex 7 Part B (tabled) as the amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings.

General Fund Budget Guidelines

1. The annual budget process commenced with the Financial Issues Paper (FIP) being presented to the Finance & Performance Management Cabinet Committee on 26 September 2011. The paper was prepared against the background of cuts in public expenditure, ongoing difficulties within the economy and highlighted the uncertainties associated with:
 - a) Local Government Resource Review
 - b) New Homes Bonus
 - c) Localisation of Council Tax Benefit
 - d) Self-Financing for the Housing Revenue Account
 - e) Possible Double-Dip Recession
 - f) Development Opportunities
 - g) Capitalisation of Pension Deficit Payments
 - h) Shared Services
2. There is now greater clarity on some of these issues, but several of them will not be resolved for some time. The key areas are revisited in subsequent paragraphs.
3. In setting the budget for the current year Members had anticipated using £171,000 from the general fund reserves. It was felt that, given the strength of the Council's overall financial position, it was able to sustain a deficit budget to support the local economy and that net spending could be managed down over the medium term.
4. The revised four year forecast presented with the FIP took into account all the additional costs known at that point and highlighted the structural reform to local authority finances due to the local retention of business rates and the Government's programme of welfare reforms. This projection showed a need to achieve savings of £300,000 on the 2012/13 estimates, £600,000 in 2013/14 and £500,000 in 2014/15 to keep revenue balances above the target level at the end of 2015/16.
5. Members adopted this measured approach to reduce expenditure in a progressive and controlled manner. The budget guidelines for 2012/13 were therefore established as:
 - i. The ceiling for CSB net expenditure be no more than £14.88m including net growth/savings.
 - ii. The ceiling for DDF net expenditure be no more than £0.763m.
 - iii. The District Council Tax to be frozen.

The Current Position

6. The General Fund budget summaries are attached as Annexes 4a to 4i. The main year on year resource movements are highlighted in the CSB and DDF lists, which

are attached as Annexes 1 and 2. In terms of the guidelines, the position is set out below, after an update on each of the key areas highlighted in the FIP.

a) Local Government Resource Review

7. Before considering the current position on the Local Government Resource Review and the replacement of Formula Grant funding with retained National Non-Domestic Rates (NNDR) it is worth looking back at the Comprehensive Spending Review (CSR). The CSR only provided us with two years figures instead of the usual four because of the Government's desire to radically change the system of funding local authorities. The table below shows what now appear to be the final figures from the Formula Grant system.

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m
Relative Needs Amount	5.455	5.457	5.464	4.302	3.901
Relative Resource Amount	-5.228	-5.096	-4.956	-2.842	-2.810
Central Allocation	8.793	8.834	8.871	6.223	5.611
Floor Damping	0.302	0.173	0.036	-0.296	-0.249
Formula Grant	9.322	9.368	9.415	7.387	6.453

8. The figures shown above did not include the Council Tax freeze grant for 2011/12 as this was initially thought to be a one-off. It has now been confirmed that the 2011/12 freeze grant will be consolidated with the Formula Grant and paid throughout the current CSR period. This causes the Formula Grant figures to be re-stated as £7.59m for 2011/12 and £6.656m for 2012/13. However, the freeze grant for 2012/13 is a one-off and so has not been included.
9. In addition to the detailed figures for 2011/12 and 2012/13, headline control totals for local authority funding were given for 2013/14 and 2014/15. These control totals show further reductions of approximately 1% in 2013/14 and 5% in 2014/15.
10. Having provided a reminder of the background, I shall move on to what is now known about the Local Government Resource Review. Members may recall one of the many consultations that we have dealt with this year was called "Local Government Resource Review: Proposals for Business Rates Retention". This was a 46 page document with 33 detailed questions, which was subsequently supplemented by eight technical papers. The Government felt change in the system of local authority funding was necessary to provide a financial incentive to local authorities to promote business growth in their areas, currently any increase in NNDR is paid into the national pool with no direct local benefit. By replacing Formula Grant with NNDR the Government also claimed to be increasing the financial independence of local authorities. There is little authorities can do to increase their Formula Grant allocation but in theory they will be able to encourage growth in their rating lists and so increase their funding.
11. The proposals for change included restrictions so that authorities would not be allowed to keep all NNDR; a process of equalisation would remain to redistribute funds between authorities. The amount DCLG give or take would be fixed, allowing authorities to keep growth above this level. If growth is "disproportionate" DCLG would take back a share of it for redistribution and DCLG would retain the right to "reset" the amounts given or taken in future years.
12. At the time of the FIP some of the key questions were –
- How should the baseline be set for rate retention?
 - How will the levy on disproportionate benefit be calculated?
 - How will the levy be used to fund a safety net?
 - How do you balance the need to protect some authorities with the need to

- e) provide a strong incentive for growth?
 - f) How will resets work?
 - g) How will funds be pooled in areas and what areas can be used for pooling?
 - g) Should the current system of reliefs be maintained?
13. The Government's response still leaves a number of questions unanswered but a lot more is now known about the likely level of funding and the relationship between districts and counties in two tier areas. The system will be in place from 2013/14 and all authorities will start with the same funding they received in 2012/13. However, this will be adjusted for the reduction in overall spending control totals, the updating of some data that feeds into the allocation formulae and some "minor" adjustments to the formulae. Instead of the reductions of 1% and 5% mentioned in paragraph 9, it seems prudent now to allow for reductions of 3% and 7%.
 14. The consultation had indicated that business rates within a two tier area were likely to be shared on the basis of the relative spending between the districts and the county. This meant that counties were generally tariff authorities, in receipt of more business rates than their funding required and so paying a tariff back to the Government. Districts were generally top up authorities, in receipt of less business rates than their funding required and so receiving a top up from the Government. Following the consultation the Government has decided that as districts are the primary engine of growth they should have the greatest incentive for growth and should therefore be tariff authorities and not top up authorities (the exemplifications provided with the consultation showed that for a given amount of growth a greater share would be retained by a tariff authority). However, counties do have some guarantee of stability in their funding as top ups will be indexed by RPI.
 15. As part of incentivising districts the Government has decided that districts should not just be tariff authorities but should receive the largest share of any growth. Additionally, the government felt it important to balance the incentive with the New Homes Bonus (NHB). If NHB provided a substantially greater incentive than NNDR retention it could lead districts to favour domestic developments ahead of commercial ones. These factors have combined to produce an 80/20 share of NNDR growth in favour of districts, as is the case with NHB.
 16. A note of caution also needs to be sounded at this point. If the NNDR take reduces this will reduce funding and that too will be shared 80/20. Given the current state of the economy and the uninspiring predictions going forward it would be a truly optimistic district that gave an unreserved welcome to the 80/20 split.
 17. One way of reducing the level of financial risk is for a number of authorities to operate in a pool. Although pooling has inherent difficulties as every authority will want to pool with someone they believe has better prospects than themselves. The Government have talked positively about pooling but have provided no financial incentives for pools.
 18. On the whole, the outlook for districts from the Local Government Resource Review appears better now than it did at the time of the FIP. However, this view will need to be considered again when the Government actually start providing some numbers and this is currently scheduled for "spring" 2012.

b) New Homes Bonus

19. Since September the announcements that have been made have confirmed that the view taken on NHB in the FIP was an appropriate one and so most of the following section has changed little from that paper. The Government has a consistent policy of encouraging development. In the same way that retaining increases in NNDR incentivises Councils to promote business growth, the New Homes Bonus (NHB) provides an incentive to promote home building. When the budget was set for

2011/12 the full details of and funding for the NHB had not been confirmed. Because of this uncertainty, and concern about possible legal challenges if Councils were felt to be making planning decisions for financial gain, no income from the NHB was allowed for in the 2011/12 budget.

20. It is now clear that the NHB will form a substantial part of local authority funding for the foreseeable future. The technical papers mentioned above reveal that from 2013/14 funding for NHB will be top sliced from the national NNDR pool. Even though only three years NHB will be payable in 2013/14 the maximum six years funding will be top sliced, with the excess being redistributed to local authorities in some way as grant. The exact mechanics and amounts are still to be determined but it appears that the NHB is intended to remain as an incentive on top of the basic level of funding that local authorities will get through retained NNDR. As the funding is top sliced and then re-allocated on the basis of relative performance in housing growth there will be a strong cumulative redistributive effect, this will penalise areas of low housing growth.
21. The amount of NHB payable for a year is determined by the annual change in the total number of properties on the Council Tax list in October. This means that the bonus is payable on both new housing and empty properties brought back in to use. The increase in the tax base is multiplied by a notional average Council Tax figure of £1,439, with an additional premium for social housing. The calculated figure is then shared with 20% going to the county council and 80% to the district, with the amount being payable for six years. For 2011/12 the Council will receive £295,000 and the amount due in respect of growth for the year to October 2011 will be approximately £420,000. These two figures combined will give a total NHB income figure for 2012/13 of £715,000.
22. The key question is how much of this income should be taken into the CSB budget for each year through the life of the MTFs. At one extreme it could be argued that to build any income into the CSB would make the Council vulnerable to judicial review on planning decisions and may not be prudent until there is clarity over the full make up of and inter-relationships between the different funding streams. At the other extreme it could be argued that £300,000 of income should be added to the CSB for every year from 2011/12 going forward up to the maximum of six years (2011/12 £0.3m, 2012/13 £0.6m, 2013/14 £0.9m 2014/15 £1.2m, 2015/16 £1.5m and 2016/17 and onwards £1.8m). On one hand, if no income is taken into account severe reductions could be made to services that ultimately prove to be unnecessary, from a financial point of view. On the other, if too much income is allowed for the Council could find itself having to implement substantial cuts on a short time scale.
23. A prudent position at the moment is to allow for the income for 2011/12 and 2012/13 but no additional income beyond that until the full outcomes of the Local Government Resource Review are known. It is unlikely that any adjustment to the system would remove NHB already earned as this would undermine the policy. On that basis CSB income of £295,000 has now been added to 2011/12 and a further £420,000 to 2012/13.

c) Localisation of Council Tax Benefit

24. Members may recall that this too was the subject of a consultation earlier in the financial year. Council Tax Benefit (CTB) is a means tested benefit that is available to help those on low incomes meet their Council Tax bills. The current caseload for CTB at the Council is approximately 8,900, generating annual expenditure of £10.3m. This is currently fully funded by Government, with a system of payments on account and a year end grant claim. CTB is currently a national system with national regulations determining entitlement.
25. The Government is determined to reduce the overall cost of benefits to the country and is making numerous changes through the Welfare Reform Bill. As part of the

Welfare Reform Bill the benefits system is meant to be streamlined and simplified through the introduction of Universal Credit. It is clearer now how Universal Credit will operate and the scope of the benefits included in it. The Government is pressing ahead with the abolition of CTB to save 10% (£490m) on the national cost of CTB by localising it from 2013/14. It will be for each local authority to determine their scheme of CTB but they will only receive 90% of the current cost.

26. At one extreme authorities could implement a scheme at 90% of the current scheme and those in receipt of CTB would have to pay more, for this Council this would have an average impact of £116 p/a on claimants. However, the Government requires pensioners to be protected and as they are half the caseload this doubles the impact to £232 p/a. It is also possible that the final scheme may require protection for vulnerable working age claimants which could leave working age non-passported claimants with bills of £720 p/a. At the other extreme authorities could top up the funding from their own resources, for this Council the impact would be £1.034m.
27. The problems with the proposed scheme include –
- a) Lack of time to develop, test and implement the necessary software.
 - b) Difficulty in collecting many small debts and the possibility of a re-run of the Poll Tax.
 - c) Possible postcode lottery with neighbouring districts offering different schemes.
 - d) Difficulty in agreeing schemes in two tier areas as the interests of districts and counties may not align.
 - e) Authorities have a fixed amount of funding but are faced with unlimited potential demand.
 - f) Socially divisive as those not on CTB would not want to pay additional tax or receive poorer services to support extended schemes.
 - g) Difficulty in dovetailing many different local CTB schemes with Universal Credit to ensure no conflict or tapering issues that reduce the overall requirement to “make work pay”.
28. A number of suggestions were put forward as alternatives to make the required savings without this level of difficulty and complexity. However, the Government has decided to ignore the consultation responses and the alternative suggestions and continue with the localisation of CTB. This will make for an interesting time in 2012/13, particularly if the already challenging legislative timetable is obstructed by delays in the House of Lords, and regular reports will be made to keep Members informed as the regulations become available and discussions with the county council and other districts develop.
29. The MTFs has been based on the assumption that none of this Council’s own funds will be used to top up the Government grant and extend the scheme. Given the uncertainty around Local Government Resource Review, and the potentially unlimited demand for CTB it would be a brave authority that wrote a blank cheque to support CTB.

d) Self-financing for the Housing Revenue Account

30. A number of reports on this issue have already gone to Scrutiny Panels, Cabinet and Council. Currently the Council makes an annual payment of £11.3m into the national subsidy system. From 2012/13 annual payments into and out of the national subsidy pool will cease and instead authorities will either be required to take on debt or will have an amount of debt repaid for them. The Council was initially advised that the debt it would be required to finance would be approximately £180m. The final figure was confirmed on 1 February as £185.5m.

31. A structured approach has been followed to deal with each of the necessary steps. This has required the amendment of the Treasury Management Strategy, as the settlement date has been brought forward from April 2012 to late March 2012. Cabinet have considered the extent of the house building programme that is to be pursued and the appropriate level of maintenance for the existing stock. This has shaped the 30 year business plan and determined when cash will be available to repay borrowing.
32. Earlier in the process a number of different funding options were examined. However, somewhat belatedly the Government confirmed that funding for self-financing transactions would be made available at discounted rates through the Public Works Loans Board (PWLB). The Council's treasury management consultants, Arlingclose, are currently evaluating the various options to compile a portfolio of appropriate PWLB loans matched to the 30 year business plan.
33. Previously in the consultation process for self-financing concerns were raised about two possible impacts on the General Fund (GF). The first of these was the requirement to make Minimum Revenue Provision (MRP) on the nominal borrowing between the GF and the HRA. In the draft regulations the DCLG have now confirmed that changes due to self-financing do not have to be taken into account in determining any requirement to make MRP. The other area of concern was the interest to be charged between the HRA and GF. This issue is still to be determined but it currently appears that authorities will have the power to set their own rates of interest for borrowing between funds. So at this point in time both of the significant concerns have been addressed, although (as seen with the PWLB) a further policy shift cannot be ruled out.

e) Possible Double Dip Recession

34. Since September the economic outlook has worsened and this was reflected in a bleak Autumn Statement. There is little sign of a recovery in the domestic economy and the Euro Zone continues to stagger on through an unproductive series of last chance summits. It is a realistic possibility that one or more countries will leave the Euro Zone and the turbulence from this could impact severely on our exporters and lead to even higher unemployment, not to mention the inevitable banking crisis.
35. The changes discussed above, with future local authority financing coming from retained local NNDR and the localisation of CTB, transfer substantial financial risks to local authorities from Government. If once these reforms are in place a large employer or employers were to close this could have severe consequences for the Council. There could be a combination of reduced income because of the reduction in NNDR, increases in claims for CTB and increased demands on services. So whilst the devolution of genuine power and freedoms would be welcomed, Members also need to be aware of the increased risks.

f) Development Opportunities

36. Since September a lot of preparatory work has been done on the various schemes. There is the possibility of a retail park in Loughton and a mixed use redevelopment of the St Johns area in Epping amongst the developments. The Council has had the requirement for capital resources to be used for revenue generating schemes as part of the Capital Strategy for sometime. If schemes proceed it will only be after rigorous examination to ensure business cases make sense and a financial benefit is anticipated. The economic boost offered by such schemes could benefit the Council in several ways, mirroring the multiple threats of a double dip recession.
37. Given the lack of certainty at this time about which of the potential sites will progress, and indeed which of the schemes for a given site, the MTFs and capital projections do not include either any capital financing requirement or any revenue projections.

