

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 Thursday, 26 September 2013 for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read "Glen Chipp".

Glen Chipp
Chief Executive

**Democratic Services
Officer:**

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

WEBCASTING/FILMING 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. The meeting may also be otherwise filmed by third parties with the Chairman's permission.

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.

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 or otherwise indicate to the Chairman before the start of the meeting.

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:

“I would like to remind everyone present that this meeting will be broadcast live to the internet (or filmed) and will be capable of repeated viewing (or another use by such third parties).

If you are seated in the lower public seating area it is likely that the recording cameras will capture your image and this will result in the possibility that your image will become part of the broadcast.

This may infringe your human and data protection rights and if you wish to avoid this you should move to the upper public gallery.”

2. DISTRICT COUNCILLOR COLIN FINN AND FORMER DISTRICT COUNCILLOR DEREK COUSINS

The Council is invited to stand for a minute's silence in tribute to the memory of District Councillor Colin Finn who died on 7 September 2013 and former District Councillor Derek Cousins who died recently.

Colin Finn served as a Loughton Residents Association District Councillor representing the Loughton Forest Ward from 2010. He previously served as a Conservative Essex County Councillor for the Loughton St Johns Division from 2001 until 2005 and the Loughton South Division from 2005 until 2009.

Derek Cousins was a District Councillor for four years representing the North Weald Bassett Ward from 1991 until 1995. He was also a North Weald Bassett Parish Councillor and Chairman of that Authority.

3. MINUTES (Pages 7 - 84)

To approve as a correct record and sign the minutes of the meeting held on 30 July 2013 (attached).

4. DECLARATIONS OF INTEREST

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

5. 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.

6. PUBLIC QUESTIONS (IF ANY)

To answer questions asked after notice in accordance with the provisions contained in paragraph 11.3 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.

7. QUESTIONS BY MEMBERS UNDER NOTICE

To answer questions asked after notice in accordance with the provisions contained in paragraph 12.3 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 12.4 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.

8. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 85 - 108)

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

- (a) Report of the Leader;
- (b) Report of the Asset Management and Economic Development Portfolio Holder;
- (c) Report of the Environment Portfolio Holder;
- (d) Report of the Finance and Technology Portfolio Holder;

- (e) Report of the Housing Portfolio Holder;
- (f) Report of the Leisure and Wellbeing Portfolio Holder;
- (g) Report of the Planning Portfolio Holder;
- (h) Report of the Safer, Greener and Transport Portfolio Holder;
- (i) Report of the Support Services Portfolio Holder.

9. QUESTIONS BY MEMBERS WITHOUT NOTICE

Council Procedure Rule 12.6 provides for questions by any member of the Council to the Leader or any Portfolio Holder, without notice on:

- (i) reports under item 8 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 12.7 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) where the desired information is in a publication of the Council or other published work, a reference to that publication;
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner; or
- (d) where the question relates to an operational matter, the Leader 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 12.8, 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.

10. MOTIONS (Pages 109 - 110)

(a) To consider the attached motion, notice of which has been given under Council Procedure Rule 13.

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

11. STATUTORY STATEMENT OF ACCOUNTS 2012/13 (Pages 111 - 206)

To consider the attached report and the Statutory Statement of Accounts 2012/13 being submitted to the Audit and Governance Committee on 23 September 2013.

The Chairman of the Audit and Governance Committee will report orally on that Committee's consideration of and recommendations regarding the Statutory Statement of Accounts 2012/13.

12. REPORT OF THE CABINET - SUPPLEMENTARY CAPITAL ESTIMATES (Pages 207 - 210)

To consider the attached report.

13. REPORT OF THE CABINET - LANGSTON ROAD RETAIL PARK (Pages 211 - 212)

To consider the attached report.

14. OVERVIEW AND SCRUTINY (Pages 213 - 214)

- (a) Report of the Chairman of the Overview and Scrutiny Committee - attached;
- (b) Reports of the Overview and Scrutiny Committee (none for this meeting); and
- (c) Reports of Overview and Scrutiny Panels (none for this meeting).

15. REPORT OF THE LICENSING COMMITTEE - SCRAP METAL DEALERS (Pages 215 - 242)

To consider the attached report.

16. ANNUAL COUNCIL MEETING - 2014**Recommendations:**

- (1) That the effects of The Local Elections (Ordinary Day of Elections in 2014) Order 2013 be noted; and**
- (2) That the date of the Annual Council meeting in 2014 be changed from 20 May to 10 June.**

(Assistant to the Chief Executive) The Local Elections (Ordinary Day of Elections in 2014) Order 2013 made on 6 September 2013 changes the date of local elections in England in 2014 so that it is the same as the date of the European Parliamentary elections (22 May 2014).

The Order also provides for the retirement date of councillors due to retire in 2014 to be the fourth day after the day of the election resulting in a slightly longer term of office than normal. The retirement date of councillors coming into office in 2014 will be unaffected meaning a slightly shorter term of office than normal.

The Order extends in relation to local elections, the period during which it is not necessary to hold a by-election prior to the ordinary day of elections, so that a by-election is not necessary in relation to a vacancy arising in the six month period immediately before 22 May 2014.

The Annual meeting of the Council was scheduled to take place on 20 May 2014. In order to allow account to be taken of any change in composition of the Council arising from the elections it is proposed that the Annual Council meeting be changed to 10 June 2014.

17. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS (Pages 243 - 246)

- (a) To receive the attached report from Councillor Chambers, one of the Council's representatives on the West Essex Wellbeing Joint Committee and to receive answers to any questions on that body which may be put without notice; and
- (b) To request written reports from representatives on joint arrangements and external organisations for future meetings.

18. EXCLUSION OF PUBLIC AND PRESS

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

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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

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.

EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES

Committee:	Council	Date:	30 July 2013
Place:	Council Chamber, Civic Offices, High Street, Epping	Time:	7.30 - 9.15 pm
Members Present:	Councillors Mrs M Sartin (Chairman), A Boyce (Vice-Chairman), K Angold-Stephens, K Avey, R Bassett, W Breare-Hall, G Chambers, K Chana, T Church, Mrs T Cochrane, R Cohen, Mrs R Gadsby, L Girling, P Gode, Mrs A Grigg, J Hart, Ms J Hart, D Jacobs, Mrs S Jones, Ms H Kane, P Keska, 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, B Rolfe, B Sandler, Ms G Shiell, Mrs P Smith, P Spencer, D Stellan, Ms S Stavrou, Mrs T Thomas, H Ulkun, Mrs L Wagland, G Waller, Ms S Watson, A Watts, Mrs E Webster, C Whitbread, Mrs J H Whitehouse, J M Whitehouse, D Wixley, N Wright and J Wyatt		
Apologies:	Councillors Mrs H Brady, R Butler, C Finn, J Knapman, Ms Y Knight and H Mann		
Officers Present:	G Chipp (Chief Executive), I Willett (Assistant to the Chief Executive), C O'Boyle (Director of Corporate Support Services), G Lunnun (Assistant Director (Democratic Services)), M Jenkins (Democratic Services Assistant), T Carne (Public Relations and Marketing Officer) and P Seager (Chairman's Secretary)		
By Invitation:	D McMahon (Job Centre Plus), J Hills (Essex Police) and M Bibby (British Parking Association)		

16. 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.

17. MINUTES

RESOLVED:

That the minutes of the meeting held on 21 May 2013 be taken as read and signed by the Chairman as a correct record.

18. DECLARATIONS OF INTEREST

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

19. ANNOUNCEMENTS

(a) Chairman's Announcements

(i) Events

The Chairman reported on some of the events she had attended since the last meeting of the Council. The Council noted that the Chairman had visited the southern part of the district, attended church services in Essex and attended the High Sheriff's Garden Party. The Annual Chairman's Golf Day had taken place on 2 July, the Chairman thanked officers for organising the event which raised just under £500.00 for her charities. A White Water Rafting Event took place on 19 July, the Chairman extended thanks to officers for their organisation and the webcast recording of the event. Over £500.00 was raised for the charities.

The Chairman informed the Council that on Saturday 3 August the District Council would be playing Epping Town Council in the Petanque match. The Chairman said she was hoping for a victory and would like to see the trophy back at the District Council. Councillors Mrs A Grigg and D Stallan would be representing the District Council.

Members noted that the Alzheimer's Society were arranging a walk on Sunday 15 September around Chingford Golf Course. They were in need of volunteers, the Chairman asked for members interested to speak with her after the meeting.

On Sunday 18 August, the Chairman was inviting people to join at her home for afternoon tea. Tickets were £8.00. Members interested could contact her by phone or email, details would be placed in the Bulletin.

(ii) Floral Display

The Chairman announced that she intended to send the flowers from tonight's meeting to the residential home, Frank Foster House, Theydon Bois.

(b) Announcements by the Leader of Council

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

(c) Announcements by Portfolio Holders

(i) Planning Portfolio Holder

Councillor Bassett announced that the Local Plan Population Workshop scheduled for 28 September had been cancelled, but would take place in October.

(ii) Safer, Greener and Highways Portfolio Holder

Councillor Waller advised that in relation to the Buckhurst Hill Parking Review he had met with officers from Essex County Council Highways Directorate on 17 April to discuss the implementation of just over 30 changes which had been agreed by members for improving the situation for local residents. Officers had indicated that they intended to carry out public consultations in July.

The Portfolio Holder advised that he had signed a Portfolio Holder Decision enabling a legal agreement with Essex Highways for delivery of this scheme. The Portfolio Holder expressed his disappointment that Essex Highways had reneged on their commitment to commence the public consultation in July. Part of the reason for the delay was due to an officer being moved to another role and unfortunately he had overseen this project. Councillor Waller stated that the delay was unacceptable.

The Portfolio Holder said he had looked at alternative ways of delivering this scheme, but the District Council did not have in-house highway engineering expertise, he

added that only Highways had the legal powers to make the necessary changes to traffic orders. He said that he would ask officers to explore alternative means of delivering the parking review schemes. He asked for Members' support in making representations to the County Council Cabinet Member for Highways, seeking reassurances that adequate resources would be allocated to the parking review schemes. He was aware that while the public consultation was delayed, residents' lives were blighted by inconsiderate parking and with issues relating to commuter parking. He said that he was doing all he could to relieve the process.

Councillor G Waller advised of the redesignation of Cottis Lane Car Park, Epping for short term parking. He referred to his recent report to Council on the work taking place to assess the best way of addressing the problems experienced by shoppers and other visitors to Epping who were having difficulties finding somewhere to park. One of the main reasons for this problem was an influx of long term commuter parking following the increase in charges at the NCP station car park.

The Portfolio Holder advised that he had held two meetings with local councillors and with other stakeholders, as a result he agreed that the Cottis Lane Car Park should have its designation changed from combined tariff to a wholly short term tariff, his Portfolio Holder Decision had just been signed. He reported that the public consultation on the changes would start on 31 July and last for 21 days. He thanked the North Essex Parking Partnership who were overseeing the consultation.

Councillor Waller reported that it should be possible for Cottis Lane to re-open as a short term car park with parking available for up to five hours starting at 10p for 30 minutes.

(d) Mindful Employer Symbol

The Chairman was delighted to announce that the Council had signed up to the Mindful Employer Symbol. Mindful Employer was about increasing awareness of mental health, helping employers deliver their business, providing support networks and making it healthier talking about mental health.

(e) Disability (Two Ticks) Symbol Accreditation

The Chairman announced the award to the District Council of the Disability (Two Ticks) Symbol accreditation last month by the Department of Works and Pensions, Job Centre Plus. The accreditation was awarded to employers who demonstrated that they had achieved, and were committed to, continually achieving commitments regarding the employment, retention, training and career development of disabled people.

The Chairman welcomed Debbie McMahon from Jobcentre Plus to the meeting. Debbie McMahon advised that the accreditation would increase the employment levels for disabled people. The certificate could be displayed corporately and demonstrated fairness towards disabled employees.

(f) Park Mark

The Chairman announced that the Council had been awarded Park Mark in recognition of its car parking facilities that had demonstrated they were concerned with safety and in respect of which steps had been taken to ensure the facilities were secure and safe from crime. The Chairman welcomed to the meeting Mr J Hills, Essex Police Accredited Assessor and Mr M Bibby, Area Manager, British Parking

Association, who thanked Council for its support and advised that 19 awards had been made to the District.

20. PUBLIC QUESTIONS (IF ANY)

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

21. QUESTIONS BY MEMBERS UNDER NOTICE

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

22. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET

The Council received written reports from the Asset Management and Economic Development Portfolio Holder, the Environment Portfolio Holder, the Finance and Technology Portfolio Holder, the Housing Portfolio Holder, the Leisure and Wellbeing Portfolio Holder, the Planning Portfolio Holder, Safer and Greener and Transport Portfolio Holder and the Support Services Portfolio Holder.

The Chairman invited the Leader to provide an oral report and other members of the Cabinet give an oral update of their written reports.

(a) The Leader of the Council

Councillor Whitbread advised that he had attended a meeting in June involving all Essex Local Authority Leaders to receive a presentation by Essex Police concerning child abuse. He urged members to attend the Safeguarding Children training on 26 October 2013.

The Leader had also been involved in discussions concerning the Cambridge/Essex corridor, future of Stansted Airport and the West Anglia Railway Line. Notes from this meeting would be put in the Bulletin.

He advised that the Local Strategic Partnership had given a presentation to the Overview and Scrutiny Committee at its last meeting.

He encouraged members to view Visit Epping Forest.com website, which had been a recommendation from the Tourism Task and Finish Panel. He expressed concern about youth unemployment. He had recently met Eric Pickles, MP and Eleanor Laing, MP to discuss a number of issues. He had also visited the Limes Farm Centre and had been impressed on how it was operating.

(b) Housing Portfolio Holder

Councillor D Stallan referred to the third paragraph on page 104 of his report regarding the opening of four straw bale houses at Millfield, High Ongar by E Pickles MP, and stated it would take place on 13 September and not 6 September as indicated.

(c) Leisure and Wellbeing Portfolio Holder

Councillor Webster advised that the handover of the astro turf pitch at Waltham Abbey Sports Ground would take place on 7 August 2013.

(d) Support Services Portfolio Holder

Councillor Ulkun advised that the date for the European Parliament Elections in May 2014 was fixed for 22 May 2014, but he was still awaiting notification from the UK Government that the District and Parish Council elections, due in May 2014, would be deferred so that all elections were held at the same time. He confirmed that he would keep members updated.

23. QUESTIONS BY MEMBERS WITHOUT NOTICE

(a) Mobile Homes Act and Park Homes Sites

Councillor Rolfe asked about how and when changes would be communicated regarding the legislation.

Councillor Stallan, Housing Portfolio Holder, advised that the recent legislation should be welcomed by both residents and site owners. There would be a discussion at an information evening held at the Civic Offices with representatives of Park Homes, ward members, local MPs and legal representatives being invited. The meeting would be webcast for other residents to view.

(b) Petition regarding extra CCTV Provision at Limes Farm Estate

Councillor Lion stated that there had been a rise in burglaries in the Limes Farm estate area and a petition had been received with 250 signatures requesting an increase in the number of CCTV cameras in the estate area. He asked for an update on the position.

Councillor Waller, Safer, Cleaner, Greener and Transport Portfolio Holder said that he had visited this estate that afternoon where he'd been briefed by the Safer Communities Team. There were currently over 30 cameras on the estate, but he felt that this may not necessarily be the best means of stopping anti social behaviour. He advised that a further two cameras were installed recently and they probably gave some reassurance to the public.

The Portfolio Holder stated that the Safer Communities Team were working very closely with both Essex Police and the Metropolitan Police and they would respond positively to any requests from residents.

(c) St. John's Road, Epping

Councillor J H Whitehouse referred to the proposed development of the St. John's Road area in Epping and asked how Epping ward councillors would be kept informed of progress.

Councillor Grigg, Asset Management and Economic Development Portfolio Holder replied that she had been liaising with Epping Town Council and would keep District Councillor informed via the Bulletin.

(d) Temporary Traffic Lights, Roding Lane

Councillor Spencer asked when the bridge strengthening works in Roding Lane would be completed and the temporary traffic lights removed.

Councillor Waller, Safer, Greener and Transport Portfolio Holder advised that he had not been informed of the timescale by Essex County Council but said that he would liaise directly with Councillor Spencer on receiving any information.

(e) Buckhurst Hill Parking Review

Councillor Watson stated that she had not been receiving emails on the progress of the parking review, she understood that the engineer involved had moved positions, although he had completed the design work before moving. She asked if this was correct and suggested that if further design work was required there could be a long delay.

Councillor Waller, Safer, Greener and Transport Portfolio Holder advised that he had just signed a Portfolio Holder Decision regarding waiving of Contract Standing Orders for implementation of Buckhurst Hill Parking Review but there was still more work to be completed on the review and he could not advise when it would be finished.

Councillor Watson added that she was concerned about the progress with a tri partite agreement involving the review. Councillor Waller advised that standing orders were being waived and that he would liaise with the Councillor directly.

(f) Possible Parking Sites in Epping

Councillor Avey asked about progress in pursuing the acquisition of an additional car parking site in Epping.

Councillor Waller, Safer, Greener and Transport Portfolio Holder said the owners of a site had advised that they were happy to discuss the matter with officers. He pointed out, however, that he remained to be convinced that a purchase of that site would keep obviate the parking problems in the town.

(g) Handyperson Scheme

Councillor Ms J Hart asked about charging benefit claimants for using the Handyperson service.

Councillor Stallan, Housing Portfolio Holder replied that this had been a recommendation of the Care Advisory Panel and would be considered at the October Cabinet meeting. He added that all budgets were under pressure at the current time.

(h) Safeguarding Children

Councillor Wagland asked to what extent had the recommendations from the Safeguarding Children Task and Finish Panel been enacted as pursued with Essex County Council.

Councillor Whitbread, the Leader of Council said that ongoing discussions with Essex County Council were taking place.

(i) Food Bank, Loughton

Councillor Murray asked the Leader of Council how he felt about the need for the new Food Bank in Loughton if he was:

- planning to visit the Food Bank; and if
- the Council was supporting the Food Bank financially

Councillor Whitbread, Leader of the Council confirmed that he had visited a previous Food Bank in Loughton. He acknowledged that he was sad that this service was

needed today, and confirmed that he would be happy to visit the new Food Bank and consider how the Council could assist in this matter.

(j) Vacant Shops in Loughton

Councillor Markham referred to the 15 empty shops in Loughton High Road and asked if anything could be done by the Council to relieve this situation.

Councillor Whitbread, Leader of the Council, expressed regret at this situation. He pointed out in contrast, the Epping High Street had been doing well. He acknowledged that businesses had worked hard during the recession and advised that the Council had always supported the traders. However he advised that the Council did not have the authority to force lower rents in privately owned shops.

(k) Langston Road

Councillor J H Whitehouse referred to the Portfolio Holder decision to extend the contract for consultancy advice for a further 18 months. She asked the Asset Management and Economic Development Portfolio Holder if she felt this represented the best use of resource.

Councillor Grigg, Asset Management and Economic Development Portfolio Holder, advised that this was an on-going situation which required advice from a specialist consultant.

(l) Buckhurst Hill Underground Station

Councillor Wright referred to the continued closure of the western entrance to Buckhurst Hill Underground Station and asked the Safer, Greener and Transport Portfolio Holder if he would make representations to Transport for London in order to get the entrance opened.

Councillor Waller, Safer, Greener and Transport Portfolio Holder replied that he was happy to take this issue up with Transport for London.

(m) Citizens Advice Bureau

Councillor Angold-Stephens said he was concerned about the provision of accommodation for the Citizens Advice Bureau who were likely to have to vacate their current premises in Epping and Loughton. He asked what steps the Council would take to avoid the CAB closing or reducing its activities.

Councillor Whitbread, Leader of the Council said that the Citizens Advice Bureau was playing an important role, particularly in the current economic climate. He said he would do all he could to protect the current level of activity and advised that he would speak to the Councillor outside of the meeting.

(n) Pay and Display in Waltham Abbey

Councillor Watts asked that the Portfolio Holder for Safer, Greener and Transport support his criticism of the North Essex Parking Partnership (NEPP) pay and display proposal for car parking in Highbridge Street, Waltham Abbey.

Councillor Waller, Safer, Greener and Transport Portfolio Holder said that he agreed with opposing this and had made views known to NEPP. He advised that there had been no consultation with the District Council and there was no doubt about the

strength of views of local residents. He said he hoped NEPP would not pursue the proposals in the light of such opposition.

(o) North East Parking Partnership (NEPP) Scrutiny

Councillor Jacobs asked if the surplus £300,000 budget passed to the North East Parking Partnership by this Council had been expended.

Councillor Waller, Portfolio Holder for Safer, Greener and Transport advised that the financial position of NEPP was a matter of concern. He pointed out that if there was a shortfall in NEPP's funding, the member authorities would be required to make good that deficit. He advised that an officer working party had been established by NEPP to consider how the situation could be improved.

(p) Tour de France

Councillor J M Whitehouse asked about the opportunities for the Council and its partners when the 2014 Tour de France went through the district.

Councillor Webster, Portfolio Holder for Leisure and Wellbeing said that plans were being put in place and she would update members via the Bulletin although there was a lack of clarity regarding the route the race would take.

24. MOTIONS

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

25. REPORT OF THE CABINET - REGULATION OF INVESTIGATORY POWERS ACT (RIPA) - POLICY AND PROCEDURE

Mover: Councillor Ulkun, Support Services Portfolio Holder

Councillor Ulkun, Portfolio Holder for Support Services presented a report to the Council regarding the Regulation of Investigating Powers Act (RIPA) – Policy and Procedure away from an inspection of the Council's system of records by the Office of Surveillance Commissioners.

Members noted that the Act gave lawful authority to certain types of covert surveillance preventing and detecting crime which would otherwise have been unlawful. It required that such activity should be proportionate to the matter being investigated. The Council had made very limited use of the powers available because all other reasonable methods of seeking evidence had to be exhausted.

Report as first moved ADOPTED

RESOLVED:

(1) That the attached Policy and Procedure for dealing with the requirements of the Regulation of Investigatory Powers Act (as amended) (RIPA) be approved;

(2) That the Director of Corporate Support Services be appointed as the Senior Responsible Officer and the Assistant to the Chief Executive be appointed as the Deputy Senior Responsible Officer for the purposes of RIPA; and

- (3) That the Director of Corporate Support Services and the Assistant to the Chief Executive be appointed as Authorising Officers for the purposes of RIPA.

26. REPORT OF THE CABINET - PLANNING AND ECONOMIC DEVELOPMENT DOCUMENT SCANNING - BUDGET UNDER-SPENDS AND FUNDING OF ADDITIONAL POST

Mover: Councillor Bassett, Planning Portfolio Holder

The Council received a report from Councillor Bassett, the Planning Portfolio Holder, regarding Document Scanning.

The Council were informed that the progress of electronic records development in the Planning and Economic Development Directorate had slowed down substantially slowed in 2011 and 2012 due to staffing and resource difficulties. This had resulted in the identification of an Electronic Records Management Progress Plan which detailed the requirement to progress Electronic Document Records Management Systems.

The Portfolio Holder advised that recommendations assisted in taking steps to convert to electronic format a significant element of paper records for large site development control files, conservation files and contaminated land files. The Portfolio Holder proposed that the identified under spend in 2012/13 should be combined with a two months salary under spend for post PST11 to fund one Scale 3 Administration Assistant for ten months to scan the large site planning files which were in paper format.

Report as first moved ADOPTED

RESOLVED:

- (1) That approval be given to the under-spend of £11,600 in the Planning Support Budget for Document Scanning in 2012/13 being carried forward to 2013/14; and

- (2) That this under-spend be combined with a smaller salary under-spend to fund one Grade 3 Administration Assistant post to scan the large site paper planning files which are considered too complex and detailed to be sent to Northgate for scanning as part of the standard "back scanning" of records process.

27. REPORT OF THE CABINET - SUPPLEMENTARY DISTRICT DEVELOPMENT FUND (DDF) ESTIMATES - LOCAL PLAN AND MATERNITY COVER

Mover: Councillor Bassett, Planning Portfolio Holder

Councillor Bassett, Planning Portfolio Holder presented a report to the Council regarding proposed Supplementary District Development Fund (DDF) estimates for the Local Plan preparation and Maternity Cover.

Report as first moved ADOPTED

RESOLVED:

- (1) That a supplementary District Development Fund estimate in the sum of £331,933 be approved for the Local Plan budget to cover;

- (a) further evidence based work;
- (b) extension of existing temporary staff contracts within the Forward Planning Team; and

(c) additional project management support.

(2) That a supplementary District Development Fund estimate in the sum of £51,937 be approved to allow for appropriate maternity cover for the three posts connected to the delivery of the Local Plan.

28. ANNUAL REPORT OF THE EXECUTIVE 2012/13

The Leader of Council, Councillor Whitbread presented the Annual Report of the Executive 2012/13 to Council.

Attention was drawn to corrections to the figures shown in paragraphs 5.3.1 (which should read £86.811 million) and 6.4.2 (which should read £185.456 million).

RESOLVED:

That the Annual Report of the Executive 2012/13 be agreed, subject to the corrections reported.

29. OVERVIEW AND SCRUTINY

(a) Report of the Chairman of the Overview and Scrutiny Committee

The Council received a written report of the Chairman of the Overview and Scrutiny Committee, Councillor Morgan.

(b) Annual Report of the Overview and Scrutiny Committee to Council

The Chairman of the Overview and Scrutiny Committee, Councillor Morgan presented the Annual Report of the Committee to Council.

RESOLVED:

That the Annual Report of the Overview and Scrutiny Committee be noted.

(c) Reports of Overview and Scrutiny Panels

(i) Report of the Constitution and Member Services Scrutiny Standing Panel – Employment Procedure Rules

Mover: Councillor Philip, Chairman of the Panel

Councillor Philip presented a report following a review by a Task and Finish Scrutiny Panel which had explored concerns about contractual arrangements for previous Chief Executives.

Report as first moved ADOPTED

RESOLVED:

- (1) That, in accordance with the advice of Counsel, the attached Staff Employment Procedure Rules be adopted;
- (2) That the following seven deputies be appointed to the Restructuring Review Panel so as to ensure that the Council is able to comply with the requirements of the revised Employment Procedure Rules when adopted;
 - (a) Councillor Breare-Hall – Conservative Group;
 - (b) Councillor Philip – Conservative Group;
 - (c) Councillor Rolfe – Conservative Group;
 - (d) Councillor Watts – Conservative Group;
 - (e) Councillor Wyatt – Conservative Group;
 - (f) Councillor Pond – Loughton Resident's Association; and
 - (g) Councillor J H Whitehouse
- (3) That, when required, a second Panel be formed from among the seven members and deputies appointed to the Restructuring Panel to deal with any appeals under the Employment Procedure Rules against redundancy subject to the seven members concerned not having been involved in the original redundancy decision;
- (4) That all members and deputies serving on the Restructuring Review Panel be trained in the requirements of these rules and related legal requirements before the Directorate Restructuring process commences;
- (5) That the Finance and Technology Portfolio Holder be asked to review whether there is sufficient budgetary provision for training for Panel members in the current year;
- (6) That a similar pool of 14 Panel members and deputies be appointed at future Annual Council meetings so that the Council is able to respond promptly when the Employment Procedure Rules are engaged and that all appointed members and deputies be trained in the relevant procedures when required; and
- (7) That the Chairman and Vice Chairman of any Panel convened in future years for the purposes of the Employment Procedure Rules be appointed by Panel members at the meeting concerned.

(ii) Report of the Constitution and Member Services Scrutiny Standing Panel – Convention on the Relationships between Political Groups and Councillors with Officers

Mover: Councillor Philip, Chairman of the Panel

Councillor Philip presented a report which updated these conventions.

Report as first moved ADOPTED

RESOLVED:

- (1) That the attached revised conventions be approved; and
- (2) That the issues raised in consultation with Councillors concerning new members and email correspondence be referred to officers for appropriate advice to be given.

30. AUDIT & GOVERNANCE COMMITTEE

Mover: Councillor Watts, Chairman of the Committee

The Chairman of the Audit and Governance Committee, Councillor Watts presented a report to Council regarding Appointment of a Co-Opted Member to the Audit and Governance Committee. He drew attention to the need to appoint an Interview Panel.

Report as amended ADOPTED

RESOLVED:

- (1) That an interview panel be appointed to undertake interviews following public advertisement for the vacant co-opted member position on this Committee which will occur with effect from 13 September 2013;
- (2) That the Chairman of the Audit and Governance Committee and Councillors Kane and Leonard be appointed to form an Interview Panel with delegated authority to appoint the preferred candidate following interview;
- (3) That Mr R Thompson, the other co-opted member of the Committee, be invited to attend the interviews in an advisory capacity as a non-voting member; and
- (4) That the Council's appreciation of the contribution of Melanie Peddle as co-opted member of the Committee for over six years be recorded.

31. REPORT OF THE LICENSING COMMITTEE - STATEMENT OF LICENSING POLICY

Mover: Councillor Angold-Stephens, Chairman of the Committee

The Chairman of the Licensing Committee, Councillor Angold-Stephens, presented a report regarding the revised Statement of Licensing Policy.

The Council's current Statement of Licensing Policy was adopted by the Council in 2011 and was due for review in 2014, the Licensing Committee, on 10 October 2013, reviewed the Statement and made recommendations to reflect amendments in the Licensing Act 2003 by the Police and Social Responsibility Act 2011.

The Chairman of the Licensing Committee advised that the West Essex Clinical Commissioning Group would be substituted for the Primary Care Trusts a consultee.

Report as first moved ADOPTED

RESOLVED:

That the attached revised Statement of Licensing Policy be adopted.

32. APPOINTMENTS OUTSTANDING FROM THE ANNUAL COUNCIL MEETING

The Council received nominations from the Conservative Group for a change in membership and places outstanding from the Annual meeting.

RESOLVED:

That the following appointments be made for the remainder of the current municipal year:

- (a) Councillor Rolfe to replace Councillor Keska on the District Development Control Committee;
- (b) Councillor Shiell to replace Councillor Knight as a substitute member of the Housing Appeals and Review Panel;
- (c) Councillor Smith as the third Conservative Group substitute on the Housing Appeals and Review Panel;
- (d) Councillor Rolfe as the remaining Conservative Group member on the Licensing Committee; and
- (e) Councillor Smith as the remaining Conservative Group substitute on the Staff Appeals Panel.

33. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

The Council received a report from Councillor Kane regarding the Waltham Abbey Royal Gunpowder Mills Company.

RESOLVED:

That the Council's appointed representatives on the West Essex Wellbeing Joint Committee submit a written report to be next meeting of the Council on the work of the Committee.

CHAIRMAN

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Epping Forest District Council

POLICY & PROCEDURE

**REGULATION OF INVESTIGATORY
POWERS ACT 2000
(RIPA)**

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Section A

Introduction

1. HUMAN RIGHTS ACT 1998 – ARTICLE 8 – RIGHT TO RESPECT FOR PRIVATE & FAMILY LIFE, HOME AND CORRESPONDENCE

1.1 The Human Rights Act 1998 brought into UK domestic law much of the European Convention on Human Rights and Fundamental Freedoms 1950. Article 8 of the European Convention requires the Council to respect the private and family life of its citizens, their homes and their correspondence.

1.2 Article 8 does, however, recognise that there may be circumstances in a democratic society where it is necessary for the state to interfere with this right.

2. USE OF COVERT SURVEILLANCE TECHNIQUES AND HUMAN INTELLIGENCE SOURCES

2.1 The Council has various functions which involve observing or investigating the conduct of others, for example, investigating anti-social behaviour, fly tipping, noise nuisance control, planning (contraventions), benefit fraud, licensing and food safety legislation. In most cases, Council officers carry out these functions openly. However, there are rare cases where it is necessary for officers to use covert surveillance techniques to undertake a specific investigation.

2.2 The use of covert surveillance techniques is regulated by the Regulation of Investigatory Powers Act 2000 (RIPA), which seeks to ensure that the public interest and human rights of individuals are appropriately balanced. This document sets out the Council's policy and procedures on the use of covert surveillance techniques and the conduct and use of a Covert Human Intelligence Source.

2.3 You should also refer to the two Codes of Practice published by the Government. These Codes, which were revised in 2010, are on the Home Office website and supplement the procedures in this document. The Codes are admissible as evidence in Criminal and Civil Proceedings. If a provision of these Codes appear relevant to any court or tribunal, it must be taken into account:

(a) Covert Surveillance and Property Interference Code of Practice:

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/covert-surveil-prop-inter-COP>

(b) Covert Human Intelligence Sources Code of Practice:

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/covert-human-intel-source-COP>

2.4 There are also two other guidance documents relating the procedural changes regarding the authorisation process requiring Justice of the Peace approval from the 1st November 2012. These have been issued by the Home Office to both Local Authorities and Magistrates.

<http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/>

3. ACQUISITION OF COMMUNICATIONS DATA

3.1 RIPA also regulates the acquisition of communications data. Communications data is data held by telecommunications companies and internet service providers.

3.2 Examples of communications data which may be acquired with authorisation include names, addresses, telephone numbers, internet provider addresses. Communications data surveillance does not monitor the content of telephone calls or emails. This document sets out the procedures for the acquisition of communications data. You should also refer to the Code of Practice which is available on the Home Office website:

(a) Acquisition and Disclosure of Communications Data Revised Draft Code of Practice:

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/acquisition-disclosure-cop>

Acronyms and Designations explained

OSC Office of Surveillance Commissioners

SRO Senior Responsible Officer : Director of Corporate Support Services / Solicitor to the Council

Authorising Officers: Director of Corporate Support Services/ Solicitor to the Council and the Assistant to the Chief Executive

Applicant Officer seeking RIPA authorisation or renewal

Section B

4. EFFECTIVE DATE OF OPERATION AND AUTHORISING OFFICER RESPONSIBILITIES

- 4.1 The Policy and Procedures in this document reflect the two revised Codes of Practice which came into force in April 2010, and the recent legislative amendments which now require Justice of the Peace (JP) approval for all Local Authority RIPA applications and renewals, which came in effect on 1 November 2012, changes in website addresses and application forms, as well as to reflect recommendations arising out of inspection by the Office of Surveillance Commissioners. Authorising Officers, take personal responsibility for the effective and efficient observance of this document and the Office of Surveillance Commissioners (OSC) guidance documents.
- 4.2 Authorising Officers will undertake training on RIPA and will facilitate where necessary training for relevant members of staff who may make RIPA applications.
- 4.3 Applicants are required to follow this Policy and Procedures Document and must not undertake or carry out surveillance activity that meets the criteria as set out by RIPA without first obtaining the relevant authorisations in compliance with this document.
- 4.4 Authorising Officers will pay particular attention to health and safety issues that may be raised by any proposed surveillance activity. Under no circumstances, should an Authorising Officer approve any RIPA form unless, and until they are satisfied that
- the health and safety of Council employees/agents are suitably addressed
 - risks minimised so far as is possible, and
 - risks are proportionate to the surveillance being proposed.
- 4.5 Applications to Authorising Officers must be made in **sealed** envelopes and marked '**Strictly Private & Confidential**'.
- 4.6 In accordance with the Codes of Practice, the Senior Responsible Officer (SRO) is the Director of Corporate Support Services / Solicitor to the Council.
- 4.7 The SRO shall have delegated authority to appoint additional Authorising Officers for the purposes of RIPA should either or both of the Authorising Officers be absent.
- 4.8 The SRO is responsible for;
- the integrity of the process in place within this authority to authorise surveillance with the Act.
 - compliance with Part II of the 2000 Act, relevant codes and this policy;
 - engagement with the Commissioners and inspectors when they conduct their inspections, and

- where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner.

4.9 The SRO will review the policy every year and report on performance of the policy to Council.

4.10 Annual reports on the use of RIPA will be considered by the Corporate Governance Group and will published in the Council Bulletin.

5. GENERAL INFORMATION ON RIPA

- 5.1 The Human Rights Act 1998 requires the Council, and organisations working on its behalf, pursuant to Article 8 of the European Convention, to respect the private and family life of citizens, their homes and their correspondence.
- 5.2 The European Convention did not, however, make this an absolute right, but a qualified right. Accordingly, in certain circumstances, the Council may interfere in the citizen's right mentioned above, if such interference is:-
- (a) **in accordance with the law;**
 - (b) **necessary ; and**
 - (c) **proportionate.**
- 5.3 The Regulation of Investigatory Powers Act 2000 ('RIPA') provides a statutory mechanism (ie. 'in accordance with the law') for authorising **covert surveillance** and the use of a '**covert human intelligence source**' ('**CHIS**') – RIPA and this Policy and Procedure document seeks to ensure both the public interest and the human rights of individuals are suitably balanced.
- 5.4 Directly-employed Council staff and external agencies working for the Council are covered by the Act for the time they are working for the Council. All external agencies must, therefore, comply with RIPA and the work carried out by agencies on the Council's behalf, must be properly authorised by one of the Council's designated Authorising Officers prior to seeking judicial approval
- 5.5 If the correct procedures are not followed, evidence may be inadmissible in court proceedings, a complaint of maladministration could be made to the Ombudsman and/or the Council could be ordered to pay compensation.

6. WHAT RIPA DOES AND DOES NOT DO

6.1 RIPA:

- requires prior authorisation of directed surveillance.
- prohibits the Council from carrying out intrusive surveillance.
- requires prior authorisation of the conduct and use of a CHIS.
- requires safeguards for the conduct and use of a CHIS.

6.2 RIPA does not:

- prejudice or affect any existing powers available to the Council to obtain information by any means not involving conduct that may be authorised under this Act. For example, the Council's current powers to obtain information from the DVLA or from the Land Registry as to the ownership of a property.

6.3 If any Applicant is in any doubt, s/he should ask the SRO BEFORE any directed surveillance and/or CHIS is authorised, renewed, cancelled or rejected.

7. TYPES OF SURVEILLANCE

7.1 **'Surveillance'** includes:

- monitoring, observing and listening to persons, watching or following their movements, listening to their conversations and other such activities or communications. It may be conducted with or without the assistance of a surveillance device.
- recording anything mentioned above in the course of authorised surveillance.
- surveillance, by or with, the assistance of appropriate surveillance device(s).

7.2 Surveillance can be overt or covert.

Overt Surveillance

7.3 Most of the surveillance carried out by the Council will be done overtly. Surveillance will be overt if the subject has been told it will happen (eg. where a noisemaker is warned (preferably in writing) that noise will be recorded).

Covert Surveillance

7.4 Covert Surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is unaware of it taking place. (Section 26(9)(a) of RIPA).

7.5 There are two types of covert surveillance which local authorities may undertake. Directed Surveillance and the use of Covert Human Intelligence Sources (CHIS).

Directed Surveillance

7.6 Under Section 26(2) of RIPA ,Directed Surveillance is surveillance which is covert, but not intrusive, and undertaken

- for a specific investigation or operation;
- in a manner likely to obtain private information about an individual (whether or not that person is specifically targeted for purposes of an investigation); and
- not as an immediate response to events which would otherwise make seeking authorisation under the Act unreasonable e.g. spotting something suspicious and continuing to observe it.

7.7 Private Information in relation to a person includes any information relating to his private and family life, his home or his correspondence. The fact that covert surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about him/her and others with whom s/he comes into contact.

7.8 Private information may include personal data such as names, addresses or telephone numbers. Where such information is acquired by means of covert surveillance of a person having a reasonable expectation of privacy, a directed surveillance authorisation is appropriate.

7.9 Similarly, although overt town centre CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose, which involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs his/her business may also reveal information about his or her private life and the private lives of others. Privacy considerations are likely to arise if several records are examined together to establish a pattern of behaviour.

NOTE: For the avoidance of doubt, only those Officers appointed as 'Authorising Officers' for the purpose of RIPA can authorise 'Directed Surveillance' IF, AND ONLY IF, the RIPA authorisation procedures detailed in this Document, are followed.

Intrusive Surveillance

7.10 This is when surveillance:

- is covert;
- relates to residential premises and private vehicles, even if used on a temporary basis; and
- involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. Surveillance equipment mounted outside the premises will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

NOTE: For the avoidance of doubt, this authority cannot authorise intrusive surveillance.

“Proportionality”

7.11 This term contains three concepts:

- the surveillance should not be excessive in relation to the gravity of the matter being investigated;

- the least intrusive method of surveillance should be chosen; and
- collateral intrusion involving invasion of third parties' privacy and should, so far as possible, be minimised.

7.12 Proportionality involves balancing the intrusiveness of the activity on the subject and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case, or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair. The interference with the person's right should be no greater than that which is required to meet the aim and objectives.

7.13 The onus is on the Authorising Officer to ensure that the surveillance meets the tests of **necessity and proportionality**.

7.14 The codes provide guidance relating to proportionality which should be considered by both applicants and Authorising Officers :

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

7.15 When considering the intrusion, it is important that the Authorising Officer is fully aware of the technical capabilities of any proposed equipment to be used, and that any images are managed in line with the Data Protection Act and Home Office Guidance. These issues have a direct bearing on determining proportionality.

8 Surveillance outside of RIPA

8.1 Surveillance which is not covered by the RIPA must still be in accordance with the Council's obligations under the Human Rights Act and Data Protection Act. It must still be necessary and proportionate having taken account of the intrusion issues. The decision making process and the management of such surveillance must be well documented.

8.2 The Office of Surveillance Commissioners(OSC) have stated that it should be the responsibility of the SRO to monitor this type of activity. Therefore, before any such surveillance takes place advice must be sought from the SRO.

9. Covert Human Intelligence Source (CHIS)

9.1 As a starting point, this Council will only use this form of surveillance as a last resort. However if it appears that use of a CHIS may be required, Authorising Officers must seek legal advice from the Solicitor to the Council.

9.2 A CHIS could be an informant or an undercover officer carrying out covert enquiries on behalf of the Council. However, the provisions of the 2000 Act are not intended to apply in circumstances where members of the public volunteer information to the Council as part of their normal civic duties, or to contact numbers set up to receive information such as the Benefit Fraud Hot Line. Members of the public acting in this way would not generally be regarded as sources.

9.3 Under section 26(8) of the 2000 Act a person is a source if:

- a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);
- b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
- c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

9.4 By virtue of section 26(9)(b) of the 2000 Act a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship if, and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

9.5 By virtue of section 26(9)(c) of the 2000 Act a relationship is used covertly, and information obtained as above is disclosed covertly, if and only if it is used or, as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

10. Conduct and Use of a Source

10.1 The **use of a source** involves inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.

10.2 The **conduct of a source** is any conduct falling within section 29(4) of the 2000 Act, or which is incidental to anything falling within section 29(4) of the 2000 Act.

10.3 The **use of a source** is what the Authority does in connection with the source and the **conduct** is what a source does to fulfill whatever tasks are given to them or

which is incidental to it. **The Use and Conduct require separate consideration before authorisation.**

10.4 When completing applications for the use of a CHIS, the applicant must state who the CHIS is, what they can do and for which purpose.

10.5 When determining whether a CHIS authorisation is required, consideration should be given to the covert relationship between the parties and the purposes mentioned in 9.3 (a), (b), and (c) above.

Management of Sources

10.6 Within the provisions there has to be;

(a) a person who has the day to day responsibility for dealing with the source and for the source's security and welfare (**Handler**)

(b) at all times there will be another person who will have general oversight of the use made of the source (**Controller**)

(c) at all times there will be a person who will have responsibility for maintaining a record of the use made of the source

NOTE If, exceptionally, a CHIS authority is required, all of the staff involved in the process should make themselves fully aware of the CHIS Codes of Practice

Management Responsibility

10.8 The Council will ensure that arrangements are in place for the proper oversight and management of sources including appointing a Handler and Controller for each source prior to a CHIS authorisation.

10.9 It is envisaged that the use of a CHIS will be infrequent. Should a CHIS application be made, the CHIS Codes of Practice should be consulted to ensure that the Council can meet its management responsibilities.

Security and Welfare

10.10 The Council has a responsibility for the safety and welfare of the source and for the consequences to others of any tasks given to the source. Before permitting the use or conduct of a source, the Authorising Officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset.

Record Management for CHIS

10.11 Proper records must be kept of the authorisation and use of a source. The particulars to be contained within the records are;

- (a) the identity of the source;
- (b) the identity, where known, used by the source;
- (c) any relevant investigating authority other than the authority maintaining the records;
- (d) the means by which the source is referred to within each relevant investigating authority;
- (e) any other significant information connected with the security and welfare of the source;
- (f) any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (d) has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
- (g) the date when, and the circumstances in which the source was recruited;
- (h) the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the 2000 Act or in any order made by the Secretary of State under section 29(2)(c);
- (i) the periods during which those persons have discharged those responsibilities;
- (j) the tasks given to the source and the demands made of him in relation to his activities as a source;
- (k) all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
- (l) the information obtained by each relevant investigating authority by the conduct or use of the source;
- (m) any dissemination by that authority of information obtained in that way; and
- (n) in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

Juvenile Sources

10.12 Special safeguards apply to the use or conduct of juvenile sources (i.e. those under the age of 18). On no occasion can a child under 16 years of age be authorised to give information against his or her parents or any person with parental responsibility for him or her. Only the Chief Executive can authorise a juvenile source.

10.13 A “Vulnerable Individual” is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be

Test Purchases

10.14 Carrying out test purchases will not normally require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information and, therefore, the purchaser will not normally be a CHIS. For example, authorisation as a CHIS would not normally be required for test purchases carried out in the ordinary course of business (e.g. walking into a shop and purchasing a product over the counter).

10.15 Authorising Officers should consider the likelihood that the test purchase will lead to a relationship being formed with a person in the shop. If the particular circumstances of a particular test purchase are likely to involve the development of a relationship Authorising Officers must seek legal advice from the SRO.

Anti-Social Behaviour Activities

10.16 As from 1 November 2012 there is no provision for a Local Authority to use RIPA to grant lawful authority for the conduct of covert surveillance for disorder such as anti-social behaviour, unless there are criminal offences involved which attract a maximum custodial sentence of six months. Should it be necessary to conduct covert surveillance for disorder which does not meet the serious crime criteria of a custodial sentence of a maximum of six months, this surveillance would be classed as surveillance outside of RIPA, and would still have to meet the Human Rights Act provisions of Necessity and Proportionality?

10.17 Persons who complain about anti-social behaviour, and are asked to keep a diary, will not normally be a CHIS, as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (eg. the decibel level) so long as it does not record private information is unlikely to require authorisation.

11. THE ROLE OF THE RIPA CO-ORDINATOR

11.1 Key Responsibilities of the RIPA Co-ordinator

- In this document the RIPA Co-ordinator is the Director of Corporate Support Services/Solicitor to the Council. The key responsibilities of the RIPA Co-ordinator are to:
- Retain all applications for authorisation (including those that have been refused), renewals and cancellations for a period of at least **three years** together with any supplementary documentation;
- Provide a unique reference number and maintain the central register of all applications for authorisations whether finally granted or refused (see section below);
- Create and maintain a spreadsheet for the purpose of identifying and monitoring expiry dates and renewal dates although the responsibility for this is primarily that of the officer in charge and the Authorising Officer;
- Monitor types of activities being authorised to ensure consistency and quality throughout the Council;
- Ensure sections identify and fulfil training needs;
- Periodically review Council procedures to ensure that they are up to date;
- Assist Council employees to keep abreast of RIPA developments;
- Provide a link to the Surveillance Commissioner and disseminate information on changes on the law, good practice etc. Officers becoming aware of such information should, conversely, send it to the RIPA Co-ordinator for this purpose;
- Check that Authorising Officers carry out reviews and cancellations on a timely basis.

Central Record of Authorisations

11.2 A centrally retrievable record of all authorisations will be held by the RIPA Co-ordinator which must be up-dated whenever an authorisation is granted, renewed or cancelled. These records will be retained for a period of **three years** from the ending of the authorisation and will contain the following information:

- the type of authorisation;
- the date the authorisation was given;
- the name and title of the Authorising Officer;
- the unique reference number of the investigation (URN);

- the title of the investigation or operation, including a brief description and the names of the subjects, if known;
- whether the urgency provisions were used and if so why;
- whether the investigation will obtain confidential information;
- whether the authorisation was granted by an individual directly involved in the investigation;
- the dates the authorisation is reviewed and the name and title of the Authorising Officer;
- if the authorisation is renewed, when it was renewed and the name and title of the Authorising Officer;
- the date the authorisation was cancelled.
- joint surveillance activity where Council staff have been authorised on another agencies authorisation will also be recorded.

11.2 Access to the data will be restricted to the RIPA Co-ordinator and Authorising Officers to maintain the confidentiality of the information.

12. AUTHORISATION PROCEDURES

12.1 Directed surveillance and the use of a CHIS can only be lawfully carried out if properly authorised, and in strict accordance with the terms of the authorisation.

Authorising Officers

12.2 Forms can only be signed by Authorising Officers. The Authorising Officers are:

Director of Corporate Services/Solicitor to the Council	Colleen O'Boyle
Assistant to the Chief Executive	Ian Willett

12.3 Authorisations under RIPA are separate from delegated authority to act under the Council's Scheme of Delegation and any internal departmental Schemes of Management.

12.4 RIPA authorisations are for specific investigations only, and must be renewed or cancelled once the specific surveillance is complete or about to expire. **The authorisations do not lapse with time.**

12.5 Authorisations are for 1, 3 or 12 months but should be cancelled promptly if completed within that timescale.

12.6 Authorising Officers should not normally be responsible for authorising operations in which they are directly involved. In such a case the centrally retrievable record of authorisations should highlight this and the attention of a Commissioner or Inspector should be drawn to it during the next inspection.

Training

12.7 The SRO will maintain a Register of Authorising Officers and details of training undertaken by them.

12.8 The SRO will maintain records of RIPA training to staff either internally or externally sourced

Grounds for Authorisation

12.9 On 1 November 2012 two significant changes came into force that effects how local authorities use RIPA.

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean

that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**

- **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (“the 2010 Order”) mean that a local authority can now only grant an authorisation under RIPA for the use of **Directed Surveillance** where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

NOTE: The crime threshold, as mentioned is only for Directed Surveillance.

12.10 Also, the **only** lawful reason is for granting a RIPA authorisation available to local authorities is the **prevention and detection of crime** in respect of its Core Functions.

13. APPLICATION PROCESS

13.1 No covert activity covered by RIPA or the use of a CHIS should be undertaken at any time unless it meets the legal criteria (see above) and has been authorised by an Authorising Officer and approved by a JP/Magistrate as mentioned above. The activity conducted must be in strict accordance with the terms of the authorisation.

13.2 The applicant will complete the current application form for Directed surveillance or CHIS and the required section of the judicial application/order form. The applicant will submit them in an envelope marked Private & Confidential to an Authorising Officer.

13.3 If the Authorising Officer grants the application – with or without further information from the Applicant, the applicant will liaise with Legal Services to arrange with Her Majesty’s Courts & Tribunals Service (HMCTS) a hearing.

13.4 The hearing will be in private and heard by a single JP.

13.5 The applicant will present to the JP the partially completed judicial application/order form, a copy of the RIPA application/authorisation form, together with any supporting documents setting out the case e.g. proof of the Authorising officer’s designation, and the original application/authorisation form.

13.6 The original RIPA application/authorisation should be shown to the JP but will be retained by the local authority so that it is available for inspection by the Commissioners’ offices and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT).

13.7 The JP may have questions to clarify points application **However the forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.**

13.8 The JP will consider whether he or she is satisfied that at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition they must be satisfied that the person who granted the authorisation or gave the notice was an appropriate designated person within the local authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.

13.9 The JP may decide to

(a) Approve the Grant or renewal of an authorisation

The grant or renewal of the RIPA authorisation will then take effect and the local authority may proceed to use the technique in that particular case.

(b) Refuse to approve the grant or renewal of an authorisation

The RIPA authorisation will not take effect and the local authority may **not** use the technique in that case.

Where an application has been refused the applicant may wish to consider the reasons for that refusal and whether any defects can be remedied.

For, a technical error, the form may be remedied without going through the internal authorisation process again. The officer may then wish to reapply for judicial approval once those steps have been taken.

(c) Refuse to approve the grant or renewal and quash the authorisation or notice

This applies where the JP refuses to approve the application/authorisation or renew the application/authorisation and decides to quash the original authorisation or notice. However the court must not exercise its power to quash the application/authorisation unless the applicant has had at least 2 business days from the date of the refusal in which to make representations. If this is the case the officer will inform the Legal section who will consider whether there are grounds to make representations.

The JP will record any decision on the order section of the judicial application/order form. The court administration will retain a copy of the local authority RIPA application and authorisation form and the judicial application/order form. The officer will retain the original application/authorisation and a copy of the judicial application/order form.

If approved by the JP, the date of the approval becomes the commencement date and the three months duration will commence on this date.

The original application and the copy of the judicial application/order form should be forwarded to the Central Register and a copy retained by the applicant.

A local authority may only appeal a JP decision on a point of law by judicial review. If such a concern arises Legal Services must be consulted.

If it is intended to undertake both directed surveillance and the use of a CHIS on the same surveillance subject, the respective applications forms and procedures should be followed and both activities should be considered separately on their own merits.

An application for an authorisation must include an assessment of the risk of any collateral intrusion or interference. The Authorising Officer will take this into account, particularly when considering the proportionality of the directed surveillance or the use of a CHIS.

Application, Review, Renewal and Cancellation Forms

13.10 Applications

All the relevant sections on an application form must be completed with sufficient information for the Authorising Officer to consider Necessity, Proportionality and the Collateral Intrusion issues. Risk assessments should take place prior to the completion of the application form. Each application should be completed on its own merits of the case. **Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.**

13.11 Duration of Applications

Directed Surveillance	3 Months
Renewal	3 Months
Covert Human Intelligence Source	12 Months
Juvenile Sources	1 Month
Renewal	12 months

NOTE: All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire.

Reviews

13.12 An Authorising Officer conducts a review to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

13.13 In each case the Authorising Officer should determine how often a review should take place. This should be as frequently as is considered necessary and practicable and they will record when they are to take place on the application form. This decision will be based on the circumstances of each application

13.14 Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application so that the need to continue the activity can be reassessed. However if the circumstances or the objectives have changed considerably, or the techniques to be used are now different a new application form should be submitted and will be required to follow the process again and be approved by a JP.

13.15 The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.

Renewal

13.16 Should it be necessary to renew a Directed Surveillance or CHIS application/authorisation, this must be approved by a JP.

13.17 The applicant should complete all the sections within the renewal form and submit the form to the authorising officer.

13.18 Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusion issues before making a decision to renew the activity. A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and information obtained. The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.

13.19 If the Authorising Officer refuses to renew the application the cancellation process should be completed. If the Authorising Officer authorises the renewal of the activity the JP process is to be followed as before. **A renewal takes effect on the day on which the authorisation would have ceased and lasts for a further period of three months.**

Cancellation

13.20 The cancellation form is to be submitted by the applicant or another investigator in their absence. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer

13.21 As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer.. . The date and time of cancellation should also be recorded in the central record of authorisations (see paragraph 5.18 in the Codes of Practice). **It will also be necessary to detail the amount of time spent on the surveillance as this is required to be retained by the Senior Responsible Officer.**

13.22 The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should then take this into account and issue instructions regarding the management and disposal of the images etc.

13.23 The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

14 Notes for Authorising Officers

14.1 Before an Authorising Officer signs a Form, they must:-

- (a) be mindful of this Policy & Procedures Document and the training undertaken;
- (b) be satisfied that the RIPA authorisation is:-
 - (i) **in accordance with the law; and**
 - (ii) **necessary** in the circumstances of the particular case on the ground mentioned; **and**
 - (iii) **proportionate** to what it seeks to achieve.

- (c) In assessing whether or not the proposed surveillance is proportionate, consider other appropriate means of gathering the information.

14.2 The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render actions proportionate. Similarly, an offence may be so minor that any covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.

14.4 The following elements of proportionality should therefore be considered:

- balance the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explain how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- consider whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidence, what other methods have been considered and why they were not implemented.

NOTE: The least intrusive method will be considered proportionate by the courts.

14.5 Take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (**collateral intrusion**). Measures must be taken wherever practicable to avoid or minimise (so far as is possible) collateral intrusion. This matter may be an aspect of determining proportionality;

14.6 Set a date for review of the authorisation and review on only that date;

14.7 Obtain a Unique Reference Number (URN) for the application from the SRO

14.8 Ensure that a copy of the RIPA Forms (and any review/cancellation of the same) is forwarded to the SRO for the Central Register, **within 5 working days of the relevant authorisation, review, renewal, cancellation or rejection.**

Additional Safeguards when Authorising a CHIS

14.9 When authorising the conduct or use of a CHIS, the Authorising Officer must also:-

- (a) be satisfied that the **conduct** and/or **use** of the CHIS is proportionate to what is sought to be achieved.

- (b) Be satisfied that **appropriate arrangements** are in place for the management and oversight of the CHIS and this must address health and safety issues through a risk assessment;
- (c) Consider the likely degree of intrusion of all those potentially affected;
- (d) Consider any adverse impact on community confidence that may result from the use or conduct or the information obtained;
- (e) Ensure **records** contain particulars and are not available except on a need to know basis.
- (f) Ensure that if the CHIS is under the age of 18 the Authorising Officer has the approval of the Chief Executive.

NOTE: It is strongly recommended that legal advice is obtained in relation seeking or granting the authorisation of a CHIS.

14. WORKING WITH / THROUGH OTHER AGENCIES

14.1 Anyone other than a Council officer instructed to undertake any action under RIPA, on our behalf must be advised or kept informed, as necessary, of the various requirements. They must be made aware explicitly what they are authorised to do and be provided with a copy of the application form (redacted if necessary) or at the least the authorisation page containing the unique number.

14.2 Equally, if Council staff are authorised on another agencies RIPA authorisation, the staff will obtain a copy of the application form (redacted if necessary), or at the least the authorisation page containing the unique number, a copy of which should be forwarded for filing within the central register. They must ensure that they do not conduct activity outside of that authorisation.

14.3 The Council has a CCTV policy which covers its usage and this is separately inspected by the Commissioner/ Inspectors

15. RECORD MANAGEMENT

15.1 The Council must keep detailed records of all authorisations, renewals, cancellations and rejections in Departments and a Central Register of all Authorisation Forms will be maintained and monitored by the SRO. The following documents must be retained:

- a copy of the Forms together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a record of the period over which the surveillance has taken place;
- the frequency of reviews prescribed by the Authorising Officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the Authorising Officer;
- the Unique Reference Number for the authorisation (URN).
- Any JP decision Notice

15.2 Authorising Officers must forward a copy of the form to the SRO for the Central Register, within 5 working days of the authorisation, review, renewal, cancellation or rejection.

Retention and Destruction of Material

15.3 Arrangements are in place for the secure handling, storage and destruction of material obtained through the use of covert surveillance..

15.4 The Council will retain records for a period of at least three years from the ending of the authorisation. The Office of the Surveillance Commissioners (OSC) can audit/review the Council's policies and procedures, and individual authorisations.

15.5 The Office of the Surveillance Commissioners will also write to the Council from time to time, requesting information as to the numbers of authorisations made in a specific period. It will be the responsibility of the SRO to respond to such communications.

Errors

15.6 The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This does not apply to covert activity which is deliberately not authorised because an Authorising Officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA.

Acquisition of Communications Data

15.7 This Council does not access communications in a way that requires RIPA authorisation. For further information as to how evidence is gathered contact the Assistant Director (Finance). The link to the forms in Appendix C is reproduced for completeness.

16. CONCLUSION

16.1 RIPA authorisation gained through this policy/procedure document will protect human rights and protect the Council against challenges for breaches of Article 8 of the European Convention on Human Rights.

16.2 Authorising Officers will be suitably trained and they will never sign or rubber stamp Form(s) without thinking about their personal and the Council's responsibilities.

16.3 For further advice and assistance on RIPA, please contact the Director of Corporate Support Services/Solicitor to the Council or the Assistant to the Chief Executive.

APPENDIX 1

A FORMS

DIRECTED SURVEILLANCE

All forms can be obtained from:

<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the SRO.

Application for Authorisation Directed Surveillance

Application for Review of a Directed Surveillance Authorisation

Application for Renewal of a Directed Surveillance Authorisation

Application for Cancellation of a Directed Surveillance Authorisation

APPENDIX 2

B FORMS

CONDUCT OF A COVERT HUMAN INTELLIGENCE SOURCE

All forms can be obtained from:

<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the SRO.

Application for Authorisation of the conduct or use of a Covert Human Intelligence Source (CHIS).

Application for Review of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for renewal of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for Cancellation of an authorisation for the use or Conduct of a Covert Human Intelligence Source.

APPENDIX 3

C FORMS

ACQUISITION OF COMMUNICATIONS DATA

All forms can be obtained from the Home Office: RIPA Codes of Conduct website:
<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the SRO

Part I Chapter II request schedule for subscriber information

Specimen Part I Chapter II authorisation

Specimen Part I Chapter II Notice

Chapter II application for communications data

Guidance notes regarding chapter II application form

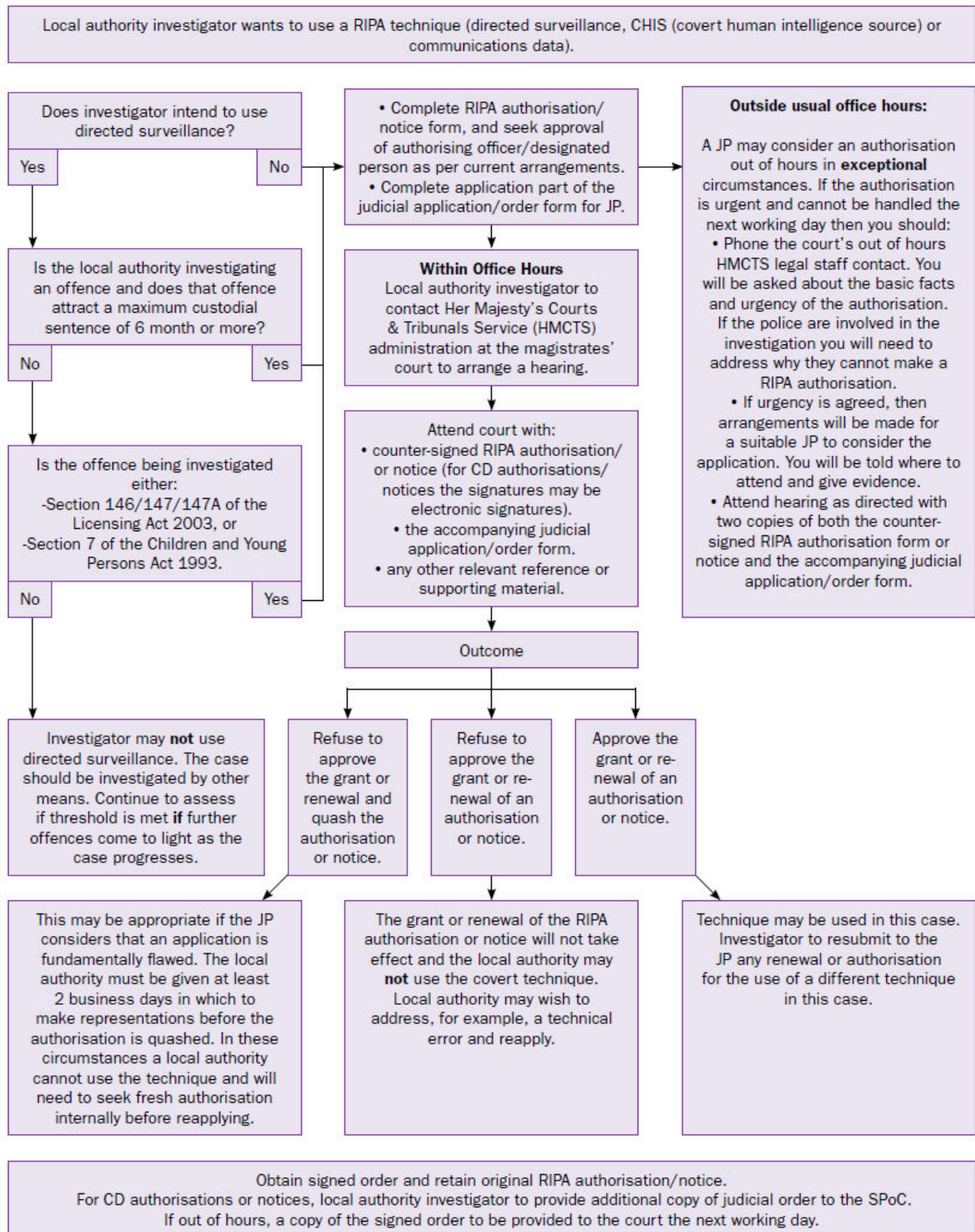
RIPA Section 22 notice to obtain communications data from communications service providers

Reporting an error by a CSP to the IOCCO

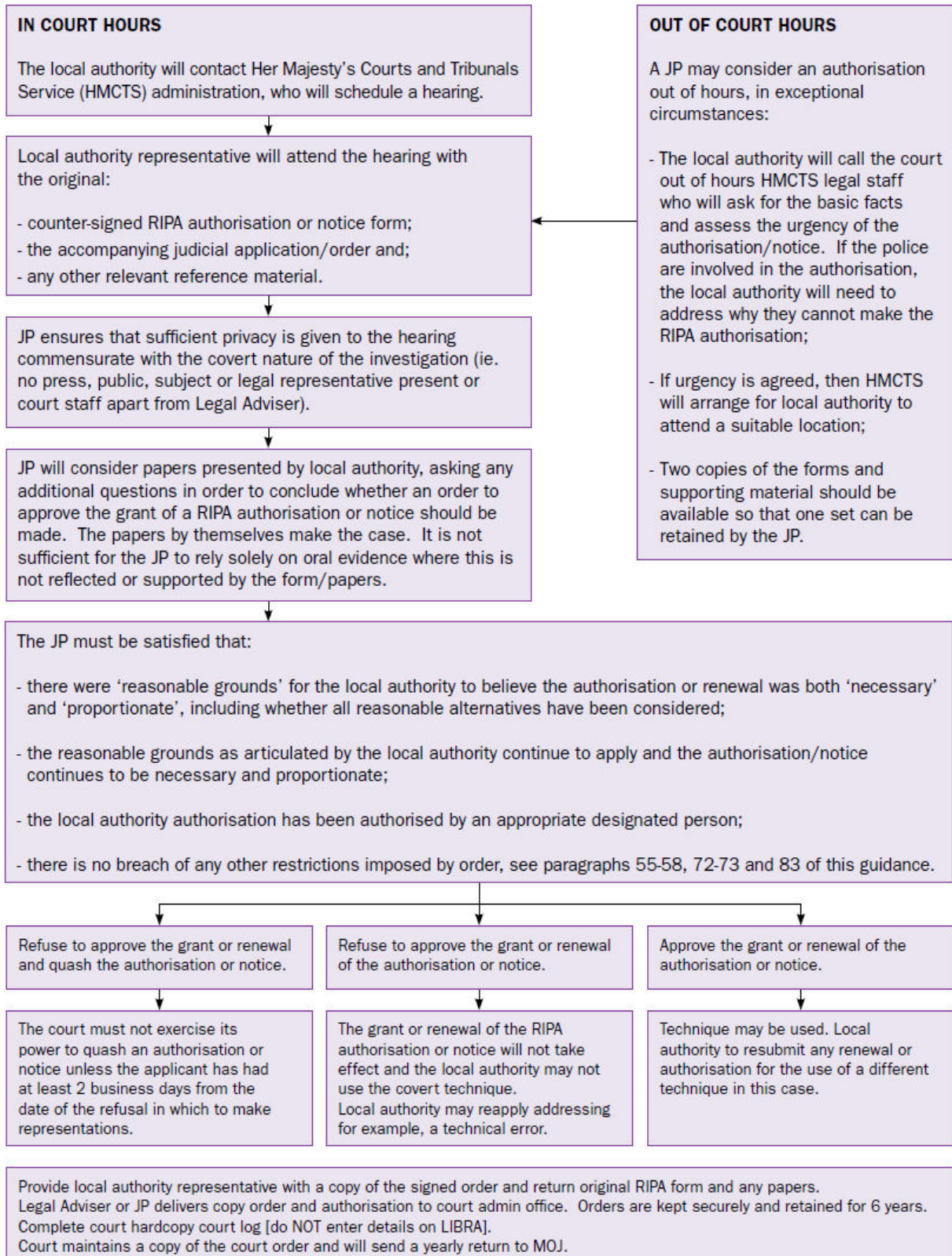
Reporting an error by a public authority to the IOCCO

Annex A

LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



PROCEDURE: LOCAL AUTHORITY APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



Application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.

Local thorty:.....
Local authority department:.....
Offence under investigation:.....
Address of premises or identity of subject:.....
.....
.....

Covert technique requested: (tick one and specify details)

- Communications Data**
- Covert Human Intelligence Source**
- Directed Surveillance**

Summary of details

.....
.....
.....
.....
.....
.....

Note: this application should be read in conjunction with the attached RIPA authorisation/RIPA application or notice.

Investigating Officer:.....
Authorising Officer/Designated Person:.....
Officer(s) appearing before JP:.....
Address of applicant department:.....
.....
Contact telephone number:.....
Contact email address (optional):.....
Local authority reference:.....
Number of pages:.....

Order made on an application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.

Magistrates' court:.....

Having considered the application, I (tick one):

- am satisfied that there are reasonable grounds for believing that the requirements of the Act were satisfied and remain satisfied, and that the relevant conditions are satisfied and I therefore approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal and quash the authorisation/notice.

Notes

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Reasons

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.....