The only budgets that are included for the developments are those that Members have already approved for preliminary consultancy and planning works.

g) Capitalisation of Pension Deficit Payments

38. There is nothing to update on this issue from September. The Government has made it increasingly difficult to obtain capitalisation directions. For 2011/12 the financial criteria were doubled so that the amounts applied for had to exceed both 10% of reserves and 0.5% of budgeted expenditure. On 27 July we received identical letters dated 22 July refusing our applications for both GF & HRA. The letters state that the department was not satisfied that meeting the expenditure from revenue would cause “an unacceptable adverse impact on services” or that “meeting the pension costs from revenue resources would cause exceptional financial difficulties for EFDC”. These rejections confirm that all the other required criteria had been met.
39. The pre 2005/06 deficit payment has remained in the CSB, so although we apply for the full value of the deficit payments it is only the amount over the base that we have ever capitalised. The refusal of the applications for 2011/12 will mean charges to the GF of £564,000 and to the HRA of £264,000. Given the ongoing uncertainty about future capitalisations it is prudent to bring the balance of the deficit payments into the CSB. This does not prevent future capitalisation applications being made and the position will be reviewed again if applications in subsequent years prove successful.

h) Shared Services

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

The ceiling for CSB net expenditure be no more than £14.88m including net growth

41. Annex 1 lists all the CSB changes for next year. The original budget for 2011/12 included CSB savings of £1.408m but the revised 2011/12 budget has an additional £0.3m of savings. The most significant changes in the revised estimates are savings on the waste contract and gate fees of £340,000, additional savings on underspent budgets of £150,000, a net growth of £90,000 on non-directorate items and an off-setting loss of £120,000 on reduced parking penalty charge income. The non-directorate items include the pension costs no longer being capitalised, income from the NHB and adjustments to interest investment income.
42. The greater savings in 2011/12 mean that the opening CSB in 2012/13 is £221,000 lower than anticipated in the previous MTFs. This means that even though the CSB savings of £1.233m are below the target of £1.4m the closing CSB is still £144,000 lower than previously predicted. It is therefore proposed to reduce the CSB target to £14.74m.

The ceiling for DDF net expenditure be no more than £0.763m

43. The DDF net movement for 2012/13 is £1.117m, Annex 2 lists all the DDF items in detail. The largest cost item is £586,000 for work on the Local Plan. The Local Plan is a substantial and unavoidable project and in 2011/12 and the subsequent two years DDF funding of £0.851m is allocated to it. The Director of Planning and Economic Development has been asked to provide regular updates to Cabinet to monitor this project and the expenditure incurred on it. Other significant items of expenditure include £46,000 for regeneration projects in Waltham Abbey and £45,000 for the planned building maintenance programme.
44. Officers continue to work with an international firm of accountants to examine the

possibility of recovering VAT. This is using a model that the firm has developed through working with a number of authorities which has led to some substantial repayments. It is too early yet to predict what further income may arise from this so no allowance has been made in the estimates. The work is being conducted on a “no win no fee basis” so any costs will be funded from the VAT refund arising.

45. At £1.117m the DDF programme is £354,000 above the target for 2012/13. However, this needs to be balanced with the reduction in 2011/12 as the predicted spend in the previous MTFS of £1.566m has been reduced by £1.216m to £350,000. Taking the two years together there is a net reduction in DDF spending of £862,000 and so it is proposed to increase the DDF ceiling for 2012/13 from £0.763m to £1.117m. The DDF is predicted to continue to have funds available through to the end of the period covered by the MTFS.

The District Council Tax be frozen

46. Members have indicated that, although the Council Tax freeze grant for 2012/13 is a one-off and will not be included in ongoing funding, the Council Tax will not be increased for 2012/13.

That longer term guidelines covering the period to March 2016 provide for

The level of General Fund revenue balances to be maintained within a range of approximately £4.0m to £4.5m but at no lower level than 25% of net budget requirement whichever is the higher;

47. Current projections show this rule will not be breached by 2015/16, by which time reserves will have reduced to £7.624m and 25% of net budget requirement will be £3.7m.

Future levels of CSB net expenditure being financed predominately from External Funding from Government and Council Tax and that support from revenue balances be gradually phased out.

48. The outturn for 2010/11 added £270,000 to reserves, whilst the revised estimates for 2011/12 anticipate a further increase of £69,000. This would leave the opening revenue reserve for 2012/13 at £8.6m and with the estimates for 2012/13 showing an increase of £14,000, reserves at the end of 2012/13 would be just over £8.65m. The Medium Term Financial Strategy at Annex 8 shows deficit budgets for the three years 2013/14 to 2015/16. The level of deficit peaks at £464,000 in 2014/15 and reduces to £153,000 in 2015/16, although this is achieved through CSB savings of £450,000 in both 2013/14 and 2014/15.

The Local Government Finance Settlement

49. The Government have confirmed that the draft figures previously advised for 2012/13 will not be amended. As mentioned above, it has also been confirmed that the freeze grant for 2011/12 will be payable in each year of the current CSR period. This gives an updated figure for formula grant for 2012/13 of £6.656m. Beyond 2012/13 the figures are subject to the Local Government Resource Review and cannot be predicted with any certainty.

The 2012/13 General Fund Budget

50. Whilst the position on some issues is clearer now than it was when the Financial Issues Paper was written there are still significant risks and uncertainties. Signs of improvement in the economy remain weak and speculation continues about the need for additional Quantitative Easing. It is still possible that the country may fall back into a severe recession that may last some years. This economic uncertainty is the key

factor for 2012/13 as the areas below of Government policy will impact in 2013/14.

51. The key area of uncertainty is the Local Government Resource Review and what the exact financial implications will be. The Government's response to the consultation has answered some of the questions on policy options and implementation but we still await the numbers. Adjustments to funding in 2013/14 are meant to be limited to data updating and "minor" formula changes. However, we have seen in the past that what at the national level is described as a "minor" change can be much more significant for individual authorities.
52. The other area worth touching on again is the localising of Council Tax Benefit. The uncertainty has been removed in terms of Government policy but remains in terms of how this change can be implemented in the time available and the impact on those effected. So whilst this change will not take place in 2012/13 a lot of time and effort will be devoted to it.
53. The starting point for the budget is the attached Medium Term Financial Strategy, Annex 8. Annexes 8a and 8b are based on the current draft budget, no Council Tax increase (£148.77 Band D) for 2012/13 and subsequent increases of 2.5% per annum for each of the following three years.
54. Members are reminded that this strategy is based on a number of important assumptions, including the following:
 - Future Government funding will reduce by 3% for 2013/14 and 7% for 2014/15.
 - CSB growth has been restricted and the CSB target for 2012/13 of £14.88 million has been achieved. Known growth beyond 2013/14 has been included but will be subject to a further review to help identify savings.
 - All known DDF items are budgeted for, and because of the size of the Local Plan programme the closing balance at the end of 2015/16 is anticipated to reduce to £1.31m.
 - Maintaining revenue balances of at least 25% of NBR. The forecast shows that the deficit budgets for three years of the period will reduce the closing balances at the end of 2015/16 to £7.6m or 51% of NBR for 2015/16, although this can only be done with further savings in 2013/14 and 2014/15.

The Housing Revenue Account

55. The balance on the HRA at 31 March 2013 is expected to be £4.639m, after deficits of £949,000 in 2011/12 and £299,000 in 2012/13. The estimates for 2012/13 have been compiled on the new self-financing basis and so the negative subsidy payments have been replaced with borrowing costs.
56. The rent increase is set with reference to an individual property's formula rent but subject to various constraints. This process of Rent Restructuring to bring Council rents and Housing Association rents more in line with each other still needs to be addressed. The rent increase for 2012/13 is likely to see a narrowing of this gap between Council and Housing Association rents, with an average rent increase of 6% for Council dwellings.
57. An update to the current five-year forecast is being prepared and will be presented to a subsequent Cabinet. The HRA has had substantial balances for some time and this position is expected to continue under self-financing.
58. Both the Housing Repairs Fund and the Major Repairs Reserve are expected to have positive balances throughout the medium term. Members are recommended to agree the budgets for 2012/13 and 2011/12 revised and to note that, although deficit budgets are proposed for 2011/12 and 2012/13, the HRA has substantial ongoing balances.

The Capital Programme

59. The Capital Programme at Annex 5 shows the expenditure previously agreed by Cabinet and included in the Capital Strategy which is contained elsewhere on the agenda. Members have stated that priority will be given to capital schemes that will generate revenue in subsequent periods. This position has been stated in previous Capital Strategies and has been reinforced by the increasing awareness that capital spending reduces investment balances and thus impacts on the general fund revenue balance through lower interest earnings.
60. Annex 5d sets out the estimated position on capital receipts for the next four years. Members will note that even with a substantial capital programme, which exceeds £78m over five years, it is anticipated that the Authority will still have more than £8m of usable capital receipt balances at the end of the period. However, it should be noted that a number of sites are currently under review and that this could involve either receipts through disposals or additional expenditure to fund developments.

Risk Assessment and the Level of Balances

61. The Local Government Act 2003 (s 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 2012/13. If this advice is not accepted, this should be formally recorded within the minutes of the Council meeting. The report of the CFO is attached as Annex 10, Members will note the following conclusions:
- (i) the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2012/13; and
 - (ii) the reserves of the Council are adequate to cope with the financial risks the Council faces in 2012/13 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term.

The Prudential Indicators and Treasury Management Strategy 2012/13

62. Since 2004/05 it has been necessary to set affordable borrowing limits, limits for the prudential indicators and a Treasury Management Strategy. These elements of the budget requirements are set out in a separate report elsewhere on the agenda.
63. Due to the £185.5m of debt for the HRA self-financing the Council will no longer be debt free and the Prudential Indicators and Treasury Management Strategy have been amended for this. With the ongoing difficulties in financial markets and continued concern about some banks, Arlingclose have advised a very restricted counter party list and a shortening of investment periods.

Council Tax

64. The revenue and capital budgets of the various spending portfolios are set out in Annexes 4(a)-(i). Annex 3 summarises the overall budget for the Council for the General Fund and the HRA and is grossed up for the effects of local parish and town council precepts. Annex 5 summarises the Council's Capital Programme. The budget as submitted produces a District Council Tax (Band D) of £148.77 for 2012/13 (£148.77 for 2011/12), which represents a 0% increase. The average (Band D) Council Tax including local Parish/Town Council precepts will be £206.45 (£205.66 in 2011/12), which represents an increase of less than 0.4%.

Council Tax Declaration

65. Under Recommendations (1) – (4) which include Annexes 1, 2, 3, 4(a)-(i) the Council will agree its budget for the next year. The Authority must then proceed to declare a Council Tax. The appropriate technical recommendations are set out in Recommendations (8) onwards. These have been revised following changes to the Local Government Finance Act 1992 brought in as part of the Localism Act 2011. Under these changes the billing authority is now required to calculate a Council Tax requirement for the year, not its budget requirement as previously. The standard form of declaration recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) has been used as it is designed to avoid the possibility of legal challenge to the declaration of the Council Tax.
66. The Council Tax bases for each band in each area of the District were approved by the Finance and Economic Development Portfolio Holder in consultation with the Chairman of the Overview and Scrutiny Committee. These are reproduced in Recommendations (8) (a) and (b) and form part of the ensuing calculations. The amounts to be levied within the District in respect of Essex County Council, Essex Police Authority, Essex Fire Authority and Parish and Town Councils are notified to this Authority and are matters on which the District Council has no discretion.
67. However, the precepts of Parish and Town Councils are levied on the District Council and then taken into account in the General Fund. Details relating to the District Council precept together with the precepts in respect of Parish and Town Councils are set out in the recommendations and analysis in Annex 6.

Guide to the Council Tax Calculation

68. The figures in Recommendation (9) draw on calculations contained within the report as follows:
- 9(a)** is the total of the revenue expenditure items shown in Annex 3 summary of revenue including the total of the Parish/Town Council precepts;
- 9(b)** is the total of the revenue income items shown in Annex 3;
- 9(c)** is the difference between the revenue expenditure and income as shown in Annex 3 (in simple terms it represents the net budget requirement of the District Council plus Parish and Town Council precepts);
- 9(d)** is obtained by dividing 9(c) by the Council Tax Base; this represents the average Band 'D' Council Tax for the District and Parish/Town Councils only;
- 9(e)** as shown in Annex 3 is the total of Parish/Town Council precepts; and
- 9(f)** represents the equivalent of dividing 9(e) by the Council Tax Base, the resulting figure being deducted from the figure shown in 9(d); this provides the average Band 'D' Council Tax for the District Council only.
69. This process culminates in the figures shown in Annex 6, which are the Council Tax amounts for the District Council and the Parish/Town Councils for each valuation band for 2012/13. To these amounts are added Council Tax figures supplied by the major precepting authorities and which are further summarised as the total Council Tax due for each valuation band in Part B of Annex 7.
70. Annex 7 relating to the precepts of various parts of the District will be tabled at the meeting.

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service	Original 2011/12 £000's	Revised 2011/12 £000's	Estimate 2012/13 £000's	Estimate 2013/14 £000's	Estimate 2014/15 £000's	Estimate 2015/16 £000's
	Internal Audit		(24)	(13)			
	Civic & Member			(3)			
	Democratic services			(3)			
	Directorate Savings		(12)				
	Consultants Fees- Saving						
	Courses & Conferences, Books, Publs & Postage- Savings						
	LGIU Information unit Subscription Saving						
	General						
	Total Chief Executive	0	(36)	(19)	0	0	0
Corporate Support Services	Local Land Charges	35	35				
	Local Land Charges		6				
	Industrial Estates- Brooker Rd	(10)	(8)	(7)			
	Estates & Valuation		(8)				
	Industrial Estates- Oakwood Hill	4	(13)				
	Industrial Estates - O Hill Workshops	4		(5)			
	Industrial Ests- Lang Road Seed Bed		8				
	Fleet Operations		25	40			
	Civic Offices	(5)	(5)				
	Offices & Depots		(42)	14			
	Offices & Depots	63	63	36			
	Langston Road Depot	32	32				
	Business Premises	(1,429)	(1,412)				
	Administration & Secretarial			(3)			
	Directorate Savings	(37)	(85)				
	Removal of Personal Search chges (LLC Amendment Rules 2010)						
	ECC Charge for highways LLC search						
	Increased Rental Income						
	Additional Fees from re-assignments etc						
	Reduced/(Increased) Rental Income						
	Reduced/(Increased) Rental Income						
	Reduced Rental Income						
	MOTs - Reduced Income						
	Car Park Rental - Black Lion						
	Gas & Electricity						
	NNDR Re-assessment						
	WRVS Termination of lease						
	Transfer to General Fund from HRA						
	Messenger -Member Despatch						
	General						
	Total Corporate Support Services	(1,343)	(1,404)	75	0	0	0
Deputy Chief Executive	All Weather Pitch	(17)		(35)			
	DCE directorate	(100)	(136)	(23)			
	Townmead Project						
	Savings						
	Total Deputy Chief Executive	(117)	(136)	(58)	0	0	0

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original	Revised	Estimate	Estimate	Estimate	Estimate	
			2011/12 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	
Environment & Street	Waste Management	Wheeled Bin Maintenance	8	8					
	Food Safety	Inspections		(7)					
	Grounds Maintenance	Fuel		11					
	Engineering, Drainage & Water	Deletion of Drainage Technician post		(12)	(12)				
	Safer Communities	Reduction in PCSO's	(29)	(29)	(63)				
	Safer Communities	Reduction in Contributions	1						
	Leisure Facilities	Loughton Leisure management fee reduction	(75)	(75)					
	Leisure Facilities	Epping Sports Centre management fee reduction	(11)	(6)	(17)				
	Leisure Facilities	Ongar Leisure Centre management fee reduction	(7)	(8)	(22)				
	North Weald Airfield	Increase in Events Income		(13)					
	North Weald Airfield	Increase in Market Income		(14)					
	North Weald Airfield	Loss of income Training Room			25				
	North Weald Airfield	Increase in Maintenance cost		19					
	North Weald Airfield	Increase in NNDR		18					
	Off Street Parking	Fluctuations in NDR	15	10					
	Off Street Parking	Loss of income through VAT increase	12	12					
	Off Street Parking	Contract allocations / Change of Service		(34)	(65)	(62)			
	Off Street Parking	Drop in PCN income		120					
	Directorate Savings	General	(18)	(56)	(17)				
	Naming and Numbering	Introduction of charging		(3)	(2)				
	Pest Control	Cessation of contract		(25)					
	Contaminated Land & Water Quality	Contaminated land investigations		(26)					
	Waste Management	Contract savings		(213)	(637)				
	Waste Management	Gate fees		(128)					
	Waste Management	Advertising		(3)					
	Waste Management	Publicity		(20)					
	Waste Management	Abandoned vehicles		(15)					
	Total Environment & Street Scene			(104)	(489)	(810)	(62)	0	0
	Finance & ICT	Finance Miscellaneous	Decrease in Employers Pension Conts (Act Val 2010)	(10)	(10)				
		Housing Benefits	Housing Benefit Admin Subsidy settlement reductions	25	25	41			
Revenues		Additional postage costs		5					
Council Tax Collection		Reduction in court cost income		30					
NNDR		Reduction in court cost income	2						
Housing Benefits		Limes Farm Area Office	7	0	7				
ICT		Equipment		(20)					
Mobile Telephones		Saving from New contract (T Mobile to O2)		(6)					
Directorate Savings	General	(24)	(32)						
Total Finance and ICT			0	(8)	48	0	0	0	

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original 2011/12 £000's	Revised 2011/12 £000's	Estimate 2012/13 £000's	Estimate 2013/14 £000's	Estimate 2014/15 £000's	Estimate 2015/16 £000's
Housing	Private Sector Housing	Technical Officer Post (HPS/13)			7	26		
	Directorate Savings	General	(15)	(15)	(3)			
	Total Housing		(15)	(15)	4	26		
Planning & Economic Development	Development Control	Add Fees re Govt proposals for Planning Appl fees	(100)		(100)			
	Countrycare	Staff restructure	(7)	(7)				
	Planning Appeals	Professional Fees		(5)	(6)			
	Development Control	Publicity		(10)				
	Building Control Ring Fenced Acct	Consultants Saving on Fees		(10)	(10)			
	Building Control Ring Fenced Acct	Consultants Saving on Fees		10	10			
	Directorate Savings	General		(10)	0			
Total Planning & Economic Development			(107)	(32)	(106)	0	0	0
Other Items	Investment Interest	Reduction due to shops transfer	278	101	2	60	109	45
	New Homes Bonus			(295)	(420)			
	Pensions	Deficit Payments		564	51	53		
Total CSB			(1,408)	(1,750)	(1,233)	77	109	45

DISTRICT DEVELOPMENT FUND

Directorate	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
		2011/12 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's
Chief Executive	Elections	160		148				
	Elections	(160)		(148)				
	Elections				148			
	Elections				(148)			
	Elections			(45)				
	Elections				18			
	Grants to Voluntary Orgs		20	20				
	Members		6					
	Corporate Management			(185)				
	Corporate Policy Making			(150)				
	Corporate Policy Making			150				
	Members			(3)				
	Total Chief Executive		0	26	(213)	18	0	0
Corporate Support Services	Emergency Planning			(7)				
	Civic Offices	6		5				
	Estates & Valuation		25	25				
	Estates & Valuation	35	95	132	205			
	Estates & Valuation		(19)	(19)	(13)			
	Office Accommodation	65		65				
	Local Land Charges			(63)				
	Local Land Charges		100	100				
	Non HRA Building Maintenance	15	129	124	45	19	10	
	Greenyard Waltham Abbey			8	5			
	Industrial Estates- O Hill Workshops			20				
Total Corporate Support Services	121	330	390	242	19	10	0	
Deputy Chief Executive	Public Relations	3		3				
	Public Relations & Information	25		14	11	11	11	3
	Deputy Chief Executive	75		53	38			
	Deputy Chief Executive	(75)		(53)	(38)			
	Youth Council	12		12	12			
	Limes Farm Hall	19	(4)	19				
	NWA Strategy Action Plan	2	(1)	1				
	NWA Strategy Action Plan	20			20			
Total Deputy Chief Executive	81	(5)	49	43	11	11	3	

DISTRICT DEVELOPMENT FUND

Directorate	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate	
		2011/12	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Environment & Street	Pollution Control			4	5				
	Food Safety				6				
	Waste Management					4			
	Abandoned Vehicles			(102)	(184)	(184)			
	Leisure Facilities			3					
	Leisure Facilities			10	10	5			
	Leisure Facilities					2			
	Leisure Facilities					3			
	Leisure Facilities				(17)				
	Parks & Grounds			3	(3)	10	10		
	Parks & Grounds			(3)	3	(10)	(10)		
	North Weald Airfield			(18)		(18)			
	North Weald Airfield					(5)			
	North Weald Airfield			34		34	24	14	4
	North Weald Airfield					24	72		
	North Weald Airfield				5	5			
	North Weald Airfield						3		3
	Off Street Parking			(40)		(40)			
	Off Street Parking					22	21		
	Contaminated Land & Water Quality					24	25		
	Waste Management					5			
	Waste Management					10	10		
	Waste Management					10	10		
Waste Management					3	3			
Abandoned Vehicles					4	4			
Total Environment & Street Scene		(113)	9	(102)	2	18	7	0	
Finance & ICT	Concessionary Fares			72		72	5		
	Concessionary Fares			(50)		(45)			
	Insurance Services					(6)	(6)		
	ICT					(5)	(2)		
	Council Tax Collection					6	8	0	
	Housing Benefits					3	3		
	Housing Benefits					2	2		
	Housing Benefits						(15)		
	Housing Benefits					(3)			
	Housing Benefits			15		15	20		
	Housing Benefits					(1)	(3)		
	Housing Benefits					1	3		
	NNDR				9		9		
	Procurement			(10)		(5)	(9)		
Total Finance & ICT		27	20	21	17	0	0	0	

DISTRICT DEVELOPMENT FUND

Directorate	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
		2011/12	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
		£000's	£000's	£000's	£000's	£000's	£000's	£000's
Housing	Homelessness							
	DCLG - Rental Loan Scheme	26		26	26			
	Homelessness	(26)		(26)	(26)			
	DCLG - Rental Loan Scheme							
	Homelessness	26		26	26			
	DCLG - EFHAS							
	Homelessness	(26)		(26)	(26)			
	DCLG - EFHAS							
	Private Sector Housing	52	4	28	28			
House Condition Survey								
Private Sector Housing	27			27				
Technical Officer								
Private Sector Housing	15	(6)	19	0				
Handyperson Scheme								
Handy Person Scheme	10	10	5	15				
ECC re. Mobile Homes/Sites Improvements								
Total Housing		104	8	52	70	0	0	0
Planning & Economic Development	Building Control Group				(63)			
	Salary saving re vacant posts (net of Consultants)				42			
	Building Control Group							
	Salary saving re vacant posts Ring Fenced Element							
	Conservation Policy	10						
	Technical Support Officer -Conservation							
	Countrycare			1	4	4	4	4
	BRIE - SLA							
	Countrycare				9	9	9	
	Protected species/habitat related consultation							
	Development Control	51		26	25			
	Contingency for Appeals							
	Development Control			(75)	0			
	Fees & Charges-additional large applications							
	Development Control			(10)				
	Pre Application Consultants Fees - saving							
	Development Control			5				
	Pre Application Fees Reduction							
	Development Control			(10)				
	Publicity							
Economic Development		2	2					
Chamber of Commerce/Loyalty card scheme								
Economic Development	3	3	3	3				
Economic Development Strategy								
Economic Development	4		0					
Enhanced Business Contacts								
Economic Development	12			12				
LABGI regeneration								
Economic Development	9	3	11					
Town Centre Manager								
Forward Planning				21				
Admin Assistant								
Forward Planning	395		165	586	100			
Local Plan								
Forward Planning	35		24	22				
Senior Planner								
Planning Services	7		0	17				
Planning Delivery Grant 4								
Tourism	5		5					
Waltham Abbey Tourist Information Centre								
Town Centre Enhancements	12	0	0					
Town Centre Support								
Town Centre Regeneration				46				
Waltham Abbey Regeneration Projects								
Total Planning & Economic Development		543	8	147	724	113	13	4
Total Service Specific District Development Fund		763	396	344	1,116	161	41	7
Other Items	Capital Expenditure Funded from Revenue	22		65	13			
	LABGI Contribution	40		40				
	Local Services Support Grant			(117)				
	Lost Investment Interest	363		342	267	217	67	
	Second Homes Discount Allowance	(84)		(75)	(75)			
	Council Tax Freeze				(204)			
	VAT Refund Fleming Claim			(249)				
Total District Development Fund		1,104	396	350	1,117	378	108	7

REVENUE EXPENDITURE, INCOME AND FINANCING

2011/12 ORIGINAL ALL REVENUE ITEMS £	2011/12 REVISED ALL REVENUE ITEMS £		GENERAL FUND ACCOUNT £	2012/13 ORIGINAL HOUSING REVENUE ACCOUNT £	ALL REVENUE ITEMS £
Gross Expenditure					
3,255,490	3,147,760	Office of the Chief Executive	4(a) 3,125,190	0	3,125,190
1,744,850	1,750,430	Corporate Support Services	4(b) 1,894,920	0	1,894,920
1,978,700	1,997,490	Deputy Chief Executive	4(c) 1,869,970	0	1,869,970
16,050,280	15,628,570	Environment & Street Scene	4(d) 14,979,570	0	14,979,570
47,864,540	50,415,810	Finance & ICT	4(e) 51,021,350	0	51,021,350
36,106,660	40,017,390	Housing	4(f) 3,377,780	27,002,990	30,380,770
4,270,210	3,766,300	Planning & Economic Development	4(g) 4,445,240	0	4,445,240
291,920	236,560	Internal Trading Organisations	4(h) 238,940	0	238,940
111,562,650	116,960,310	Total Expenditure on Services	80,952,960	27,002,990	107,955,950
38,000	26,000	Interest Payable (Inc HRA)	550,000	5,788,000	6,338,000
0	0	Impairment of Investments	0		0
6,945,000	7,021,000	Revenue Contribution to Capital	13,000	12,813,000	12,826,000
3,106,848	3,106,848	Precepts Paid to Parish Councils	3,166,787	0	3,166,787
121,652,498	127,114,158	Total Gross Expenditure	84,682,747	45,603,990	130,286,737
Gross Income					
45,938,610	48,415,220	Government Subsidies	49,287,380	0	49,287,380
27,502,000	27,543,520	Rents from Dwellings	0	29,147,790	29,147,790
5,295,210	5,275,740	Miscellaneous Rents, Trading Operations etc.	4,332,250	890,500	5,222,750
8,790,110	8,351,200	Fees and Charges	6,628,810	1,620,480	8,249,290
669,000	670,200	Interest on Mortgages and Investments	561,000	1,200	562,200
1,371,320	2,082,690	Grants and Reimbursements by other Bodies	1,966,700	0	1,966,700
89,566,250	92,338,570	Total Operational Income	62,776,140	31,659,970	94,436,110
753,247	880,587	Contribution from/(to) Revenue Reserves	(13,655)	299,020	285,365
(170,000)	(904,000)	FRS 17 Adjustment	(955,000)	0	(955,000)
1,104,000	350,000	Contribution from/(to) District Development Fund	1,117,000	0	1,117,000
0	2,000	Contribution from/(to) Other Reserves	(75,709)	0	(75,709)
11,781,000	15,630,000	Contribution from/(to) Capital Reserves	3,843,000	13,645,000	17,488,000
7,386,942	7,589,942	Exchequer Support	6,656,592		6,656,592
110,421,439	115,887,099	Total Gross Income	73,348,368	45,603,990	118,952,358
11,231,059	11,227,059	To be met from Local Taxation	11,334,379	0	11,334,379
Financed by:					
8,124,211	8,124,211	District Precept			8,167,592
3,106,848	3,106,848	Parish Council Precepts	9e		3,166,787
11,231,059	11,231,059	Total Financing			11,334,379

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Office of the Chief Executive