Signed:

Date:

Time:

Full name:

Address of magistrates' court:

OFFICER EMPLOYMENT PROCEDURE RULES

CONTENTS

Rule

1. Definitions
2. Responsibility for Appointment, Dismissal and Disciplinary Action
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6. Appointment of other Chief Officers
7. Appointment of Assistants to Political Groups
8. Objection by the Executive – Appointment of Chief Officers
9. Disciplinary Action
10. Disciplinary Panels
11. Objection by the Executive – Dismissal of a Chief Officer
12. Redundancy Procedures

Appendix

- 1 Operational Standing Orders - Staff

OFFICER EMPLOYMENT PROCEDURE RULES

A. DEFINITIONS AND RESPONSIBILITIES

1. Definitions

In these rules:

- (a) "the 1989 Act" means the Local Government and Housing Act 1989;
- (b) "the 2000 Act" means the local Government Act 2000;
- (c) "Disciplinary Action" has the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001;
- (d) 'Chief Executive' means the most senior officer of the Council in terms of managerial status and may include any person designated as Head of Paid Service pursuant to s4 of the Local Government and Housing Act 1989 and Deputy Chief Executive shall be construed accordingly;
- (e) "Chief Financial Officer" means the individual who has responsibility for financial administration pursuant to and for the purposes of s151 of the Local Government Act 1972;
- (f) "Chief Officer" means
 - (i) Chief Executive, Deputy Chief Executive, Director of Corporate Support Services, Director of Finance and ICT, Director of Housing, Director of Planning and Economic Development, Director of Environment and Street Scene, Assistant to the Chief Executive;
 - (ii) Further for the purposes of these Rules alone the Chief Financial Officer and Monitoring Officer, Deputy Financial Officer and Deputy Monitoring Officer are included within the definition of Chief Officer;
 - (iii) Further this definition will also include any post which is subsequently created to these Rules and whose terms of appointment expressly state that these Rules will apply as if to a Chief Officer.
- (g) "Executive" and "Executive Leader" have the same meaning as in Part II of the 2000 Act;
- (h) "Member of Staff" means a person appointed to or holding a paid office or employment under the authority;
- (i) "Pro Rata Rules" mean the principles set out in s15 of the 1989 Act;
- (j) "Proper Officer" means an officer appointed by the authority for the purposes of the relevant provisions in these Rules; and
- (k) "The Rules" means the Officers Employment Rules.

2. Responsibility for Appointment, Dismissal and Disciplinary Action

- 2.1 Save as otherwise provided for by these Rules and subject to the exceptions in sub paragraphs 2.2 and 2.3 below, the function of appointment and dismissal of, and taking disciplinary action against, a Member of Staff of the authority must be discharged, on behalf of the authority, by the Chief Executive or by a Member of Staff nominated by him.
- 2.2. The exceptions referred to in sub paragraph 2.1 are as follows:
- (a) the Chief Officers of the Council as defined above; and
 - (b) any person appointed in pursuance of Section 9 of the 1989 Act (assistants for political groups).
- 2.3 Nothing in paragraph 2.2 above shall prevent a person from serving as a member on any panel, committee or sub-committee established by the authority to consider an appeal by:
- (a) another person against any decision relating to the appointment of that other person as a Member of Staff of the authority; or
 - (b) a Member of Staff of the authority against any decision relating to the dismissal of, or taking disciplinary action against, that Member of Staff.

B. RECRUITMENT

3. Recruitment and Appointment – General Requirements

3.1 Declarations

3.1.1 The Council will draw up a statement requiring any candidate for appointment as a Member of Staff to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing councillor or Member of Staff of the Council; or of the partner of such persons.

3.1.2 No candidate so related to a councillor or a Member of Staff will be appointed without the authority of the relevant Chief Officer of the service to which that candidate has applied or a Member of Staff nominated by him/her for this purpose.

3.2 Seeking Support for Appointment

3.2.1 The Council will disqualify any applicant who directly or indirectly seeks the support of any councillor for any appointment with the Council.

3.2.2 No councillor will seek support for any person for any appointment with the Council.

3.2.3 The Council will disqualify any applicant who directly or indirectly seeks the support of any Member of Staff for any appointment with the Council save where the applicant is an existing Member of Staff and seeks a reference from another Member of Staff in support of such application.

3.2.4 The content of Rule 3.2 shall be included in any recruitment information.

4. Recruitment of Chief Officers

4.1. Where the Council proposes to appoint a Chief Officer and it is not proposed that the appointment be made exclusively from among their existing Members of Staff, the Council will:

(a) Draw up a statement specifying (i) the duties of the **Chief Officer role** concerned; and (ii) any qualifications or qualities to be sought in the person to be appointed;

(b) Make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and

(c) Make arrangements for a copy of the statement mentioned in Rule 4.1 (a) to be sent to any person on request.

5. Appointment of Chief Executive

5.1 The full Council will approve the appointment of the Chief Executive following the recommendation of such an appointment by a panel of seven councillors allocated between political groups in accordance with the Pro Rata Rules who will interview applicants for this position. Such a panel shall include at least one Executive member.

5.2 All councillors appointed to such a panel is required to have undertaken recruitment and selection training before taking part in interviews.

5.3 The appointment panel will not seek the approval of the full council for the proposed appointment until it has complied with the procedure at Rule 8 below.

6. Appointment of other Chief Officers.

6.1 A panel of not less than seven councillors allocated between political groups in accordance with the Pro Rata Rules will interview and, where authorised following the procedure referred to in Rule 8, appoint to these positions. Such a panel shall include at least one Executive member.

6.2 All councillors appointed to such a panel are required to have undertaken recruitment and selection training before taking part in interviews.

7. Appointments of Assistants to Political Groups

7.1 Appointments of assistants to a political group shall be made in accordance with the wishes of that political group.

8. Objection by the Executive – Appointment of Chief Officers

8.1 In relation to any proposed appointment for any Chief Officer post an offer of appointment should not be made until the Proper Officer has been notified of the name of the person that is proposed is to be offered such position and any other particulars which are considered to be relevant to the appointment and the Proper Officer has notified every member of the Executive of the authority of:

(a) the name of the person to whom it is proposed to make the offer;

(b) any other particulars relevant to the appointment which have been notified to the Proper Officer; and

(c) the period within which any objection to the making of the offer is to be made by the Executive Leader on behalf of the executive to the Proper Officer; and

8.2 Upon such notification having been made then the appointment will only be offered if:

(a) the Executive Leader has, within the period specified above notified the appropriate appointment panel or individual that neither he nor any other member of the Executive has any objection to the making of the offer;

(b) the Proper Officer has notified the appropriate appointment panel, that no objection was received by him within that period from the Executive Leader; or

(c) the relevant appointment panel is satisfied that any objection received from the Executive Leader within that period is not material or is not well founded.

C. DISCIPLINARY ACTION

9. Disciplinary Action

9.1 Suspension

9.1.1 Any Chief Officer may be suspended whilst an investigation takes place into alleged misconduct.

9.1.2 The Chief Executive, in consultation with the Monitoring Officer and the Chief Financial Officer as appropriate, shall have delegated authority to suspend a Chief Officer where, in his/her opinion the presence at work of the Chief Officer concerned could compromise an investigation of any alleged misconduct, for a maximum period of 10 working days. Any decision to suspend any Chief Officer for a longer period shall be taken by a Panel of councillors comprising not less than seven Councillors allocated between political groups in accordance with the pro rata rules and convened within the 10 day period of the temporary suspension.

9.1.3 The Leader of the Council, in consultation with the Monitoring Officer and the Chief Financial Officer, shall have delegated authority to suspend the Chief Executive for a maximum period of 10 working days where, in his/her opinion the presence at work of the Chief Executive could compromise the investigation of any alleged misconduct. Any decision to suspend the Chief Executive for a period of more than 10 working days up to a maximum of 2 months shall be made by a Panel of not less than 7 Councillors allocated between political groups in accordance with pro rata rules.

9.1.4 Any assistant to a political group may be suspended by the leader of that political group.

9.1.5 Any suspension will be on full pay and for a period of not more than two months save as provided for in 9.2.2 below and shall be kept under constant review.

9.2 Independent Person

9.2.1 No Disciplinary Action other than the suspension referred to in paragraph 9.1 above may be taken in respect of the Chief Executive, the Monitoring Officer or the Chief Financial Officer except in accordance with a recommendation in a report made by a designated independent person within the meaning of Regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001.

9.2.2 Further, in respect of any period for which the Chief Executive, the Monitoring Officer or the Chief Financial Officer may be suspended, the independent person may terminate or extend any period of that suspension (including extending it beyond two months should it appear to that independent person as being necessary) and vary the terms of any suspension as he or she sees fit.

9.2.3 The independent person may inspect any documents or have questions answered by any Member of Staff of the Council in connection with such investigation.

9.3 Councillors

9.3.1 Councillors will not be involved in the disciplinary action against any member of staff below Chief Officer level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Council's disciplinary, capability and related procedures, as adopted from time to time or as otherwise provided for by these Rules.

9.3.2 Other Councillors may participate in such proceedings where there is a right of appeal to members in respect of disciplinary action.

10. Disciplinary Panels

10.1 Disciplinary Action short of dismissal in respect of the Chief Executive, Monitoring Officer and Chief Financial Officer may be made by a panel comprising not less than seven councillors allocated between political groups in accordance with the Pro Rata Rules and including at least one member of the Executive to consider the report on any disciplinary matters produced by the independent person referred to in paragraph 9.2.1 above and must be in accordance with any recommendation made in that report.

10.2 The full Council may approve the dismissal of the Chief Executive, Monitoring Officer and Chief Financial Officer following the recommendation of such a dismissal by the Panel referred to in 10.1 provided that

(i) such dismissal is in accordance with any recommendation made in the report produced by the independent person referred to in paragraph 9.2.1 above; and

(ii) the procedure referred to in paragraph 11 below has been complied with.

10.3 Disciplinary Action, including dismissal, in respect of any individuals in the positions of Chief Officers, other than the Chief Executive, Monitoring Officer and Chief Financial Officer, may be taken by a panel of seven councillors allocated between political groups in accordance with the Pro Rata Rules including at least one member of the Executive and provided that the procedure referred to in paragraph 11 below has been complied with.

10.4 Disciplinary Action, including dismissal, in respect of any assistants to political groups, may be taken by a panel made up of not less than three councillors from that political group (unless there are less than three councillors affiliated to that party when the panel should be made up of all councillors affiliated to that party).

11. Objection by the Executive - Dismissal

- 11.1 In relation to any proposed dismissal of an individual in a Chief Officer post notice of dismissal should not be given until the Proper Officer has been notified of the name of the person that is proposed is to be dismissed and the reasons for the proposed dismissal and the Proper Officer has notified every member of the executive of the authority of:
- (a) the name of the person it is proposed to dismiss;
 - (b) the reasons for the proposed dismissal
 - (c) the period within which any objection to the dismissal is to be made by the executive leader on behalf of the executive to the Proper Officer;
- 11.2 No notice of dismissal or recommendation for dismissal as the case may be shall be given until either -
- (a) the Executive Leader has, within the period specified above notified the panel proposing to dismiss that neither he nor any other member of the Executive has any objection to the proposed dismissal
 - (b) the Proper Officer has notified the panel that no objection was received by him within that period from the Executive Leader; or
 - (c) the relevant panel is satisfied that any objection received from the Executive Leader within that period is not material or is not well founded.

12. Redundancy Procedures

- 12.1 The Epping Forest District Council Redundancy and Redeployment Policy and Procedure does not apply to Chief Officers. However the principles referred to within that policy will be adhered to so far as is appropriate when considering a potential redundancy situation affecting any individuals who hold any of the above posts and whether to dismiss any such person. The Epping Forest District Council Policy for Redundancy and/or Early Retirement shall apply in full to Chief Officers.
- 12.2 A panel of members comprising not less than seven councillors allocated between political groups in accordance with Pro Rata Rules including at least one member of the Executive will consider whether any persons holding any post referred to in 12.1 above shall be made redundant when it appears there is a need to consider such matters ("the Redundancy Panel").
- 12.3 The Redundancy Panel will, in addition to any other steps that appear to them to be appropriate as referred to in the Redundancy and Redeployment Procedure, be responsible to ensure that:
- (a) any individuals that may be affected by any decisions relating to redundancy are informed at an early stage of the fact that they may so be affected and the reasons for this. Thereafter any such individuals should be kept informed of relevant information pertaining to the redundancy decision making process as it continues.
 - (b) individuals are meaningfully consulted during the redundancy process and, in particular, sufficient information is given to them such as to enable them to understand why such redundancies are being considered and an opportunity is given

to those individuals to comment on such information and make alternative proposals with a view to avoiding redundancy.

(c) that consideration is given to whether any alternative positions may be available to the affected individuals.

The Redundancy Panel shall ensure that notification is given to the Executive of any proposed decision to dismiss by reason of redundancy in accordance with paragraph 11 above. Such notification is to be made before the Redundancy Panel notifies the individual concerned that it is proposed to recommend to the Council to make that individual redundant in accordance with paragraph 12.5 below.

- 12.4 If the Redundancy Panel decides that a notice of redundancy should be issued to any individual then it should inform the individual concerned of its intention to recommend the Council to do so and inform that individual that they have a right to appeal and the Panel should set a reasonable period for the individual to make such an appeal.
- 12.5 If the individual does not appeal within the set timescale then the full Council will approve the dismissal of the individual concerned following the recommendation of the Redundancy Panel.
- 12.6 If the individual does appeal within the set timescale then a Redundancy Appeal Panel will be appointed which will consist of not less than seven councillors, drawn from political groups in accordance with Pro Rata Rules and including at least one member of the Executive, who will hear and adjudicate upon the appeal.
- 12.7 If the appeal is dismissed then the full Council will approve the dismissal of the individual concerned following the recommendation of the Redundancy Appeal Panel.

**OFFICER EMPLOYMENT
PROCEDURE RULES**

APPENDIX

OPERATIONAL STANDING ORDERS – STAFF

1. Management Board

The Management Board shall comprise the Chief Executive, Deputy Chief Executive and Service Directors. The team shall meet on a regular basis to consider matters of Council business and shall adopt a 'corporate' outlook on management matters.

2. Working Parties

The Management Board may appoint working parties of officers to examine and report to the team on any matter in respect of which the Council has powers and duties or which affects the District.

3. Canvassing of Members

Canvassing of members or officers of the Council – (i) by or on behalf of a candidate, whether directly or indirectly; (ii) by individual employees in regard to their terms and conditions of service except by way of application to a superior officer, is forbidden.

4. Relatives of Members or Officers

(1) Every person applying for an appointment in the service of the Council shall disclose in writing to the Chief Executive any known family relationship to any member or senior officer of the Council.

(2) The existence of any known family relationship between a member of the Council and a senior officer of the Council shall be notified in writing to the Chief Executive by each party to such relationship.

(3) For the purpose of this Standing Order "senior officer" means any officer of the Council in receipt of a salary in Principal Officer Range (SCP 49-53) related to the JNC Conditions for Chief Officers.

5. Interest of staff in contracts and other matters

(1) If it comes to the knowledge of an officer employed by the Council that a contract in which he has any pecuniary interest, whether direct or indirect (not being a contract in which he is himself a party), has been or is proposed to be entered into by the Council or any committee thereof, he shall as soon as practicable give notice in writing to the Chief Executive of the fact that he is interested therein.

(2) If it comes to the knowledge of a Service Director of the Council that he has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter which is the subject of consideration by the Council or a committee of the Council he shall at the meeting before consideration of the matter disclose (or cause to be disclosed) the fact and (if he is in attendance at the meeting) shall withdraw from the meeting whilst the matter is under consideration.

...

(3) For the purpose of this Standing Order an officer shall be treated as having indirectly a pecuniary interest in a contract or proposed contract if he would have been so treated by virtue of Section 95 of the Local Government Act 1972 had he been a member of the Council. (A summary of the provisions of Sections 94 to 98 and 117(1) of the Local Government Act 1972 is attached as Appendix 2 to these Standing Orders).

(4) An officer of the Council shall not, under colour of his office or employment, accept any fee or reward whatsoever other than his proper remuneration.

CONVENTIONS ON THE RELATIONSHIPS BETWEEN POLITICAL GROUPS & COUNCILLORS WITH OFFICERS

1. INTRODUCTION

1.1 The formal business of the Council is regulated by the Constitution and various supplementary guidance. The conventions set out in this document are for guidance of members of the Council and **Directors** and are aimed at supplementing those rules and guidance.

2. ENTITLEMENT TO INFORMATION

2.1 Any member of the Council may ask the appropriate Director for written factual information about a Directorate (or part thereof) or service. Such requests will be met, subject to any legal requirements (including the Freedom of Information and Data Protection Acts).

2.2 A Councillor may require the Director to treat the request for information as confidential and this confidentiality will be respected unless it is agreed with the Councillor concerned that request no longer needs to be treated in that way.

2.3 All such requests shall be made to a Director or Assistant Director.

2.4 Where a Director on his own initiative provides information to any political group, the information will **also** be supplied to the other **Groups** unless it is of a routine or minor nature.

3. BRIEFING MEETINGS

3.1 Formal briefings may be arranged for meetings to discuss business to be transacted at meetings. Briefings will be attended by the Chairman and Vice Chairman concerned except in the case of the District Development Control Committee and Area Plans Sub Committees where appointed group representatives and independent members serving on the Committee or sub Committee concerned will also attend.

3.2 Briefing meetings will deal with (a) procedural matters; and (b) up-dating of information contained in agenda items by officers.

3.3 All political groups will notify their group representatives on the District Development Control Committee and the Area Plans Sub Committees at the beginning of each Council year. The role of the Group representative shall be to act as spokesman for their group in connection with those meetings.

3.4 All briefings will be held at a mutually convenient time, usually on the day of the meeting in question and where possible will be published on the weekly calendar in the Council Bulletin.

3.5 Group Leaders and independent members may attend the briefing for the Chairman and Vice Chairman of the Council meetings.

4. BRIEFING OF POLITICAL GROUPS

4.1 The Chief Executive, Directors and Assistant Directors of the Council shall only attend meetings of political groups if this is for the purpose of assisting Council business. Where a political group invites an officer to attend a meeting, such invitations should be accepted only if the same opportunity is afforded to all political groups. Where officers have doubts about the appropriateness of accepting such an invitation, the Chief Executive will make a final decision.

4.2 Where an officer considers that it would assist Council business to attend a political group meeting for the purpose of briefing and makes a proposal that he or she should attend, the officer concerned shall be careful to extend that offer to all political groups.

4.3 Meetings of group leaders may be held. Such meetings will have no executive powers but will be authorised to meet with the Chief Executive on an informal basis to discuss business to be considered by the Council. **Group Leaders' meetings shall have formal agenda and minutes and shall be chaired by the Leader of the largest political group present.**

5. MEETING PRACTICE

5.1 Role of Chairman

The Chairman of the Council, the Leader **of the Cabinet or the Chairman** of any Committee, Sub-Committee or **Panel/Working Group** shall ensure that there is a reasonable opportunity for debate and that there is effective despatch of Council business. The Chairman shall ensure that every motion which is properly proposed and seconded is put to the vote.

5.2 Casting Vote

In circumstances where a second or casting vote may be required, the Chairman shall consider whether to make a second or casting vote by taking advice on whether the decision is necessary and whether there will be a further opportunity to debate the issue concerned within a reasonable timescale. The Chairman may decide, dependant on that advice, not to make a casting vote or if one is cast, to vote according to the status quo. However, in some cases there is no status quo (e.g. quasi judicial decisions concerning planning, licensing and appeals of various kinds) and in those circumstances the Chairman shall vote in accordance with their judgement of the public interest. Chairmen will acknowledge at all times the requirement under the Constitution to signify whether he or she intends to vote in the first vote on any matter before a meeting.

5.3 Respect for the Chair and Behaviour

Group Leaders will do everything possible to ensure that members of their groups are aware of the rules of debate and proper standards of behaviour at all meetings.

5.4 Seating Arrangements – Council and Committee Meetings

Seating in the Council Chamber shall be agreed between the political groups.

.5.5 Committee Minutes

Draft minutes will be cleared with the appropriate Chairman.

6. RELATIONS WITH THE MEDIA

6.1 Official media statements will be issued on behalf of the District Council, a Portfolio Holder, an Overview and Scrutiny or other Committee Chairman. Such statements may be prepared in consultation with appropriate Directors but must be approved by the quoted Members before issue. **Quoted members will also be consulted on statements issued within the broader context of a proactive media releases and in response media enquiries.** Statements issued through the Public Relations and Marketing Officer (Including quoted comments by members) must reflect the nature of decisions or Council policy and exclude 'political' comment.

6.2 Members may speak directly to the media on any given issue (subject to legal constraints such as the Data Protection Act) **in order to express personal or political points of view.**

6.3 Political Groups may issue their own press releases either through group leaders or group representatives. These will be solely the province of the political group concerned and will not involve officer input except in so far as a group wish to check factual information. Press statements arising from Council business and issued in a party capacity by a Leader or Group Representative must be careful to differentiate between the Council's policy and the views of the group concerned.

6.4 The Chairman and Vice-Chairman of the Council have a special role within the authority by virtue of their civic responsibilities. To reflect this role, they will receive special support from relevant officers in carrying out those duties.

6.5 Political groups and individual councillors should bear in mind the special rules which apply to Council publicity during election periods and shall bear in mind the guidance set out in Appendix 2 to this report .

7. APPOINTMENT OF REPRESENTATIVES

7.1 The appointment of representatives to any outside body of a permanent nature or involving regular attendance will be determined by the Council in accordance with Council Procedure Rules.

8. FACILITIES FOR MEMBERS

8.1 **Word processing and photocopying facilities are available in accordance with Council policy, on application to Democratic Services. Typing for the Chairman and Vice-Chairman of the Council is provided through Democratic Services.**

9. REVIEW OF CONVENTIONS

9.1 The conventions set out in this document will be reviewed from time to time. The Chief Executive will also initiate a special review at any time if required by a change in the political balance on the Council or on the request of any of the political groups.

STATEMENT OF LICENSING POLICY

Made under section 5 of the Licensing Act 2003

This policy shall come into force on
not later than 2017

2012 and will be reviewed

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1. Purpose and Scope

- 1.1 Epping Forest District Council ('the Council') is the licensing authority under the Licensing Act 2003 as amended ('the Act'). This policy relates to all those licensing activities identified as falling within the provisions of the Act, including granting premises licences, club premises certificates, temporary events and personal licences in the district in respect of the sale and/or supply of alcohol and/or the provision of regulated entertainment and late night refreshment.
- 1.2 The Act requires that the Council publish a 'Statement of Licensing Policy' that sets out the policies the Council will generally apply to promote the licensing objectives when making decisions on applications made under the Act and to regulate licensable activities on, and in the vicinity of, licensed premises.
- 1.3 This 'Statement of Licensing Policy' has been prepared in accordance with the provisions of the 2003 Act and having regard to the guidance issued under Section 182 of the Act.
- 1.4 This Statement of Licensing Policy has been produced in consultation with the Chief Police Officer for Essex, the Fire and Rescue Authority and bodies representing local holders of premises licences, club premises certificates and personal licences, businesses and residents of the area. The policy will be reviewed in not less than **five** years, or in the light of significant changes to legislation or circumstances, whichever is sooner.

Licensing Objectives

- 1.5 The Act requires that the Council carry out its various licensing functions so as to promote the following four licensing objectives:

- The prevention of crime and disorder
- Public safety
- The prevention of public nuisance
- The protection of children from harm

These objectives are defined in more detail in section 2

- 1.6 To achieve these objectives the Council will, where appropriate, use the full range of measures available to it, including relevant legislation. The Council will work closely with the police, the fire authority, businesses, community representatives and local people in meeting these objectives.
- 1.7 There are a number of other Council and Government policies, strategies, responsibilities, and guidance documents that have been considered in the formulation of this licensing policy and which will be taken into account in its implementation.
- 1.8 Applicants must be able to demonstrate that they have considered the four licensing objectives within their operating schedule. Applicants know their premises best and will be expected to address all aspects relevant to the individual style of their premises. Consideration must be given to all of the licensing objectives. There are many control measures that are available to applicants to achieve this goal. Applicants should consider whether or not any additional measures are required in respect of occasional or specific events that are intended or are likely to attract larger audiences.

Consultation, Strategies and Policies

- 1.9 In developing this Policy Statement, the Council consulted widely. Along with the statutory consultees (the Chief Police Officer for the District and the Essex County Fire and Rescue Service), the views of existing licence holders, businesses, voluntary groups, residents and those involved in local crime prevention, transport, tourism, equality issues and cultural strategies were also taken into account. Due consideration was given to the views of all those who responded to that consultation process.

Details of the consultation on this policy are attached as Appendix 2.

- 1.10 The Council will take account of the guidance and strategies listed below (or any replacement guidance or strategy) when preparing its policies and in its decision making. Whilst not exhaustive these include:

- Environmental Health Enforcement Policy
- Enforcement Concordat
- The Corporate Plan

Other Responsibilities

- Responsibilities under Anti Social Behaviour Act 2003
- Equality Act 2010

Guidance Documents

- Guidance issued under S182 of the Licensing Act 2003
- A practical guide for dealing with Alcohol related problems issued by the Home Office
- Home Office - Safer Clubbing Guide
- LACORS – A Practical Guide to Test Purchasing
- Any future documents issued relating to the Private Security Industry Act 2001, for example liaison or information sharing protocols

Any documentation relating specifically to temporary events such as:

- The Event Safety Guide: A Guide to Health, Safety and Welfare at Music and Similar Events (HSE 1999)
- Managing Crowds Safely'
- Steps to Risk Assessment: Case Studies (HSE 1998) ISBN 0716 150804
- The Guide to Safety at Sports Grounds
- Safety Guidance for Street Arts, Carnivals, Processions and Large-scale Outdoor Performances Independent Street Arts Network copies of which may be obtained through www.streetartsnetwork.org.uk/pages/publications.htm

- 1.11 Furthermore, arrangements will be made for the Licensing Committee to receive reports, when appropriate, on the needs of the local tourist economy to ensure that these are reflected in their considerations. The Licensing Committee will also be apprised of the local employment situation and the need for new investment and employment, where appropriate.

- 1.12 To ensure proper integration with the Council's planning policies, the Licensing Committee will provide reports to the Development Control Committee, where appropriate, on the situation regarding licensed premises in the area, including the general impact of alcohol related crime and disorder, to enable the Development Control Committee to have regard to such matters when making its decisions.

Equality Duty

- 1.13 The Council recognises its responsibilities under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimization; to advance equality of opportunity; and foster good relations between persons with the characteristics mentioned in the Act. These characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The impact of this policy on its services will be monitored through the Council's Equality scheme 2012-2016. This Statement of Licensing Policy has been assessed to take account of equality issues.

Regulated Entertainment

- 1.14 As part of implementing local cultural strategies, proper account/consultation will be taken of the need to encourage and promote in suitable locations, a broad range of entertainment, particularly live music, dancing and theatre for the wider cultural benefit of communities.
- 1.15 If representations are made concerning the potential for disturbance in a particular neighbourhood, the Council's consideration where disturbance is likely to be of limited extent will be balanced against the wider benefits to any community. When attaching conditions the Council will also be aware of the need to avoid measures that might deter live music, dancing or theatre by imposing indirect costs of a substantial nature.

Applications

- 1.16 In determining a licence application, the overriding principle adopted by the Council will be that each application will be determined on its merits, taking into account:
- The Licensing Act 2003 and the four licensing objectives;
 - Government Guidance issued under Section 182 of the Licensing Act 2003;
 - Supporting regulations;
 - This statement of Licensing Policy; and
 - The nature and locality of the premises and the Operating Plan submitted by the applicant.
- 1.17 The Council requires the applicants to satisfactorily address the licensing objectives, from the design of the premises through to the daily operation of the business, in their Operating Plans, which must be submitted with their application.

1.18 Nothing in this Statement of Policy will:

- Undermine the rights of any person to apply under the Act for a variation of permissions and have the application considered on its individual merits;
- Override the right of any person to make representations on any application or seek a review of a licence or certificate where they are permitted to do so under the Act;
- Prevent any person from applying for a variety of permissions under the Act.

1.19 So far as possible, this policy will not duplicate existing legislation and regulatory regimes that already place obligations on employers and operators e.g. The Health & Safety at Work etc Act 1974, The Environmental Protection Act 1990, equalities legislation, and the Fire Safety Regulatory Reform Order 2005. Conditions in respect of public safety will only be attached to licences if they are necessary for the promotion of a licensing objective.

1.20 When one part of the Council seeks a premises licence from the Licensing Committee, the application will be considered from an entirely impartial standpoint. If relevant representations are made, for example, by local residents or the police, they will be considered fairly by the Committee.

1.21 In all cases, the applicants and those making representations have a right to appeal to the magistrates' court against any decision made by the Council.

Representations

1.22 Responsible Authorities may make representations on applications, so far as they relate to the promotion of the four licensing objectives, and request reviews once licences have been granted. Representations must be evidentially based.

The Responsible Authorities are:

- The relevant licensing authority or any other licensing authority in whose area part of the premises is situated.
- Chief Officer of Police,
- The Fire and Rescue Authority,
- The Enforcing Agency for health and safety purposes, the local authority responsible for environmental health,
- The local planning authority, the authority responsible for minimising or preventing the risk of pollution
- The Child Protection Authority,
- Local Commissioning Clinical Board or such other body as notified to the Authority from time to time as being appropriate.
- The local weights and measures authority (trading standards).

1.23 The Act permits other persons to make representations. This includes any individual, body or business, or their representatives which are known as 'interested parties' and are free to raise relevant representations regardless of their geographical proximity to the premises. Any representations must be 'relevant' in that the objection relates to one or more of the four licensing objectives. In the case of a review the ground must not be considered to be repetitious.

- 1.24 A representation would only be 'relevant' if it relates to the likely effect of the grant of the licence on the promotion of at least one of the four licensing objectives. Any representation must not be frivolous or vexatious, and in addition, in the case of reviews, not be repetitious. A ground for review is considered to be repetitious if:
- A ground for review specified in an earlier application for review made in relation to the same premises licence or certificate which has already been determined; or
 - Representations considered by the licensing authority when the premises licence or certificate was granted; or
 - Representations which would have been made when the application for premises licence was first made and which were excluded then by reason of the prior issue of a provisional statement;

and, in addition to the above grounds, a reasonable interval has not elapsed since that earlier review or grant.

Parties intending to make a representation are directed to the guidance issued by the Home Office (or similar government issued guidance) for assistance as to whether a representation is relevant.

- 1.25 In the absence of any representations the licence must be granted and any representations must be heard at a hearing of the Licensing Sub-committee.

Conditions

- 1.26 Licence conditions will be tailored to the individual application and those appropriate to promote the licensing objectives will be imposed. Licence conditions will not be imposed where other controls/legislation exist to provide sufficient protection to the public. The Council may create its own pool of conditions to assist applicants.
- 1.27 Any conditions arising from the operating schedule or as a result of representations will be focused on the direct impact of the activities taking place at the licensed premises, on members of the public living, working or engaged in normal activity in the area concerned and which are within the control of the individual licensees and others with relevant authorisations.

Administration, Exercise and Delegation of Functions

- 1.28 The powers of the Council under the Act may be carried out by the Licensing Committee, by a Sub-Committee or by one or more officers acting under delegated authority.
- 1.29 With the exception of the approval and review of its Licensing Policy, decisions on licensing matters will be taken in accordance with an approved scheme of delegation aimed at underlining the principles of timely, efficient and effective decision-making. A table setting out how we will approach this is attached at Appendix 1.
- 1.30 The Licensing Committee will receive regular reports regarding licences determined by officers under delegated powers, in order to maintain an overview of the general situation.

- 1.31 The Licensing Committee will expect individual applicants to address the licensing objectives in their Operating Plan, having regard to the type of premises, the licensable activities to be provided, the operational procedures, the nature of the location and the needs of the local community.

Cumulative Impact of a Concentration of Licensed Premises

- 1.32 Cumulative impact means the potential impact on the promotion of the licensing objectives of a significant number of licensed premises concentrated in one area.
- 1.33 The cumulative impact of licensed premises on the promotion of the licensing objectives is a matter that the Council can take into account. This will not be confused with 'need', which relates more to the commercial demand for a particular type of premises, and is therefore a matter for planning consideration and does not form part of this Licensing Policy Statement.
- 1.34 The Council may receive representations from either a Responsible Authority or any party, (both defined by the Act), that the cumulative impact of new licences is leading to an area becoming saturated with premises of a certain type, making it a focal point for large groups of people to gather, and thereby creating exceptional problems of disorder and nuisance over and above the impact from the individual premises themselves. In such cases, the issue of cumulative impact may be taken into account when considering the individual merits of any application.
- 1.35 The Council will not operate a quota of any kind which would pre-determine any application, nor will it seek to impose general limitations on trading hours in particular areas. Instead, regard will be given to the individual characteristics of the premises concerned within a given area. It is recognised that pubs, nightclubs, restaurants, hotels, theatres, and other clubs all sell alcohol, serve food and provide entertainment but with contrasting styles and characteristics. Proper regard will be had to those differences and the impact they are likely to have on the local community.
- 1.36 In determining whether to adopt a 'cumulative impact' policy for a particular area the Council may, amongst other things:
- Gather evidence of local crime and disorder statistics, including statistics on specific types of crime and crime hotspots;
 - Gather evidence of environmental health complaints particularly in relation to litter and noise;
 - Gather evidence of health-related statistics such as alcohol-related emergency attendances and hospital admissions
 - Identify the area from which problems are arising and the boundaries of that area;
 - Make an assessment of the causes;
 - Adopt a policy about future applications for premises within that area.
- 1.37 The Council recognises however, that as well as the licensing function there are a number of other mechanisms for addressing issues of unruly behaviour that occur away from licensed premises. The Council recognises that licensing law is not a mechanism for the general control of anti-social behaviour by individuals

once they are away from the premises and beyond the direct control of the licence holder.

Advice and Guidance

- 1.38 The Council recognises the valuable cultural, social and business importance that premises and events requiring a licence under the Licensing Act provide and welcomes the diversity of activities that are provided by licence holders. For this reason, pre-application discussions will be encouraged to assist applicants to develop their operating schedule. The Council, Essex Police and/or Essex County Fire and Rescue Service will offer as much advice and guidance to applicants, as resources permit.
- 1.39 The Council will also seek to liaise with applicants and/or mediate between applicants and others who may make representations, to achieve a satisfactory outcome for all involved, wherever possible and where resources permit. Where an applicant considers that mediation and liaison may be likely or probable, it is recommended that the applicant discuss his proposal with the licensing department/section and those from who they think representations are likely prior to submitting their application. Once an application has been lodged, there are statutory timescales imposed upon the application and determination process, which restrict the opportunity for such discussions, liaison and mediation.

Reviews

- 1.40 A Responsible Authority and/or other parties can trigger a review of a premises licence or club premises certificate but an evidentiary basis would be required to be presented to the Licensing Authority. Representations received must be relevant to the promotion of the licensing objectives and submitted in writing. Representations must not be frivolous or vexatious.
- 1.41 The Act provides a mechanism for reviewing Premises Licences where problems associated with achieving the Licensing Objectives occur. However, no more than one review from an interested party will normally be permitted within any 12 month period on similar grounds, except in exceptional and compelling circumstances or where it arises following a Closure Order.
- 1.42 In addition where premises are associated with serious crime or serious disorder a senior police officer (Superintendent or above) may apply for a summary review of the premises licence which may result in :-
- (a) The modification of the conditions of the premises licence;
 - (b) The exclusion of the sale of alcohol by retail from the scope of the licence;
 - (c) The removal of the designated premises supervisor from the licence;
 - (d) The suspension of the licence.

The initial decision may be determined in the absence of the premises licence holder. A review hearing must then take place within 28 days.

- 1.43 Where any Party applies for a review, the Licensing Authority has to be satisfied that that the grounds are relevant. There is no appeal to the decision of the Authority other than by way of judicial review.
- 1.44 The Licensing Authority accepts that in exceptional circumstances, an Interested Party may not wish to provide his/her personal details to the licence or certificate holder. In those circumstances an Interested Party might consider providing the relevant Responsible Authority with details of how they consider the licensing objectives are being undermined so that the Responsible Authority can apply for a review.
- 1.45 Where possible and appropriate the Council, Essex Police and/or Essex Fire Service will give early warning to licence holders of any concerns about problems identified at premises and of the need for improvement.
- 1.46 No more than one review from interested parties will be normally permitted within any 12 month period on similar grounds except in exceptional and compelling circumstances.

Enforcement

- 1.47 The Council delivers a wide range of enforcement services aimed at safeguarding the environment and the community and at providing a 'level playing field' on which businesses can fairly trade. The administration and enforcement of the licensing regime is one of these services. The Council has adopted the Government's Enforcement Concordat designed to ensure effective and efficient public protection services. Specifically, the Council is committed to the principles of good inspection and enforcement practice and recognises the Hampton principles (Appendix 3) by carrying out its regulatory functions in a fair, open and consistent manner.
- 1.48 Once licensed, it is essential that premises are maintained and operated so as to ensure the continued promotion of the licensing objectives, and compliance with the specific conditions of their licence and their Operating Plan. The Council will make arrangements to monitor premises and take appropriate enforcement action to ensure this.
- 1.49 The Council has established an enforcement protocol with Essex Police, Essex County Fire and Rescue Service and Trading Standards (Essex County Council) on enforcement issues. This protocol provides for the targeting of resources towards high-risk premises and activities that require greater attention, while providing a lighter touch in respect of low risk premises.

2. Licensing Objectives

- 2.1 The following sections set out the Council's Policy relating to the four licensing objectives:
 - The prevention of crime and disorder;
 - Public safety;
 - The prevention of public nuisance;
 - The protection of children from harm.

3. Prevention of Crime and Disorder

3.1 When considering Crime & Disorder applicants should look to include in their Operating Plan measures to control problems associated with this as required:

- Effective training and supervision of staff
- Adoption of best practice guidance (e.g. Safer Clubbing, The National Alcohol Harm Reduction Strategy Toolkit, Pub watch schemes, CCTV, Drug Awareness)

4. Public Safety

4.1 When considering Public Safety the applicant should consider whether it is necessary to address the following in their Operating Plan:

- Suitable and sufficient risk assessments;
- Effective and responsible management of premises;
- Adoption of best practice guidance (e.g. Guide to Fire Precautions in Licensed Premises).

5. Public Nuisance

5.1 When considering prevention of public nuisance applicants should consider what measures may be necessary and should take account of the following:

- Adoption of best practice guidance (e.g. Good Practice Guide on the Control of Property, Noise, published by the British Beer and Pub Association;
- Ensuring customers leave quietly;
- Installation of sound proofing.

6. Protection of Children from Harm

6.1 The Council recognises the great variety of premises for which licences may be sought. These will include theatres, cinemas, restaurants, pubs, nightclubs, cafes, takeaways, community halls and schools. Access by children to all types of premises will not be limited in any way unless it is considered necessary to do so in order to protect them from harm.

6.2 When deciding whether to limit access to children or not, the Council will judge each application on its own individual merits. Examples that may give rise to concern in respect of children would include premises where:

- Entertainment of an adult or sexual nature is provided.
- There is a strong element of gambling taking place.
- There is a known association with drug taking or dealing.
- There have been convictions of members of the current staff at the premises for serving alcohol to those under 18.
- There is a reputation for underage drinking.
- The supply of alcohol for consumption is the exclusive or primary purpose of the services provided at the Premises.
- Storage arrangements give children potential access to alcohol.

- 6.3 In the case of premises which are used for film exhibitions, conditions will be imposed restricting access only to those who meet the required age limit in line with any certificate granted by the British Board of Film Classification or, in specific cases, a certificate given to the film by the Council itself.
- 6.4 Where a large number of children are likely to be present on any licensed premises, for example, a children's show or pantomime, then conditions will be imposed requiring the presence of an appropriate number of adult staff to ensure the children's safety and their protection from harm.
- 6.5 Venue operators seeking premises licenses and club premises certificates should consider including in their operating schedules, particularly where their own risk assessments have determined that the presence of children is undesirable or in appropriate conditions which could include –
- A limit on the hours when children may be present;
 - A limitation or exclusion when certain activities may take place;
 - The requirement to be accompanied by an adult;
 - Limiting access to parts of the premises;
 - An age limitation.
- 6.6 The Council will not impose any condition that specifically requires access for children to be provided at any premises. Where no restriction or limitation is imposed the issue of access will remain a matter for the discretion of the individual licensee or club. In all cases, it is expected that the applicant will have considered the protection of children in their Operating Plan. The Council commends the Portman Group Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks and would expect applicants to consider the Code in their Operating Plan.
- 6.7 The competent responsible authority in relation to the protection of children from harm is the Essex County Council's Children's Safeguarding Service.

7. Licensing Hours

- 7.1 The Council recognises that longer licensing hours may be in the interests of the community by avoiding concentrations of disturbance from customers leaving premises whilst ensuring that nuisance is minimised to local residents. Premises will generally be able to sell alcohol during the hours they are permitted to open. Entertainment providers may provide a range of entertainment during their operating hours. When issuing a licence, however, stricter conditions are likely to be imposed with regard to noise control in the case of premises situated in largely residential areas.

Contact Details

Further information concerning all aspects of licensing can be obtained from our website: www.eppingforestdc.gov.uk

or

Licensing Section
Corporate Support Services
Epping Forest DC
Civic Offices
High St
Epping Essex CM16 4BZ

Tel: 01992 564034
Fax: 01992 578018
Email: licensing@eppingforestdc.gov.uk

Appendix 1

Delegation of Functions

Matter to be dealt with	Full Committee	Sub Committee	Officers
Application for personal licence		If a police objection	If no objection made
Application for personal licence with unspent convictions		All cases	
Application for premises licence/club premises certificate		If a relevant representation made	If no relevant representation made
Application for provisional statement		If a relevant representation made	If no relevant representation made
Application to vary premises licence/club premises certificate		If a relevant representation made	If no relevant representation made
Application to vary designated premises supervisor		If a police objection	All other cases
Request to be removed as designated premises supervisor			All cases
Application for transfer of premises licence		If a police objection	All other cases
Applications for interim Authorities		If a police objection	All other cases
Application to review premises licence/club premises certificate		All cases	
Decision on whether a complaint is irrelevant frivolous vexatious etc			All cases
Decision to object when local authority is a consultee and not the relevant authority considering the application		All cases	
Decision to object when local authority is acting as a Responsible Authority			All cases
Determination of an objection to a temporary event notice		All cases	
Determination of application to vary licence at community premises to include alternative licence conditions.		If a police objection	All other cases

Matter to be dealt with	Full Committee	Sub Committee	Officers
Decision whether to consult other responsible authorities on minor variation			All cases
Determination of minor variation			All cases
All policy matters except the formulation of the statement of licensing policy	All cases		

Appendix 2

Consultation

Consultation will be undertaken with those listed below. The majority of those being contacted via email and the remainder by post. A copy of the draft policy will be available on the EFDC website. All comments received will be considered and the results of the consultation published on the EFDC website. The consultation period will be three months.

Arriva Bus Company Arts Council England Association of Licensed Retailers Attwater & Liell Solicitors Berwin Leighton Paisner Solicitors British Transport Police Butler & Mitchells Brewers Churches and Religious Groups Citizens Advice Bureau Consumers Association Cooley Partnership Campaign for the Protection of Rural England Curwens Solicitors Council for Voluntary Services Crime and Disorder Strategy Panel East Herts DC EFDC Councillors EFDC Senior Officers Eleanor Laing MP Environment agency Epping Forest Conservators Epping Magistrates Equity Eric Pickles MP Essex Ambulance NHS Trust Essex County Council Essex Fire & Rescue Essex Police Essex Probation Service Essex Tourist Bodies Fosket Marr Gadsby & Head Hammonds Solicitors	General Municipal and Boilermakers Union Health and Safety Executive Essex Jarmans Solicitors Laurel Pub Co Lea Valley Park Authority Limes Farm Synagogue Local Chambers of Commerce Local Council Liaison Committee Local Round Tables Local Taxi Operators Loughton Residents Association LUL Transport for London Mcmullens Brewery Musicians Union Parish and Town Councils Police and Crime Commissioner for Essex Princess Alexandra NHS Trust Ridleys Breweries Robert Halfon MP Rural Community Council of Essex Scottish & Newcastle Retail Somerfield Supermarkets Spirit Group Brewery Transport and General Workers Union Town Centre Partnerships Union of Shop, Distributive and Allied Workers Unison Licensed Victuallers Association West Essex Clinical Commissioning Group Whiskers & Co Solicitors Whipps Cross NHS Trust All current holders of liquor, public entertainment, private places of entertainment, cinemas, theatre and late night refreshment houses licences within the district.
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Appendix 3 Hampton Principles

The Hampton Principles are:

- regulators, and the regulatory system as a whole, should use comprehensive risk assessment to concentrate resources on the areas that need them most
- no inspection should take place without a reason
- regulators should provide authoritative, accessible advice easily and cheaply
- all regulations should be written so that they are easily understood, easily implemented, and easily enforced, and all interested parties should be consulted when they are being drafted
 - businesses should not have to give unnecessary information, nor give the same piece of information twice
 - the few businesses that persistently break regulations should be identified quickly, and face proportionate and meaningful sanctions
 - regulators should recognise that a key element of their activity will be to allow, or even encourage, economic progress and only to intervene when there is a clear case for protection
 - regulators should be accountable for the efficiency and effectiveness of their activities, while remaining independent in the decisions they take
 - regulators should be of the right size and scope, and no new regulator should be created where an existing one can do the work
- when new policies are being developed, explicit consideration should be given to how they can be enforced using existing systems and data to minimise the administrative burden imposed

4. The full Hampton Implementation Review Report can be found on the Department for Business, Innovation and Skills website:
www.berr.gov.uk/files/file52319.pdf

Z/CSS/BUREAU/LICENSING/WEBSITE/LICENSING ACT 2003 FORMS/LICENSING POLICY 2012

Report to the Council

Subject: Asset Management and Economic Development Portfolio

Date: 26 September 2013

Portfolio Holder: Councillor A Grigg

Recommending:

That the report of the Asset Management and Economic Development Portfolio Holder be noted.

North Weald Airfield Review

Members will be aware that the review of North Weald Airfield has now been completed, and was reported to Cabinet on 22 July. Cabinet resolved to pursue the mixed development option that being a continuation of aviation, with some housing and employment led development. That decision was called in and subsequently reconsidered by the Overview and Scrutiny Committee at a special meeting held on 27 August. Having listened carefully to all of the arguments put forward, Overview and Scrutiny Committee resolved to concur with the original decision of Cabinet.

This decision, which is effectively that of the Council acting as landowner of the Airfield, will now go forward to become part of the "Preferred Options" consultation of the emerging Local Plan. That consultation will provide all residents of the district with a further opportunity to review and comment upon the Cabinet's preferred approach. In the meantime I have asked officers to look carefully at how income generation at the Airfield, and particularly aviation, can be enhanced in the medium term, without prejudicing the "Preferred Options" process.

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Report to the Council

Subject: Environment Portfolio

Date: 26 September 2013

Portfolio Holder: Councillor W Breare-Hall

Recommending:

That the report of the Environment Portfolio Holder be noted.

Waste Management

The procurement of the next waste management contract has now passed through the first stage of competitive dialogue. This process took in excess of a week since each contractor participated in a half day interview session with the Council's Project Team. Since then the Team have been answering very large numbers of clarification questions. The deadline for the submission of the first set of bids was 17 September, and the Project Team are now hard at work undertaking a detailed assessment of those bids in order to be able to recommend to Cabinet, at its next meeting, the contractors who should go forward to the next stage. Cabinet will also be asked to consider at that meeting the very important issue of whether the Council's in-house Grounds Maintenance Service should remain as part of the procurement exercise or whether it should be retained in-house.

My Portfolio Holder Advisory Group has been kept fully informed of the status of the procurement and I have welcomed their input into the process to date.

In early October I am scheduled to meet with Essex County Council colleagues in respect of reviewing the Inter Authority Agreement. This is the process by which the Council receives recycling credit and avoided disposal costs in respect of the material our residents recycle. In previous years this has been a relatively low key overview, but with possible changes to collection systems arising through the new waste contract, the review meeting this year is particularly important. I will report back to Members through my next Portfolio Holder report.

Grounds maintenance etc

I was delighted to be invited to lead the award ceremony at the Bobbingworth Nature Reserve (the former Bobbingworth landfill site) on 11 September, when the Nature Reserve celebrated receiving the "Queen Elizabeth II Fields Challenge Award" and also the 2013 "Essex Wildlife Trust Living Landscapes Award". The site has been through an amazing transformation from a landfill site that was causing considerable local environmental damage, to one which residents can use and enjoy and where wildlife has been nurtured and encouraged to develop. I would like to offer my congratulations and thanks to all those officers of this Council, the scheme contractors Veolia, and the other agencies involved in delivering the original clean up and the subsequent development and management of the Reserve.

Environmental Health & Neighbourhoods

I set out below a description of some of the enforcement activity undertaken by the Council's Environment and Neighbourhoods Enforcement Team. This demonstrates

the range and effectiveness of the enforcement activities that the Team undertakes on a day to day basis to protect residents from unreasonable behaviour and the environment from harm.

Noise

At a hearing on 24 July 2013, Ms. Chrissie Holyoak, of 36 Boxted Close, Buckhurst Hill, was fined a total of £150 and ordered to pay a contribution towards the Council's prosecution costs of £500 after being convicted of eight breaches of a Noise Abatement Notice served on her on 4 April 2013. She had pleaded not guilty to all eight offences in relation to playing music at her property on various occasions between 8 April and 20 May 2013, witnessed by the Council's Environment and Neighbourhoods Team. The Magistrates also made a forfeiture order in respect of the equipment used by Ms. Holyoak to breach the noise abatement notice, which had been seized at the property by Council officers on two previous occasions. An Anti-Social Behaviour Order (ASBO) on conviction was also made against Ms. Holyoak, prohibiting her from causing harassment, alarm and distress to others by playing loud music and amplified sounds and from bringing any equipment onto her property capable of causing the statutory nuisance. An interim ASBO had been made by the Court at an earlier hearing. Officers have now witnessed a further four breaches of the noise abatement notice and ASBO. Ms. Holyoak is due to attend court on 22 October 2013 to enter a plea for these incidents. The Council's Housing Management Team are also pursuing proceedings against Ms. Holyoak.

The Kings Oak Hotel in High Beach, Sheesh in Chigwell, and The Sultan in Waltham Abbey have all recently been served with noise abatement notices requiring them to control music and amplified sound at reasonable levels. All these premises had been given warnings and advice in the recent past to avoid causing a noise nuisance. Notices were served after the duty noise officer responded to complaints and witnessed loud music coming from the properties. Similarly, a resident of Fairways, Waltham Abbey, was served with a noise abatement notice on 11 September 2013. The noise team aim to resolve complaints informally where possible, but are statutorily required to serve an abatement notice when satisfied that a nuisance exists or is likely to occur.

Finally, earlier this month the Environment and Neighbourhood Team applied to extend an ASBO served on Mr. D Bicker, of 5 Clifton Road, Loughton. After consideration the Magistrates found that there had been no significant change in behaviour and that all three elements of the original ASBO had been breached since its imposition two years ago. They extended the current ASBO for a period of two years until 13 September 2015. Mr. Bicker is currently being held at Chelmsford Prison after being arrested by the police for allegedly breaching the ASBO. He is due to attend court on 7 October 2013.

Fly-tipping

The Environment and Neighbourhood Team continue to pursue fly-tippers through the courts. Evidence gathered by the Team led to a prosecution in Chelmsford Magistrates Court on 9 July 2013. Mr. Raymond Tunstall, of Fairview Close, Walthamstow, pleaded guilty to an offence of knowingly causing waste to be fly-tipped on land at Burton Road, Loughton. He was fined £300 and ordered to pay the Council's prosecution costs of £1210.

On 16 July 2013 Mr. Andrew Way, of Belvedere Road, Leyton, was fined £250 and ordered to pay the Council's prosecution costs of £1843, which included clear up

costs of £300, after pleading guilty to eight offences in relation to fly-tipped waste on land at the rear of the shops in Loughton Way, Buckhurst Hill.

On 13 August 2013, Ms. Moji Allison, of 472 Limes Avenue, Chigwell, pleaded guilty to the offence of fly-tipping approximately 34 black bin bags of waste on land next to the Yellow Block of flats on the Limes Farm Estate, Chigwell. The Magistrates gave her a 12 month conditional discharge and, taking into account her financial position, awarded a contribution towards the Council's prosecution costs of £150.

Household duty of care

On 23 August 2013 a resident of Higham View, North Weald, received a formal caution for failing in her household duty of care, which led to a small amount of her waste being fly-tipped in a car park in Greensted Road, Ongar.

Failure to co-operate with an investigation into a fly tipping incident led to a prosecution in Chelmsford Magistrates Court on 3 September 2013. Karen Booth, of Winters Way, Waltham Abbey, was fined £400 and ordered to pay the Council's prosecution costs of £184 for failing to respond to a statutory notice served on her under section 108 of the Environment Act 1995, requiring her to supply information in relation to a large quantity of fly-tipped waste on land at the rear of her property. The investigation is on going.

Taxi & Licensing checks

On Saturday 7 September 2013, officers carried out evening checks on taxis and visited a number of licensed premises in Waltham Abbey to check on licence conditions. In general the licensed premises were complying with conditions, but one was found to have an excessive number of gaming machines without the necessary permit. This is currently being followed up.

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Report to the Council

Subject: Finance and Technology Portfolio

Date: 26 September 2013

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Finance & Technology Portfolio Holder be noted

Accountancy

There is a separate report elsewhere on the agenda on the Statutory Statement of Accounts so I will concentrate on other issues in this section. The Finance and Performance Management Cabinet Committee is scheduled to meet on 19 September and will be considering reports on the Treasury Management Outturn for 2012/13, Financial Monitoring for Quarter 1 of 2013/14 and the annual Financial Issues Paper. The Treasury Management Outturn report confirms that the Council operated within the boundaries that were set for the year and complied with all of the Prudential Indicators. The Financial Monitoring for Quarter 1 raises some concerns about our income streams but shows that at the moment both expenditure and income are broadly in line with the budget. The Financial Issues Paper provides a discussion of the main financial challenges facing the Council and the budgetary outlook. This year the financial challenges have been increased by reductions in grant funding, the top slicing of the New Homes Bonus and reductions in key income streams. I encourage Members reading this report before 19 September to attend the meeting and join in the debate about the Council's finances.

Benefits

The six week consultation on the Council's scheme for Local Council Tax Support for 2014/15 started on 14 August and will conclude on 30 September. I am hopeful that a number of residents who are not in receipt of benefit will have responded as views on the scheme will not be balanced if we have only received comments from residents who currently receive support. Anyone who has not yet responded can do so by visiting the consultation area of the Council's website.

The benefit cap has now been introduced to limit the total amount of benefit that can be received in a week, with any excess amount being deducted from the claimants housing benefit. This, along with the other welfare reforms, has generated a considerable amount of additional work. In view of this I was particularly pleased to see that the processing statistics for both new claims and changes of circumstance were better than the target for the first quarter of 2013/14.

Revenues

With the introduction of Local Support for Council Tax and the issue of small bills to many residents who had not paid Council Tax before, it was anticipated that the collection rate for Council Tax would reduce. For the whole year it was estimated that

the collection rate would reduce from 97.8% to 96.6%. For the first quarter this translates to a reduction in the target from 27.5% to 27.06%. The actual collection in the first quarter was 27.2% and so exceeded the target. This is an encouraging start but performance will continue to be closely monitored throughout the year.

The collection of non-domestic rates was slightly lower than the target at the end of June, with 29.8% achieved compared to the target of 31.04%. However, this reduction on the in-year collection has been partly offset by an improvement in the collection of residual amounts from previous years. A bigger concern at the moment is the reduction in the overall value of the non-domestic rating list. With the partial retention of non-domestic rates from the start of this year, this now has a direct impact on the Council's finances.

Performance Management

(a) Key Performance Indicators 2013/14

The Finance and Performance Management Scrutiny Panel has recently reviewed first quarter performance for the key performance indicators adopted for 2013/14.

The position with regard to the achievement of target performance for the KPIs at the end of the first three months (1 April to 30 June 2013) of the year was as follows:

- (a) 21 (61.8%) indicators achieved the first-quarter target; and
- (b) 12 (35.3%) indicators did not achieve the first-quarter target, although 3 of these KPI performed within an agreed tolerance for the indicator.
- (c) performance information for one indicator was unavailable at the time of compiling this report.

To enhance the quarterly review of performance, KPI reporting now reflects an additional 'amber' performance status. This performance category identifies indicators that have not achieved the target for the quarter, but where performance is within a tolerance or range. All KPI tolerances have been agreed by Management Board and reflect year-end targets. In addition, from the first quarter of the year, performance against all of the KPIs is to be reviewed by the Scrutiny Panel on a quarterly basis, and no indicators will in future be subject to scrutiny at year-end only.

A specific corporate KPI performance improvement target has not been set for 2013/14, as the Council's key objectives for the year seek the achievement of targets for all relevant objectives and indicators. Improvement plans have been developed for each KPI, identifying actions to achieve target performance.

(b) Key Objectives 2013/14

The key objectives adopted each year focus on national priorities set by the Government and local challenges arising from the social, economic and environmental context of the district. The objectives represent the Council's high-level initiatives and over-arching goals for each year.

In addition to the KPIs, progress against the annual key objectives is also now to be reviewed on a quarterly basis. Progress against the key objectives has previously been reported on a six-monthly basis, but this revised reporting arrangement will help to ensure the timely identification and implementation of appropriate corrective action where necessary.

First-quarter progress against the key objectives for 2013/14 was reported to the recent meetings of the Overview and Scrutiny Committee and the Cabinet.

Technology

(a) Telephone switch replacement project

The implementation has now started and staff and Shoretel engineers were on site over the weekend to install and configure the new telephone switches. The process went well and the next stage of testing has started. This testing phase will be completed by week commencing 16 September and the general rollout and training of staff will commence immediately afterwards. I remain optimistic that the project will be completed by the end of the financial year.

(b) Wireless coverage

The initial trial has been completed successfully. The order will be placed with the successful supplier by the end of September with an anticipated live date of February 2014. When fully implemented, full site wireless coverage will be available for open access to the internet and restricted access to the Council's local area network.

(c) Internet connection upgrade

The 30Mb fibre connection has been installed and the two connections are currently running in parallel until final testing has been completed. It is anticipated that the testing will have been completed by the end of October when the old 10Mb connection will be terminated.

(d) ICT Strategy

The new five year draft ICT Strategy is due to be presented to the Finance and Performance Management Scrutiny Panel on 17 September, followed by Cabinet on 21 October. All Members should have now received the core strategy document in the internal post. If any Member wishes to comment or requires any further clarification, please contact David Newton, the Assistant Director responsible for ICT.

(e) Mobile working trial

A large scale trial of mobile working and 4G data connectivity was carried out at the recent North Weald Airfield resilience event, which allowed for real time updating of social media sites and uploading of photos within minutes of them being taken. No major technical issues were experienced during this time and practical lessons learned will be fed back into the mobile working project.

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Report to the Council

Subject: Housing Portfolio

Date: 26 September 2013

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Straw bale houses – Official Opening

Along with the Chairman and Leader of Council, and a number of other members, I was pleased to attend the Official Opening by the Secretary of State for Communities and Local Government, The Rt. Hon. Eric Pickles MP, on 13 September 2013 of the four straw bale houses constructed by Hastoe Housing Association, in partnership with the Council, on former Council-owned land at Millfield, High Ongar:



As I explained in my report to the last Council Meeting, the development provides the first straw bale houses built by a housing association in the country.

It was also a pleasure to meet with the new tenants of one of the houses, who showed us around their new home and explained the benefits that they were already experiencing from the very high insulating properties of the straw bales construction.

Implementation of the new Housing Allocations Scheme

At its meeting on 15 April 2013, the Cabinet agreed a revised Housing Allocations Scheme, effective from 1 September 2013. I thought that members may appreciate an update on progress with the implementation of this major project.

As members will be aware, under the new Allocations Scheme, the number of priority bands has been reduced from six to three and, in order to remain on or join the Housing Register, applicants must meet the four main elements of the new Local Eligibility Criteria which are, in summary, as follows:

- To be resident in the District for three continuous years immediately prior to the date of registration, subject to special provisions made for members or former members of the Armed Forces;
- To have a defined housing need, as determined by at least one criterion of a priority band;
- Not to have sufficient funds to enable them to meet their own housing costs; and
- Not to have been guilty of unacceptable behaviour within the last three years, as determined by the Scheme.

Under the previous Allocations Scheme, there were around 6,800 homeseekers on the Housing Register, many of whom had no realistic expectation of being housed. As part of the implementation process for the new Scheme, officers started notifying the majority of homeseekers in the former Bands 5 and 6 (being around 3,600 homeseekers) that they would no longer be eligible to remain on the Housing Register, since they have either not lived in the District for the required three years, or have no defined housing need.

All remaining homeseekers in the former Bands 1 to 4 (around 3,200 - the vast majority of whom would qualify under the new Scheme) were then contacted and advised that they appeared to qualify to remain on the Housing Register, and were therefore invited to re-register on-line.

As at 9 September 2013, a total of 1,545 homeseekers have re-registered, which represents a reduction of around 77% from the previous number of applicants.

Following the Council's decision to amend the scope of the Housing Appeals and Review Panel - by removing the right of any homeseeker to appeal to the Panel against a decision that they be removed from the Housing Register (due to the high number of anticipated appeals as a result of the new Scheme) - as at 9 September 2013, officers had dealt with 103 written appeals regarding applicants' eligibility under the new Scheme. Of these, just two appeals were upheld. One appellant complained to the Housing Ombudsman, although the complaint was quickly dismissed by the Ombudsman.

One officer has been specifically assigned to provide assistance to both vulnerable homeseekers and those who do not have access to a computer, in order to help them register on-line. The work of this officer, together with assistance provided by other Housing staff, has resulted in around 240 applicants (15.5%) being assisted with their on-line application. This includes help with re-registration on the computer in the reception areas at both the Civic Offices, Epping and the Limes Centre, Chigwell, as well as help and advice on the telephone and through home visits.

The breakdown of the numbers of applicants on the Housing Register by band, under the new Scheme, is as follows:

Band A: 141
Band B: 417
Band C: 828

There are a further 264 applicants who have re-registered late (after 1 September), who appear to qualify but whose applications have not yet been verified. This makes a total of around 1,800 homeseekers who are likely to be registered on the Housing Register.

In addition to the above, 159 applicants who are over 60 years of age - and who either do not have the required local residency or a housing need - have registered on the new Supplementary Waiting List for sheltered accommodation.

Reminder letters have been sent out to all those applicants who were previously on the Housing Register, and who appear to qualify under the new Scheme, but have not re-registered to date. In addition, officers are undertaking a time-consuming exercise of telephoning all those applicants who have still not re-registered, with particular attention being given to both those homeseekers who are on the "vulnerable list" and those homeseekers who have regularly been "bidding" in the past, to ensure that all previous housing applicants who want to remain on the Housing Register are aware of what they have to do to re-register, with assistance provided if required.

Later in September, letters will be sent out to all Council tenants living in two or three bedroom flats explaining that, under the new Scheme, they can now join the Housing Register and "bid" on houses of the same size, even though they do not have a housing need, with their registration date being their tenancy commencement date of their existing property.

This provision has been included in the new Scheme to encourage tenants in flats to transfer to houses, in order to free-up flatted accommodation to enable the Council to achieve another objective of the new Scheme - which is to generally accommodate homeless applicants in flatted accommodation, to enable non-homeless housing applicants to have a chance to bid on vacant houses.

As required by the Cabinet, the Housing Scrutiny Panel and the Tenants and Leaseholders Federation will be reviewing the revised Housing Allocations Scheme twelve months after operation, and recommending any changes to the Cabinet in around November 2014, to take effect from 1 April 2015.

Council Housebuilding Programme

Following consultation with the Council Housebuilding Cabinet Committee, the Cabinet adopted a Development Strategy for the Council Housebuilding Programme at its meeting earlier in September.

The Development Strategy was prepared on behalf of the Council by East Thames, the Development Agent appointed to deliver the Programme. The Strategy sets out the approach the Council will take to the Programme, including what financial assumptions will be made, the design standards to be adopted, the consultation methods that will be undertaken, the procurement methods to be used for construction works and the performance targets to be used to measure progress and, ultimately, the success of the Programme.

In July, the Council Housebuilding Cabinet Committee invited local Ward Members to attend its meeting to participate in discussions relating to feasibility studies prepared for six schemes at the former Red Cross Hall site and three further garage sites on Roundhills, Waltham Abbey; a garage site in Harveyfields, Waltham Abbey and the conversion of former sheltered accommodation at Marden Close, Chigwell Row.

Financial assessments have been undertaken for each site - both individually and collectively as a package. In total, across all six sites and subject to the receipt of planning permission, the package for the first year of the Programme will deliver 25 new affordable Council

properties for rent and the conversion of a further 20 bedsits at Marden Close into 10 x 1-bed flats, at a total estimated cost of around £4.4million.

The Cabinet Committee also agreed that the Council should benefit from a pre-existing EU-compliant procurement exercise undertaken by East Thames, to appoint building contractors through a Framework Agreement, which East Thames has offered the Council the opportunity to use in order to avoid the Council having to undertake its own EU procurement exercise.

Repairs Management Contract

Since the time the Council entered into its three-year Repairs Management Contract with Mears Ltd in May 2011, the Council's Housing Repairs Service has seen a step change in performance and service delivery. The Council now offers all repairs to be undertaken by appointment, irrespective of priority, which are now undertaken, on average, within around six-seven days - with emergency repairs completed within an average time of four hours. For the first time ever, last year, the Council was able to report that it had achieved all of its KPIs for repairs.

The original contract award allows for the contract to be extended for two further three-year periods. Therefore, since the first three-year contract expires in April 2014, and in view of Mears' very good performance, at its meeting earlier in September, the Cabinet agreed to extend the contract for a further three years.

Progress, performance and any additional services to be provided through the contract will now be monitored by the Housing Scrutiny Panel, following the cessation of the former Repairs Advisory Group.

Information Evening on the Mobile Homes Act 2013

Most members will already be aware of the new Mobile Homes Act 2013, which came into force on 26 May 2013.

In response to a number of requests for further information, the Council has arranged an Information Evening for park home residents to promote education and awareness of the new legislation. I will be chairing the event, which will be taking place here in the Council Chamber at the Civic Offices on Wednesday 2 October 2013. Two legal experts in this field from the Leasehold Advisory Service will be attending to give more details on the legislation and its implications for residents.

As it will not be possible to invite all 653 park home residents to the event, four representatives have been invited from each site. For those sites that have them, one of the representatives will be from the residents association, the others are being chosen by site residents to address any particular issues relating to the Mobile Homes Act on their behalf. For other residents who would like to come to the meeting but are unable to, the event is also being webcast.

The four District Councillors that have park home sites in their wards have also been invited, as have the District's three Members of Parliament. The Safer, Greener and Transport Portfolio Holder has been invited to attend. The event has also been opened up to the relevant portfolio holders from the neighbouring local authorities that have park homes sites.

All members have also been informed about the availability of a new leaflet produced by the Department for Communities and Local Government (CLG) summarising the main changes brought about as a result of the Act. Officers have provided residents associations with a sufficient supply of these for all their park home residents to receive before the event.

Report to the Council

Subject: Leisure & Wellbeing Portfolio

Date: 26 September 2013

Portfolio Holder: Councillor E Webster

Recommending:

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

Leisure Centres

The three swimming pools recently participated in the Amateur Swimming Association Swimathon which raises money for a number of national charities. Altogether, the pools raised £12,000 whilst over £189,000 was raised at SLM sites throughout the country

Epping Sports Centre also hosted the annual Rhys Daniels Fun run which helps raise money for the Rhys Daniels Trust, a local based charity which raises money to provide a 'home from home' for families of seriously ill children who are in hospital.

The leisure centres continue to perform well financially but early indications are they will not generate sufficient income to allow the Council to receive a share of the above target income.

Young People's Summer Programme

An exciting and successful summer programme for young people throughout the District was delivered this year by Community Services. This summer saw an increase in the number of young people attending Community Services' summer activity programme. Popular activities included Playschemes, SX Urban Games, HealthWorks gym and swim Sessions, play in the park, disability sports sessions, active story telling, theatre shows and workshops, and dance events.

In addition, the Museum held an extremely successful summer activities programme delivered across our two sites and in partnership with community services. Five drop-in activities and a Family fun day event were held at the museum in Waltham Abbey attracting some 643 participants and a similar programme at Lowewood Museum was attended by over 500 people. Visitor comments were full of praise for the programme.

The current temporary exhibition at the district museum on the Tudors has been well received and three accompanying events (a Tudor music event and two historical re-enactment events) were made possible with some external funding and received very good feedback from visitors.

Disability Inclusion Project

Community Services' Disability Inclusion Project which provides sports and leisure activities for disabled children and young people throughout the district has secured additional funding from Essex County Council to provide swimming sessions for disabled children and young people. The sessions will start in October at Waltham Abbey Swimming Pool.

Museum Redevelopment Project

The museum is moving forward with its HLF funded development project 'The Museum at the Core', project start up documentation and the appointment of key design consultants to take the project forward is currently on going. This is alongside the appointment of two new project staff to enable the museum to develop new audiences and increase audience and community engagement with the work of the museum through expanded volunteering opportunities and supporting stakeholders, in helping to shape the museum's programmes of work.

The museum will be staging a celebratory event on 1 November 2013 to mark the beginning of the exciting new phase of museum provision in the district. After this the museum will be closed to the public until spring 2015 to allow for the emptying of the building and of the major building works.