Programme 2012/13

2011/12 Original		2011/12 Revised		Revenue Expenditure	2012/13 Original	
£	£	£	£		£	£
546,140		502,430		Elections	556,170	
1,687,070		1,665,800		Corporate Activities	1,576,940	
1,238,440		1,183,930		Member Activities	1,193,280	
5,260		14,190		Local Council Liaison	14,200	
1,790		-		Outdoor Youth Facilities	-	
475,770		455,590		Voluntary Services	432,860	
273,450		246,210		Internal Audit	239,090	
487,210		477,810		Democratic Services	484,170	
	4,715,130		4,545,960	Total Expenditure		4,496,710
	1,459,640		1,398,200	Income from Internal Charges		1,371,520
	3,255,490		3,147,760	Net Expenditure (see Annex 3)		3,125,190
				Service Generated Income		
-		11,000		Miscellaneous Rents, Trading Operations etc	11,000	
1,160		1,160		Fees and Charges	1,220	
192,900		347,640		Grants and Reimbursements by other Bodies	174,350	
	194,060		359,800	Total Income		186,570
	3,061,430		2,787,960	To be met from Government Grant and Local Taxation		2,938,620
	-		-	Capital Expenditure (see Annex 5)		-

Corporate Support Services

Programme 2012/13

2011/12 Original		2011/12 Revised		Revenue Expenditure	2012/13 Original	
£	£	£	£		£	£
295,510		287,880		Licensing	303,260	
358,960		315,790		Local Land Charges	322,780	
570,890		716,640		Land & Property	816,080	
391,870		357,570		Other Activities	371,150	
1,565,320		1,581,180		Legal & Administration Services	1,594,310	
2,476,290		2,363,680		Accommodation Services	2,488,530	
1,672,220		1,663,370		Other Support Services	1,721,940	
	7,331,060		7,286,110	Total Expenditure		7,618,050
	5,586,210		5,535,680	Income from Internal Charges		5,723,130
	1,744,850		1,750,430	Net Expenditure (see Annex 3)		1,894,920
				Service Generated Income		
-		-		Government Subsidies	-	
-		-		Rents from Dwellings	-	
2,833,830		2,816,310		Miscellaneous Rents, Trading Operations etc	2,851,510	
491,290		453,600		Fees and Charges	546,140	
-		-		Interest on Mortgages and Investments	-	
41,500		-		Grants and Reimbursements by other Bodies	-	
	3,366,620		3,269,910	Total Income		3,397,650
	(1,621,770)		(1,519,480)	To be met from Government Grant and Local Taxation		(1,502,730)
	307,000		536,000	Capital Expenditure (see Annex 5)		712,000

Deputy Chief Executive

Programme 2012/13

2011/12 Original		2011/12 Revised			2012/13 Original	
£	£	£	£	Revenue Expenditure	£	£
868,330		861,000		Arts & Museum	825,600	
992,370		1,020,660		Sports Development & Other Amenities	921,450	
117,770		106,600		Customer Services	113,690	
2,074,970		2,019,410		Support Services	1,991,840	
	4,053,440		4,007,670	Total Expenditure		3,852,580
	2,074,740		2,010,180	Income from Internal Charges		1,982,610
	1,978,700		1,997,490	Net Expenditure (see Annex 3)		1,869,970
				Service Generated Income		
162,860		103,470		Fees and Charges	157,110	
188,410		283,290		Grants and Reimbursements by other Bodies	112,490	
	351,270		386,760	Total Income		269,600
	1,627,430		1,610,730	To be met from Government Grant and Local Taxation		1,600,370
	1,437,000		1,572,000	Capital Expenditure (see Annex 5)		120,000

Environmental and Street Scene

Programme 2012/13

2011/12 Original		2011/12 Revised		Revenue Expenditure	2012/13 Original	
£	£	£	£		£	£
1,453,280		1,177,950		Environmental Health	1,225,130	
8,125,170		7,791,270		Waste Collection & Street Cleansing	7,450,150	
578,190		552,050		Highways	580,740	
1,247,910		1,276,940		Car Parking	1,008,150	
755,900		770,290		Land Drainage & Sewerage	761,280	
448,960		435,330		Safer Communities	373,960	
1,652,060		1,925,810		Leisure Facilities	1,839,540	
723,640		673,700		Parks and Grounds	696,330	
913,040		894,560		North Weald	911,430	
3,910,520		3,671,850		Environmental Admin & Policy	3,736,790	
	19,808,670		19,169,750	Total Expenditure		18,583,500
	3,758,390		3,541,180	Income from Internal Charges		3,603,930
	16,050,280		15,628,570	Net Expenditure (see Annex 3)		14,979,570
				Service Generated Income		
1,430,260		1,482,930		Miscellaneous Rents, Trading Operations etc	1,394,740	
4,544,040		4,446,980		Fees and Charges	4,196,730	
3,000		4,280		Grants and Reimbursements by other Bodies	4,280	
	5,977,300		5,934,190	Total Income		5,595,750
	10,072,980		9,694,380	To be met from Government Grant and Local Taxation		9,383,820
	2,181,000		1,582,000	Capital Expenditure (see Annex 5)		1,596,000

Finance and ICT

Programme 2012/13

2011/12 Original		2011/12 Revised		Revenue Expenditure	2012/13 Original	
£	£	£	£		£	£
46,145,260		48,376,650		Housing Benefits	49,350,910	
1,643,380		1,643,540		Local Taxation	1,664,970	
122,900		104,460		Concessionary Fares	24,170	
-		299,560		Other Activities	7,140	
3,069,350		2,949,440		ICT Services	3,023,090	
2,476,330		2,544,540		Financial Services	2,509,990	
	53,395,500		55,918,190	Total Expenditure		56,580,270
	5,530,960		5,502,380	Income from Internal Charges		5,558,920
	47,864,540		50,415,810	Net Expenditure (see Annex 3)		51,021,350
				Service Generated Income		
45,533,330		48,003,940		Government Subsidies	48,882,100	
26,120				Miscellaneous Rents, Trading Operations etc		
69,300		56,840		Fees and Charges	64,890	
593,000		371,480		Grants and Reimbursements by other Bodies	315,000	
	46,221,750		48,432,260	Total Income		49,261,990
	1,642,790		1,983,550	To be met from Government Grant and Local Taxation		1,759,360
	488,000		358,000	Capital Expenditure (see Annex 5)		362,000

Housing

Programme 2012/13

General Fund £	Housing Revenue £	2011/12 Original	General Fund £	Housing Revenue £	2011/12 Revised	Revenue Expenditure	General Fund £	2012/13 Original Housing Revenue £	Total £
		Total £			Total £			Total £	
	33,377,000	35,427,000		37,503,980	37,503,980	Council Housing		27,002,990	27,002,990
1,464,480		1,464,480	1,335,440		1,335,440	Private Sector Housing	1,578,150		1,578,150
457,150		457,150	457,330		457,330	Homelessness	451,030		451,030
42,370		42,370	37,690		37,690	Housing Investment Programme	39,590		39,590
474,770		474,770	403,580		403,580	Affordable Housing Grants	1,026,690		1,026,690
290,890		290,890	279,370		279,370	Leasehold Services Administration	282,320		282,320
2,729,660	33,377,000	38,156,660	2,513,410	37,503,980	40,017,390	Total Expenditure	3,377,780	27,002,990	30,380,770
						Service Generated Income			
405,280		405,280	411,280		411,280	Government Subsidies	405,280		405,280
	27,502,000	27,502,000		27,543,520	27,543,520	Rents from Dwellings		29,147,790	29,147,790
75,000	930,000	1,005,000	75,000	890,500	965,500	Miscellaneous Rents, Trading Operations etc	75,000	890,500	965,500
292,630	1,715,000	2,007,630	281,110	1,615,350	1,896,460	Fees and Charges	284,140	1,620,480	1,904,620
	2,000	2,000		1,200	1,200	Interest on Mortgages and Investments		1,200	1,200
70,880		70,880	372,540		372,540	Grants and Reimbursements by other Bodies	360,320		360,320
	2,646,000	4,696,000		6,504,000	6,504,000	HRA Interest & Reversal of Depn	-	4,956,000	4,956,000
	582,000	582,000		949,410	949,410	Use of Balances		299,020	299,020
843,790	33,377,000	36,270,790	1,139,930	37,503,980	38,643,910	Total Income	1,124,740	27,002,990	28,127,730
1,885,870	-	1,885,870	1,373,480	0	1,373,480	To be met from Government Grant and Local Taxation	2,253,040	0	2,253,040
1,778,000	6,919,000	8,697,000	1,175,000	7,026,000	8,201,000	Capital Expenditure (see Annex 5)	2,761,000	12,806,000	15,567,000

Planning & Economic Development

Programme 2012/13

2011/12 Original		2011/12 Revised		Revenue Expenditure	2012/13 Original	
£	£	£	£		£	£
143,540		91,590		Economic Development	107,700	
32,580		30,500		Tourism	26,790	
56,940		50,430		Environmental Initiatives	43,360	
186,270		235,660		Conservation Policy	267,860	
858,670		567,320		Forward Planning	1,048,540	
208,770		242,710		Town Centre Enhancements	323,240	
231,460		244,240		Countryside	260,180	
2,551,450		2,323,600		Regulatory Services	2,371,210	
1,057,480		1,064,230		Planning Administration & Policy	1,094,790	
	5,327,160		4,850,280	Total Expenditure		5,543,670
	1,056,950		1,083,980	Income from Internal Charges		1,098,430
	4,270,210		3,766,300	Net Expenditure (see Annex 3)		4,445,240
				Service Generated Income		
1,132,880		1,082,770		Fees and Charges	1,107,930	
34,630		7,460		Grants and Reimbursements by other Bodies	6,260	
	1,167,510		1,090,230	Total Income		1,114,190
	3,102,700		2,676,070	To be met from Government Grant and Local Taxation		3,331,050
	240,000		80,000	Capital Expenditure (see Annex 5)		50,000

Internal Trading Organisations

Programme 2012/13

2011/12 Original		2011/12 Revised			2012/13 Original	
£	£	£	£	Revenue Expenditure	£	£
2,963,150				Housing Maintenance		
460,940		428,140		Fleet Operations	436,900	
	3,424,090		428,140	Total Expenditure		436,900
	3,132,170		191,580	Income from Internal Charges		197,960
	291,920		236,560	Net Expenditure (see Annex 3)		238,940
				Service Generated Income		
380,950		309,920		Fees and Charges	270,650	
	380,950		309,920	Total Income		270,650
	(89,030)		(73,360)	To be met from Government Grant and Local Taxation		(31,710)
	54,000		-	Capital Expenditure (see Annex 5)		57,000

Non Service Budgets

Programme 2012/13

2011/12 Original			2011/12 Revised Housing Revenue			2012/13 Original			
General Fund £	Housing Revenue £	Total £	General Fund £	Housing Revenue £	Total £	Revenue Expenditure	General Fund £	Housing Revenue £	Total £
(667,000)	-	(667,000)	(669,000)	-	(669,000)	Interest & Investment Income	(561,000)	-	(561,000)
-	-	-	-	-	-	Impairment of Investments	-	-	-
22,000	6,923,000	6,945,000	65,000	6,956,000	7,021,000	Revenue Contribution to Capital	13,000	12,813,000	12,826,000
(247,000)	-	(247,000)	(696,000)	-	(696,000)	Other Items	(994,000)	-	(994,000)
786,000	(748,000)	38,000	615,000	(589,000)	26,000	Interest Payable (Inc HRA)	550,000	5,788,000	6,338,000
(2,960,000)	(43,000)	(3,003,000)	(2,759,000)	(50,000)	(2,809,000)	Depreciation Reversals & Other Adjs.	(3,843,000)	(43,000)	(3,886,000)
(3,066,000)	6,132,000	3,066,000	(3,444,000)	6,317,000	2,873,000		(4,835,000)	18,558,000	13,723,000
-	8,821,000	8,821,000	-	12,871,000	12,871,000	Transferred to Housing Summary	-	13,645,000	13,645,000
(3,066,000)	14,953,000	11,887,000	(3,444,000)	19,188,000	15,744,000		(4,835,000)	32,203,000	27,368,000
		(171,247)			68,823	Contribution (from)/to Revenue Reserves			13,655
		170,000			904,000	FRS 17 Adjustment			955,000
		-				Contribution (from)/to Other Reserves			
		-				Transfer (from)/to Housing Revenue Account			-
		(203,000)			-	Council Tax Freeze Grant			
		(1,104,000)			(350,000)	Contribution from District Development Fund			(1,117,000)
		10,578,753			16,366,823	Reduction in Amount to be met from Government Grant and Local Taxation & other Housing Revenue Account items			27,219,655

Capital Programme

Programme 2012/13

General Fund £	Housing Revenue £	2011/12 Original	General Fund £	Housing Revenue £	2011/12 Revised	Gross Expenditure	General Fund £	2012/13 Original Housing Revenue £	Total £
		Total £			Total £			Total £	
307,000		307,000	536,000		536,000	Corporate Support Services	712,000		712,000
1,437,000		1,437,000	1,572,000		1,572,000	Deputy Chief Executive	120,000		120,000
2,181,000		2,181,000	1,582,000		1,582,000	Environmental and Street Scene	1,596,000		1,596,000
488,000		488,000	358,000		358,000	Finance and ICT	362,000		362,000
1,778,000	6,919,000	8,697,000	1,175,000	7,026,000	8,201,000	Housing	2,761,000	12,806,000	15,567,000
240,000		240,000	80,000		80,000	Planning & Economic Development	50,000		50,000
-	54,000	54,000	-	-	-	Internal Trading Organisations	-	57,000	57,000
6,431,000	6,973,000	13,404,000	5,303,000	7,026,000	12,329,000	Total Capital Expenditure	5,601,000	12,863,000	18,464,000
22,000	6,923,000	6,945,000	65,000	6,956,000	7,021,000	Less: Revenue Contributions to Capital	13,000	12,813,000	12,826,000
6,409,000	50,000	6,459,000	5,238,000	70,000	5,308,000	To be met from Capital Resources	5,588,000	50,000	5,638,000
Financed by:									
5,801,000		5,801,000	4,237,000		4,237,000	Capital Receipts	4,910,000		4,910,000
520,000		520,000	363,000		363,000	Government Grants	394,000		394,000
88,000	50,000	138,000	638,000	70,000	708,000	Other Grants	334,000		334,000
6,409,000	50,000	6,459,000	5,238,000	70,000	5,308,000	Total Financing	5,638,000	-	5,638,000