During our closure period the museum will continue to provide a public service to the public through our 'Museum on the Move' programme, which will include events held in library buildings across the district and at many of the town shows across the district in 2014.

Outreach services to schools and adult education and community groups will also be maintained during this period.

The public will also be able to access the museum service through the Lowewood Museum in Hoddesdon, which we operate on behalf of Broxbourne Borough Council.

The expanded Epping Forest District Museum which will re-open in Spring 2015, will put the collections held by the service at the heart of the museum and include completely new displays and gallery space, step free access across the whole of the museum (which includes a grade 2* listed building), improved visitor facilities including a room for community and educational activities.

Arts Award

The Museum Education and Outreach officer lead on a project with St. John's C of E Primary School, Buckhurst Hill. Fifteen children, aged between 8 and 9 years took part in a special Arts Award project based on the work of artist Walter Spradbery.

The children worked with a current practicing artist, Valerie Osment, to create prints based on Spradbery's work. This also helped them achieve the Discover level of Arts Award, a national programme which aims to inspire young people to engage with the arts and develop their talents.

An exhibition of the children's work and the presentation of their awards was undertaken by the Chairman of Council at an event held at the museum on the 16 July 2013.

Lowewood Museum, Broxbourne (SLA Arrangement)

The management of the Lowewood Museum for Broxbourne Borough Council by the Epping Forest District Museum continues to be viewed positively by Broxbourne members, officers and other stakeholders.

The Museum's current temporary exhibition is Picture This, showcasing local art from Lowewood's collection and has been curated by one of the museum's youth volunteers. Over 500 people attended the family craft workshops on Thursday afternoons over the summer. Museum staff and volunteers are currently auditing the museum's collection, ensuring all documentation is up to date, to help with the transfer of information to a new collections management system. The new collections management system will be installed early 2014 and will allow for greater access of the collection. It is being funded

as part of Epping Forest District Museum's Heritage Lottery Funded project. Museum staff are liaising with the Royal Armouries Museum in Leeds for the return of a 14th century dagger found in Cheshunt in 1918, which has been on loan to the Armouries since the 1950s. The dagger will form part of the collection in the proposed re-display of Lowewood's Braham Gallery, showcasing the borough's early history. Museum staff are currently looking into the possibilities of museum room hire for interested groups, as well as using the pottery workshop for booked pottery classes.

The Museum's recent temporary exhibition was China in the East which showcased Chinese collections from local museums. A grant of £1,700 has been achieved from the East Anglian Regional Archive Council, and with support from the Friends of Lowewood and the Hoddesdon Society we are able to digitise the Hoddesdon Newsreel film collection, making the films publicly accessible. The Museum continues to develop new audiences, working with the U3A to provide study days as well as developing a youth panel for 16–23 year olds.

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Report to the Council

Subject: Safer, Greener and Transport Portfolio Date: 26 September 2013

Portfolio Holder: Councillor G Waller

Recommending:

That the report of the Safer, Greener & Transport Portfolio Holder be noted.

Safer Communities

In my last report I referred to the fact that the Domestic Homicide Review into the death of Gillian Andrade in Loughton was nearing its conclusion. Due to new information becoming available to the Panel, the completion of the Review Report has been delayed, but by the time of the Council meeting I very much hope that the Chairman of the Panel will have been able to submit it to the Home Office.

Epping Forest District Council Safer Communities Team works in close partnership with Essex Police to reduce crime in the Epping Forest District. In recent years the pattern has been for an increase to take place in the number of house burglaries over the winter period, with the numbers rising between October and April. I am pleased to say that Epping Forest and Brentwood districts are currently showing a reduction of around 20 per cent on the seasonal average in dwelling burglary.

The Community Safety Partnership is working on various initiatives to reduce burglary. One such initiative is to encourage residents, when moving home, to examine the security of their new property and take appropriate steps to 'target harden' it. With that in mind the Partnership has produced the 'HomeSafe' pack, including information on all types of security, a pen to postcode property, a security checklist and additional security and safety advice. The pack will be distributed by all the District's estate agents on completion of a property purchase in the district. Once these packs are available, I shall arrange for all members to receive one for information.

A Bill to replace the various measures currently available to tackle anti-social behaviour with a new set of powers, intended to provide a simpler and more streamlined framework has been proposed by government. It will introduce new mechanisms with the aim of giving victims and local communities a greater say in the treatment of anti-social behaviour and low-level crime, and it will strengthen the ability of landlords to terminate tenancies on grounds relating to anti-social behaviour. One of the issues identified by both the Commons and Bill Committee was the short sentences in respect of the owners of dogs who injure or kill. The Government is now consulting, via short [public survey](#), on whether to increase the maximum sentence for an aggravated offence under the Dangerous Dogs Act 1991. No dates have been set but, with the Government hoping to conclude the Bill's passage by the end of Spring 2014 and the House of Lords yet to scrutinise, it is likely to be timetabled fairly swiftly when the House resumes in early September.

Highways and Parking

I have previously made reference to the difficulties arising from the pressures of commuter parking in the main Epping town centre car parks. The Portfolio Holder Decision referred to in my last Report has been actioned, and Cottis Lane car park is now functioning solely as a short stay car park. This has freed up capacity for short stay users including shoppers, which is seen as an improvement by local retail businesses. However, as ever with changes to parking, there have been some consequential impacts, with local employees now finding it difficult to find a space to park throughout the day. Although I am being pressed to make further changes, I do not intend to do so until the impact of those already introduced have been fully assessed. However, I have instructed that permit holders should be permitted to continue parking in Cottis Lane. The car parking team are regularly visiting both the Bakers Lane and Cottis Lane car parks to establish user patterns at different times of the day and, if further changes are required and can be practically delivered, I will consider those in due course.

Following the delays on the part of Essex County Highways in effecting the Buckhurst Hill Parking Review, to which I referred at the last Council meeting, the Director of Environment & Street Scene has signed and returned the contract documentation, and the County's technical team are now commencing their preliminary work. I therefore believe that the public consultation exercise is imminent, and I hope that the timescale for the remaining stages can be kept as short as possible.

Countrycare

Benefiting from the fine weather, Countrycare has been exceptionally busy during the summer, with teams of volunteers carrying out a great deal of valuable work on the Local Nature Reserves.

During August four children's and family events took place, engaging with 120 children. On Weald Common LNR, a bug hunting exercise resulted in the discovery of lots of grasshoppers, including a pink one - a genetic mutation of the common meadow grasshopper. Pond Life at Nazeing Triangle LNR led to the discovery of a water stick insect, indicating that the state of the pond is very healthy.

On Friday 30 August, 25 people participated in a nocturnal Mad About Moths experience, identifying many species of moth and also detecting bats using bat detectors. Countrycare participated in a Play in the Forest event organised by Community Development, arranging activities on four occasions during August.

The team exhibited at the Epping Forest Burial Park Woodland Working Day, creating some interest and resulting in the possible recruitment of new tree wardens. Together with Ongar Town Council, Countrycare organised a fayre at Jubilee Nature Reserve (formerly Cripsey Brook LNR), not only to raise awareness of the district's nature and wildlife but also to celebrate the winning of two awards for the site: the Queen Elizabeth II Jubilee Fields in Trust Award and the Essex Wildlife Living Landscapes Award. All the stallholders, ranging from Essex Wildlife Trust and the RSPB to Essex Ferret Society and the Epping Hawk and Owl Sanctuary, were involved in nature conservation. There were demonstrations of hedgelaying and tree climbing by an arboriculturalist, and other attractions included the Forest Fiddlers playing folk music and an opportunity for visitors to try their hand at archery.

Report to the Council

Subject: Support Services Portfolio

Date: 26 September 2013

Portfolio Holder: Councillor H Ulkun

Recommending:

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

1. Individual Electoral Registration (IER)

A data matching exercise with the Department of Work and Pensions database has now taken place. The Registration Officer hoped that a 70% match with DWP data would be achieved as any percentage below that level increases the amount of work to be undertaken in following up on mismatches to ensure that the current high registration rates in the District can be maintained. In the event a match rate of 81.45% was achieved. The national average is 78%. Using on trial an IT system enhancement which imported Council Tax National Fraud Initiative data and used advanced matching techniques to upgrade records which had been through the DWP matching the % match rate was increased to 89%.

The Registration Officer has applied for Government funding to secure the additional IT application (c£1500) for future use in order to reduce the amount of manual work involved in the matching exercise but if this is not successful, EFDC budgets will be reviewed to ensure the system is available.

2. Review of Polling Stations

The Returning Officer is required to carry out a review of polling stations on a three year cycle. The results of the review will be considered at the Constitution and Member Services Standing Scrutiny Panel on 14 January 2014.

As I said before, there will be full consultation with members of the District Council and external partners and the outcome of the review will be reported back to the Council.

3. European Parliament/District Elections – May 2014

The date for the European Parliamentary Elections has now been fixed for 22 May 2014 and an order has been made postponing the District elections so that these will be held on the same date.

The Chief Executive of Chelmsford Borough Council is Regional Returning Officer for the East of England for the EU Elections.

The election timetable will therefore be as follows:

Thursday 22 May 2014- EU/District Council Polling Day

Friday 23 May 2014 - EU Poll Verification
District Council Verification and Counts

Sunday 25 May 2014 - EU Poll – Local Count.

4. Annual Council Meeting - 2014

There is an item on the Council agenda proposing a change in the date of the Annual Council meeting in 2014 to reflect the new date for District Council elections.

5. Emergency Planning/ Community Resilience

The basis of the work undertaken by the Council on Emergency Planning/Community Resilience is the Civil Contingencies Act 2004. The Act places a statutory duty on local authorities, as Category 1 responders, to risk assess and prepare for, respond to and recover from emergency incidents that occur within the District.

The Council is a member of the Essex Resilience Forum (ERF), a strategic level group chaired by the Chief Fire Officer with membership covering blue light services, Unitary and District Councils, Health, Maritime and Coastguard Agency (MCA), Military, Environment Agency and Department of Communities and Local Government – Resilience and Emergencies Division. The Deputy Chief Executive currently represents the 12 Essex Districts on the Resilience Forum.

To carry out its statutory duties the Council has a full time Emergency Planning Officer and the part time services of a Joint Emergency Planning Officer jointly funded with Essex Civil Protection and Emergency Management Unit.

The work of the team is directed by the Assistant Director of Corporate Support Services Facilities Management and Emergency Planning.

The Council has an Emergency Planning and Response Team chaired by the Deputy Chief Executive with membership drawn from all Directorates predominantly at Director and Assistant Director level.

Members of the Team are on call 24/7 to respond to emergency incidents on an informal basis. They are not on a paid call out arrangement that guarantees availability. However as there are 22 members of the team having sufficient resources available has never been an issue.

The Council no longer works in isolation on emergency planning but in partnership with all other agencies within the County of Essex and wider area.

Two recent successes I would like to draw to members' attention are:

Firstly, the launch of the Community Emergency Response Volunteers Programme in conjunction with Essex Fire and Rescue Service. The launch took place at North Weald Airfield in May of this year with the aim of recruiting and training volunteers in local communities that can help out in a range of ways from opening up village halls for evacuees to clearing ice and snow outside the houses of vulnerable people.

Secondly the Resilience Road Show held in conjunction with the annual Fun Day at North Weald Airfield on Sunday 8 September 2013.

The Resilience Road Show sponsored by the Essex Resilience Forum and organised by the Council's Emergency Planning Officer in conjunction with the Emergency Planning Officer from Uttlesford District Council brought together displays from numerous agencies with the aim of promoting community and home resilience.

This was truly a partnership event with emergency planning officers from Basildon, Brentwood, Chelmsford City, Essex County, Harlow and Uttlesford Councils helping out on the day.

Agencies taking part included, Essex Fire and Rescue Service, Essex Police, East of England Ambulance Service, Explosive Ordnance Division (Army), Environment Agency, Meteorological Office, Highways Agency, NHS, RAYNET, RSPCA, Hertfordshire Boat Rescue Team, Urban Search and Rescue Team, Royal Voluntary Service, Essex Search and Rescue, Rover Rescue, Casualties Union.

Staff from the Council's Land Drainage Team were on hand to give advice to the public on sandbagging and flood management issues in the home and staff from Fleet Operations were giving advice about winter servicing of vehicles.

The Road Show was visited by Brandon Lewis MP Minister for Fire and Resilience who met the civic leaders from Epping Forest and Uttlesford District Councils and Senior representatives from Essex Fire and Rescue Service, East of England Ambulance Service and the Army followed by a tour of the Road Show..

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Whipps Cross University Hospital

“This Council notes :

- (1) that the Care Quality Commission carried out unannounced inspections at the Whipps Cross University Hospital in May and June;
- (2) that as a result of these inspections :
 - (a) the hospital failed to meet national regulations in the three areas of cleanliness and infection control , safety and availability and suitability of equipment and support to staff;
 - (b) the hospital was found to be failing to meet 10 out of the 16 national standards of quality and safety;
 - (c) the Barts Health NHS Trust has been instructed by the Care Quality Commission to make urgent improvements to protect patients at the Whipps Cross University Hospital; and

This Council resolves to :

- (1) enquire of the Trust why this situation was allowed to develop;
- (2) seek clear assurances from the Trust that steps have been taken and will continue to be taken to rectify these findings; and
- (3) seek the strongest possible assurances from the Trust that all future patient care at the Whipps Cross University Hospital will reach the standards required by both the Care Quality Commission and patients and their families”.

Proposed by : Councillor Stephen Murray

Seconded by : Councillor Peter Gode

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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: AGC-017- 2013/14

Date of meeting: 23 September 2013

Portfolio: Finance and Technology

Subject: Statutory Statement of Accounts 2012/13

Responsible Officer: Bob Palmer (01992 564279)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

(1) That a report be submitted to the Council recommending that the Statutory Statement of Accounts for 2012/13 be adopted.

Executive Summary:

One of the key roles of this Committee is scrutinising the annual Statutory Statement of Accounts. All Members of the Council will have the opportunity to debate the Accounts at Full Council and part of that debate will be to consider the recommendation of this Committee.

It is anticipated that the audit will be completed shortly and that the Statutory Statement of Accounts will be presented to Council on 26 September. There is a separate report elsewhere on the agenda that sets out the key findings of the audit.

The changes to the annual Statutory Statement of Accounts for 2012/13 are modest compared to those necessary for compliance with International Financial Reporting Standards (IFRS) in 2010/11. To assist Members with their consideration of the Accounts a report follows together with the Accounts themselves.

Reasons for Proposed Decision:

It is important that this Committee scrutinises the annual Statutory Statement of Accounts so that residents and other Members can have confidence in the Accounts.

Officers have exercised their professional judgement and liaised closely with external experts and the External Auditor to produce the Statutory Statement of Accounts. If Members are satisfied with the content of this report and the verbal responses to any questions raised, they are requested to recommend the Statutory Statement of Accounts for adoption by Full Council on 26 September.

Other Options for Action:

The Committee could decide that the accounts should be amended or expanded prior to them being presented to Full Council.

Report:

1. The Accounts and Audit Regulations require Full Council or an Executive Committee to adopt the Council's Statement of Accounts before the end of September. The Council's constitution reserves the adoption of the Accounts to Full Council only. However, prior to Council considering the accounts it is important that they have been subject to Member

scrutiny. This Committee has scrutinised the Statement of Accounts for several years.

2. The consideration of the Statement of Accounts is contained in the Terms of Reference of this Committee, the relevant parts being:

(h) To review financial statements, including the Council's Statement of Accounts, External Auditor's opinion and reports to members, and monitor management action in response to the issues raised by External Audit.

(i) Review, and challenge where necessary, the actions and judgements of Management, in relation to the Council's Statement of Accounts, paying particular attention to:

(i) critical accounting policies and practices, and any changes to them;

(ii) decisions requiring a major element of judgement;

(iii) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;

(iv) significant adjustments resulting from the audit; and

(v) any material weakness in internal control reported by the Internal or External Auditor.

Changes to the Contents of the Statutory Statement for 2012/13

3. There have been no significant changes in content this year to either the main accounting statements or their accompanying notes. One additional note has been added for Assets Held for Sale.

4. This is an additional note due to circumstances this year not because of any change in or addition to accounting policies. Assets are classed as being held for sale where, at the Balance Sheet date, they were being actively marketed and a sale is highly probable with the asset in its current condition. The asset in question here is a Housing Revenue Account property known as Leader Lodge.

5. Following consideration of different development options and consultation with the public in North Weald, on 12 March 2012 Cabinet decided that the property should be disposed of. The first attempt at sale by tender attracted ten bids but proved abortive as the highest bidder withdrew during the sale process. A second tender exercise resulted in six bids and a Portfolio Holder decision was signed on 29 January 2013 agreeing the sale to the highest bidder for a price of £515,000. The book value of the asset was £109,000 so in anticipation of its disposal shortly after the Balance Sheet date at £515,000 it has been revalued in the accounts to this amount.

6. Unfortunately the purchaser has recently withdrawn their offer so the property has not yet been disposed of. Members are still to formally determine what will now be done with the property, although disposal still seems the most likely outcome.

Critical Accounting Policies and Practices, and any changes to them

7. There have been no significant changes in accounting policies and practices during the year. The accounting policies are set out on pages 9 to 16 of the Accounts.

Decisions Requiring a Major Element of Judgement

8. In preparing a set of accounts at a point in time it is inevitable that some of the information required will not yet be available. If an actual amount is uncertain an estimate is

used. The estimate will be based on the assessment of information available at the time the accounts are closed. When the actual figures are determined any difference is usually accounted for in the following year. If the estimate was wrong by a material amount it would be necessary to consider re-stating the figures, this is extremely rare.

9. Two of the additional notes introduced by IFRS are relevant here, note 3 “Critical judgements in applying accounting policies” and note 4 “Assumptions made about the future and other major sources of estimation uncertainty”. The key critical judgement highlighted in note 3 is that the Council does not currently need to close facilities or significantly reduce levels of service provision. If this were not the case it would be necessary to consider any assets that would be affected and any consequent impairment of their values.

10. Three areas are covered by note 4, these are firstly property, plant and equipment, secondly pensions liability and finally arrears. The assumption made on property, plant and equipment is that assets will continue to be maintained so as to maximize their useful lives. If this were not to be the case additional depreciation would need to be charged. In reviewing arrears an estimate has to be made to allow for bad debts and, whilst a prudent view is taken in making this calculation, if the economic climate were to worsen significantly the charge to the CIES would increase.

11. The substantial annual fluctuations in the pension’s liability make clear the element of judgement exercised by the actuary in establishing the pension figures. The largest creditor on the Balance Sheet is the Council’s liability to the pension fund. The Balance Sheet shows that the pension liability for the Council has increased in the year from £65.6 million to £75.4 million. The value of the scheme assets has increased during the year but the projected liabilities have increased by even more. The main factor in increasing the scheme’s liabilities has been the change in discount rate for future outgoing cash flows. This discount rate has reduced from 4.6% to 4.1%, causing increases in liabilities for Essex authorities of more than 10%. This is a reflection on the projected state of the investment and money markets and follows last year’s reduction from 5.5% to 4.6%.

12. The following table is included to illustrate how the overall deficit has changed over time. With the benefit of hindsight, the decision by the previous actuaries to reduce the value of the liabilities in 2010/11 appears to have been an error.

	2012/13 £'m	2011/12 £'m	2010/11 £'m	2009/10 £'m	2008/09 £'m
Liabilities	(170.4)	(150.8)	(130.1)	(139.2)	(102.3)
Assets	95.0	85.2	83.8	82.7	60.8
Deficit	(75.4)	(65.6)	(46.3)	(56.5)	(41.5)

13. The inclusion of this amount in the Balance Sheet shows the extent of the authority’s liability if the pension fund was to close on 31 March 2013. It does not mean that this full liability will have to be paid over to the pension fund in the near future.

14. There are no other areas in the Statement of Accounts to bring to Member’s attention as having required a major element of judgement. Where it has been necessary to exercise judgement in the interpretation of the Code of Practice advice has been sought from CIPFA and staff have liaised closely with both the External Audit Manager and other Essex authorities.

The Extent to which the Financial Statements are Affected by any Unusual Transactions in the Year and how They are Disclosed

15. Where a transaction has been separately disclosed as an Exceptional Item it clearly needs to be mentioned in this section. Last year the Council received a compensation payment of £100,000 and interest on that payment of £237,000. The size of the interest relative to the compensation illustrates the length of time this issue has been running for.

16. The amounts relate to a compulsory purchase order that took some land owned by the Council to construct the M25 in 1992. The case has been quite complex and has required the Council to prove good title to the land.

17. As the compensation relates to the disposal of a piece of land that amount has to be treated as a capital receipt. The interest has been treated as revenue income and as a one-off has been credited to the District Development Fund.

Significant Adjustments Resulting from the Audit

18. Any significant adjustments that are made to the Statement of Accounts will be reported to this Committee, none have arisen so far for 2012/13.

Any Material Weakness in Internal Control Reported by the Internal or External Auditor

19. The weakness reported in 2011/12 of Senior Benefit Officers failing to perform the required amount of checking have been resolved in 2012/13. No material errors arose in any year as a result of this.

Resource Implications:

The Accounts set out the resource implications of the Authorities activities for 2012/13. The recommendation of the Accounts to Full Council does not in itself have any resource implications.

Legal and Governance Implications:

Full Council must approve the Accounts before the end of September and as part of the overall governance framework the Accounts should be subject to Member scrutiny prior to their approval.

Safer, Cleaner and Greener Implications:

There are no environmental implications.

Consultation Undertaken:

None.

Background Papers:

Reports on the revenue and capital outturns to the Finance & Performance Management Cabinet Committee on 20 June 2013.

Impact Assessments:

There are no equalities or risk management impacts.



***STATEMENT OF ACCOUNTS
2012-13***



Epping Forest District Council

www.eppingforestdc.gov.uk

STATUTORY STATEMENT OF ACCOUNTS 2012/13

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Further copies of this report are available from the Director of Finance & ICT at the Civic Offices, High Street, Epping, Essex, CM16 4BZ

INTRODUCTION AND EXPLANATORY FOREWORD

INTRODUCTION

This is the third set of annual accounts to be prepared under the requirements of International Financial Reporting Standards (IFRS) and hopefully stakeholders are now familiar with this format. The accounts are a complex document and readers have not been helped by the previous changes to content and presentation. Thankfully there have been no significant changes for this year and it is hoped that we may now see a reduction in the significance and number of changes. The process we are required to follow and the key financial statements are outlined below.

The Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority (Scotland) Accounts Advisory Committee (LASAAC) publishes a Code of Practice on Local Authority Accounting (the Code) every year that local authorities are required to follow in producing their financial statements. In recent years the Accounting Standards Board (ASB) has insisted that the Code moves closer to Generally Accepted Accounting Principles (GAAP), so that public sector financial statements more closely resemble those prepared in the private sector and hence the switch to IFRS.

- Comprehensive Income and Expenditure Statement - this brings together all gains and losses during the year to report them in one statement. This statement replaces the previous Income and Expenditure Account and the Statement of Total Recognised Gains and Losses.
- Movement in Reserves Statement - this shows the movements on all reserves in the bottom half of the Balance Sheet and reconciles the surplus or deficit on the Comprehensive Income and Expenditure Statement to the movement in the General Fund Balance. This replaces the Statement of Movement on General Fund Balance and the note which had previously been used to disclose movements on reserves.
- Balance Sheet - this is the statement of the Council's net worth. There have been presentational changes to the Balance Sheet but it is broadly similar to previous years.
- Cashflow Statement - this reports the movement on cash and cash equivalents in a more summarised form than used previously. Under IFRS some items are now included within cash that would previously have been excluded.

The above are described as core financial statements as all local authorities are required to produce them. Both the Balance Sheet and the Cashflow Statement are long established documents that have not been radically amended over time by the successive accounting standards. The Balance Sheet lists what the Council owns, what is owed to the Council and what the Council owes to others. The Cashflow Statement summarises the movements in assets, liabilities and capital broken down into operating, investing and financing activities that have taken place during the year and their effect on the Council's holdings of cash.

2012/13 did not see a significant improvement in the Eurozone economies. Larger economies such as France and Spain are still in recession and struggling with high unemployment, particularly amongst the young. The smaller economies have fared no better, with the Greek privatisation programme suffering from a lack of buyers and a bail in instead of a bail out for Cyprus. Concerns around a sovereign default and the long term viability of the Euro persisted through the year, with a particular focus now on Portugal. Domestically, economic growth has remained weak but it now appears that a "double dip" recession was narrowly avoided. Policy makers across Europe are still walking the tightrope of reducing public expenditure whilst providing some stimulus for growth.

The coalition Government has undertaken a Local Government Resource Review which will fundamentally change the way local authorities are financed from 2013/14. As an incentive to promote economic growth authorities will be able to retain a share of any growth in income from non-domestic rates. As this takes effect from 2013/14 it is discussed more in the later section which covers future prospects.

Local Government has taken its share of cuts to support the deficit reduction programme. The amount received by the Council in formula grant has reduced from £8.71 million in 2010/11 to £6.66 million for 2012/13. This is a reduction of £2.05 million or 23.6% of the 2010/11 amount. However, housing growth in the district has meant this Council has benefited from the introduction of the New Homes Bonus (NHB) in 2011/12. The inclusion in the 2012/13 estimates of £715,000 NHB meant the net funding reduction from 2010/11 was £1.30 million instead of £2.00 million, although this still represents a cut of 15.3%.

In addition to the reductions set out above, formula grant has been reduced by £606,000 to £6.05 million for 2013/14 and is expected to reduce by £925,000 to £5.13 million for 2014/15. These figures represent year on year reductions of 9.1% for 2013/14 and 15.3% for 2014/15. The Medium Term Financial Strategy (MTFS) has been adjusted and levels of net savings required were set for 2013/14 and 2014/15, although these figures will need to be re-visited as the lack of a robust recovery in the economy means further cuts are likely.

A number of the Council's significant income streams are property related and these have continued to provide lower returns than has historically been the case, although the CSB has been adjusted down for these trends. A ring-fenced account is maintained for Building Control which is required to break even over a three year rolling period. Income in 2012/13 fell to £386,000 from £505,000 in 2011/12, this could not be fully offset by cost reductions and the account has returned a £73,000 deficit for the year. A reduction was also seen in Local Land Charges where income was down from £196,000 in 2011/12 to £186,000. However, a more positive picture was seen in Development Control where income was up to £561,000 from £524,000 in 2011/12. Previously the MOT service provided by Fleet Operations had performed strongly, although 2012/13 saw reduced income here with a fall from the 2011/12 figure of £289,000 to £248,000 for the year.

The Continuing Services Budget (CSB) position was made worse by a reduction in income from the market at North Weald (2012/13 £53,000 and 2013/14 £174,000) and reductions in administration subsidy from the Department for Work and Pensions for providing the housing benefits service (2012/13 £41,000 and 2013/14 £104,000). Savings for the 2013/14 budget were delivered through the deletion of vacant posts and increases in rental income. It was also the best year so far for NHB and an additional £550,000 of income was included for this in the 2013/14 estimates.

In 2012/13 the Council's Balance Sheet value has increased by £6.20 million to £357.90 million. This increase has been driven by a revaluation of Council Dwellings and Garages which totalled £19.70 million. The increase was partially offset by depreciation and so the overall increase in Property, Plant and Equipment was £15.80 million.

The growth in the Council's Balance Sheet was limited by an increase in Long Term Liabilities, particularly in respect of the pension fund. This has increased significantly in the year from £65.63 million to £75.36 million. The assets of the scheme have increased in value by £9.86 million but the major change is on the liabilities which have increased by £19.59 million. A change in the discount rate for future cash flows produced an increase in liabilities of more than 10% for scheme members and this is by far the biggest reason for the overall increase in the liability. The inclusion of this amount in the Balance Sheet shows the extent of the Council's liability if the pension fund was to close on 31 March 2013. It does not mean that this full liability will have to be paid over to the pension fund in the near future.

The year-end position is better than was anticipated when the revised estimates were set. A predicted General Fund deficit of £29,000 has been eliminated and a surplus of £469,000 was achieved. The Housing Revenue Account has a deficit of £1.12 million, slightly worse than the revised estimate of a deficit of £938,000. The next section provides more detail on both the revenue and capital outturn for the year.

SUMMARY OF OUTTURN

The following tables provide a summary review of net expenditure and financing for 2012/13

General Fund

The table below summarises the revenue outturn for the General Fund and the consequential movement in balances for 2012/13.

General Fund	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Net Expenditure after Adjustments	14,735	14,777	14,279	(456)	(498)
Government Grants and Local Taxation	14,748	14,748	14,748	-	-
(Contribution to)/from Balances	(13)	29	(469)	(456)	(498)
Opening Balances - 31/03/2012	(9,201)	(9,201)	(9,201)	-	-
(Contribution to)/from Balances	(13)	29	(469)	(456)	(498)
Closing Balances - 31/3/13	(9,214)	(9,172)	(9,670)	(456)	(498)

Net expenditure for 2012/13 totaled £14.28 million, which was £456,000 (3.1%) below the original estimate and £498,000 (3.4%) below the revised. When compared to a gross expenditure budget of approximately £83 million, the variances can be restated as 0.5% and less than 0.6% respectively.

An analysis of the changes between Continuing Services Budget (ongoing expenditure (CSB)) and District Development Fund (One-off Expenditure (DDF)) expenditure illustrates where the main variances in revenue expenditure have

General Fund	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Opening CSB	15,968	16,180	15,708	(260)	(472)
In Year Growth	233	365	490	257	125
In Year Savings	(1,466)	(1,768)	(1,919)	(453)	(151)
Total Continuing Services Budget	14,735	14,777	14,279	(456)	(498)
DDF - Expenditure	1,924	2,610	1,649	(275)	(961)
DDF - One Off Savings	(807)	(2,140)	(1,773)	(966)	367
Total DDF	1,117	470	(124)	(1,241)	(594)
Appropriations	(1,117)	(470)	124	1,241	594
Net Expenditure	14,735	14,777	14,279	(456)	(498)

Continuing Services Budget

CSB expenditure was £456,000 below the original estimate and £498,000 lower than the revised. The variances have arisen on both the opening CSB, £472,000 lower than the revised estimate and the in year figures, £26,000 lower than the revised estimate.

In common with recent years salary savings make up a proportion of the saving on the opening CSB. Actual salary spending for the Council in total, including agency costs, was some £19.09 million compared against an original estimate of £19.53 million. The saving of £434,000 was primarily spread over three directorates Housing, Environment and Street Scene, and Finance and ICT. The largest monetary saving related to Housing so broadly half of the overall saving fell on the Housing Revenue Account (HRA) or Housing Repairs Fund rather than the General Fund. The saving as a percentage of the original estimate reduced from 4.8% in 2011/12 to 2.2% in 2012/13.

There were a number of other underspent CSB budgets, with the largest underspend of £195,000 being on Housing Benefits. This was partly due to adjustments relating to previous years and the identification of a higher level of overpayments than in previous years. Overpayments are recoverable from the recipients and are therefore shown as income and reduce overall net expenditure. There were also significant savings on admin and support budgets (£96,000), building maintenance (£58,000) and corporate improvement and training (£34,000).

The original in year CSB net saving figure of £1,233,000 increased at revised estimate to a net saving of £1,403,000. The main reasons related to the savings on the waste management contract and the inclusion of the New Homes Bonus. This was offset to a degree by the decision to build the whole of the pension deficit payments into the CSB. Given that the capitalisation direction applied for in respect of 2011/12 was refused this was considered an appropriate and prudent step to take. The actual net savings were very close to the revised figure at £1,429,000, an overall variance of only £26,000.

District Development Fund

Net DDF expenditure was £1,241,000 below the original estimate and £594,000 below the revised estimate. There are requests for carry forwards totaling £836,000 and therefore the variation actually equates to a £242,000 net overspend on the DDF items undertaken. These one-off projects are akin to capital, in that there is regular slippage and carry forward of budgetary provision. Therefore the only reasonable variance analysis that can be done is against the revised position.

The apparent overspend has arisen due to the re-imburement of amounts relating to the Heritable Bank deposits being incorrectly included in the revised estimates. These amounts reduce the outstanding amount due on the Balance Sheet and should not have been shown as revenue income to the DDF. To correct this error nothing is shown as having been received in the DDF and this creates the apparent overspend. The amount of £234,000 shown in the revised estimates as being due was received during the year and this increased the percentage recovered to 77.2%. The Administrator is still predicting an overall return of 88%.

The net DDF spend reduced between the Original and Revised position by £647,000, this was due to a mixture of items brought forward from 2011/12 and new items identified during 2012/13. The largest item introduced into the revised estimates was additional net income of £237,000 for interest on a compensation payment arising from construction of the M25 on Council owned land. Funds allocated to the Local Plan were partially rephased into 2013/14.

The rephasing of the Local Plan budget was overly optimistic as £292,000 remained unspent and has been carried forward to 2013/14. There were a number of other projects still in progress in Planning and Economic Development and the total DDF carry forward for this directorate is £356,000. The directorate with the second highest carry forward is Corporate Support Services, with a total of £187,000. The two main carry forwards from this area relate to Land Charges (£93,000) and Building Maintenance (£76,000). Significant carry forwards were also seen in the Office of the Chief Executive (£107,000) and the Office of the Deputy Chief Executive (£82,000).

The effect of this is that there is a balance of £3.58 million on the DDF as at 31 March 2013 whereas it was expected that the balance would be £2.987 million. The carry forward provision of £836,000 has been added to the programme for 2013/14 meaning that at the end of that year there is £242,000 less available to spend. The MTFs set in February 2013 had anticipated that the unallocated DDF balance would still be £1.51 million at the end 2016/17 and this has reduced to £1.27 million.

Housing Revenue Account

The table below summarises the revenue outturn for the HRA.

Housing Revenue Account	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Revenue Expenditure	13,956	13,379	13,299	(657)	(80)
Depreciation	12,921	12,005	12,652	(269)	647
Total Expenditure	26,877	25,384	25,951	(926)	567
Gross Dwelling Rents	29,148	29,251	29,226	(78)	25
Other Rents and Charges	2,833	2,829	2,710	123	119
Total Income	31,981	32,080	31,936	45	144
Net Cost of Service	(5,104)	(6,696)	(5,985)	(881)	711
Interest and Other Transfers	(568)	(510)	(508)	60	2
Interest Payable	6,312	5,547	5,517	(795)	(30)
Transfer from Major Repairs Reserve	(5,989)	(5,073)	(5,720)	269	(647)
Net Operating Income	(5,349)	(6,732)	(6,696)	(1,347)	36
Appropriations					
Capital Expenditure					
Charged to Revenue	5,200	4,200	4,200	(1,000)	-
Transfer to Self Financing Reserve	-	3,180	3,180	3,180	-
Transfer to Service Enhancement Fund	-	-	170	170	170
Other	448	290	264	(184)	(26)
Deficit for Year	299	938	1,118	819	180
Opening Balance 31/3/13	(4,493)	(4,493)	(4,493)	-	-
Deficit for year	299	938	1,118	819	180
Closing Balance - 31/3/13	(4,194)	(3,555)	(3,375)	819	180

A deficit within the HRA of £299,000 and £938,000 was expected within its original and probable outturn revenue budgets respectively; the actual outturn was a higher deficit of £1,118,000. There were a number of areas underspent, including tenancy management, computer system costs and dispersed alarms. The savings were offset by a reduction in income from other rents and charges. This was caused by lower than expected income from garages and service charges for heating.