COUNCIL TAX RATES FOR DISTRICT & PARISH/TOWN COUNCILS 2012/13

Authorities	Tax Base No.'s	Precept 2012/13	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£	£	£
District Expenses	54,900.8	8,167,592	148.77	99.18	115.71	132.24	148.77	181.83	214.89	247.95	297.54
Abbess, Berners and Beauchamp Roding	212.9	5,000	23.49	114.84	133.98	153.12	172.26	210.54	248.82	287.10	344.52
Buckhurst Hill	5,311.4	367,800	69.25	145.35	169.57	193.80	218.02	266.47	314.92	363.37	436.04
Chigwell	5,996.9	223,918	37.34	124.07	144.75	165.43	186.11	227.47	268.83	310.18	372.22
Epping Town	5,179.1	434,200	83.84	155.07	180.92	206.76	232.61	284.30	335.99	387.68	465.22
Epping Upland	416.1	11,876	28.54	118.21	137.91	157.61	177.31	216.71	256.11	295.52	354.62
Fyfield	421.2	10,423	24.75	115.68	134.96	154.24	173.52	212.08	250.64	289.20	347.04
High Ongar	576.0	13,500	23.44	114.81	133.94	153.08	172.21	210.48	248.75	287.02	344.42
Lambourne	931.1	29,860	32.07	120.56	140.65	160.75	180.84	221.03	261.21	301.40	361.68
Loughton Town	13,077.4	643,200	49.18	131.97	153.96	175.96	197.95	241.94	285.93	329.92	395.90
Matching	446.4	14,035	31.44	120.14	140.16	160.19	180.21	220.26	260.30	300.35	360.42
Moreton, Bobbingworth and the Lavers	572.4	12,300	21.49	113.51	132.42	151.34	170.26	208.10	245.93	283.77	340.52
Nazeing	2,108.6	72,494	34.38	122.10	142.45	162.80	183.15	223.85	264.55	305.25	366.30
North Weald Bassett	2,646.4	138,815	52.45	134.15	156.50	178.86	201.22	245.94	290.65	335.37	402.44
Ongar Town	2,782.6	230,469	82.83	154.40	180.13	205.87	231.60	283.07	334.53	386.00	463.20
Roydon	1,322.7	29,109	22.01	113.85	132.83	151.80	170.78	208.73	246.68	284.63	341.56
Sheering	1,361.9	30,810	22.62	114.26	133.30	152.35	171.39	209.48	247.56	285.65	342.78
Stanford Rivers	359.0	11,700	32.59	120.91	141.06	161.21	181.36	221.66	261.96	302.27	362.72
Stapleford Abbotts	518.2	6,629	12.79	107.71	125.66	143.61	161.56	197.46	233.36	269.27	323.12
Stapleford Tawney	74.6	1,461	19.58	112.23	130.94	149.64	168.35	205.76	243.17	280.58	336.70
Theydon Bois	2,019.4	103,280	51.14	133.27	155.49	177.70	199.91	244.33	288.76	333.18	399.82
Theydon Garnon	67.4	1,000	14.84	109.07	127.25	145.43	163.61	199.97	236.33	272.68	327.22
Theydon Mount	112.0	1,507	13.46	108.15	126.18	144.20	162.23	198.28	234.33	270.38	324.46
Waltham Abbey Town	8,140.0	768,901	94.46	162.15	189.18	216.20	243.23	297.28	351.33	405.38	486.46
Willingale	247.1	4,500	18.21	111.32	129.87	148.43	166.98	204.09	241.19	278.30	333.96
Town and Parish Total	54,900.8	3,166,787	57.68	38.45	44.86	51.27	57.68	70.50	83.32	96.13	115.36
District, Town and Parish Total	54,900.8	11,334,379	206.45	137.63	160.57	183.51	206.45	252.33	298.21	344.08	412.90

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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 2013/14, as it is anticipated that most Councils will freeze their charges for 2012/13. The Council currently has the second lowest charge and the gap to the lowest Band D charge in Essex is only £1.35.
4. At its 26 September 2011 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. Key amongst those were the structural reforms to the financing of local authorities through the local retention of NNDR and the Government's programme of welfare reform. The general state of domestic and world economies remains a concern and the possibility of a double dip recession is still with us. There were also questions over the New Homes Bonus, self-financing for the HRA and the capitalisation of pension deficit payments.
6. Against this background of risk and uncertainty a forecast was constructed that set a target of £14.88m for CSB expenditure for 2012/13 and maintained the requirement for annual CSB savings over the forecast period. At this time deficit budgets were anticipated for each year of the forecast, although these were reducing at the end of the forecast.
7. At that time the predicted General Fund balance at 1 April 2016 of £7.1m represented over 47% of the anticipated Net Budget Requirement (NBR) for 2015/16 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be £888,000 left in the DDF at 1 April 2016.

Updated Medium Term Financial Strategy

8. In the period since the Financial Issues Paper the Government has responded to the consultations on localising Council Tax Benefit and the local retention of business rates. These responses have made the direction of policy clearer but have been little help in terms of hard numbers for inclusion over the medium term. In constructing the forecast it has been necessary to make certain assumptions, these are set out below:
 - a) CSB Growth – the net savings required for 2012/13 have been found, but budgets will be re-visited during the course of 2012/13 to seek further reductions. In common with the earlier version of the strategy, target CSB savings are included for the period 2013/14 to 2014/15. The extension of the waste contract, removal of under spent budgets and the ending of financial support for Police Community Support Officers have helped achieve the savings required for 2012/13. However, annual net savings targets of £0.45m for 2013/14 and 2014/15 are likely to prove challenging.
 - 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 £1.31m is still available. This is an improvement on the position in the current year's budget, where the MTFS adopted in February 2011 showed a closing balance at the end of the period of £216,000.
 - c) Grant Funding – beyond 2012/13 it has been assumed that there will be a 10% reduction in grant over the remaining two years of the CSR period. This exceeds the headline figures provided in October 2010 to make allowance for the poorer than expected recovery since then and the effects of the Government's re-working of the grant allocation model.
 - d) Inter-related Funding – because of the changes in funding structures beyond 2012/13 and the top slicing of New Homes Bonus funding from the NNDR pool, only NHB income relating to the first two years of the scheme has been built into the model.
 - e) Council Tax Increase – Members have confirmed they wish to freeze the charge for 2012/13. Increases of 2.5% have been allowed for subsequent years. These assumptions have been built into the strategy.
9. This revised medium term financial strategy has deficits in the final three years of the period, although these are reducing and the use of reserves in 2015/16 is £311,000 lower than in 2014/15. The predicted revenue balance at the end of the period is £7.624m, which represents 51% of the NBR for 2015/16 and thus comfortably exceeds the target of 25%.
10. It is worth repeating that savings are still necessary in the next two 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 2012 meeting of the Finance and Performance Management Cabinet Committee.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2011/12 - 2015/16

ORIGINAL 2011/12	REVISED				
	FORECAST 2011/12	FORECAST 2012/13	FORECAST 2013/14	FORECAST 2014/15	FORECAST 2015/16
£'000 NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
17,090 Continuing Services Budget	17,393	15,968	15,612	15,390	14,908
-1,408 CSB - Growth Items	-1,750	-1,233	77	109	45
0 Net saving	0	0	-450	-450	0
15,682 Total C.S.B	15,643	14,735	15,239	15,049	14,953
1,104 One - off Expenditure	350	1,117	378	108	7
16,786 Total Net Operating Expenditure	15,993	15,852	15,617	15,157	14,960
-1,104 Contribution to/from (-) DDF Balances	-350	-1,117	-378	-108	-7
-171 Contribution to/from (-) Balances	69	13	-411	-464	-153
15,511 Net Budget Requirement	15,712	14,748	14,828	14,585	14,800
FINANCING					
7,387 Government Support (NNDP+RSG)	7,590	6,656	6,456	6,004	6,004
8,124 District Precept	8,124	8,168	8,372	8,581	8,796
0 Collection Fund Adjustment	-2	-76	0	0	0
To be met from Government 15,511 Grants and Local Tax Payers	15,712	14,748	14,828	14,585	14,800
Band D Council Tax	148.77	148.77	152.49	156.30	160.21
Percentage Increase %		0.0	2.5	2.5	2.5

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2011/12 - 2015/16

	REVISED FORECAST 2011/12	FORECAST 2012/13	FORECAST 2013/14	FORECAST 2014/15	FORECAST 2015/16
REVENUE BALANCES	£'000	£'000	£'000	£'000	£'000
Balance B/forward	8,570	8,639	8,652	8,241	7,777
Surplus/Deficit(-) for year	69	13	-411	-464	-153
Balance C/Forward	8,639	8,652	8,241	7,777	7,624
DISTRICT DEVELOPMENT FUND					
Balance B/forward	3,269	2,919	1,802	1,424	1,316
Transfer Out	-350	-1,117	-378	-108	-7
Balance C/Forward	2,919	1,802	1,424	1,316	1,309
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	18,694	14,612	9,876	9,220	8,635
New Usable Receipts	155	174	234	294	294
Use of Capital Receipts	-4,237	-4,910	-890	-879	-773
Balance C/Forward	14,612	9,876	9,220	8,635	8,156
TOTAL BALANCES	26,170	20,330	18,885	17,728	17,089

The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2012/13 budgets and the adequacy of the reserves.

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 2012/13. 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 2012/13 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 are a range of safeguards, which exist 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 way services like waste and leisure are delivered. 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 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 work closely with Directors 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 2012/13.**

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 vary against the estimates made. Efforts have been made to predict the level of inflation in the coming year, although the difficulty in making these predictions is highlighted by inflation remaining stubbornly high and above the target for, and predictions of, the Monetary Policy Committee. Inflation, as measured by the annual rate of increase in the Retail Prices Index, reduced from 5.2% for November to 4.8% for December. Over this period the Consumer Prices Index (CPI) fell from 4.8% to 4.2% and so is still double the Government target of 2%. However, whilst recovery in the overall economy remains weak the Monetary Policy Committee are likely to continue their cautious stance and not strongly intervene with increases in interest rates to reduce inflation.
12. Inflation, as measured by CPI, has been 4% or more for over a year now and has contributed to pressure for a pay award. Pay rates have been frozen since 2010/11 and the Government has stressed the need for restraint in public sector pay over the length of the Comprehensive Spending Review. The Medium Term Financial Strategy (MTFS) includes an allowance of 1% for pay awards for 2013/14 and 2014/15, in line with the Government's policy. In the budgets the centrally held vacancy allowance has been maintained at 2.5%. This reflects the ongoing underspends, with total salaries at December 2011 being 4.5% underspent. It is unlikely that the Authority will have a full establishment throughout 2012/13 and so this allowance is reasonable.

b. Estimates on the level and timing of capital receipts

13. The Council has always adopted a prudent view on the level and timing of capital receipts. 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. Currently, no significant disposals are anticipated in 2012/13.
14. 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. Although sales have fallen dramatically from previous years and the pattern of less than 10 sales per annum is expected to continue. 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.
15. Even with the Authority's substantial capital programme, which exceeds £78m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2016 will be £8.1m. 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.

c. Treatment of demand led pressures and savings

16. Demand led pressures on the benefits and homelessness services may well increase as the Welfare Reforms begin to impact. Locally the stagnation in the housing market seems to be improving, with some increases in key income streams like planning and building control fees and land charges. The move away from prescribed planning fees, with Council's being able to seek full recovery of their costs, has not yet happened. However, the Council remains hopeful that this measure will be introduced in 2012/13 as the additional freedom in setting charges would be welcomed.
17. Savings have been achieved for the 2011/12 and 2012/13 budgets by focusing on areas that have historically underspent. There has been some history in recent years of the budget as a whole being underspent and an exercise was undertaken to limit budgets going forward to the average amount spent in the previous three years. This removed over £500,000 from the CSB over the two years. The other key saving has been on the waste management contract which has been extended following negotiations that generated annual savings of £850,000. A number of other smaller savings have also been identified and together these provide a sound base for the 2012/13 budget. However, there is still a need for further savings in 2013/14 and 2014/15 and work is ongoing on a number of ideas to reduce net costs.

d. Risks inherent in partnership arrangements etc

18. 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)

19. The Authority is currently debt free, although with self-financing for the Housing Revenue Account (HRA) this will change before the year end. This is not a significant concern as the 30 year business plan for the HRA has demonstrated that the Authority will be considerably better off in the long term. Revenue reserves for both the General Fund and the HRA are in a healthy state.
20. The largest threat to the Authority's financial standing is the replacing of the block grant system with a new model under which authorities are financed through locally retained business rates. This system will come in from 2013/14 and no figures have yet been provided by the Government. There are two concerns as the funding could drop initially under the new system, and going forward the authority could see reductions in funding if the level of business rates collected in the district reduces. There is a potential upside as if the amount of business rates increases the authority should be able to retain 80% of that growth.
21. There is also significant concern about the localisation of Council Tax Benefit (CTB) from 2013/14. The Authority will receive a fixed grant of 90% of current expenditure and will have to choose between passing this cut on to those currently in receipt of CTB or supplementing the scheme with its own resources. The monetary shortfall will exceed £1 million and this will increase if the number of claimants increases. The MTFS has been based on the assumption that the Authority will not top up the Government funding.

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

22. The Authority has a proven track record in financial management as borne out by the Annual Audit Letters from the Authority's external auditors. A comparison of actual net expenditure with estimates over a number of year's shows that the Council rarely experiences over spends of any significance.
23. Most managers have received training on budget management. A course involving an external trainer, the CFO and the Chief Internal Auditor has now been supplemented with additional detailed training on a directorate basis being provided by accountancy staff.
24. The quarterly budget monitoring reports on key budgets to both the Finance and Performance Management Cabinet Committee and Scrutiny Panel will continue throughout 2012/13. 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 the Finance & Performance Management Cabinet Committee in the summer of each year.

h. The adequacy of insurance arrangements

26. The Authority is now part way through a three year contract, which commenced in June 2010. This contract was entered into following a collaborative procurement exercise with twelve other authorities and has an option to extend for an additional two years. The Authority still maintains an insurance fund, which as at 31 March 2011 had a balance of £424,000.

i. Pension liabilities

27. The latest triennial valuation as at 31 March 2010 showed a reduction in the funding level of the scheme to 71% (the value of the scheme's assets only cover 71% of the liabilities). However, the actuaries have been able to keep the deficit payments at a similar level for three years by increasing the deficit recovery period from 20 to 27 years. Ongoing contributions have benefitted from a slight reduction from 13.1% to 13%.
28. Annual applications have been made to Department for Communities and Local Government (DCLG) for capitalisation directions, as separate directions are required for the Housing Revenue Account and the General Fund. It has been increasingly difficult to obtain capitalisation directions and for 2011/12 the qualifying criteria were doubled. Even though the applications for 2011/12 met the tougher criteria they were still rejected by DCLG. In view of this the full amounts of the deficit payments have been included in the CSB. This means these commitments are now funded but still allows applications to be made, subject to any further tightening of the criteria.

Statement on the adequacy of the reserves and balances

29. The Use of Resources assessment previously conducted by the external auditors 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 2013 is £8.65m 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.
30. 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			800
Grant reduction being 20% instead of 10% over last 2 years of CSR	650	50	325
Pay award being settled 1% in excess of estimate for 12/13 and future years	800	20	160
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
Unintended consequences of HRA reform impacting on General Fund	2,000	20	400
Localisation of Council Tax Benefit shortfall funded from 13/14 to 15/16	3,500	40	1,400
Renegotiating External contracts and partnership arrangements	1,000	10	100
Emergency Contingency	800	20	160
New Homes Bonus, income over MTFs greater than anticipated	(1,200)	30	(400)
Total	12,750		3,925

31. 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.
32. 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.

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 old 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 £15.4m, which suggests a figure of £800,000.
35. 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 increased by £270,000 in 2010/11 to leave a balance of £8.6m at 31 March 2011.
36. A number of policies have been determined previously to bring about reductions and the current policy reflects that deficit budgets are necessary to support the structured reduction in spending. 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 £14.8m therefore 25% of that figure equates to £3.7m. The current four-year forecast shows balances still at £7.6m at the end of 2015/16.
37. 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 2016 balances will represent 50% 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.
38. It has already been stated that the capital fund is expected to remain in a surplus position beyond 2015/16 and the capital programme is fully funded.
39. 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.
40. The HRA revenue balance of £5.9m at 31 March 2011 is expected to decrease, by £949,000 in 2011/12 and then by a further £299,000 in 2012/13. The balance on the Housing Repairs Fund is expected to reduce over the next year, from £4m to £3.5m. Similarly, the Housing Major Repairs Reserve is predicted to decrease from £6.6m to £5.9m. The 30 year business plan has demonstrated that under self-financing the overall financial standing of the HRA will improve significantly and its reserves going into 2012/13 remain healthy.
- 41. The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2012/13 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term.**

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Report to Council

Date of meeting: 14 February 2012

Subject: Overview and Scrutiny

Chairman: Councillor Richard Bassett



Recommendation:

That the report of the Overview and Scrutiny Committee Chairman be noted.

LSP Presentation

1. At the meeting held on Tuesday, 24 January, we received a presentation from the LSP Manager, John Houston. He took us through their work over the past year and touched on the issues around the upcoming locality boards. We noted that they had four theme groups on the go at present, looking at Healthier Communities, Sustainable Communities, Safer Communities and Children and Young People. Their current big project is the 'One Shop Local' website where local businesses can advertise their services. Currently, after only five or six weeks of operation, they have about 120 businesses signed up and this number is growing weekly. Despite some negative comments by some of the press the speed the system had been brought to the public and the numbers of businesses who have signed up and are offering vouchers to residents to shop local was impressive.
2. We discussed Locality Boards and were informed that detail on how this would work was still in need of government guidance. No firm plans had been drawn up to how they would operate as yet, as without guidance it would be counter productive. We noted that Epping Forest already had very good partnership working in place and we did not need to add any layers of unwanted bureaucracy.
3. The meeting was then opened out to a question and answer session from the committee and other members present.

Budget Report 2012/13

4. We then considered the Budget report for 2012/13 that had already gone to the joint Finance and Performance Management Cabinet Committee and Scrutiny Panel the week before. We also received a short report from the Chairman of the Finance Standing Panel on their thoughts on the budget. After discussions and clarification on various items we noted the report and agreed the recommendations to the Cabinet meeting on 30 January 2012.

Other items Covered

5. We noted and agreed the draft Key Objectives for 2012/13 and considered and agreed the final report from the Task and Finish Panel looking at senior recruitment in the council. This was referred to this Council meeting for your consideration along with recommendations from the Chief Executive Recruitment Panel.
6. We then reviewed and agreed the new draft terms of reference and work programme

for the Planning Services Standing Panel. We also looked at the work programmes of the various O&S Standing Panels and we would ask if members have suggestions for any of the committees to scrutinise then please contact Democratic Services.

7. The Chairman reported that he attended a meeting of the Essex chairs of O&S on the 13th January. The meeting was well attended and many items were discussed on how we can work better together. One of the main suggestions would be to publish an Essexwide work plan on what topics councils were looking at and from that we would exchange information and findings. They also looked at how more joint training could be done. An area of concern to most was that of how Localism would be implemented and also how to scrutinise the Parking partnership.

8. Finally we confirmed the arrangements for joint Overview and Scrutiny training with Harlow DC. This would take place on 15 and 29th March 2012 and all members of Overview & Scrutiny Committee, Standing Panels and Task and Finish Panels should look to attend, as should any councillor who had an interest in scrutiny.



Epping Forest District Council



SCRUTINY

REPORT OF THE SENIOR RECRUITMENT TASK AND FINISH PANEL

JANUARY 2012

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1. Chairman's Foreword

1.1 Effective leadership is the key to the success of any organisation. It follows that the recruitment process for key leadership roles should be rigorous and open to scrutiny. This report sets out a proposed procedure, emphasising the need for specialist legal and HR advice in all but routine staff contracts but allowing flexibility of approach depending on circumstances prevailing at the time. I would like to thank my fellow Councillors and officers for their advice and evidence provided to support our conclusions



Councillor Ken Angold Stephen
Chairman, Senior Recruitment Task and Finish Scrutiny Panel
January 2012

2. Introduction

2.1 Following a report to the Council by the Audit and Governance Committee, Overview and Scrutiny Committee were asked to undertake a review of the reporting procedures for the recruitment of the Chief Executive.

2.2 The Overview and Scrutiny Committee, at its meeting on 6 September 2011, agreed to establish a Task and Finish Group to facilitate this review.

2.3 The Committee appointed the following members to serve on the Panel:

Councillors K Angold-Stephens (Chairman), Mrs A Grigg, J M Whitehouse, R Bassett and D Stallan.

2.4 At our first meeting, Councillor David Johnson attended as an Alternate Member for Councillor Bassett who was unable to attend.

2.5 The first meeting of the Panel was held on 10 November 2011. The Panel identified its aims and objectives and Terms of Reference which are reproduced below:

“Aims and Objectives

To bring forward a procedure for the reporting of complex and sensitive contracts to members and a procedure to be followed in the event of such contracts being entered into.

To report their findings to the Overview and Scrutiny Committee for onward consideration by the Council.

To have agreed written procedures in place in time to inform the outcome of the recruitment to the position of Chief Executive which is currently vacant and any issues arising from the review by Ernst and Young in respect of the corporate management structure. “

“Terms of Reference

1. To consider and formulate a written procedure for reporting complex and sensitive senior officer employment contracts to members;

2. To consider the scope and agree positions to which these arrangements should apply (eg. Chief Executive; Deputy Chief Executive; Directors; Assistant to the Chief Executive and other statutory officers);
3. To formulate a procedure on how the Council seek advice on the form of contract and other contractual considerations arising from senior staff appointments taking account of lessons learnt from previous cases;
4. To bring any other recruitment issues arising from the review to the attention of the Committee for the Appointment of the Chief Executive;
5. To report to the Overview and Scrutiny Committee with recommended procedures by 6 March 2012.”

2.6 These were subsequently approved by the Overview and Scrutiny Committee on 29 November 2012

2.7 We have met on three occasions to discuss the issues in this report and have consulted the Council’s Acting Chief Executive, Monitoring Officer, Section 151 Officer and Chief Internal Auditor. Views on this report have also been sought from the Council’s External Auditors.

2.8 Our remit does not include any involvement in current or forthcoming recruitment exercises save advising on an appropriate process that should be followed to ensure members are appropriately advised and involved in future senior recruitment events.

2.9 It is worth mentioning also that we determined very early in our processes that only appointments at Director level and above and senior statutory officer appointments should fall within the remit of the proposals we are recommending.

3. Context

3.1 Senior Recruitment exercises have happened infrequently at the authority. The process is governed by Officer Employment Procedure Rules which are set out in Section M of the Council’s Constitution. The appointment of the Head of the Paid Service is a matter for full Council to determine on the recommendation of a Panel of Members drawn together for the purpose of that appointment. This Panel should comprise members of all political groups and include a member of the Executive. The Council can only approve an appointment where no well-founded objection has been made by any member of the Executive.

3.2 For Directors the appointment is normally undertaken by a Panel of 7 members, including at least one Cabinet member with members being required to undertake recruitment and selection training before taking part in interviews.

3.3 Quite aside from the requirements of the Council’s Constitution, appointments need to be made in accordance with law.

3.4 We have put forward proposals setting out how members are involved in the process of appointment and the steps in such a process that require decisions and/or expert advice being made available to members.

4. Summary of Recommendations

The Panel recommends:

4.1 That the flow chart (Appendix 1 to our report) and guidance note (Appendix 2 to our report) be approved for use in future Senior Recruitment exercises to provide a framework within which the Appointments Panel can work.

4.2 That the process should only apply to Chief Executive; Deputy Chief Executive; Directors; Assistant to the Chief Executive and three statutory officers.

4.3 That careful drafting of delegation to appointments Panel to be clear about extent of powers to recommend to Council any contract variations, appointment, short/long listing etc.

4.4 That reports to members be made in the standard template giving all relevant information which will include financial implications; risk assessments and advice from statutory officers.

4.5 That specialist legal advice be made to members through the PLP and HR advice through VINE or another appropriate bodies and budgeted for by Council.

4.6 That an evaluation process be carried out as a matter of course after each senior recruitment event and reported to the Overview and Scrutiny Committee.

4.7 That after the conclusion of the current exercise, the Officer Employment Procedure Rules be redrafted to:

- (i) incorporate the applicability of section 4 to the Statutory Officer positions; and.
- (ii) include more detail of the objection to appointment process set out in the constitution; and
- (iii) consider its ongoing appropriateness;

It is further suggested by the Panel that the Constitution and Members Services Scrutiny Panel undertake this task.

4.8 That the Committee for the Appointment of a Chief Executive be asked to consider the following issues specific to the post of the Chief Executive:

- (i) clear and measurable performance management and supervision arrangements;
- (ii) ensuring those undertaking performance management and supervision to have undertaken appropriate training and have access to advice; and authority from Council to undertake this role.
- (iii) whether there should be any process put in place for dealing with employment issues short of formal dispute.

4.9 That the new arrangements be reviewed after one year of operation and thereafter annually.

5. Report

5.1 We have been charged with formulating a procedure on how the Council seeks advice on the form of contract and other contractual considerations arising from senior staff appointments taking account of lessons learnt from previous cases.

5.2 As part of our consideration we have reviewed copies of the existing relevant information as follows:

- (1) Report of the Audit and Governance to the Council dated 26 July 2011 (Restricted report)
- (2) Motion moved by the Leader in response to (1) above.
- (3) Extract of the Council minutes dated 26 July 2011; and
- (4) Copy of the agreed Terms of Reference of the Committee for the Appointment of the Chief Executive.
- (5) Officer employment procedure rules – taken from the current council constitution (also see paragraph 5.7 below).
- (6) A process diagram for Senior Officer Recruitment (see appendix 1);
- (7) Chief Officer Recruitment – Guidance Note (see appendix 2);
- (8) Chief Executive – Job Profile;
- (9) Example Council Contract;
- (10) Responses from officers on the proposed review where received;
- (11) Copies of previous reports to Council on appointments in 2007 and 1992 (Restricted Council Reports)

5.3 In addition we have:

- (1) Sought views on the process from the Acting Chief Executive, Assistant Director HR, Chief Internal Auditor and Chief Finance Officer.
- (2) Sought views from other authorities about these type of processes;
- (3) Taken evidence from the Assistant Director HR on matters of process and have discussed the proposed documents discussed below.

5.4 Although there is a procedure for the appointment of senior officers we have discovered that no written guidance sets out how members undertake these key recruitment exercises and ensure effective reporting to members. We understand equally that no two exercises are the same and any process that we devise must be adaptable to each circumstance. We have worked with officers to bring forward two documents. Firstly, a Senior Officer Recruitment flowchart which provides a framework within which members can work for future appointments. This is attached at Appendix 1 to our report.

5.5 Additionally we are commending the use of a guidance note (Appendix 2) which should be read in conjunction with the flowchart and adds more information about the stages in such an exercise.

5.6 We are recommending that the Council, in drafting its delegation arrangements it should give careful consideration about all aspects of the recruitment, particularly:

- (1) The Panel/Committee's Terms of Reference;
- (2) The Panel/Committee's delegated authorisations e.g. to carryout the process and recommend an appointment to Council, or recommend a long list/short list, interview process etc;
- (3) Timescales;
- (4) The relevant officers to be involved, i.e. HR Advisor, Legal Advisor, Finance Advisor (if required), Committee support;
- (5) To establish a budget for any structural change, recruitment and potential legal costs;
- (6) To nominate the 'Proper Officer' in accordance with the Council's Constitution.

5.7 We have also suggested that all future reports are made in a standard format which should ensure that members are able to fully understand the implications of the proposals put to the Council. This report format should give all relevant information including financial implications; risk assessments and advice from statutory officers.

5.8 As part of our consultation process we approached a number of other authorities to seek their views on where difficulties in recruitment exercises might lie. Anecdotal comments suggest two main reasons for difficulties: (i) Changes in the Chief Executive and/or the Leadership; and (ii) lack of clarity during advertising and recruitment as to what would be expected of the post holder. It is, therefore, essential that members can access the appropriate advice on contracts and employment as and when they are required. Sources of such advice have been suggested to us. We are recommending accordingly.

5.9 We consider that an evaluation stage should be included for this and future recruitment exercises in order that our suggested procedures can be reviewed in the light of operational use. We are suggesting that this review comes before Overview and Scrutiny Committee.

5.10 We have received copies of the Officer Employment Procedure Rules that form part of the Constitution. We believe that once the current recruitment exercise is completed it would be timely to review this document to:

- (i) review section (4) to include the statutory officer positions;
- (ii) consider whether greater detail is required within the procedure on the 'Executive' objection process; and
- (iii) its ongoing appropriateness.

It will be matter for Council to determine how this is carried out but we are recommending that the Constitution and members Services Panel could undertake this role.