Capital Expenditure Charged to Revenue was reduced by £1m in the revised estimate to enable a transfer to be made to a new Self Financing Reserve without creating too larger deficit on the HRA. The reserve was created by a Council resolution when the 2013/14 budget was set with the purpose of setting aside resources (£3.18m per annum for 10 years) to repay the variable rate debt when it falls due in March 2022. The aforementioned £1m reduction was offset by an increased charge to the Major Repairs Reserve. The Balance on this Reserve at 31 March 2013 was nearly £10m.

The revenue balance on the HRA of £3.38 million is in line with the target balance of between £3 million and £4 million agreed by Cabinet when previously considering the HRA five-year forecast.

Capital Outturn

The table below summarises the capital expenditure outturn and its financing for 2012/13.

Capital Expenditure and Financing	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Non-Housing	2,840	2,647	2,477	(363)	(170)
Housing	15,624	10,440	10,612	(5,012)	172
Total Expenditure	18,464	13,087	13,089	(5,375)	2
Grants	728	758	783	55	25
Capital Receipts	4,910	2,881	2,660	(2,250)	(221)
Revenue Contributions	12,826	9,448	9,646	(3,180)	198
Total Financing	18,464	13,087	13,089	(5,375)	2

The table identifies a net overspend against the revised estimate of £2,000, this includes some schemes showing genuine savings. However, there are several schemes where expenditure was ahead of schedule and these overspends in 2012/13 have been financed by bringing forward £411,000 of funding from 2013/14.

As always with the capital programme, there has been some slippage and £698,000 of funding has been carried forward to 2013/14. The two largest areas of slippage on non-housing items were the planned maintenance programme (£88,000) and Waltham Abbey Regeneration Schemes (£35,000). Whilst there is a £170,000 underspend on the non-housing programme the net carry forward is £179,000, this is due to a net overspend of £9,000 on the projects undertaken. On the housing programme the greatest slippage was on open market shared ownership schemes (£175,000) and service enhancements (£154,000). There was a overspend of £172,000 on the Housing programme however there is a net carry forward of £108,000 leaving an overspend of £280,000 on projects undertaken.

After four years of Council house sales being in single digits the enhanced Right to Buy discounts saw sales increase to 13. However, this was below the revised estimate as 15 sales had been anticipated. There were no significant land sales in 2012/13 although a compensation payment relating to use of Council land for the M25 meant General Fund receipts were £159,000 higher than estimated. The Council continues to have substantial capital resources available to it and, given the level of these, the Council does not need to borrow to finance the current capital programme over the medium term. The movements in capital resources are set out in the tables below:

	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Usable Capital Receipt Balances					
Opening Balance - 01/04/13	14,612	15,841	15,841	1,229	-
Usable Receipts Arising	174	754	717	543	(37)
Use of Other Capital Receipts	(4,910)	(2,881)	(2,660)	2,250	221
Closing Balance - 31/3/13	9,876	13,714	13,898	4,022	184

	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Major Repairs Reserve					
Opening Balance - 01/04/13	6,612	8,241	8,241	1,629	-
Major Repairs Allowance	6,932	6,932	6,932	-	-
Use of MRR	(7,613)	(5,218)	(5,418)	2,195	(200)
Closing Balance - 31/3/13	5,931	9,955	9,755	3,824	(200)

CARBON REDUCTION

The Council remains committed to reducing its carbon footprint and in addition to signing the Nottingham Declaration has developed a Carbon Change Strategy. The objectives of the Carbon Change Strategy are:

- **Reduce our carbon footprint**
Substantially reduce the amount of CO2 and the other greenhouse gases we as a Council emit through all our services and operations.
- **Be a community leader**
To reduce our impact and to lead by example, taking forward our knowledge, partnerships and resources to encourage and help the wider community and stakeholders to become more sustainable.
- **Use our powers**
Influence and use our powers in procurement, private housing, commercial sector and planning. Minimise the environmental impact of new development and ensure any future developments are able to withstand the challenge of the changing climate.

■ **Prepare the Council and the District for the impacts of climate change**

Make preparations to ensure the Council's assets and operations are resilient to the predicted climate change impacts and assist in the work to prepare the District for the new climate.

The Council is working on a number of initiatives to reduce its carbon footprint. Last year I highlighted work on Council Offices and the virtualisation of computer servers but it is also worth mentioning the work being undertaken on the housing stock. The first initiative involves new builds, here a trial scheme has been undertaken to construct houses from straw bales, which provide excellent insulation and greatly reduce heating requirements. The second initiative is on the existing stock where hard to heat solid walled properties are having their external walls insulated. The combined effect of these, and other, initiatives should be to substantially reduce power consumption.

THE FUTURE

Before looking ahead it is worth a quick look at where we are now and back at 2012/13 and some of the events that have occurred as these have provided further shocks that continue to limit the economic recovery across the globe. The Arab world has seen ongoing conflicts and instability, with Syria now in a state of civil war and Egypt suffering a military coup. Closer to home some of our Euro zone neighbours continue to struggle with deficit reduction measures and eye watering levels of unemployment. Worryingly for investors the Cyprus rescue package saw bail ins replacing bail outs. This change has also been seen in the domestic banking arena where the Co-operative Bank was kept afloat with a bail in. There is still concern about the adequacy of many banks' balance sheets and several have recently been required by the regulator to strengthen their capital positions. Central banks have propped up economies with quantitative easing and even the mention of this being stopped at some future point in America caused stock markets to dive across the world. This volatility in stock markets illustrates how weak confidence remains and how fragile any recovery is. This uncomfortable new world where resources are scarcer is one that we have to adjust to as it is likely to be with us for some time yet.

The coalition Government continue full steam ahead on their austerity track. The period from 2011/12 to 2014/15 will see a reduction in our Formula Grant from £7.59 million to £5.13 million, a cut of almost one third. The Spending Review tells us that this trend is likely to continue, starting with a further 10% cut in 2015/16. The system of local authority funding saw many changes introduced at the start of 2013/14 and it will take some time before a clear picture emerges of the effects of each one.

Reductions in grant support have been partly off-set by the introduction of the New Homes Bonus (NHB), the first three years of which now provide an annual income of £1.29 million. As the scheme will cover six years when it is fully operational it will prove to be a major source of income. However, there is significant uncertainty as you cannot precisely predict how many new homes will be built in a given year. There is also uncertainty around the funding of NHB as this comes from a top slicing of grant support at the national level. As the top slicing will affect all authorities it is clear that those areas that see the largest increases in homes will benefit at the expense of those with lower growth. This redistributive effect has led many authorities to complain about NHB and a study on the implementation of the scheme by the National Audit Office was also very critical. However, the Spending Review made no mention of changing the scheme so it seems NHB is here to stay and that is helpful to this Council.

The theme of funding being used to incentivise development is also evident in the local retention of non-domestic rates, where those authorities able to grow their rating lists will be rewarded and those suffering reductions will lose funding. The ability to retain growth can be enhanced by pooling and this option will be actively explored for 2014/15. This creates opportunity but also considerable uncertainty on the various sources of income from the Government over the medium term. This is a challenge in constructing the Medium Term Financial Strategy which needs to be prudent but realistic.

As the Council's position on non-domestic rates broadly matches the DCLG modelling there has been neither a windfall gain nor an unexpected deficit. However, the first two months of 2013/14 have seen a reduction in the gross rating list as businesses have relocated to a nearby Enterprise Zone. Economic development is now a very competitive game and if this Council does not punch its weight it will lose out to more aggressive neighbours.

The localisation of Council Tax Benefit transferred the risk of changes in demand from Central Government to Local Government from 2013/14. Local authorities have been given only 90% of previous spending and had to devise local schemes to allocate the reduced amounts, whilst protecting pensioners. So far, the difficulties flowing from the scheme have not been as great as had been anticipated. The majority of those receiving either bills for the first time or significantly increased bills have engaged with the Council and are attempting to deal with their liability. This indicates that 20% of the full charge is in the correct area for people in these circumstances to be able to deal with. There is a danger going forward that financial pressures, arising from grant reductions, will cause the percentage charged to increase. However, this could prove to be a false economy if fewer people then pay the charge. It is important to remember that many of these people will be having this additional bill to pay at the same time as their benefits will be reducing.

Whilst the General Fund revenue balances are higher than anticipated they still need careful management. The current policy stipulates that the balances should not go below 25% of net budget requirement. This would allow a reduction from the current level of £9.7 million to £3.4 million by the end of 2016/17.

The single largest change in 2011/12 was the reform of the Housing Subsidy System. Under the new system of self financing the Council made a payment in late 2011/12 of £185 million to avoid the ongoing annual payments of £11.4 million. The additional funds that are now available within the Housing Revenue Account have meant that a new modern homes standard has been introduced to improve on the previous decent homes standard. The Council is working on a programme to build new Council houses and has appointed a development partner to take forward the detailed design of schemes. Work on site should commence for the first development in 2014/15.

The four-year programme of non-housing capital investment totals £4.5 million, inclusive of amounts carried forward from 2012/13. Environment and Street Scene and Corporate Support Services have the largest programmes, with some £3.7 million being spent. Within Environment and Street Scene £0.4 million is available for parking schemes and a similar amount for waste management vehicles and equipment. The main items under Corporate Support Services are £1.5 million for works on the Civic Offices and £313,000 for upgrades to industrial units. As it is still unclear which of the many development opportunities will be taken forward and on what timescale no provision has been included at this time.

The Council's financial strength has meant its response to the austerity programme has been more measured than many other authorities who have already cut jobs and services. The service restructure that is being worked on will be in place for 2014/15 and provides an opportunity to enhance efficiency and effectiveness whilst realising savings. Reductions in grant support have been greater than anticipated and financial pressures will arise from continuing high inflation and in areas such as benefits. The MTFs is regularly revisited and updated and the net savings targets will need to be increased, to achieve these savings over the medium term the Council will have to consider reductions in the level at which many services are provided and whether some continue to be provided at all.

The Council's accounts were completed and approved for issue on 4 July 2013.

Robert Palmer BA ACA
Director of Finance & ICT

Statement of Responsibilities for the Statement of Accounts

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and ICT;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts

**COUNCILLOR MARY SARTIN
CHAIRMAN OF THE COUNCIL**

THE DIRECTOR OF FINANCE AND ICT'S RESPONSIBILITIES

The Director of Finance & ICT is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code')

In preparing this Statement of Accounts, the Director of Finance and ICT has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that were reasonable and prudent;
- Complied with the Local Authority Code.

The Director of Finance and ICT has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the accounts set out on pages 4 to 63 give a true and fair view of the financial position of the Council as at 31 March 2013 and the income and expenditure for the year then ended.

**ROBERT PALMER BA ACA
DIRECTOR OF FINANCE & ICT**

September 26, 2013

Independent auditor's report to the Members of Epping Forest District Council

Opinion on the Council's financial statements

We have audited the financial statements of Epping Forest District Council for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

This report is made solely to the members of Epping Forest District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Director of Finance and ICT and auditors

As explained more fully in the Statement of the Director of Finance and ICT's Responsibilities, the Director of Finance and ICT is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. 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 Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director of Finance and ICT; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword 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 financial position of Epping Forest District Council as at 31 March 2013 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Opinion on other matters

In our opinion, the information given in the Introduction and Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We have nothing to report in respect of the following other matters which the Code of Audit Practice for local government bodies (March 2010) requires us to report to you if:

- we have been unable to satisfy ourselves that the Annual Governance Statement meets the disclosure requirements set out in the guidance 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007 or is misleading or inconsistent with other information that is forthcoming from the audit;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

Independent auditor's report to the Members of Epping Forest District Council

Conclusion on Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Council and the auditor

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria published by the Audit Commission in November 2012, as to whether the Council has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in November 2012, we are satisfied that, in all significant respects, Epping Forest District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

Certificate

We certify that we have completed the audit of the accounts of Epping Forest District Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

David Eagles, Partner
For and on behalf of BDO LLP, Appointed Auditor

[Ipswich, UK]

Xx September 2013

MOVEMENT IN RESERVES STATEMENT

Note	General Fund Balance	Earmarked GF Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Movements in 2011/12										
Balance as at 31 March 2011	8,570	4,324	5,886	4,133	18,694	6,540	186	48,333	510,361	558,694
Surplus/(Deficit) on Provision of Services	(263)		(187,573)					(187,836)	-	(187,836)
Other Comprehensive Income and Expenditure								-	(19,214)	(19,214)
Total Comprehensive Income and Expenditure	(263)	-	(187,573)	-	-	-	-	(187,836)	(19,214)	(207,050)
Adjustment between accounting and funding bases under regulations	6	1,208	-	186,624	-	(2,852)	1,701	4	186,685	(186,696)
Net Increase/(Decrease) before transfer to Earmarked Reserves	945	-	(949)	-	(2,852)	1,701	4	(1,151)	(205,910)	(207,061)
Transfers to Earmarked Reserves	(314)	314	(444)	444					-	-
Increase/(Decrease) in Year	631	314	(1,393)	444	(2,852)	1,701	4	(1,151)	(205,910)	(207,061)
Balance as at 31 March 2012	9,201	4,638	4,493	4,577	15,842	8,241	190	47,182	304,451	351,633
Movements in 2012/13										
Balance as at 31 March 2012	9,201	4,638	4,493	4,577	15,842	8,241	190	47,182	304,451	351,633
Surplus/(Deficit) on Provision of Services	(5,356)		19,518					14,162	-	14,162
Other Comprehensive Income and Expenditure								-	(7,943)	(7,943)
Total Comprehensive Income and Expenditure	(5,356)	-	19,518	-	-	-	-	14,162	(7,943)	6,219
Adjustment between accounting and funding bases under regulations	6	5,870	-	(17,710)	-	(1,942)	1,514	32	(12,236)	12,236
Net Increase/(Decrease) before transfer to Earmarked Reserves	514	-	1,808	-	(1,942)	1,514	32	1,926	4,293	6,219
Transfers to Earmarked Reserves	(45)	45	(2,926)	2,926					-	-
Increase/(Decrease) in Year	469	45	(1,118)	2,926	(1,942)	1,514	32	1,926	4,293	6,219
Balance as at 31 March 2013	9,670	4,683	3,375	7,503	13,900	9,755	222	49,108	308,744	357,852

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31 March 2013

	Note	Gross Expend £000	2012/13 Income £000	Net Expend £000	2011/12 Net Expend £000
CONTINUING OPERATIONS					
Central Services to the Public		12,879	9,995	2,884	2,195
Corporate and Democratic Core		2,557	-	2,557	2,503
Cultural & Related Services		4,544	468	4,076	3,753
Environmental & Regulatory Services		10,404	2,970	7,434	7,895
Highways and Transport Services		1,509	1,415	94	(15)
Concessionary Fares		15	33	(18)	(31)
Local Authority Housing		39,962	38,844	1,118	1,645
Planning Services		4,310	987	3,323	2,675
Housing Revenue Account		25,590	51,038	(25,448)	2,222
EXCEPTIONAL ITEMS					
General Fund					
Vat Refund - Environmental and Regulatory Services	11	-	-	-	(253)
Interest on Compulsory Purchase Compensation	11		237	(237)	-
Housing Revenue Account					
HRA Self Financing	11	-	-	-	185,456
NET COST OF SERVICES		101,770	105,987	(4,217)	208,045
OTHER OPERATING EXPENDITURE	8			3,320	3,232
FINANCING AND INVESTMENT INCOME AND EXPENDITURE	9			5,761	(4,265)
TAXATION AND NON-SPECIFIC GRANT INCOME	10			(19,026)	(19,176)
(SURPLUS)/DEFICIT ON PROVISION OF SERVICES				(14,162)	187,836
(Surplus) on Revaluation of Property Plant and Equipment	12			(298)	(29)
Actuarial (gains)/losses on Pension Assets/Liabilities	39			8,676	19,222
Other (Gains)/Losses				(435)	21
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE				(6,219)	207,050

BALANCE SHEET

	Note	31 March 2013		31 March 2012	
		£000	£000	£000	£000
LONG TERM ASSETS					
Property, Plant & Equipment	12		528,641		512,881
Heritage Assets	13		542		542
Investment Properties	14		39,242		41,541
Intangible Assets	15		616		819
Long Term Investments	18		10,074		140
Long Term Debtors	17		1,977		1,801
TOTAL LONG TERM ASSETS			581,092		557,724
Current Assets					
Assets held for sale	16	515		0	
Inventories	19	213		181	
Debtors and Prepayments	20	5,993		6,682	
Short Term Temporary Investments	18	30,259		32,500	
Cash & Cash Equivalents	21	9,906		13,817	
			46,886		53,180
Current Liabilities					
Creditors	22	(8,131)		(7,246)	
			(8,131)		(7,246)
LONG TERM LIABILITIES					
Long Term Loans	18	(185,456)		(185,456)	
Pensions Liability	39	(75,357)		(65,625)	
Capital Grant Receipts in Advance	35	(1,182)		(944)	
			(261,995)		(252,025)
TOTAL ASSETS LESS LIABILITIES			357,852		351,633
Usable Reserves					
			49,108		47,182
Unusable Reserves					
	23		308,744		304,451
			357,852		351,633

THE CASH FLOW STATEMENT

	Note	2012/13 £000	2011/12 £000
Net Surplus or (Deficit) on Provision of Services		14,162	(187,836)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	24	660	9,410
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	(1,891)	(2,050)
Net cash flows from Operating Activities	24	12,931	(180,476)
Investing Activities	25	(17,791)	4,724
Financing Activities	26	949	184,839
Net Increase or (Decrease) in cash and cash equivalents		(3,911)	9,087
Cash and Cash Equivalents at the beginning of the reporting period		13,817	4,730
Cash and Cash equivalents at the end of the reporting period	21	9,906	13,817

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1. ACCOUNTING POLICIES

1.1 GENERAL PRINCIPLES & RESTATEMENT OF PRIOR YEAR FIGURES

General Principles

The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain 2013. The Code has been developed by the CIPFA/LASAAC Joint Committee under the oversight of the Financial Reporting Advisory Board as opposed to the Accounting Standards Board as previously.

The Code is based on International Financial Reporting Standards (IFRS) which comprises of International Accounting Standards (IAS), interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and interpretations of the Standing Interpretations Committee (SIC). The Code notes that it interprets and adapts IFRS but such instances are identified within the Code.

1.2. ACCOUNTING CONCEPTS

The accounting policies referred to are consistent with the persuasive accounting concepts of:

Going Concern - the accounts have been drawn up on the basis that the Council is going to continue in its operational existence for the foreseeable future.

Accruals - Income and expenditure is recognised in the period to which they relate rather than when the related cash is received or paid.

The Primacy of Legislation - Where there is conflict between legislative requirements and accounting principle, legislative requirements will prevail.

1.3. ESTIMATION

Where actual amounts to be included within the accounts are uncertain estimates are used. The estimate is based on the best assessment of information available at the time of closing the accounts. When the actual figures are determined any difference arising is accounted for in the year when the actual figure is determined.

1.4 CASHFLOW PREPARATION

The Code allows the preparation of the cashflow to be either the direct or indirect method. The Council has prepared the statement using the indirect method.

1.5 GROUP ACCOUNTS

Accounting practice requires that where the Council has a material financial interest and a significant level of control over another entity, it should prepare group accounts. The Council has reviewed its relationships with other entities and has concluded that no material financial interest or significant control exists and group accounts are therefore not required.

1.6 COLLECTION FUND

This records all transactions in relation to Council Tax and Non Domestic rates. The Council transfers its share of Council Tax income to the General Fund to finance expenditure and the remainder is passed to precepting authorities. Non Domestic Rate income is passed to Central Government after passing a collection allowance to the General Fund.

1.7 PROPERTY PLANT AND EQUIPMENT

All expenditure on the acquisition, creation or enhancement of property plant and equipment (PPE) is capitalised on an accruals basis in the accounts. Expenditure is capitalised, provided that the asset yields benefits to the Council and the services it provides for more than one year. This excludes expenditure on routine repairs and maintenance of assets, which is charged directly to service accounts.

Property Plant and Equipment were originally valued and recorded in the accounts as at 1 April 1994. These valuations were based upon certificates issued by the Council's Chief Valuer and Estates Surveyor. Additions since that date are included in the accounts at cost. Council dwellings and garages are revalued every year using the Beacon Properties approach as the basis for valuation. The valuation takes the form of a full revaluation followed by four years of desk top revaluations, with the last full revaluation occurring as at 1 April 2010. Other assets are revalued as part of the Council's rolling programme under which assets are revalued over a five year period. The Council dwellings and garages valuation has been carried out by District Valuer A Wilcock, MRICS, and other assets by the Council's Principal Valuer and Estates Surveyor.

IFRS has introduced the requirement to value component parts of PPE for the first time. This applies when an asset is either revalued or a component replaced or created and is subject to a significance test. The purpose of this is to ensure that the depreciation charge accurately reflects the differing useful lives of components particularly where the asset within which the component is situated has a rather longer life. Within the 2010/11 accounts Council dwellings and associated land were valued on the basis of Existing Use for Social Housing (EUV-SH) being 39% of the Vacant Possession value. The components within the dwelling have been valued based on the proportion of the total dwelling to which their value relates.

The policy was introduced for PPE revalued during 2010/11 and as part of that process the necessity to recognise significant components was also considered. A series of significance tests were applied to identify which assets it was appropriate to componentise. The first stage was applied to Council housing and leisure centres as the largest asset categories; Council dwellings and leisure centres which had a value greater than 20% of the total value of the asset categories were considered significant. As a result of these tests all Council dwellings and two leisure centres were identified and a second test was applied; any component which exceeded 20% of the total value of the asset as a whole was deemed significant. The value of plant and equipment within council dwellings and one of the leisure centres, namely Loughton Leisure Centre, was thereby identified as significant and componentisation has been applied to these assets. Componentisation has not been applied to any other assets.

The useful lives of both dwellings and the components within have been reviewed during 2012/13. The useful life of the buildings has been reassessed at 60 years with the average life of components at 26 years.

An impairment is defined as a loss in value due to the consumption of economic benefits. Where a valuation reduction occurs due to a fall in prices generally this is known as a downward revaluation. In both cases the loss is taken to the revaluation reserve to the extent that revaluation gains relating to that particular asset exists within the revaluation reserve in the first place.

If the value of the impairment or downward revaluation exceeds the revaluation amount relating to that asset already residing in the revaluation reserve then the difference is recognised in the Comprehensive Income and Expenditure Statement in the year in which it occurs. The valuations are based upon the facts and evidence prevailing at the date of valuation. The valuation date has traditionally been 1 April of the year to which the accounts relate, however, given that this date is practically a year earlier than the Balance Sheet date it has been decided to carry out the valuation as at the Balance Sheet date. The valuation included within the 2012/13 accounts is therefore that carried out at 31 March 2013.

Revaluations of individual assets are also undertaken when a material change happens. Infrastructure and community assets do not have a value attributed to them and therefore their value is based on the historic cost of providing the asset. Surplus assets, which are identified for sale on the open market, are revalued at market value which reflects any changes in planning permission granted.

Land, operational properties and other operational assets are included in the balance sheet at the lower of net current replacement cost and net realisable value in existing use. Investment properties are included in the balance sheet at the lower of net current replacement cost and net realisable value (open market value). Community assets are included in the balance sheet at historical cost and Infrastructure assets at depreciated historic cost.

Long term assets are valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes, issued by the Royal Institution of Chartered Surveyors (RICS). Fixed assets (excluding land) are classified as follows:

Type of Asset	Valuation Method	Estimated Useful Life (Years)
Council Dwellings and Garages	Existing use value for social housing Existing use value	15 to 60
Other land and buildings	Existing use value	20 to 50
Infrastructure assets	Depreciated Historic Cost	15 to 40
Community assets	Historic Cost	Indeterminable
Vehicles, plant, furniture and equipment	Depreciated historic cost	5 to 20
Non-operational assets	Existing use value Market value Historic Cost (where market value for existing use cannot be ascertained)	

Where assets are acquired under operating leases, the leasing rentals payable are charged to revenue. The cost of assets and the related liability for future rentals payable are not shown in the balance sheet but are disclosed in the notes. (See Note 38).

Where an asset has been disposed of, the profit or loss on disposal is applied to the Comprehensive Income and Expenditure Statement with corresponding entries to fixed assets and cash/debtors. Subsequently the income derived is credited to the Usable Capital Receipts Reserve, and accounted for on an accruals basis. The profit or loss on disposal is then reversed within the Movement in Reserves Statement to neutralise the effect on the General Fund of the entry in the Comprehensive Income and Expenditure Statement. Upon disposal, any valuation gains since 1 April 2007 relating to those assets are written off against the Revaluation Reserve with the remainder being written off against the Capital Adjustment Account. (See Note 23).

1.8 DEPRECIATION

In accordance with the provisions of IAS 16, assets are depreciated on a straight-line basis over their useful economic life. Where a unique asset is purchased or constructed the useful life is assessed based on information available concerning that asset. The only general exceptions to this are freehold land, community assets and non-operational investment properties which are not depreciated. Subsequent expenditure on a fixed asset that maintains or enhances the previously assessed standard of performance of the asset does not negate the need to charge depreciation.

1.9 HERITAGE ASSETS

The 2011/12 Code introduced the concept of heritage assets. The accounting standard (FRS 30) was introduced during 2010/11 but only applicable from 2011/12. A heritage asset is defined as an asset that is maintained principally for the contribution it makes to knowledge and culture. In the case of the Council the museums service hold a number of artefacts that fall within this definition. The Code also states that such assets should be recognised where the authority has information on the cost or value of the assets but where this is not available a note to that effect should be included. The amount is not material to the accounts themselves and therefore not all the disclosures required by the code have been made.

The Council has an acquisitions and disposals policy in place for these assets. The intention on acquisition is to keep the items in perpetuity and an acquisition would only be made once the long term value and the ability of the museum to provide adequate care and public accessibility to it has been assessed. This would include the ability to acquire the asset with valid title. If an item is to be disposed of it would be necessary to confirm that the museums service could legally do so and would be after due consideration but would not be based on the principle of generating funds. The museum keeps records of its collection on a database allocating a unique reference number to each artefact and is cared for by the collections manager. The Councils Museum is open to the public to view some of the artefacts but a significant number are not generally on display. There is a temporary exhibitions programme whereby certain items are shown for a limited period and some items are being stored in digital format for presentation on the museums part of the web-site.

1.10 INTANGIBLE ASSETS

Intangible assets are payments of a capital nature where no tangible fixed asset is created but which are expected to yield future economic benefits to the Council. Software, including licences is considered an intangible asset as it fulfils the two tests above. Council policy is to capitalise such expenditure but amortise it to revenue over the useful life of the asset, in this case five years.

1.11 CAPITAL EXPENDITURE CHARGED TO REVENUE

The Local Government and Housing Act 2003 allows local authorities to finance an unlimited amount of capital expenditure through its revenue accounts. The Council's policy has been to finance a significant amount of Housing Revenue Account capital expenditure in this way. However, because the financing of this expenditure is from a capital source, it is then reversed out within the Movement in Reserves Statement so has no overall effect on the Council Tax nor the General Fund.

1.12 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Revenue expenditure funded from capital under statute relates to expenditure of a capital nature that does not result in the creation of a fixed asset either tangible or intangible. This expenditure was previously known as Deferred Charges and such expenditure was initially classified as capital expenditure but then written off in full to the relevant service heading within the Income and Expenditure Account. Proper practice now is that the expenditure is charged directly to revenue. However, because the financing of this expenditure is from a capital source, it is then reversed out within the Movement in Reserves Statement so has no overall effect on the Council Tax nor the General Fund.

1.13 REVALUATION RESERVE/CAPITAL ADJUSTMENT ACCOUNT

The Revaluation Reserve contains upward revaluations occurring to Fixed Assets since 1 April 2007, revaluations prior to that date would have been within the now defunct Fixed Asset Restatement Account the balance of which was transferred to the Capital Adjustment Account on the same date. Where a subsequent downward valuation occurs, relating to a fall in market values generally, then previous upward revaluations relating to that particular asset are reversed. Any excess write down is charged to the Capital Adjustment Account after being passed through the Comprehensive Income and Expenditure Statement (CIES) and the Adjustments between Accounting Basis and Funding Basis Under Regulation.

1.14 INVESTMENTS

Investments are accounted for in accordance with IAS 32, 39 and IFRS 7. These reporting standards prescribe the recognition, measurement and disclosure requirements in relation to financial instruments. All the Council's financial assets are in the form of loans and receivables. Investments are therefore shown in the Balance Sheet at amortised cost. The Council held investments with the Heritable Bank, a UK regulated subsidiary of an Icelandic Bank, that has since gone into administration. As a result, the value of the investments held have been impaired in line with CIPFA's LAAP Bulletin 82 which was issued to provide guidance relating specifically to this situation.

1.15 ASSETS HELD FOR SALE

Assets are classed as being held for sale where, at the balance sheet date, they were being actively marketed and the sale itself is highly probable in its current condition. The assets concerned is Leader Lodge an HRA property that has been offered for sale and a buyer has been identified.

1.16 INVENTORIES

Separate stores are maintained in the Fleet Operations and Building Maintenance services. Stores are valued in the accounts at the lower of cost or net realisable value.

1.17 DEBTORS AND CREDITORS

The revenue and capital accounts of the Council are maintained on an accruals basis in accordance with the Code of Practice and IAS 8. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. An exception to this principle relates to electricity and similar periodic receipts and payments, which are charged at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

The recoverability of the Council's General Fund debts is considered each year through an analysis by age and type of debt outstanding at 31 March. An appropriate provision is made for any bad debts/losses that are anticipated. An analysis of size and type of debt outstanding at 31 March on the Housing Revenue Account has also been undertaken in accordance with the Housing Revenue Accounts (Arrears of Rent and Charges) Directions 1990.

1.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be capable of being converted into cash within 24 hours.

1.19 FINANCIAL LIABILITIES

Financial liabilities are carried at amortised cost. The Council had no borrowings until 28 March 2012 when a payment had to be made to the Department of Communities and Local Government of £185,456,000 and an equivalent amount had to be borrowed from the Public Works Loan Board. This occurred on the cessation of the HRA subsidy regime.

1.20 CAPITAL RECEIPTS

Capital Receipts from the sale of assets are treated in the accounts as laid down by regulations made under the Local Government Act 2003. Under the act 75% of the value of council house sales and 50% of the value of other Housing Revenue Account asset sales must be paid over to a central government pool for re-distribution. If however, non right to buy receipts are used to finance further capital expenditure on affordable housing then pooling can be avoided. From 2012/13 there is also the ability for authorities to retain additional monies on the basis that the receipts will be used to finance a one for one replacement program where some proceeds from a sale is used for the provision of a replacement affordable home. The amount that remains with the Council is credited to the Usable Capital Receipts Reserve and is therefore available to fund capital expenditure.

1.21 GOVERNMENT CAPITAL GRANTS AND OTHER CAPITAL CONTRIBUTIONS

Where a grant or contribution has been received the first consideration is whether there is a condition attached to the receipt of that grant. Where there is no condition or the condition is met then the income is recognised in the CIES. This income must then be reversed out within the Movement in Reserves Statement. If the related expenditure has been incurred the reversal is to the Capital Adjustment Account, if the expenditure has not been incurred the reversal is to the Capital Grants Unapplied Account.

Where a condition is not met the income must be recognised in the Capital Grants Received in Advance Account. If in a future accounting period the condition is met, at that point the grant income is recognised in the CIES and reversed out in the Movement in Reserves Statement as before. If there is no prospect of the conditions being met the grant monies are held as a Creditor until such time as repayment can be made. Where the only condition attached to a grant is that it must be spent on a particular asset or used for a particular purpose then the condition is assumed to be met only when expenditure actually occurs.

1.22 COST OF SUPPORT SERVICES AND SERVICE ADMINISTRATION

Administrative expenses are allocated over all services and to all users including services to the public, trading undertakings, capital accounts and services provided for other bodies and other support services, on a consistent basis applicable to the service provided, i.e. actual time spent by staff, area occupied, per capita, actual use etc.

1.23 RESERVES

The Council has set aside certain revenue and capital amounts as earmarked reserves. They include reserves for the District Development Fund, pensions deficit, insurance, housing repairs, on-street parking, building control and future museum acquisitions. All other fund balances represent working balances for the purpose of the specific fund and are made up of accumulated surpluses and deficits derived over a period of time. All earmarked fund balances and reserves are reviewed periodically as to their size and appropriateness.

1.24 PENSIONS

The accounting treatment for pensions is to recognise the assets, liabilities and long term commitments, rather than merely the contributions to the scheme. The assets of the scheme are measured at realisable value (Bid Values), the liabilities are measured on an actuarial basis which examines the benefits for pensioners and accrued benefits for current scheme members.

1.25 INTERNAL INTEREST

Interest is credited to the Housing Revenue Account based on the level of its fund balances. The amounts are calculated using the average rate of interest on approved investments, as prescribed in the Housing Revenue Account Item 8 Credit and Item 8 Debit (general) Determinations 2012/13.

1.26 CONTINGENT ASSETS

A contingent asset arises when it is possible that an asset will materialise from past events and will only be confirmed by the occurrence of one or more future events which are not wholly within the control of the Council.

1.27 CONTINGENT LIABILITIES

A contingent liability arises when it is possible that an obligation will materialise from past events and will only be confirmed by the occurrence of one or more future events which are not wholly within the control of the Council, or a present obligation arising from past events is not recognised because it either is unlikely that a transfer of economic benefits will occur or the amount of such a transfer cannot be measured with sufficient reliability (Note 41).

1.28 VALUE ADDED TAX (VAT)

VAT is included in the accounts only to the extent that it is irrecoverable from HM Revenue and Customs. VAT can only be recovered on partially exempt activities where all such activities account for less than 5% of total VAT on all the Council's activities.

1.29 LEASES

Finance Leases: A finance lease is defined as a lease that transfers substantially the risks and rewards of ownership without necessarily transferring the title. The Council has no agreements that meet the definition of a finance lease.

Operating Leases: An operating lease is defined as any lease that is not a finance lease. The Council has a variety of assets under operating leases, including vehicles, vending machines and mowers. The leases transfer benefits of ownership without actually transferring title to the assets, and therefore in accordance with accounting practice the leased assets are not stated in the Balance Sheet. Hire purchase contracts similar to operating leases are accounted for on the same basis where applicable.

Rentals are charged to service revenue accounts on a straight line basis over the period of the lease. No provision is made for outstanding lease commitments.

Various Council assets, such as Commercial Properties, industrial estate units and areas of land, are let to tenants under the heading operating leases. Rental income (net of cash incentives for a lessee to sign a lease) is credited to the Income and Expenditure Account.