5.11 Arising from our discussions we are recommending that the Committee for the Appointment of the Chief Executive, specific to the current recruitment, consider how performance management

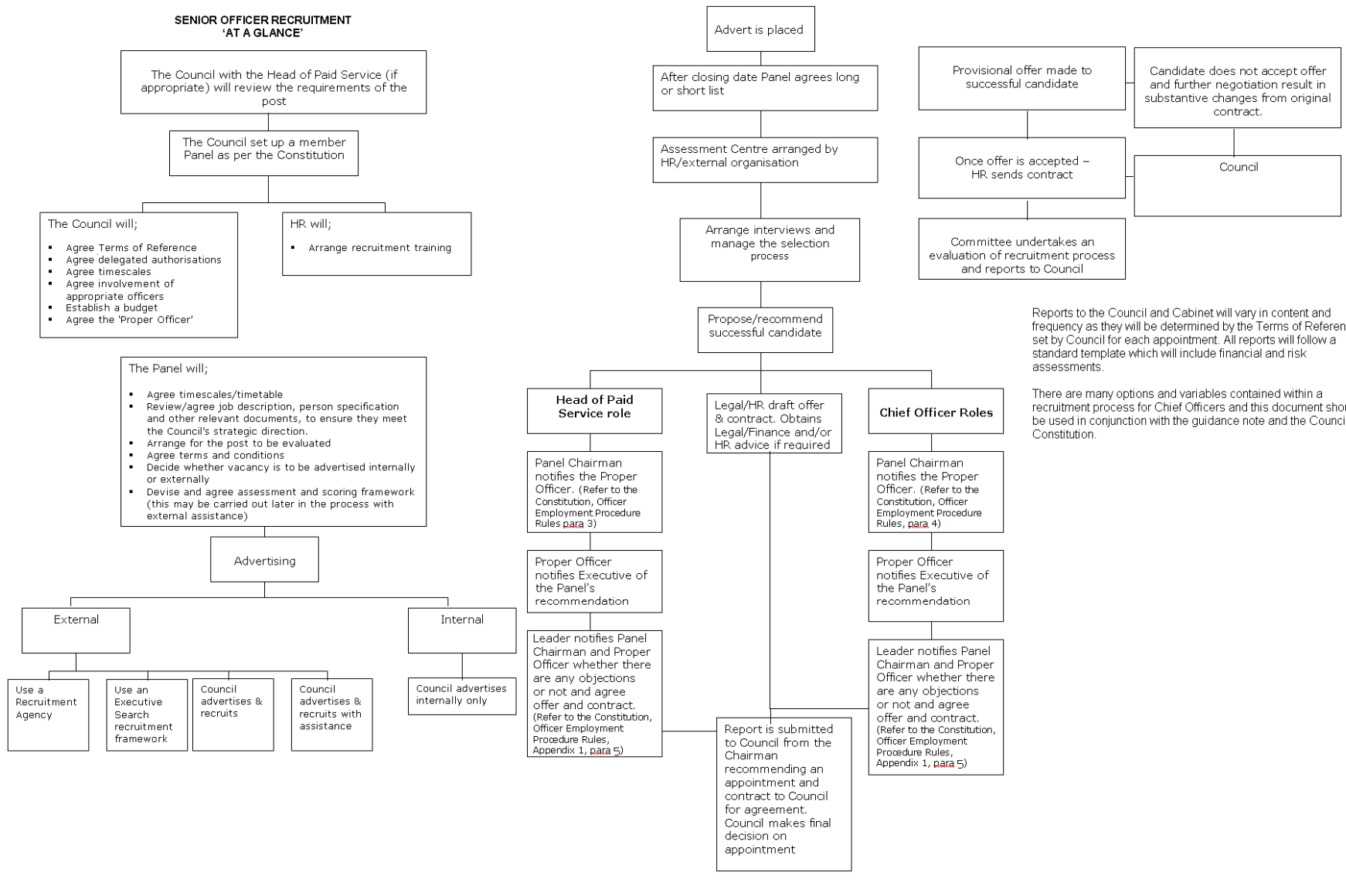
and monitoring of the Council's progress towards meeting the Council's Forward Plan targets can be undertaken.

5.12 Finally, we are suggesting arrangements for the review of the new procedures after a year and then annually thereafter.

6. Appendices

Appendix 1 – 'At a Glance' Flowchart

Appendix 2 - Chief Officer Recruitment – Guidance Note



Reports to the Council and Cabinet will vary in content and frequency as they will be determined by the Terms of Reference set by Council for each appointment. All reports will follow a standard template which will include financial and risk assessments.

There are many options and variables contained within a recruitment process for Chief Officers and this document should be used in conjunction with the guidance note and the Council's Constitution.

Chief Officer Recruitment – Guidance Note

Council

Where a vacancy arises at Chief Officer level, including the Chief Executive role, the Council is required to;

- Review whether post is required. Can work be carried out a different way? This should be carried out with the Executive if recruiting to a Chief Officer role.
- Set up a member Panel as per the Constitution.
- Agree;
 - The Panel's Terms of Reference
 - The Panel's delegated authorisations i.e. to carryout the process and recommend an appointment to Council, or recommend a long list/short list, interview process etc
 - Timescales
 - The relevant officers to be involved, i.e. HR Advisor, Legal Advisor, Senior Committee Secretary
 - To establish a budget for recruitment and potential legal costs
 - To nominate the 'Proper Officer' in accordance with the Council's Constitution.

(This list is not exhaustive. Council will be presented with a checklist of terms/authorisations to consider along with any further items Council wish to include)

Recruitment Panel

The Panel should;

- Agree timescales/timetable for the campaign
- Review/agree job description, person specification and other relevant documents, to ensure they meet the Council's strategic direction.
- Arrange for the post to be evaluated if appropriate
- Agree terms and conditions that the post will be offered on. This will be subject to legal advice, (which may only be to confirm that it meets the Council's objectives and that there are no unintended consequences), HR and finance advice. The Panel may be required to obtain the Council's agreement at this stage, however, this will depend on their Terms of Reference and delegated authorisations.
- Decide whether vacancy is to be advertised internally and/or externally
- The Panel will be required to devise and agree their assessment and scoring framework
- HR will arrange recruitment training for the Panel, including its responsibilities contained within the Constitution.
- HR will arrange a procurement briefing for the Panel if required.

Membership of Recruitment Panel

- To recruit to the Head of Paid Service/Chief Executive - Members, HR advisor and assisting organisation if appropriate
- To recruit to Chief Officer - Members, Head of Paid Service/ Chief Executive, HR advisor and assisting organisation if appropriate

Advertising

If the Panel wish to advertise the role externally there are a number of options they could consider;

- Using a Recruitment Agency with no recruitment advertising campaign
- Using an Agency/consultancy/executive search. There are a number of frameworks which already exists that the Council can use;
 - Essex County Council
 - London Boroughs (will have to pay a fee to join approx £250)
- Advertise and recruit ourselves
- Advertise and recruit ourselves with assistance from the East of England Local Government Association (EELGA), or the Essex HR Partnership (Vine HR)

The Panel can decide to advertise internally only. The Panel still may wish an external organisation to manage the process.

Process

Once the job description, person specification, salary and terms & conditions are agreed an advert can be placed.

Once the closing date has passed a long or short list is agreed using the agreed assessment and scoring framework. The Panel can work with their consultants to do this or task them to draw up a long list in the first instance.

The Council can work with a Recruitment Agency/Consultants/Executive Search organisation to develop/organise an 'assessment centre' i.e. psychometric tests, presentations, reports, interviews, group & individual exercises.

Or this could be devised arranged internally with assistance from Vine HR or EELGA.

The Panel/Committee will decide at the time of procuring external consultancy what tasks it wants them to carryout. This may be amended as the process is progressed but it should not vary too much from the initial brief, due to procurement rules and that there is likely to be an additional cost.

Appointment/Offer

The Panel is required to follow the appointment process set out in the Council's Constitution. (Refer to Officer Employment Procedure Rules, para 3, para 5 and Appendix 1 para 4).

If the provisional offer is not accepted by the successful candidate which results in further negotiations and substantive changes from the original contract then agreement will be required from Council.

Constitution

The relevant information for the appointment of Senior Officers is contained in the Council's Constitution in the section titled 'Officer Employment Procedure Rules'.

Contract

HR/Legal will draft the provisional offer letter and Statement of Particulars and submit them to Counsel or the Public Law Partnership or another suitable body for advice.

Reports to Council/Cabinet

Reports to the Council and Cabinet will vary in content and frequency as they will be determined by the Terms of Reference set by Council for each appointment. All reports will follow a standard template which will include financial and risk assessments.

Evaluation

The Appointment Panel will undertake an evaluation of recruitment process, reviewing what worked well and not so well and submits a report to Council on their conclusions and key learning issues.

Report to the Council

Committee: Committee for Appointment of a Chief Executive

Date: 14 February 2012

Chairman: Councillor J M Whitehouse

1. CHIEF EXECUTIVE POST – RECRUITMENT PROCESS

Recommending:

(1) That the action taken by the Committee as outlined in this report be noted; and

(2) That the terms of reference of this Committee be amended to include paragraphs 4.9 (i) – (iii) of the report of the Task and Finish Scrutiny Panel on Senior Recruitment under item 11 of this Council agenda.

Introduction

1. We last reported to the Council on 26 July 2011 concerning our role in co-ordinating the recruitment process for the vacant post of Chief Executive.
2. On that occasion, the Council approved our recommendation that the temporary contract of Acting Chief Executive held by Mr D Macnab should be extended to 31 August 2012. The Council also approved our proposal that earlier termination of the temporary contract could take place if it were decided that the Council should appoint a Chief Executive or pursue alternative arrangements for a Chief Executive such as a Joint Chief Executive with another authority.
3. The Council also decided that no resources should be committed to the recruitment process until a report of Ernst and Young on value for money and service efficiencies had been considered by the Council. This was because at the time it was anticipated that the company's report would deal with options for a new top management structure for the authority and that this would be likely to affect the Chief Executive post itself.
4. We have been advised that the report of Ernst and Young has not been submitted to the Council and have received a letter from Ernst and Young arguing the case for proceeding with a Chief Executive appointment now in advance of future consideration of a new management structure. The Panel shares this view because it seems to us that it is appropriate that no binding decisions on management structure should take place in advance of a Chief Executive being in post, bearing in mind that one of the functions of the post is as Head of Paid Service. This involves the submission of proposals to the Council on the discharge of its functions and the staffing resources required.
5. The Council will gather from this that we are not pursuing any proposals regarding

joint Chief Executives or other options as we consider that it is very important that the Council has its own Chief Executive to engage, on behalf of the Authority, in a number of key issues with which are now confronted. We make reference here to the preparation of the Local Plan, changes affecting the Council's role as housing authority, the importance of avoiding diluting our positions as a successful recycling authority through shared arrangements and being able to focus on introduction of Universal Credit and its impact on residents of this District which might also suffer from a loss of focus under joint management.

6. We feel that sharing a Chief Executive with another local authority is not a practical proposition because of those service issues where the Council must defend the District's interests, and also because there are a number of other Authorities which have common boundaries with this District but whose interests are not necessarily ones which this Council will share. We favour an appointment by the Council of its own Chief Executive and we are now moving ahead with the recruitment process.
7. We have taken note of the report of the Task and Finish Scrutiny Panel on Senior Recruitment. We fully support the findings of that review and intend to follow the processes outlined in the report. We are also recommending that those matters which the Panel referred specifically to this Committee in paragraph 4.9 (i) – (iii) of its report should be added to this Committee's terms of reference.
8. We can summarise the work we are now putting in hand as follows:
 - (a) **Job Description, Person Specification, Accountabilities and Job Focus**
9. We have carefully looked at a number of ideas for the detailed recruitment documentation. We have asked for these documents to be extensively revised and brought back to our next meeting for consideration.
10. In summary, we see that the new Chief Executive must be a person who is able to embrace the role of internal lead officer with an external focus on the needs of the community. We feel that the post holder should be someone who can maintain the efficient delivery of services in operational terms but who is also not adverse to innovation. We would like to see someone who is able to evaluate risk in relation to new initiatives and who is able to co-operate with other parties.
11. We are seeking a specific focus on economic development and commercial activity in the District as we are in no doubt that with the "repatriation" of the Non Domestic Rate and the importance of promoting local employment and business activity, the Council needs an individual who can assess the proper requirements of business but within the context of a District which is largely Green Belt in character.

(b) Salary Issues

12. We are well aware of the national controversy over the payment of public officials and we are seeking external consultant advice on an appropriate market salary level which will secure the kind of appointee we are seeking, at a salary level which reflects the market place. At this stage we are not proposing to evaluate the post by any of the established evaluation methods. Rather, we see a market salary as a staging post towards a larger scale job evaluation of all senior management positions within the authority once the Council has determined the management structure it prefers.

(c) External Consultancy Advice

13. We have put in hand steps to obtain proposals from external HR specialists to guide the Council through this recruitment process. These proposals will be sought through the Essex HR Partnership framework and through the East of England Local Government Association Framework and will involve competitive quotations from a number of HR specialists.

(d) Role of Consultants

14. We have spent some time defining the roles which we wish external HR advice to deliver. We are looking for initial sifting of the long list of applicants, advice on the correct method of advertising the position, availability at interviews as observer/advisor on applicants, the provision of initial assessment processes on each candidate, training for the committee in interviewing techniques and benchmarking of salary provisions. Induction work after appointment with the new Chief Executive and those individuals within the Council membership to whom he or she would be accountable may be added to the brief to the Consultant after the recruitment process has been completed. This is to allow the consultant's performance to be reviewed at that stage.

(e) Timetable

15. We are mindful of the decision of the Council last year to secure an appointment of a Chief Executive by 31 August 2012 and we are continuing to work with some urgency with that deadline in mind. Accordingly, we are looking for the preferred consultants which will be appointed after consultation with the Chairman of the Committee and the Leader and Deputy Leader to attend our next meeting to advise us on a number of key points including the question of salaries.

(f) Advertising the Post

16. The Council is advised that we intend to advertise this post both internally and externally. Opening the post up to external competition is important in our minds in showing that the appointment, whether internal or external, has been made on merit in compliance with the Council's statutory duty.

(g) Contractual Matters

17. We have taken note of the proposals of the Scrutiny Panel in this regard and will follow those procedures. We have also directed that all the contractual details and offer letters, etc. will be dealt with in-house and that this will not be part of the brief to consultants.
18. We recommend as set out at the commencement of this report.

Resource Implications:

The cost of the consultancy advice can be met from underspend salary provision in the 2011/12 budget for the post of Chief Executive. No additional internal resources are required for this process.

Legal and Governance Implications

The appointment of a Chief Executive is subject to the provisions of the Local Government Acts 1989 and 2000 (appointments on merit and responsibility for the appointment being a non-Cabinet matter reserved to the Council).

Background Papers: None.

Consultation Undertaken:

The Council's Solicitor has advised the Task and Finish Scrutiny Panel on the future policy to be considered on senior management appointments at this meeting and which will now be followed by the committee.

Impact Assessments:

Risk Management

We have outlined in this report the risks associated with the Council not having its own Chief Executive. The Committee has confirmed its intention to adhere to the procedures for senior appointments which are being submitted for adoption at this Council meeting.

Equality and Diversity

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

The recruitment to be undertaken must comply with the Council's duty to appoint on merit and to be informed by its to comply with its responsibilities under equalities legislation.

Where Equality Implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? **N/A**

Report to the Council

Representation on Outside Organisation: Grange Farm Centre Trust

Report of: Councillors P Smith and D Johnson – Council nominated Managing Trustees

-
1. We submitted a report to the last Council meeting in relation to our roles as Grange Farm Managing Trustees.
 2. We were asked and agreed to submit a further report on the Trust's investment income and the grants approved.
 3. We attach a copy of the Grange Farm Centre Trust Trustees' report and financial statements for the year ended 5 April 2011.
 4. The financial statements and accompanying notes contain and explain the investment income received by the Trust.
 5. The report also provides details of grants that were approved during the year totalling £114,975.