1.30 COUNCIL TAX

The Balance Sheet shows only the Council's portion of arrears, prepayments and related bad debt provision with the balance being a debtor to major preceptors.

1.31 NON DOMESTIC RATES

The Balance Sheet shows the net debtors as being that due to the non domestic rate pool.

1.32 EXCEPTIONAL ITEMS

An item is treated as exceptional when it arises from an event outside normal Council activity and is felt to be significant when viewed in conjunction with the income and expenditure of the operational heading to which it relates.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Council is required to disclose information on the impact of a change in accounting policy that will be required by an accounting standard that has been issued but not yet adopted. This applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. 1 January 2013 for the 2012/13 financial year). The applicable standards are as follows:

Amendments have been made to IAS 1 The presentation of Financial Statements which are to be adopted for 2013/14. The standard sets out the overall requirements for Financial statements including overriding concepts such as Going Concern, Accruals and the distinction between Current and Non Current Assets. It also changes the groupings currently reported under other comprehensive Income between those that could become part of the provision of service costs and those that will not. The Financial Statements need to contain a Statement of Financial Position, A statement of Profit or Loss and other Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows. This comes into effect for the financial year starting on 1 April 2013 and is purely a presentational issue.

There have been amendments to IAS 12 Income taxes, in particular the treatment of Deferred Tax. This change is not expected to affect the Council.

There have been amendments to IAS 19 Employee Benefits that will result in a change of accounting policy.

There are changes to the point at which the Council must recognise termination benefits. Primarily this means that termination benefits should now be recognised at the earlier of:

- The point at which they have been accepted by the relevant employees and can no longer be withdrawn or
- When recognising costs for restructuring that involves the payment of termination benefits.

Previously recognition was at the point at which the Council was demonstrably committed to provide termination benefits.

A number of changes have been made to the measurement and recognition of post employment benefits. These include:

- Removal of the expected return on assets, to be replaced by a net interest cost comprising interest income on the assets and interest expense on the liabilities, which are both calculated with reference to the discount rate;
- Some consolidation of items previously charged as separate amounts to the Surplus or Deficit on Provision of Services. A single category of Service Cost now includes what was previously charged separately as Current Service Cost, Past Service Cost, Curtailments and Settlements.
- Administration expenses are now accounted for within the Surplus or Deficit on Provision of Services; previously these were deducted from the actual and expected returns on assets.
- The pension actuary has provided amounts for the Comprehensive Income and Expenditure Statement (CIES) if the IAS19 amendments had been effective for 2012/13. These are compared below to the current 2012/13 amounts, as included in Note 39, along with the estimated impact on the Movement in Reserves Statement which has been derived from the CIES amounts provided. The actuary has advised that there is no change to the Balance Sheet liability as the increased Finance cost charged to the CIES will be offset by a gain under remeasurements.

	2012/13 £000s	2012/13 Revised IAS £000s
Comprehensive Income and Expenditure Statement		
Current Service Cost	2,983	-
Curtailment Cost	21	-
Service Cost	-	3,004
Administration Expenses	-	21
Expected Return on Assets	(4,954)	-
Interest on Pension Liabilities	6,835	-
Net Interest on the Defined Liability	-	2,932
Net Total reported in Surplus/Deficit on Provision of Services	4,885	5,957

This change is effective from the financial year commencing on 1 April 2013.

There have been some amendments to the reporting requirements of IFRS7 financial Instruments in relation to the offsetting of Financial Assets and Liabilities. Currently an entity can offset certain Financial Assets and Liabilities but there is not a consistent offsetting model used which can lead to a lack of consistency particularly where an entity has a large volume of derivatives. A common offsetting model is proposed however this Council does not offset nor is it likely to offset Financial Assets and Liabilities so this should not affect the Financial Statements. This is effective from the Financial year beginning on 1 April 2014.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The major uncertainty is around future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Accounts contain a number of figures that are estimated based on historical experience, current trends or other factors that are relevant. As these figures cannot be ascertained with certainty it is possible that actual results could be materially different from those estimated. The items in the Balance Sheet where there is a risk of material adjustment are as follows:

Property Plant and Equipment

Assets are depreciated over useful lives that are dependant on assumptions relating to repairs and maintenance to those assets. It is possible that the Council may not be able to expend the resources necessary to maintain the estimated useful life assessed and therefore additional depreciation and a fall in asset values may occur. For example the annual Depreciation charge for a Council Dwelling, being the most significant class of Council assets, would increase by around 4% if the useful economic life of the buildings and significant components were reduced by one year.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Consultant actuaries are engaged to provide advice about assumptions to be applied. The actuary has provided some sensitivity analysis around the assumptions and this is contained within the Pensions note 39. The carrying value of the Pensions Liability is (£75,357,000).

Arrears

The Council has a number of sundry debtors relating to arrears and what is felt to be an appropriate provision for bad and doubtful debts has been provided against this. Given the current economic climate it is possible that this level of provision might become inadequate. If collection rates were to deteriorate then the charge to the CIES would increase. The carrying value of the Councils debtors is £6,035,000.

5. EVENTS AFTER THE BALANCE SHEET DATE

The financial statements were authorised for issue on 4 July 2013 by Robert Palmer BA ACA. The financial statements reflect all events up to this date.

From 1 April 2013 there have been some significant changes to the way that Local Government finance operates. There have been changes to Council Tax and Non Domestic Rates both of which have had the effect of transferring financial risk from the Government to Local Authorities.

Until 31 March 2013 those residents who were unable to afford to pay their Council Tax were in receipt of Council Tax Benefit. This was abolished for the financial year beginning on 1 April 2013 and replaced by a council tax discount scheme. There is now a requirement for all residents other than pensioners, including those previously on full benefit, to pay at least some Council Tax. There is expected to be some difficulty recovering monies particularly from those on low incomes and indeed collection costs are expected to increase in order to even maintain the current collection rate.

Until 31 March 2013 all business rates collected by the Council were passed to Central Government (save for a collection allowance) and then an appropriate amount calculated as part of the financial settlement was passed back to Local Authorities. From the financial year beginning on 1 April 2013, the Council initially has to pay 50% of Business Rates collected to Central Government, with the remainder being retained either by the Council (9%) or passed to The County Council (9%) and Fire Authority (1%) in the form of a precept and the remaining amount (31%) passed to Central Government as a 'tariff' payment. Once the Precepts, Tariff and 50% Central Share have been paid, 50% of any additional income due to growth in the tax base can be retained by the Council. However other factors, such as changes in collection rates and successful rating appeals, will also directly affect the amount of income the Council benefits from.

Notes to the core Financial Statements

6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	2012/13 £000					Movement in Unusable Reserves
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
Adjustments involving the Capital Adjustment Account:						
<i>Exclusions;</i>						
Charges for depreciation and impairment of non-current assets	(2,298)	(12,693)	-	-	-	14,991
Reversal of Impairment of non-current assets		19,228	-	-	-	(19,228)
Movements in the fair value of Investment Properties	(2,241)		-	-	-	2,241
Amortisation of intangible assets	(271)	(6)	-	-	-	277
Capital Grants and contributions applied	522	208	-	-	-	(730)
Revenue expenditure funded from Capital under statute	(535)	(172)	-	-	-	707
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	(120)	(816)	-	-	-	936
Capital expenditure charged against the General Fund and HRA balances	28	4,200	-	-	-	(4,228)
Adjustments primarily involving the Capital Grants Unapplied Account	32	-	-	-	(32)	-
Adjustments involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	236	1,161	(1,319)	-	-	(78)
Transfer from Deferred Capital receipts on receipt of cash	-	-	(12)	-	-	12
Used to finance new capital expenditure	-	-	2,660	-	-	(2,660)
Contribution towards administrative costs of non-current asset disposals	-	(17)	17	-	-	-
Contribution to finance the payments to the Government capital receipts pool	(596)	-	596	-	-	-
Adjustments involving the Deferred Capital Receipts Reserve:						
Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.	-	20	-	-	-	(20)
Adjustments relating to the Major repairs Reserve:						
Reversal of Major repairs Allowance credited to the HRA	-	6,932	-	(6,932)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	5,418	-	(5,418)
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited\credited to the CIES (see Note 39)	(719)	(337)	-	-	-	1,056
Adjustments involving the Collection Fund Adjustment Account						
Amount by which council tax income credited to the CIES is different from that calculated in accordance with statutory requirements.	114	-	-	-	-	(114)
Adjustments involving the Accumulated Absences Account	(22)	2	-	-	-	20
TOTAL ADJUSTMENTS	(5,870)	17,710	1,942	(1,514)	(32)	(12,236)

Notes to the core Financial Statements

	2011/12 £000					
	Usable Reserves					
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
Adjustments involving the Capital Adjustment Account:						
Exclusions;						
Charges for depreciation and impairment of non-current assets	(2,179)	(10,070)	-	-	-	12,249
Upward/(Downward) revaluation of non-current assets	(21)	1,298	-	-	-	(1,277)
Movements in the market value of Investment Properties	1,975	-	-	-	-	(1,975)
Amortisation of intangible assets	(235)	(11)	-	-	-	246
Capital Grants and contributions applied	826	210	-	-	-	(1,036)
Revenue expenditure funded from Capital under statute	(889)	(185)	-	-	-	1,074
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	(49)	(422)	-	-	-	471
Capital expenditure charged against the General Fund and HRA	56	2,050	-	-	-	(2,106)
Application of HRA self financing loan transferred to the Capital Adjustment Account	-	(185,456)	-	-	-	185,456
Adjustments primarily involving the Capital Grants Unapplied Account					(4)	4
Adjustments involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	52	1,000	(1,052)	-	-	-
Used to finance new capital expenditure	-	-	3,206	-	-	(3,206)
Transfer from Deferred Capital receipts on receipt of cash			(8)			8
Contribution towards administrative costs of non-current asset disposals	-	(33)	33	-	-	-
Contribution to finance the payments to the Government capital receipts pool	(673)	-	673	-	-	-
Adjustments involving the Deferred Capital Receipts Reserve:						
Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.	-	61	-	-	-	(61)
Adjustments relating to the Major repairs Reserve:						
Reversal of Major repairs Allowance credited to the HRA		4,978		(4,978)		-
Use of the Major Repairs Reserve to finance new capital expenditure				3,277		(3,277)
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited\credited to the CIES (see Note 39)	(54)	(25)				79
Adjustments involving the Collection Fund Adjustment Account						
Amount by which council tax income credited to the CIES is different from that calculated in accordance with statutory	(13)	-	-	-	-	13
Adjustments involving the Accumulated Absences Account						
Amount by which officer remuneration charged to CIES on an accruals basis is different from that required in accordance with statutory requirements	(4)	(19)	-	-	-	23
TOTAL ADJUSTMENTS	(1,208)	(186,624)	2,852	(1,701)	(4)	186,685

Notes to the core Financial Statements

7. EARMARKED RESERVES

A summary of balances on earmarked reserves is set out below.

	Balance 1 April 2011 £000	Transfers Out £000	Transfers In £000	Balance 31		Balance 31 March 2013 £000
				March 2012 £000	Transfers Out £000	
Housing Repairs Reserve	4,121	(5,406)	5,200	3,915	(5,607)	3,508
District Development Fund	3,269	(1,557)	1,745	3,457	(1,649)	3,581
Self Financing Reserve	-	-	-	-	-	3,180
Pension Deficit Reserve	66	-	-	66	-	66
Deferred Revenue Income	509	(11)	-	498	(19)	479
Insurance Reserve	424	-	719	1,143	(13)	1,130
Service Enhancement Fund (HRA)	-	-	-	-	-	170
Building Control	27	-	67	94	(73)	21
On Street Parking	28	-	-	28	-	28
Museum Fund	8	-	1	9	-	18
Small Loans Fund	5	-	-	5	-	5
Total Earmarked Reserves	8,457	(6,974)	7,732	9,215	(7,361)	12,186

8. OTHER OPERATING EXPENDITURE

	31 March	
	2013 £000	2012 £000
Parish Council Precepts	3,167	3,107
Payments to the Government Housing Receipts Pool	596	673
(Gains)/losses on the disposal of non-current assets	(443)	(548)
Total	3,320	3,232

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	31 March	
	2013 £000	2012 £000
Total Net Surplus from Trading Operations (Note 29)	(3,340)	(3,037)
Interest payable and similar charges	5,516	90
Pensions interest cost and expected return on pensions assets	1,881	1,472
Interest receivable and similar income	(517)	(693)
Changes in Fair Values of Investment Properties	2,241	(1,975)
Changes in value of Deferred Capital Receipts	(20)	(61)
Impairment of Investments	-	(61)
Total	5,761	(4,265)

Notes to the core Financial Statements

10. TAXATION AND NON SPECIFIC GRANT INCOMES

	31 March	
	2013 £000	2012 £000
Council tax income	(11,373)	(11,215)
Non domestic rates	(6,530)	(5,643)
Non-ring fenced government grants	(1,063)	(2,243)
Capital Grants and Other Contributions	(60)	(75)
Total	(19,026)	(19,176)

11. EXCEPTIONAL ITEMS

There is one exceptional item reported within the Accounts:

A compensation payment of £100,000 and interest of £237,000 has been received in relation to an ongoing compulsory purchase order that dates back to around 1992. The case has been quite complex with the Council needing to prove good title with regard to the land in question. The compensation itself has been treated as a Capital Receipt with the interest being treated as revenue income and credited to the DDF.

There are two further items reported in the prior period, These are:-

There was a refund of VAT deemed to be over-declared and interest in respect of output tax charged on Trade Waste from 1 April 1973 to 30 November 1996. In the prior year there was a similar claim payable in relation to over-declared tax on sports tuition for the period 1 January 1978 to 31 December 1989 and 1 April to 31 July 1994.

On 28 March Year the Council borrowed £185,456,000 from the Public Works Loan Board in order to pay an equivalent amount over to the Department for Communities and Local Government. This payment was the amount prescribed as payable on the cessation of the Housing Revenue Account Subsidy regime on 31 March 2012. The payment is of a Capital nature but as it neither creates or improves an existing asset the payment is written off to the Comprehensive Income and Expenditure Statement in the year of payment. This item is of course reversed out within the Adjustments Between Accounting Basis and Funding Basis under Regulation as it is not funded from revenue resources.

Notes to the Core Financial Statements

12. PROPERTY PLANT AND EQUIPMENT

A thorough review of non current assets was undertaken during 2012/13 as part of the process to implement a new Asset Management System. The review provided a more detailed analysis of the assets owned by the Council and their associated values. It also revealed the need to restate the Council's gross book values and gross depreciation figures in two asset groups: vehicles, plant and equipment; and infrastructure assets. In both cases the gross figures have been restated downwards to account for redundant assets no longer in use. The net book values have not been affected.

	OPERATIONAL ASSETS							
	Council Dwellings and Garages	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	WIP Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Gross Book Value 31 March 2012	454,463	42,823	17,154	17,746	2,822	756	669	536,433
Reclassified	-	-	(282)	282	-	-	-	-
Restated	-	269	(2,500)	(105)	-	-	-	(2,336)
01 April 2012	454,463	43,092	14,372	17,923	2,822	756	669	534,097
Additions	9,069	348	1,485	366	-	-	905	12,173
Disposals	(841)	-	(592)	-	-	-	-	(1,433)
Reclassified in year	(407)	137	134	-	-	38	(357)	(455)
Revalued in year	-	-	-	-	-	-	-	-
Revaluations	19,687	-	-	-	-	-	-	19,687
Accumulated Depreciation & Impairment written off on revaluation	(22,123)	-	-	-	-	-	-	(22,123)
Gross Book Value 31 March 2013	459,848	43,577	15,399	18,289	2,822	794	1,217	541,946
Depreciation 31 March 2012	(9,786)	(1,336)	(7,836)	(4,594)	-	-	-	(23,552)
Reclassified	-	8	196	(196)	-	(8)	-	-
Restated	-	6	2,500	105	-	-	-	2,611
01 April 2012	(9,786)	(1,322)	(5,140)	(4,685)	-	(8)	-	(20,941)
Depreciation in Year	(12,377)	(704)	(1,418)	(492)	-	-	-	(14,991)
Depreciation on Assets Sold	40	-	464	-	-	-	-	504
Accumulated Depreciation & Impairment written off on revaluation	22,123	-	-	-	-	-	-	22,123
Depreciation 31 March 2013	-	(2,026)	(6,094)	(5,177)	-	(8)	-	(13,305)
Net Book Value 31 March 2013	459,848	41,551	9,305	13,112	2,822	786	1,217	528,641

Notes to the Core Financial Statements

	OPERATIONAL ASSETS							Total
	<i>Council Dwellings and Garages</i>	<i>Other Land and Buildings</i>	<i>Vehicles, Plant and Equipment</i>	<i>Infrastructure Assets</i>	<i>Community Assets</i>	<i>Surplus Assets</i>	<i>WIP Assets</i>	
	£000	£000	£000	£000	£000	£000	£000	
<i>Gross Book Value</i>								
31 March 2011	459,538	41,621	17,824	17,257	2,784	756	498	540,278
Reclassified	1,781	(191)	(1,593)	-	-	-	(18)	(21)
Restated	(12,658)	16	-	-	(4)	-	-	(12,646)
Revalued	1,351	(78)	-	-	-	-	-	1,273
01 April 2011	450,012	41,368	16,231	17,257	2,780	756	480	528,884
Additions	4,882	40	1,573	218	42	-	1,543	8,298
Disposals	(431)	-	(318)	-	-	-	-	(749)
Reclassified in year	-	1,415	(332)	271	-	-	(1,354)	-
Revalued in year	-	-	-	-	-	-	-	-
Gross Book Value								
31 March 2012	454,463	42,823	17,154	17,746	2,822	756	669	536,433
<i>Depreciation</i>								
31 March 2011	(12,658)	(685)	(6,781)	(4,115)	(4)	-	-	(24,243)
Restated Depreciation	-	-	-	-	-	-	-	-
<i>Accumulated Depreciation written off on revaluation</i>	12,658	-	-	-	4	-	-	12,662
01 April 2011	-	(685)	(6,781)	(4,115)	-	-	-	(11,581)
Depreciation in Year	(9,795)	(651)	(1,324)	(479)	-	-	-	(12,249)
Depreciation on assets sold	9	-	269	-	-	-	-	278
Depreciation								
31 March 2012	(9,786)	(1,336)	(7,836)	(4,594)	-	-	-	(23,552)
Net Book Value								
31 March 2012	444,677	41,487	9,318	13,152	2,822	756	669	512,881

Notes to the Core Financial Statements

	OPERATIONAL ASSETS							Total
	Council Dwellings and Garages	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	WIP Assets	
	£000	£000	£000	£000	£000	£000	£000	
Carried at historical cost	-	2,103	15,399	18,289	2,822	-	1,217	39,830
Valued at fair value as at:								
31 March 2013	459,848	275	-	-	-	540	-	460,663
31 March 2012	-	1,474	-	-	-	216	-	1,690
31 March 2011	-	31,875	-	-	-	38	-	31,913
31 March 2010	-	7,850	-	-	-	-	-	7,850
Total Cost or Valuation	459,848	43,577	15,399	18,289	2,822	794	1,217	541,946

13. HERITAGE ASSETS

	Waltham Abbey Bible £000	Other Artefacts £000	Civic Chains £000	Epping Fountain £000	Total £000
Gross Book Value 31 March 2012	262	147	110	26	545
Depreciation 31 March 2012	-	-	-	(3)	(3)
Depreciation in Year	-	-	-	-	-
Depreciation					
31 March 2013	-	-	-	(3)	(3)
Net Book Value					
31 March 2013	262	147	110	23	542

	Waltham Abbey Bible £000	Other Artefacts £000	Civic Chains £000	Epping Fountain £000	Total £000
Gross Book Value 31 March 2011	262	147	110	26	545
Depreciation 31 March 2011	-	-	-	(2)	(2)
Depreciation in Year	-	-	-	(1)	(1)
Depreciation					
31 March 2012	-	-	-	(3)	(3)
Net Book Value					
31 March 2012	262	147	110	23	542

Notes to the Core Financial Statements

Waltham Abbey Bible and other artefacts

The Bible and other Artefacts are valued based on their valuation on the current insurance schedule. The items included on the Balance Sheet relate only to the top items featuring on the schedule. The total insurance valuation is rather higher than this but cannot be identified to a particular item or items that are in the Council's collection.

There are some quite significant assets within the collection. The most valuable being the Waltham Abbey Bible valued at £262,500, a painting 'view from the garden, Epping' by artist Lucien Pissarro who lived in the district for a while (£63,000), A purbeck marble bust of a knight valued in 1985 at £36,000, two hoards of coins valued at £21,900 in total and five other items identified separately valued in total at a little over £25,000.

The Council's museums service holds a large collection of Heritage Assets but in many cases no valuation is available.

As well as the assets referred to earlier there are between 25,000 and 30,000 pieces of art work including watercolours and sketches, over 10,000 objects and documents of social historic interest, a large number of photographic and archaeological items and some costumes. Some of this has been catalogued but by no means all. The assets are either held within the museum itself or held in storage. No valuation has been undertaken of these assets as it would have been too onerous to do so in the time scale applicable to the financial statements.

Epping Fountain

The Epping Fountain was previously recognised as an Infrastructure Asset and has been reclassified as a Heritage Asset. The fountain was erected many years ago and, although removed for some years, has now been refurbished and re-erected in its original position.

Civic Chains

The Chains were both passed to the Council by predecessor authorities. They feature a number of symbols related to the history of the district.

The Hunting Horn is the Master Keeper's symbol of office and Chigwell and Loughton were two of the ten walks in the forest over which the Master Keeper had authority. In the forest region, the Lordship of the Manor developed from the office of Master Keeper.

The wreath of Oak Leaves is also symbolic of the forest.

The Stag is thought to be the single feature unifying the district. The Stag is particularly representative of Buckhurst Hill. The Axe-heads were introduced because they were the Verderer's symbol of Office and the Verderer's Court was held at the King's Head, Chigwell. They are also symbolic of the great fight to save the forest from enclosure, in which Loughton was so prominent.

Notes to the Core Financial Statements

14. INVESTMENT PROPERTY

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the CIES. Income and expenditure relating to the General Fund is recorded under trading operations.

	2012/13 £000	2011/12 £000
Rental income from investment property	4,570	4,335
Direct operating expenses arising from investment property	(204)	(266)
Net gain/(loss)	4,366	4,069

The following table summarises the movement in fair value of investment properties over the year. The reduction is due to a fall in the value of land at North Weald Airfield used for the Saturday and Bank Holiday markets. The popularity of the market has diminished recently and fewer traders and members of the public attend. A reduced rent was recently agreed with the operator and as a result the valuation has fallen. Most other property valuations have increased slightly or remained the same. The updated valuations were carried out as at 31 March 2013.

	31 March	
	2013 £000	2012 £000
Balance at start of the year	41,541	39,566
Reclassifications	(68)	-
Construction	10	-
Net gains/(losses) from fair value adjustments	(2,241)	1,975
Balance at end of the year	39,242	41,541

Notes to the Core Financial Statements

15. INTANGIBLE ASSETS

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment, and is amortised over a 5 year period.

The carrying amount of intangible assets is amortised on a straight line basis. All but £6,000 (£11,000) of the amortisation charge of £277,000 to revenue in 2012/13 was charged to the ICT cost centre and then absorbed as an overhead across all the service headings in the Net Cost of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on Intangible Asset balances during the year is as follows:

	31 March	
	2013 £000	2012 £000
Balance at start of year:-		
Gross carrying amounts	1,445	1,233
Accumulated amortisation	(626)	(380)
Net carrying amount at start of year	819	853
Additions	74	191
Amortisation	(277)	(246)
Reclassifications during the year	-	21
Net Carrying Amount at end of year	616	819

16. ASSETS HELD FOR SALE

A Housing Revenue Account property called Leader Lodge in North Weald was put up for sale toward the end of 2012/13 and has been actively marketed. The book value of the property was £109,000. However it has been revalued to its sale price of £515,000. The sale is expected to take place shortly.

17. LONG TERM DEBTORS

	31 March	
	2013 £000	2012 £000
Mortgages	21	29
Capital Advances (B3 Living)	189	0
Rents to Mortgages	1,366	1,346
Other Local Authorities - Transferred Debt	401	426
Net Carrying Amount at end of year	1,977	1,801

Notes to the Core Financial Statements

18. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Long term		Current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Financial liabilities at amortised cost				
Borrowing	185,456	185,456	-	61
Trade Creditors	-	-	5,006	4,056
Total financial liabilities	185,456	185,456	5,006	4,117
Loans and receivables at amortised costs				
Investments	10,074	140	30,259	32,500
Debtors	1,977	1,801	5,773	5,301
Cash			4,905	3,808
	12,051	1,941	40,937	41,609
Available for Sale	-	-	5,001	10,009
Total financial assets	12,051	1,941	45,938	51,618

On 28 March 2012 the Council took on new debt of £185.456m from the Public Works Loan Board (PWLB) to pay the Department of Communities and Local Government on the cessation of the HRA Subsidy System. In the prior year the short term borrowing cost of £61,000 related to the interest accrued on the PWLB loan for 2011/12.

The item included under Available for Sale in the financial instruments balances table above is included within the cash & cash equivalents on the balance sheet. The £5m relates to an investment made to a Money Market Fund and interest accrued, which needs to be reported under Available for Sale within the financial instruments balances. The Code of Practice requires an Available for Sale Financial Instruments Reserve Account to record any unrealised gains or losses from holding available for sale investment. However, as this is a Money Market Fund which has a constant net asset value, this means that each £1 invested buys 1 unit, which is re-priced back to £1 at the end of each day. All gains are realised and credited to the CIES.

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consists of the following items:

	Financial Liabilities:		Financial Assets:	
	2012/13 £000	2011/12 £000	2012/13 £000	2011/12 £000
Interest expense	(5,517)	(61)	-	-
Impairment (losses) / gains	-	-	-	61
Interest payable and similar charges	(5,517)	(61)	-	61
Interest income	-	-	517	693
Interest and investment income	-	-	517	693
Net gain/(loss) for the year	(5,517)	(61)	517	754

Notes to the Core Financial Statements

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost, i.e. the aggregate of principal and accrued interest. Fair value is the amount for which an asset can be exchanged, or a liability settled. The Council's debt outstanding at 31 March 2013 consists of loans from the Public Works Loan Board (PWLB). The PWLB has provided the Council with Fair Value amounts in relation to its debt portfolio. The PWLB has assessed the Fair Values by calculating the amounts the Council would have to pay to extinguish the loans on these dates.

The fair value for financial assets can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions: a) where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value; b) the fair value of trade and other receivables is taken to be the invoiced or billed amount.

	31 March 2013		31 March 2012	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair Value £000
<u>Financial liabilities</u>				
Borrowing	185,501	199,342	185,517	192,020
Long-term creditors	-	-	-	-
Total Financial Liabilities	185,501	199,342	185,517	192,020
<u>Financial assets</u>				
Investments	40,333	40,333	32,640	32,640
Long-term debtors	1,977	1,977	1,801	1,801
Total Financial Assets	42,310	42,310	34,441	34,441

The fair value of long term liabilities is higher than the carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

The Council had £10,074,000 (£140,000 at 31 March 2012) classed as investments in excess of one year. These relates to two investments totalling £10m made to other local authorities, £70,000 relating to the Heritable investment where the administrator has advised the anticipated repayment of the loan and £4,000 other long term investments. It is assumed that the carrying amount shown in the balance sheet is approximate to the fair value.

19. INVENTORIES

	2013				TOTAL £000
	Franking Machines £000	Miscellaneous Stocks £000	Works Unit £000	Work In progress £000	
Balance at the start of the year	17	74	76	14	181
Purchases	29	304	165	7	505
Recognised as an expense during the year	(28)	(262)	(173)	(10)	(473)
Balance at year end	18	116	68	11	213

Notes to the Core Financial Statements

2012

	Franking Machines	Miscellaneous Stocks	Works Unit	Work In progress	TOTAL
	£000	£000	£000	£000	£000
Balance at the start of the year	15	106	76	26	223
Purchases	27	260	211	23	521
Recognised as an expense during the year	(25)	(292)	(211)	(35)	(563)
Balance at year end	17	74	76	14	181

20. DEBTORS AND PREPAYMENTS

	31 March	
	2013 £000	2012 £000
Amounts falling due in one year		
Government Departments	1,856	1,728
Other Local Authorities	911	2,232
Council Tax arrears	246	244
Housing Rent arrears	319	279
Sundry debtors	2,400	1,690
Prepayments	260	508
Others	1	1
Total Debtors	5,993	6,682

Council Tax arrears shown above and the related bad debt provision relate only to the Council's proportion of the total debt. The remainder is shown as part of the amount due from major preceptors on the basis that the Council has paid over more in precepts than it has actually received from Council tax payers, the figure itself is net of prepayments. National non-domestic rates arrears are shown as being due from central government as the Council merely acts as an agent collecting the amounts due, this amount is also shown net of prepayments.

21. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements.

	31 March	
	2013 £000	2012 £000
Cash	5	4
Bank current accounts	4,900	3,804
Short-term deposits with money market funds	5,001	10,009
Total Cash and Cash Equivalents	9,906	13,817

Notes to the Core Financial Statements

The 'Short-term deposits with money market funds' relates to £5m made to a Money Market Fund and interest accrued (£1,000). This has been included within the cash equivalents as funds can be drawn down and used on the day of request. The fund has a constant net asset value, this means that each £1 you put in buys 1 unit, which is re-priced back to £1 at the end of each day.

22. CREDITORS

	31 March 2013 £000	2012 £000
Government Departments and Other Local Authorities	1,455	1,318
Council Tax	178	140
Housing rents	241	217
Sundry creditors	3,564	2,617
Accruals and deferred income	2,693	2,954
Total Creditors	8,131	7,246

Included within creditors is £3,000 (£3,000 at 31 March 2012) relating to Waltham Abbey Tourist Information Centre. This falls within the definition of a related party.

Council tax prepayments shown above relate to the Council's proportion of prepayments, the remainder is shown as part of the net amount owed by preceptors which forms part of the debtors figure, the same arrangement applies to non-domestic rates.

23. USABLE AND UNUSABLE RESERVES

Movements in Usable Reserves are shown in detail on the Movement in Reserves Statement.

	31 March	
	2013 £000	2012 £000
Revaluation Reserve	7,934	8,060
Capital Adjustment Account	374,915	360,870
Pensions Reserve	(75,357)	(65,625)
Deferred Capital Receipts Reserve	1,384	1,372
Collection Fund Adjustment Account	15	(99)
Accumulated Absences Account	(147)	(127)
Total Unusable Reserves	308,744	304,451

Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and gains are consumed through depreciation, or
- disposed of and the gains are realised

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Notes to the Core Financial Statements

	31 March	
	2013 £000	2012 £000
Balance as at 1 April	8,060	8,031
Revaluations during the year	458	10
Depreciation adjustment	(584)	
Restatement		19
Balance at 31 March	7,934	8,060

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised as donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Notes to the Core Financial Statements

	2013		2012
	£000	£000	£000
Balance at 1 April		360,870	547,524
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement			
Charges for depreciation and impairment of non-current assets	(14,990)		(12,249)
Self Financing Payment for Housing Revenue Account Properties	-		(185,456)
Revaluation gains/(losses) on Property, Plant and Equipment	19,228		(78)
Amortisation of intangible assets	(277)		(246)
Revenue expenditure funded from capital under statute	(707)		(1,074)
Amounts for non-current assets written off on disposal or sale as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(928)	2,326	(471)
Adjusting Amounts written out of the Revaluation Reserve		584	
		363,780	347,950
Capital financing applied in the year			
Reversal of previous impairments			1,355
Use of the Capital Receipts Reserve to finance new capital expenditure	2,660		3,206
Use of the Major Repairs Reserve to finance new capital expenditure	5,418		3,277
Capital grants credited to the CIES that have been applied to capital financing	730		1,012
Application of grants to capital financing from the Capital Grants Unapplied Account			8
Capital expenditure charged against the General Fund and HRA balances	4,228	13,036	2,106
Restatement of Assets		340	
Movement in the market value of Investment Properties debited or credited to the CIES		(2,241)	1,956
Balance at 31 March		374,915	360,870

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account (FIAA) was established under Financial Reporting Standards 25, 26 and 29 when Financial Instruments were adopted into the then SORP (2007), now superseded by the Code. The FIAA is not currently in use so does not form part of the Balance Sheet.

Notes to the Core Financial Statements

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employers contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance of the Pension Reserve therefore shows a substantial shortfall in the benefits earned by the past and current employees and the resources the Council have set aside to meet them. The statutory arrangements ensure the funding will have been set aside by the time the benefits come to be paid.

	2013 £000	2012 £000
Balance at 1 April	(65,625)	(46,324)
Actuarial (gains) or losses on pensions assets and liabilities	(8,676)	(19,222)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(4,885)	(3,804)
Employers pensions contributions and direct payments to pensioners payable in the year	3,829	3,725
Balance at 31 March	(75,357)	(65,625)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as useable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2013 £000	2012 £000
Balance at 1 April	1,372	1,319
Repayment of Mortgages	(8)	(8)
Rents to Mortgages	20	61
Balance at 31 March	1,384	1,372

Notes to the Core Financial Statements

Collection Fund Adjustment Account

The collection fund manages the differences arising from the recognition of council tax income in the CIES as it falls due from Council Tax Payers compared with the statutory arrangements for paying across amounts to General Fund from the Collection Fund.

	2013 £000	2012 £000
Balance at 1 April	(99)	(85)
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	114	(14)
Balance at 31 March	15	(99)

Accumulated Absences Account

The Accumulated Absences Account absorbs the difference that would otherwise arise on the General Fund and Housing Revenue Account balances from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund and Housing Revenue Account is neutralised by transfers to or from the Account.

	2013 £000	2012 £000
Balance at 1 April	(127)	(104)
Reversal of prior year accrual	127	104
Amounts accrued at the end of the current year	(147)	(127)
Amount by which the officer remuneration charges to the CIES is different from remuneration chargeable	(20)	
Balance at 31 March	(147)	(127)

24. CASH FLOW STATEMENT - OPERATING ACTIVITIES

Adjust net surplus or deficit on the provision of services for non cash movements

	2012/13 £000	2011/12 £000
Depreciation	14,992	12,249
Amortisation	277	246
Impairment and downward valuations	(19,228)	(1,277)
Material impairment losses on Investment debited to surplus or deficit on the provision of services in year		(61)
Adjustment for movements in fair value of investments classified as Fair Value through Profit & Loss a/c		(35)
Increase / (Decrease) in Interest Creditors	(77)	61
Increase / (Decrease) in Creditors	706	(938)
(Increase) / Decrease in Interest and Dividend Debtors	72	36
(Increase) / Decrease in Debtors	(485)	503
(Increase) / Decrease in Inventories	(31)	42
Pension Liability	1,056	79
Contributions to / (from) Provisions	201	(11)
Carrying amount of non-current assets sold	936	472
Movement in Investment Property Values	2,241	(1,956)
Total	660	9,410

Notes to the Core Financial Statements

Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities

	2012/13 £000	2011/12 £000
Capital Grants credited to surplus or deficit on the provision of services	(576)	(970)
Proceeds from the sale of property and equipment, investment property and intangible assets	(1,315)	(1,080)
Total	(1,891)	(2,050)

Operating activities within the cashflow statement include the following cash flows relating to interest and other operating activities

	2012/13 £000	2011/12 £000
Interest received	589	729
Interest charge for the year	(77)	(61)
Other operating activities	12,419	(181,144)
Total	12,931	(180,476)

Other operating activities in 2011/12 include the HRA self financing payment of £185,456,000.