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Grange Farm Centre Trust
Trustees' report and financial statements
for the year ended 5th April 2011

Gane Jackson Scott LLP
Chartered Certified Accountants
144 High Street
Epping
Essex CM16 4AS

Grange Farm Centre Trust

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Grange Farm Centre Trust

Legal and administrative information

Charity number 285162

**Registered office &
Clerk to the Trustees** Mr N E Gadsby
181 High Street
Epping
Essex
CM16 4BQ

Trustees	Mr A Pelican	Co-optative Trustee
	Mr R D Neville	Co-optative Trustee
	Mr R Flaxman	Co-optative Trustee
	Mrs A Wheeler	Co-optative Trustee
	Mr C Huckle	Nominated by Epping Forest District Council (Retired 1st June 2011)
	Mr B Scrutton	Nominated by Epping Forest District Council (Appointed 1st June 2011)
	Mr R Church	Nominated by Epping Forest District Council (Retired 1st June 2011)
	Mr D Johnson	Nominated by Epping Forest District Council (Appointed 1st June 2011)
	Mrs P Smith	Nominated by Epping Forest District Council
	Mrs E Webster	Nominated by Essex County Council
Mr M Tomkins	Nominated by Essex County Council	

Auditors Gane Jackson Scott LLP
144 High Street
Epping
Essex
CM16 4AS

Bankers Barclays Bank Plc
183 High Street
Epping
Essex
CM16 4BH

Grange Farm Centre Trust

Legal and administrative information

Investment Advisors

Investec Wealth & Investment Ltd
2 Gresham Street
London
EC2V 7QN

BNP Paribas Wealth Management
5 Aldermanbury Square
London EC2V 7HR

Shore Capital Limited
Bond Street House
14 Clifford Street
London W1S 4JU

Solicitors

Foskett Marr Gadsby & Head
181 High Street
Epping
Essex
CM16 4BQ

Grange Farm Centre Trust

Report of the trustees for the year ended 5th April 2011

The trustees present their report and the financial statements for the year ended 5th April 2011. The trustees who served during the year and up to the date of this report are set out on page 1.

Governing document

The charity is administered and managed subject to and in conformity with the provision of a scheme dated 25th September 1984 approved and established by the Charity Commission.

Objects and activities to delivery public benefit

The primary object of the Charity is to provide or assist in the provision of facilities for recreation and leisure-time occupation for the benefit of the inhabitants of the area of benefit (i.e. the Metropolitan Police District and such part of the district of Epping Forest, in the County of Essex, as is not included in the said police district) in particular and the public generally with the object of improving the conditions of life of the said inhabitants.

The Trustees are mindful of the need to meet the Public Benefit requirement and have been made aware of the guidance given to Trustees by the Charity Commission. They consider that the onus upon them is discharged by the provision of grants to the bodies listed below and by the rehabilitation of the site at Grange Farm, Chigwell, Essex. This site will provide, upon completion recreation and leisure time facilities for the benefit of the general public.

Trustees

Nominative trustees are appointed by the following bodies:

- Epping Forest District Council - 3 Trustees for terms of four years
- Epping County Council - 2 Trustees until appointment of successors

Review of the year

Construction on the Pavilion/Interpretation Centre continued and practical completion took place on 11th February 2011. Work continues in a number of areas to improve accessibility and use by all and so the costs to date are disclosed on the Balance Sheet as Asset under Construction.

The developer has continued work on the rehabilitation works required to be undertaken under the S106 Agreement.

The net movement in funds for the year was a surplus of £355,273 compared with a 2010 surplus of £2,334,044.

Investments

Quoted investments are held within three separate portfolios independently managed by BNP Paribas Private Investment Management Limited, Investec Wealth & Investment Limited and Shore Capital Limited. During the year the instruction to all three managers changed from capital growth with medium risk to 3% net income with capital growth with medium risk.

Investment risk

The trustees have appointed BNP Paribas Private Management Limited, Investec Wealth & Investment Limited and Shore Capital Limited to be investment advisers to the trust under S.11 of the Trustees Act 2000. The portfolio of investments is structured to minimise risk.

Grange Farm Centre Trust

Report of the trustees for the year ended 5th April 2011

Management of the Trust

During the year the trustees met on 4 occasions. Throughout the year Trustees received reports from working sub-committees created to deal with specific issues.

Applications for grants were received and dealt with resulting in awards totalling a net figure of £114,975 to 21 applicants (5th April 2010 £104,318 to 20 applicants). All awards were made in accordance with the Trust's parameters for grants and details of these are set out as follows:

Grants approved in the year:

Starlight Children's Foundation
Abridge Short Mat Bowls
Variety Club Children's Charity
The Chigwell War Memorial
Stubbbers Adventure Centre
Kings Cross Brunswick Neighbourhood Association
Haven House Children's Hospice
Woodside School Fund
Reach Out - London
The Pirate Club
Frenford Clubs
Friends of Oakview School
SCZ - Chigwell Community Trust
North Weald Village Hall
Listening Books
The Lopping Hall Endowment
The Lord's Taveners
Toynbee Hall
Oval House Theatre
All Saints Chigwell Row
Training Ship Broadsword

Freehold

As at 5th April 2011 the Trust owns the freehold of a site in Chigwell, Essex of approximately 58 acres. In 2007 the Trust disposed of part of the site for residential development. The developer of that site entered into an s106 agreement with the Trust, Epping Forest District Council and others in which they undertook to:-

a) refurbish the land returned to the Trust and the Access Way to agreed standards and to create playing fields, a wildflower meadow and an informal leisure area;

Grange Farm Centre Trust

Report of the trustees for the year ended 5th April 2011

- b) contribute a capital sum for the construction of a Pavilion / Interpretation Centre; and
- c) contribute capital sums for the future maintenance of the site, buildings and Access Way.

During the year work on the new Pavilion/Interpretation Centre was completed. The Trust have obtained external funding to help fund the construction of the new building. Site refurbishment works continued throughout the year.

Statement as to disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

N E Gadsby - Clerk

Grange Farm Centre Trust

Independent auditor's report to the trustees of Grange Farm Centre Trust

We have audited the financial statements of Grange Farm Centre Trust for the year ended 5th April 2011 which comprise the statement of financial activities, the balance sheet and the related notes. These financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Report, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates and judgements made by the and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 5th April 2011 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities Act 1993 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Grange Farm Centre Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Gane Jackson Scott LLP
Chartered Certified Accountants and
Registered Auditors**

**144 High Street
Epping
Essex CM16 4AS**

Grange Farm Centre Trust

Statement of financial activities

For the year ended 5th April 2011

		Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
	Notes				
Incoming resources					
Incoming resources from generating funds:					
Investment income	2	199,865	-	199,865	216,319
Total incoming resources		199,865	-	199,865	216,319
Resources expended					
Costs of generating funds:					
Investment management costs	3	61,070	61,867	122,937	144,273
Charitable activities	4	165,116	-	165,116	135,761
Governance costs	5	6,010	-	6,010	5,298
Total resources expended		232,196	61,867	294,063	285,332
Net incoming/(outgoing) resources before other recognised gains and losses		(32,331)	(61,867)	(94,198)	(69,013)
Prior year adjustment	7	-	-	-	220,406
Other recognised gains and losses					
Gains on investment assets		-	449,471	449,471	2,182,651
Net movement in funds		(32,331)	387,604	355,273	2,334,044
Total funds brought forward		650,027	9,160,121	9,810,148	7,476,104
Total funds carried forward		617,696	9,547,725	10,165,421	9,810,148

The notes on pages 10 to 17 form an integral part of these financial statements.

Grange Farm Centre Trust

Balance sheet as at 5th April 2011

	Notes	2011		2010	
		£	£	£	£
Tangible assets	8		5,100		5,100
Assets under construction	9		844,379		362,696
Investments	10		8,651,533		8,071,743
			<u>9,501,012</u>		<u>8,439,539</u>
Current assets					
Debtors	11	50,875		88,292	
Cash at bank and in hand		762,536		1,496,573	
		<u>813,411</u>		<u>1,584,865</u>	
Creditors: amounts falling due within one year	12	(149,002)		(214,256)	
Net current assets			664,409		1,370,609
Net assets			<u>10,165,421</u>		<u>9,810,148</u>
Funds	13				
Restricted income funds			9,547,725		9,160,121
Unrestricted income funds			617,696		650,027
Total funds			<u>10,165,421</u>		<u>9,810,148</u>

The financial statements were approved by the trustees on and signed on its behalf by

Mr A Pelican
Trustee

Mr R Neville
Trustee

The notes on pages 10 to 17 form an integral part of these financial statements.

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention, except for investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Charities Act 1993.

1.2. Fund accounting

Unrestricted funds represent income received for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are those subject to special conditions imposed by the donor. The restrictions are binding upon the trustees.

The restricted funds are formed by two amounts.

Fund A - comprises approximately 25 acres of land to be preserved and maintained as an open space for the use and benefit of the inhabitants of the area of benefit. A market value of £100 is placed upon this land.

Fund B - comprises 68 acres of land over which the Trust have entered into contracts for their refurbishment. The trustees have placed the value of £5,000 on their interest in the freehold reversion to this land. The capital has been invested in trust for the Charity and can only be applied by the trustees in purchasing other land and buildings to be settled upon trust for use in the object of the Charity. As such the Trustees believe this is a Restricted Fund.

The Unrestricted Funds comprised the income from Restricted Fund B which shall be utilised to provide or to assist in the provision of facilities for recreation and leisure time occupation for the benefit of the inhabitants of the area of benefit.

1.3. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income from investments is included in the year in which it is receivable.

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

1.4. Resources expended

Expenditure is recognised on an accruals basis and is recognised in the statement of financial activities when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of those resources.

Grants are included as expenditure in the period for which the award is given. Details of grants paid are listed in the Trustees' Report.

Governance costs are those costs relating to the governance infrastructure which allows the charity to operate and to generate the information required for public accountability.

Support costs comprise those costs relating to the direct management and general running of the charity. They are allocated across the expense categories on a basis which reflects their effective contribution to that expense category.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land - Not depreciated
Assets under construction - Not depreciated as not yet brought into use

1.5. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

2. Investment income

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Bank interest receivable	1,608	-	1,608	2,805
Investment interest	556	-	556	944
UK Government stocks	4,045	-	4,045	5,332
Fixed interest securities	54,550	-	54,550	88,602
UK equities	90,229	-	90,229	92,207
Overseas equities	48,877	-	48,877	26,429
	<u>199,865</u>	<u>-</u>	<u>199,865</u>	<u>216,319</u>

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

3. Investment management costs

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Investment management fees	-	61,867	61,867	58,530
Support costs (note 6)	61,070	-	61,070	85,743
	<u>61,070</u>	<u>61,867</u>	<u>122,937</u>	<u>144,273</u>

4. Charitable activities

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Grants payable	114,975	-	114,975	104,318
Support costs (note 6)	50,141	-	50,141	31,443
	<u>165,116</u>	<u>-</u>	<u>165,116</u>	<u>135,761</u>

5. Governance costs

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Audit fees	6,000	-	6,000	5,288
Support costs (note 6)	10	-	10	10
	<u>6,010</u>	<u>-</u>	<u>6,010</u>	<u>5,298</u>

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

6. Analysis of support costs

	Investment management costs	Charitable activities	Governance	2011 Total	2010 Total
	£	£	£	£	£
Clerks management fees	2,420	21,796	-	24,216	23,703
Insurance	-	2,809	-	2,809	3,485
Legal & professional	58,611	-	-	58,611	83,334
Maintenance cost					
Roding Valley Nature Reserve	-	15,100	-	15,100	6,318
Pavillion/Interpretation Centre	-	4,804	-	4,804	-
Site	-	4,955	-	4,955	-
Trustee expenses	10	677	10	697	327
Bank charges	29	-	-	29	29
	<u>61,070</u>	<u>50,141</u>	<u>10</u>	<u>111,221</u>	<u>117,196</u>

Included under Professional fees for new building is an amount of £35,720 (5th April 2010 £18,620) paid to Mr R D Neville as trustee. The Trust entered into a formal agreement with Mr Neville to use his expertise in connection with project managing the refurbishment of the Trust's site and construction of a Pavillion/Interpretation Centre. This arrangement has been approved by the Charity Commission.

7. Prior year adjustment

In 2010 expenses in connection with the new Pavilion/Interpretation Centre previously written off were capitalised as part of the assets under construction resulting in a credit to the unrestricted fund of £220,406.

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

	Land and buildings freehold	Total
	£	£
8. Tangible fixed assets		
Cost		
Additions	-	-
At 6th April 2010 and At 5th April 2011	5,100	5,100
	<u>5,100</u>	<u>5,100</u>
Net book values		
At 6th April 2009	5,100	367,796
At 5th April 2011	5,100	5,100
	<u>5,100</u>	<u>5,100</u>
9. Assets under construction		
	£	
At 6th April 2010	362,696	
Costs in year	1,652,576	
Less: Developers' S106 obligations	(750,802)	
Football Foundation Grant	(420,091)	
At 5th April 2011	844,379	
	<u>844,379</u>	

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

10. Fixed asset investments	Listed investments £
Valuation	
At 6th April 2010	8,071,743
Additions	4,171,061
Disposals	(4,040,742)
Revaluations	449,471
At 5th April 2011	<u>8,651,533</u>

Investments are held within portfolios managed in the UK

Historical cost as at 5th April 2011	<u>7,450,701</u>
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Investments include no securities with a market value of 5% or more of the total portfolio.

11. Debtors	2011 £	2010 £
Income tax	2,787	4,310
Other debtors	48,088	83,982
	<u>50,875</u>	<u>88,292</u>

12. Creditors: amounts falling due within one year	2011 £	2010 £
Other creditors	57,323	91,480
Expense creditors	91,679	122,776
	<u>149,002</u>	<u>214,256</u>

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

13. Analysis of net assets between funds

	Fixed Assets £	Investments £	Net current assets £	Total funds £
Restricted Funds				
Fund A	100	-	-	100
Fund B	849,379	8,651,533	46,713	9,547,625
	<u>849,479</u>	<u>8,651,533</u>	<u>46,713</u>	<u>9,547,725</u>
Unrestricted Funds				
	-	-	617,696	617,696
	<u>849,479</u>	<u>8,651,533</u>	<u>664,409</u>	<u>10,165,421</u>

In the opinion of the trustees, sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

14. Unrestricted funds

	At 6th April 2010 £	Incoming resources £	Outgoing resources £	At 5th April 2011 £
Unrestricted Funds	650,027	199,865	(232,196)	617,696
	<u>650,027</u>	<u>199,865</u>	<u>(232,196)</u>	<u>617,696</u>

15. Restricted funds

	At 6th April 2010 £	Outgoing resources £	Gains and losses £	At 5th April 2011 £
Restricted Fund A	100	-	-	100
Restricted fund B	9,160,021	(61,867)	449,471	9,547,625
	<u>9,160,121</u>	<u>(61,867)</u>	<u>449,471</u>	<u>9,547,725</u>

Grange Farm Centre Trust

Notes to financial statements for the year ended 5th April 2011

16. Related party transactions

Vantis PLC, for whom a trustee Mr R Neville is a consultant, received fees of £nil (2010 £25,146).

Alwyns LLP in which Mr R Neville is a partner, received fees of £6,490 (2010 £nil).

Mr R D Neville a trustee received fees of £35,720 (2010 £18,620).

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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