25. CASH FLOW STATEMENT - INVESTING ACTIVITIES

	2012/13 £000	2011/12 £000
Purchase of property, plant and equipment, investment property and intangible assets	(11,941)	(9,070)
Purchase of short-term and long-term investments	(125,039)	(84,000)
Other payments for Investing Activities	(196)	(20)
Proceeds from sale of property, plant and equipment, investment property and intangible assets	1,241	975
Proceeds from short-term and long term investments	117,239	95,447
Other receipts from investing activities	905	1,392
Net cash flows from investing activities	(17,791)	4,724

26. CASH FLOW STATEMENT - FINANCING ACTIVITIES

	2013 £000	2012 £000
Cash receipts of short and long term borrowing	0	185,456
Other receipts/ (payments) from financing activities	949	(617)
Net cash flows from financing activities	949	184,839

Notes to the Core Financial Statements

27. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

	2012/13								Total £000
	Corporate Support Services	Deputy Chief Executive	Environmental & Street Scene	Finance & ICT	Housing	Office of the Chief Executive	Planning & Economic Development	Housing Revenue Account	
	£000	£000	£000	£000	£000	£000	£000	£000	
Fees, charges & other service income	4,033	394	5,375	399	697	109	591	31,189	42,787
Impairment Charges								19,228	19,228
Government Grants	-	65	94	47,143	449	-	10	475	48,236
Total Income	4,033	459	5,469	47,542	1,146	109	601	50,892	110,251
Employee Expenses	604	851	1,530	1,950	751	195	1,402	2,778	10,061
Other Service Expenses	494	550	9,647	351	880	375	671	8,219	21,186
Support Service Recharges	683	652	2,070	1,418	463	2,312	1,313	1,944	10,856
Depreciation	23	83	1,560	57	-	-	232	12,717	14,673
Benefit Payments	-	-	-	45,679	-	-	-	-	45,679
Total Operating Expenditure	1,804	2,136	14,807	49,455	2,094	2,882	3,618	25,658	102,455
Net Cost Of Services	(2,229)	1,677	9,338	1,913	948	2,773	3,017	(25,234)	(7,796)

	2011/12								Total £000
	Corporate Support Services	Deputy Chief Executive	Environmental & Street Scene	Finance & ICT	Housing	Office of the Chief Executive	Planning & Economic Development	Housing Revenue Account	
	£000	£000	£000	£000	£000	£000	£000	£000	
Fees, charges & other service income	3,679	643	5,880	446	451	219	552	30,338	42,208
Government Grants			2	45,289	544	-		449	46,284
Total Income	3,679	643	5,882	45,735	995	219	552	30787	88,492
Employee Expenses	597	824	1,508	1,846	678	219	1,270	2,649	9,591
Other Service Expenses	715	489	10,389	433	1,166	917	324	19,741	34,174
Support Service Recharges	518	599	2,105	1,142	434	1,688	1,207	842	8,535
Depreciation	26	75	1,448	52	-	-	267	10,180	12,048
Benefit Payments	-	-	-	43,866	-	-	-	-	43,866
Total Operating Expenditure	1,856	1,987	15,450	47,339	2,278	2,824	3,068	33,412	108,214
Net Cost Of Services	(1,823)	1,344	9,568	1,604	1,283	2,605	2,516	2,625	19,722

Notes to the Core Financial Statements

Reconciliation of Directorate Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement.

	2012/13 £000	2011/12 £000
Net Expenditure in the Directorate Analysis	7,796	(19,722)
Services and Support Services not in analysis	(68)	68
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	(170)	102
Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	(3,340)	(188,493)
Cost of Services in Comprehensive Income and Expenditure Statement	4,217	(208,045)

Reconciliation to Subjective Analysis

	2012/13						
	Directorate Analysis £000	Services and Support Services not in analysis £000	Amounts not reported to management for decision making £000	Amounts not included in CIES £000	Cost of Services £000	Corporate Amounts £000	Total £000
Fees, charges & other service income	42,787	387	237	(4,883)	38,528	4,883	43,411
Impairment Reversal	19,228	-	-	-	19,228	-	19,228
Interest and Investment Income	-	-	-	-	-	5,471	5,471
Income from Council Tax	-	-	-	-	-	11,373	11,373
Government Grants and Contributions	48,236	-	-	-	48,236	7,653	55,889
Total Income	110,251	388	237	(4,883)	105,992	29,380	135,372
Employee Expenses	10,061	181	0	(605)	9,637	7,440	17,077
Other Service Expenses	66,865	17	407	(635)	66,653	635	67,289
Support Service Recharges	10,856	257	-	(279)	10,834	279	11,113
Depreciation, Amortisation and Impairment	14,673	-	-	(24)	14,649	2,266	16,915
Interest Payments	-	-	-	-	-	5,516	5,516
Precepts and Levies	-	-	-	-	-	3,167	3,167
Payments to Housing Capital Receipts Pool	-	-	-	-	-	597	597
Gain/Loss on Disposal of Fixed Assets	-	-	-	-	-	(443)	(443)
Rents to mortgages valuation increase	-	-	-	-	-	(20)	(20)
Total Expenditure	102,455	455	407	(1,543)	101,775	19,437	121,211
Surplus/(Deficit) on the provision of services	7,796	(68)	(170)	(3,340)	4,217	9,943	14,162

Notes to the Core Financial Statements

Reconciliation to Subjective Analysis

	2011/12							
	Directorate Analysis	Services and Support Services not in analysis	Amounts not reported to management for decision making	Amounts not included in CIES	Cost of Services	Corporate Amounts	Total	
Fees, charges & other service income	42,208	1,112	376	-	4,667	39,029	4,667	43,696
Surplus or deficit on associates and joint ventures	-	-	-	-	-	-	-	-
Interest and Investment Income	-	-	-	-	-	6,353	6,353	6,353
Income from Council Tax	-	-	-	-	-	11,215	11,215	11,215
Government Grants and Contributions	46,284	-	-	-	46,284	7,961	54,245	54,245
Total Income	88,492	1,112	376	-	4,667	85,313	30,196	115,509
Employee Expenses	9,591	223	-	-	621	9,193	7,753	16,946
Other Service Expenses	78,040	495	274	-	697	78,112	697	78,809
Support Service Recharges	8,535	324	-	-	286	8,573	286	8,859
Depreciation, Amortisation and Impairment	12,048	2	-	-	26	12,024	2,011	10,013
Interest Payments	-	-	-	-	-	-	91	91
Precepts and Levies	-	-	-	-	-	-	3,107	3,107
Payments to Housing Capital Receipts Pool	-	-	-	-	-	-	673	673
Gain/Loss on Disposal of Fixed Assets	-	-	-	-	-	-	548	548
HRA self financing	-	-	-	-	185,456	185,456	-	185,456
Rents to mortgages valuation increase	-	-	-	-	-	-	61	61
Total Expenditure	108,214	1,044	274	183,826	293,358	9,987	303,345	303,345
Surplus/(Deficit) on the provision of services	(19,722)	68	102	(188,493)	(208,045)	20,209	(187,836)	(187,836)

Notes to the Core Financial Statements

28. TRADING OPERATIONS

The trading operations of the council comprise a number of Commercial Properties and Industrial Estates including North Weald Airfield where units are leased to local businesses at market rates, the Fleet Operations Service provides MOT testing and motor servicing to the public.

	2012/13 Expenditure	2012/13 Income £000	2012/13 Surplus/Deficit £000
Industrial Estates	86	(1,512)	(1,426)
Commercial Properties	332	(1,788)	(1,456)
Fleet Operations	235	(248)	(13)
North Weald Centre	891	(1,336)	(445)
Total Surplus	1,544	(4,884)	(3,340)
2011/12	1,630	4,667	(3,037)

29. AGENCY SERVICES

An agreement exists with Sainsbury's supermarket whereby the Council's car parking management contractor manages two car parks on their behalf. In 2012/13 income from the car parks of £333,000 (2011/12 £344,000) was received, of which £296,000 (2011/12 £307,000), was paid over after allowing for an administration charge.

30. POOLED BUDGETS

Epping Forest Community Safety Partnership (CSP)

The Council is a participant in a partnership with other public bodies involving the pooling of government grants to finance work towards jointly agreed objectives for local public services. The purpose of the partnership is:

- To form an agreement between the Essex County Council, Essex's Health Organisations, Fire and Police Services, District Councils and other local partners including the Community and Voluntary Sector to achieve mutually agreed outcomes that are regarded as being key to making Essex a better place to live and work.
- To agree specific outcomes and targets that will be achieved each year for the three years of the agreement.
- To improve the effectiveness and efficiency of public services in Essex by pooling and aligning funding streams.

At the County level the members consist of :-

County and District Councils in Essex
Local Strategic Partnerships
Community Protection Authorities
Health Bodies
Voluntary Organisations
Other Organisations

All members of the Partnership have one voting right and as such no one party has more control over the operation of the partnership than any other member.

Essex County Council acts as the accountable body for the Home Office Community Safety Fund. This means that they are responsible for the distribution of the grant to the partners involved.

The Epping Forest CSP received grant funding of £24,885. The Council acts as an agent of the partnership ensuring that grant monies are used in accordance with the wishes of the CSP as a whole. The Council employs a Safer Communities Manager who manages the funds according to the wishes of the CSP.

Notes to the Core Financial Statements

Local Strategic Partnership (LSP)

One Epping Forest is the Local Strategic Partnership (LSP) for Epping Forest District. It brings together public, private and voluntary sector agencies responsible for the provision of services. The partnership running costs are funded from a pooled budget established by Epping Forest District Council, to which West Essex Primary Care Trust, Essex Police, Essex County Council, Lee Valley Regional Park, NHS North Essex and the City of London have made contributions. Epping Forest has made a contribution of £10,000 in 2012/13, and the partnership holds a balance of £111,000 available for use in future years.

31. MEMBER ALLOWANCES

Member allowances and expenses are shown below. Further details of these allowances are available on page 69.

	2012/13 £000	2011/12 £000
Allowances	295	289
Expenses	23	22
Total	318	311

32. OFFICER REMUNERATION

The number of employees whose remuneration, including benefits in kind, but excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were (there were no officers in bands between £115,000 - £149,999).

Remuneration Band	2012/13		2011/12	
	Number of Employees	Left in Year	Number of Employees	Left in Year
£50,000 - £54,999	10		12	
£55,000 - £59,999	4		4	
£60,000 - £64,999	2		1	
£65,000 - £69,999	0		0	
£70,000 - £74,999	0		0	
£75,000 - £79,999	2		2	
£80,000 - £84,999	4		4	
£85,000 - £89,999	0		0	
£90,000 - £94,999	0		0	
£95,000 - £99,999	0		0	
£100,000 - £104,999	1		0	
£105,000 - £109,999	0		0	
£110,000 - £114,999	0		1	
£115,000 - £149,999	0		0	
Total	23	0	24	0

Senior Officers where emoluments - salary is £150,000 or more per year.

No Senior Officer fell under this category in 2012/13.

2011/12:

Senior Officers where emoluments - salary is £150,000 or more per year.

No Senior Officer fell under this category in 2011/12.

Notes to the Core Financial Statements

Senior Officers where emoluments - salary is between £50,000 & £150,000 per year.

2012/13

Post Title	Salary (Including fees & Allowances)	Benefits in Kind	Total Remuneration excluding pension contributions 2012/13	Pension Contributions	Total Remuneration including pension contributions 2012/13
	£	£	£	£	£
Chief Executive - started 01 October 2012	56,000	673	56,673	7,280	63,953
Acting Chief Executive/Deputy Chief Executive	99,769	4,508	104,277	12,970	117,247
Director of Housing	79,872	4,605	84,477	10,356	94,833
Director of Planning & Economic Development	78,948	5,548	84,496	10,263	94,759
Director of Finance & ICT	79,577	3,351	82,928	10,344	93,272
Director of Environment & Street Scene	79,341	1,259	80,600	10,314	90,914
Director of Corporate Support Services	78,010	1,239	79,249	10,141	89,390
Assistant to the Chief Executive	75,623	1,239	76,862	9,699	86,561

There were no payments relating to bonuses in the year. The emoluments above include all taxable employee payments. Pension Contributions relate to Employer's contributions of 13.0%.

2011/12

Post Title	Salary (Including fees & Allowances)	Benefits in Kind	Total Remuneration excluding pension contributions 2011/12	Pension Contributions	Total Remuneration including pension contributions 2011/12
	£	£	£	£	£
Acting Chief Executive	110,000	4,249	114,249	14,300	128,459
Director of Planning & Economic Development	78,827	5,232	84,059	10,248	94,307
Director of Environment & Street Scene	79,369	1,294	80,663	10,318	90,981
Director of Housing	78,803	4,526	83,329	10,226	93,555
Director of Finance & ICT	79,301	3,160	82,461	10,303	92,764
Director of Corporate Support Services	76,838	1,239	78,077	9,988	88,065
Assistant to the Chief Executive	75,558	1,239	76,797	9,680	86,477

Termination Benefits

In 2012/13 the Authority terminated one officers employment on the transfer of the management of on and off street parking to the North Essex Parking Partnership (NEPP). A redundancy payment of £46,064 was made to the employee in question which was wholly re-imbursed by Essex County Council.

In 2011/12 the Authority terminated three part time posts on 31 March 2012 relating to one employee who was an activities coach. A redundancy payment of £2,116 was made to the employee.

33. EXTERNAL AUDIT FEES

The following external audit fees have been paid to the Audit Commission and BDO LLP.

	2012/13 £000	2011/12 £000
External audit services in accordance with section 5 of the Audit Commission Act 1998	100	153
Certification of grant claims and returns under section 28 of the Audit Commission Act 1998	55	59
Rebate of fees from Audit Commission for IFRS	(8)	(11)
Total	147	201

The figures above include costs charged to 2012/13 relating to 2011/12 of £15,000.

Notes to the Core Financial Statements

34. GRANTS AND CONTRIBUTIONS

The Council credited the following grants and contributions to the CIES in 2012/13:

	2012/13 £000	2011/12 £000
Credited to Taxation and Non-Specific Grant Income		
Non domestic rates	6,530	5,643
Revenue Support Grant	127	1,744
New Homes Bonus	719	295
Council Tax Freeze grant	204	203
Second Homes Discount Allowance	60	75
Community Projects	13	0
Total	7,653	7,960

	2012/13 £000	2011/12 £000
Credited to Services		
Department for Work and Pensions	46,998	45,115
Department for Communities and Local Government	626	646
Essex County Council	222	333
Department of Health	27	-
Hughmark Continental	65	20
Colchester Borough Council	-	30
British Gas	36	24
Regional Improvement and Efficiency Partnership	-	150
Contributions to Affordable Housing	199	131
Other grants and contributions received	49	38
Total	48,222	46,487

The Council has received some grants and contributions that have yet to be recognised as income as they have conditions attached to them that if they are not met will require monies to be returned to the giver. The balances at the year end are as follows:

	2012/13 £000	2011/12 £000
Capital Grants received in Advance		
Affordable Housing Contributions	831	704
Department for Communities and Local Government	199	125
Essex County Council	50	-
Grange Farm Development	38	38
Hughmark Continental	57	70
Parish Councils	7	7
Total	1,182	944

Notes to the Core Financial Statements

35. RELATED PARTY DECLARATIONS

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council, or to be controlled or influenced by the council.

Central Government

Central government has effective control over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis on Note 27 on reporting for resource allocation decisions.

Members

Members of the Council have direct control over the council's financial and operating policies. The total of members allowances paid in 2012/13 is shown in Note 32. During 2012/13 expenditure totaling £269,069 (£346,330 in 2011/12) was paid to, and income totaling £50,973 (£57,516 in 2011/12) was received from, organisations in which 22 members (29 in 2011/12) had connections. Included in the expenditure amount is a creditor of £3,000 (£3,000 in 2011/12). The nature of the expenditure was primarily grants to organisations of £243,584, subscriptions of £19,425 and rent of £6,000 with which members had declared interests, with varying levels of involvement.

36. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2013 £000	2012 £000
<i>Opening Capital Financing Requirement</i>	184,672	(784)
Capital Investment		
Self Financing Payment	0	185,456
Property, Plant and Equipment	12,183	8,298
Revenue Expenditure Funded from Capital Under Statute	906	1,074
Intangible Assets	74	191
<i>Sources of Finance</i>		
Capital Receipts	(2,660)	(3,205)
Government grants and other contributions	(783)	(975)
Value of vehicle written off	(74)	0
Major Repairs Reserve	(5,418)	(3,277)
Direct revenue contributions	(4,228)	(2,106)
Closing Capital Financing Requirement	184,672	184,672

Notes to the Core Financial Statements

37. LEASES

Leasing rentals are charged to service revenue accounts.

The Council has entered various leasing agreements relating to cars, operational vehicles, printing equipment and vending equipment. All of the leases are categorised as operating leases. The arrangements provide for charges to be made evenly throughout the period of the lease. The total lease payment in 2012/13 is £245,000.

The total of future minimum lease payments due within 1 year are:

	2012/13 £000	2011/12 £000
Cars	14	98
Operational Vehicles	-	-
Vending Equipment	5	5
Total	19	103

Vehicles & Equipment

	2012/13 £000	2011/12 £000
Payments due;		
Not later than one year	19	103
Later than one year and not later than five years	9	14
Total	28	117

The Council also has leases with third parties under operating leases with rental income from the lease being credited to trading operations, or in the case of shops, the Housing Revenue Account.

Assets Leased to Third Parties

The total of future minimum lease payments due within 1 year are:

	2012/13 £000	2011/12 £000
Land & Buildings		
Shops	1,633	1,542
Industrial & Commercial	962	919
Other	898	1,196
Total Rental Receivable	3,493	3,657

The timing of total future minimum lease payments are:

	31 March 2013		31 March 2012	
	Receipts due between 2 and 5 years £000	Total receipts due thereafter £000	Receipts due between 2 and 5 years £000	Total receipts due thereafter £000
Land & Buildings				
Shops	4,572	3,968	4,522	4,348
Industrial & Commercial	3,474	51,153	2,934	46,595
Other	3,192	7,077	4,431	7,671
Total	11,238	62,198	11,887	58,614

Gross Amount of Assets held for use in operating leases.

	31 March	
	2013 £000	2012 £000
Land & Buildings		
Shops	16,040	16,666
Industrial & Commercial	12,767	12,255
Other	10,435	12,620
Total Assets	39,242	41,541

There are no accumulated depreciation charges on the assets held for use in operating leases.

Notes to the Core Financial Statements

38. PENSIONS

Employees of Epping Forest District Council are admitted to the Essex County Council Pension Fund ("the Fund"), which is administered by Essex County Council under the Regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The Fund is a funded scheme meaning that the authority and employees pay contributions into a fund calculated at a level intended to balance the pensions liabilities with investment assets.

As part of the terms and conditions of employment of the Council's officers the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire the Council has a commitment to make the payments that need to be disclosed at the time employees earn their future entitlement.

The figures disclosed below have been derived from a re-assessment of the assets and liabilities as a result of an interim actuarial valuation of the Fund carried out by the Fund's Actuary, Barnett Waddington Public Sector Consulting, as at 31 March 2013. The approach to calculating the IAS19 figures in between full actuarial valuations is approximate in nature. Broadly the approach by the Actuaries assumes that the experience of the Fund will be in line with the actuarial assumptions used for IAS19 purposes. The approach adopted by the Actuary follows "IAS 19 - Calculation Guide for Local Authorities".

The Council recognises cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However the charge made against Council Tax is based on contributions payable to the fund in respect of 2012/13 so the real cost of retirement benefits is reversed out of the Income and Expenditure Account after Net Operating Expenditure.

The transactions below have been made in the Comprehensive Income and Expenditure Account during the year.

The Council has adopted the amendment to IAS19, Retirement Benefits, resulting in quoted securities held as assets in the defined pension scheme being valued at bid price rather than mid-market value.

	2012/13 £000	2011/12 £000
Comprehensive Income and Expenditure Statement		
Net Cost of Services		
Current Service Cost	(2,983)	(2,332)
Settlement and Curtailment Loss	(21)	-
Net Operating Expenditure		
Interest Cost	(6,835)	(7,132)
Expected Return on Assets	4,954	5,660
Net charge made to the Comprehensive Income & Expenditure Statement	(4,885)	(3,804)
	2012/13 £000	2011/12 £000
Adjustments between accounting basis and funding basis under regulations		
Net charges made for retirement benefits in accordance with IAS19	(4,885)	(3,804)
Employers contributions payable to the pension fund	3,829	3,725
Net charge	(1,056)	(79)

In 2012/13 the Council paid an employer's normal contribution of £3.829m representing 28.4% of employee's pensionable pay into The Fund, which provides members with defined benefits related to pay and service. The contribution rate is determined by the Fund's Actuary based on a triennial actuarial valuation. The results of the 2010 review as at 31 March 2010 were implemented with effect from 1 April 2011. The employer's contributions certified by the Actuary to the Fund in respect of the period 1 April 2011 to 31 March 2014 is 13%. (Employees contributions range from 5.5% to 7.5% depending on salary). The average employee contribution rates in respect of the new LGPS benefit structure are based on projected levels of pay as at 1 April 2011. In addition to these contributions lump sum payments are also required to address the deficit funding level. These are £1.651m for 2011/2012, £1.725m for 2012/2013 and £1.803m for 2013/2014. There were no creditors relating to pension fund contributions at year end.

Notes to the Core Financial Statements

In addition, the Council is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. There were no such cases in 2012/13, nor were there any additional early retirement costs due to redundancy.

During the year pensions paid from the fund net of transfers in were £5,092,000, (£3,845,000 2011/12).

Assets and Liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities

	Unfunded Liabilities		All Funded/Unfunded Liabilities: Local Government Pension Scheme	
	2013 £000	2012 £000	2013 £000	2012 £000
Net pensions liability at 1 April 2012	(4,510)	(3,791)	(65,625)	(46,324)
Movements in the current year				
Current service cost	-	-	(2,983)	(2,332)
Employers' contributions payable to scheme	337	327	3,829	3,725
Settlement and curtailment loss	-	-	(21)	-
Past service gain	-	-	-	-
Interest cost	(200)	(200)	(6,835)	(7,132)
Expected return on assets in the scheme	-	-	4,954	5,660
Actuarial gain/(loss)	(153)	(846)	(8,676)	(19,222)
Net pensions liability at 31 March	(4,526)	(4,510)	(75,357)	(65,625)
			31 March	
			2013	2012
			£000	£000
The bid value of the above assets related to this Council was			95,060	85,198
The value placed on the liabilities related to this Council was			(170,417)	(150,823)
Consequently, at 31 March, the deficiency related to this Council was			(75,357)	(65,625)
Reconciliation of fair value of the scheme assets:			2013	2012
			£000	£000
Fair Value of the plan assets at 1 April			85,198	83,812
Expected Rate of Return			4,954	5,660
Actuarial gains and losses			5,610	(4,719)
Employer contributions			3,829	3,725
Contributions by scheme participants			898	892
Benefits paid			(5,429)	(4,172)
Fair value of the plan assets at 31 March			95,060	85,198

Notes to the Core Financial Statements

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was £4,954,000 (£5,660,000 for 2011/12).

Scheme History

	2012/13	2011/12	2010/11	2009/10	2008/09
	£000	£000	£000	£000	£000
Present Value of Liabilities	(170,417)	(150,823)	(130,136)	(139,219)	(102,295)
Fair Value of Assets	95,060	85,198	83,812	82,726	60,748
Surplus/(deficit) in the scheme	(75,357)	(65,625)	(46,324)	(56,493)	(41,547)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £75,357,000 in the balance sheet has reduced the reported net worth of the Council by 22.22% (18.69% 2011/12).

However statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit will be gradually eliminated by increased contributions over the remaining working life of employees, as assessed by the scheme Actuary.

The total employer contributions expected to be made to the scheme by the council in the year to 31 March 2014 is £3,712,000. The Current Service Cost is expected to be £2,966,000 for the year to 31 March 2014, which is based on an estimated payroll of £13,469,000.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, and inflation rates. The District Council fund liabilities have been assessed by Barnett Waddington a firm of actuaries who provide the service for the Essex County Council Pension Fund, being based on the full Actuarial Valuation of the scheme as at 31 March 2010.

Notes to the Core Financial Statements

The principal assumptions used by the actuary have been:

	2012/13 %	2011/12 %
Long term expected rate of return on assets in the scheme:		
Equity investments	6.10	6.40
Government Bonds	3.00	3.30
Other Bonds	4.10	4.60
Property	5.10	5.40
Cash/Liquidity	0.50	0.50
Alternative Assets	6.10	n/a
Mortality Assumptions		
<u>Longevity at 65 for current pensioners:</u>		
Men	22.70	22.70
Women	25.30	25.30
<u>Longevity at 65 for future pensioners:</u>		
Men	24.20	24.10
Women	26.90	26.80
Rate of Inflation RPI	3.30%	3.30%
Rate of Inflation CPI	2.50%	2.50%
Rate of Increase in Salaries	4.30%	4.30%
Rate of Increase in pensions	2.50%	2.50%
Rate for discounting scheme liabilities	4.10%	4.60%
Take-up of option to convert annual pension into maximum retirement lump sum	50.00%	50.00%

The Scheme's assets consist of the following categories, by proportion of the total assets held.

	As at 31 March 2013		As at 31 March 2012	
	£000	%	£000	%
Equities	60,839	64.00	59,638	70.00
Government Bonds	6,654	7.00	3,408	4.00
Other Bonds	7,605	8.00	8,520	10.00
Property	11,407	12.00	11,928	14.00
Cash/Liquidity	3,802	4.00	1,704	2.00
Alternative Assets	4,753	5.00	0	0.00
Total	95,060	100	85,198	100

There is no provision for unitising the assets of a Fund under the LGPS. The above assets as a whole are allocated to participating bodies on a consistent and reasonable basis.

Notes to the Core Financial Statements

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve in 2011/12 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2012.

	2012/13 %	2011/12 %	2010/11 %	2009/10 %	2008/09 %
Difference between the expected and actual return on assets	5.90	5.54	4.20	21.10	35.50
Experience (gains) and losses on liabilities	0.00	(0.45)	4.90	0.00	0.00

The above figures have been provided by the actuaries to the Essex Pension Scheme using information provided by the scheme and assumptions determined by the Council in conjunction with the actuary.

Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of actuarial calculations may be affected by uncertainties.

The £75,357m net liability represents the difference between the value of the Council's pension fund assets at 31 March 2013 and the estimated present value of the future pension payments to which it was committed at that date. These pension liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. Any significant changes in global equity markets after 1 April 2013 would also have an impact on the capital value of the pension fund assets.

The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities was considered by the actuaries in the 2010 actuarial review of the Pension Fund. The anticipated shortfall in the funding of the scheme has determined the future level of pension contributions which will be due in between triennial valuations.

Sensitivity Analysis as at 31 March 2013

	Sensitivity 1	Sensitivity 2	Sensitivity 3
	+0.1% p.a. discount rate as at 31 March 2013 £000s	0.0% p.a. discount rate as at 31 March 2013 £000s	-0.1% p.a. discount rate as at 31 March 2013 £000s
The table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a plus/minus year age rating adjustment to the mortality assumption.			
Present Value of Total Obligation	167,404	170,417	173,501
Projected Service Cost	3,379	3,486	3,598
Adjustment to mortality age rating assumption	+1year	none	-1year
Present Value of Total Obligation	164,350	170,417	176,542
Projected Service Cost	3,333	3,486	3,642

39. CONTINGENT ASSETS

The Council has a claim for VAT with HM Revenue and Customs relating to off street parking charges resulting from the Isle of Wight tribunal case where it was concluded that off street car parking activities are within article 4.5 and in principle excluded from charges of VAT. The claim amounts to £487,141, with a further claim of £1,731,465 going back to January 1990, making a total claim of £2,218,606. A stand over application is currently with the VAT and Duties Tribunal pending judgement of the European Court of Justice in the case of the Isle of Wight Council and others.

Notes to the Core Financial Statements

40. CONTINGENT LIABILITIES

Epping Forest District Council is a defendant in proceedings brought by a group of Property Search Companies for refunds of fees paid to the Council to access land charges data. In the current litigation the Council faces a claim of £4,000 plus interest and costs. A secondary group of Property Search Companies are also seeking to claim refunds although no proceedings have yet been issued. The Council had been informed that the value of those claims at present is £150,000 plus interest and costs. The second group of Property Search Companies have also intimated that they may bring a claim against all English and Welsh local authorities for alleged anti-competitive behaviour. It is not clear what the value of any such claim would be against the Council. It is possible that additional claimants may come forward to submit claims for refunds, but none have been intimated at present.

There has for sometime been a possibility that the Council might become liable for the settlement of claims relating to Mesothelioma, the lung disease associated with exposure to Asbestos. There have been court proceedings in an attempt to ascertain whether liability to settle any claims rests with the Council's current insurers or the insurers at the time of employees' exposure to the risk. On 28 March 2012 judgement was passed that liability rests with the insurers at the time of potential exposure. The insurers at the time are no longer trading as such and it is unlikely that there are sufficient assets to meet the totality of any claims, which will therefore mean some liability if not all will fall on the scheme creditors of which this Council is one. Whilst there is a little more clarity suggesting that 15% or £84,500 might be the extent of the liability this is by no means certain. Having reviewed the situation it is felt for the time being the transfer made to the fund of £650,000 in 2011/12 should remain until such time as things become clearer.

41. NATURE & EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council has adopted CIPFA's Revised Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities (both revised in November 2011).

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy (for 2012/13 this was agreed at Full Council on 14 February 2012). The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the CLG Investment Guidance for local authorities. This guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rate movements.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

Investments

The risk is minimised through the Annual Investment Strategy, which requires that deposits are made with Debt Management Office, other local authorities, AAA rated money market funds or Banks and Building Societies having sufficiently high credit worthiness as set out in the Treasury Management Strategy. It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. A limit of £10m is placed on the amount of money that can be invested with a single counterparty. The Council also sets a total group investment limit (£10m) for institutions that are part of the same banking group.

Until November 2011 the minimum credit rating criteria for new investments in 2011/12 was a long term rating of A+ (Fitch) or equivalent. Following downgrades to a number of systemically important financial institutions in Autumn 2011, a lower minimum credit rating criteria of A- (Fitch) or equivalent was adopted by the authority once the revised Treasury Strategy was approved by Full Council.

The table below summarises the nominal value of the Council's investment portfolio at 31 March 2013, and confirms that all investments were made in line with the Council's approved rating criteria when investment placed:

Notes to the Core Financial Statements

The amounts below include the money market fund which is included in cash and cash equivalents.

	Credit rating criteria met on 31 March 2012	Balance invested as at 31 March 2013					Total £000
		Up to 1 month £000	Between 1 and 3 months £000	Between 4 and 6 months £000	Between 7 and 12 months £000	Greater than 12 months £000	
Banks UK	YES	8,000	20,000		2,000	0	30,000
Banks UK	NO		0	50	130	71	251
Banks non-UK	NO		0	0	0	0	0
Total Banks		8,000	20,000	50	2,130	71	30,251
Building Societies	YES	0	0		0	0	0
Local Authorities		0	0		0	10,000	10,000
Money Market Funds	YES	5,000	0	0	0	0	5,000
Total		13,000	20,000	50	2,130	10,071	45,251

In October 2008 the Icelandic banking sector defaulted on its obligations. The Council had £2.5m invested in Heritable bank at that time. The latest report issued by the administrators Ernst and Young, dated 11 February 2013 did not suggest any change from a return to creditors of 86p to 90p in the £ by April 2015. In line with CIPFA's LAAP bulletin Update No 6, the Council is estimating a recoverable amount of 88p in the £ based on the mid point of the base case return. During the year the Council have received dividends of 9.4% (£234,925). Projected future timing of recoveries is as follows:

	£
During 2013/14 - 7.19%	180,285
During 2014/15 - 2.81%	70,541

Debtors

The following analysis summarises the Council's potential maximum exposure to credit risk, based on the experience gathered over the last five financial years on the level of default on trade debtors, adjusted for market conditions.

	Amount at 31 March 2013 £000	Default risk judged as at 31 March 2013	Bad debt provision for 2012/13
		%	£000
Sundry debtors	4,656	39.1	1,820
Housing arrears	1,054	69.8	736
Total	5,710		2,556

The credit risk in relation to counterparty investments is relatively small as the likelihood of default is also small. With regard to sundry debtors, housing and taxation debtors, a risk arises by virtue of the fact that they represent amounts owed to the Council and there will always be a level of default inherent in such debts. A provision for non payment of debts is provided within the overall debtors figure stated in the accounts.

Liquidity Risk

The Council has access to borrowing facilities via the Public Works Loan Board, commercial banks, bond issues and other local authorities. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage risk that it will not be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates.

The Council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The maturity analysis of the nominal value of the Council's debt at 31 March 2013 was as follows:

Notes to the Core Financial Statements

		31 March 2013 £000	% of total debt portfolio
Short Term Borrowing	Less than 1 Year	0	0
Long Term Borrowing	Over 1 but not over 2	0	0.00
	Over 2 but not over 5	0	0.00
	Over 5 but not over 10	31,800	17.15
	Over 10 but not over 15	0	0.00
	Over 15 but not over 20	0	0.00
	Over 20 but not over 25	0	0.00
	Over 25 but not over 30	153,656	82.85
Long Term Borrowing		185,456	100.00

Market Risk

Interest Rate Risk - The Council is exposed to risks arising from movements in interest rates. The Treasury Strategy aims to mitigate these risks by setting an upper limit of 25% on external debt that can be subject to variable rates. At 31 March 2013, 83% of the debt portfolio was held in fixed rate instruments and 17% in variable rate instruments.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£000
Increase in interest payable on variable rate borrowing	318
Increase in interest receivable on variable rate investments	(181)
Impact on Surplus or Deficit on the Provision of Services	137
Share of overall impact debited/credited to HRA	137

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Fair Value disclosure note.

Price risk - The Council does not invest in equity holdings or in financial instruments whose capital value is subject to market fluctuations. It therefore has no exposure to losses arising through price variations.

Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

HOUSING REVENUE ACCOUNT INCOME & EXPENDITURE STATEMENT

	Note	2012/13 £000	2011/12 £000
INCOME			
Dwelling Rents (Gross)	3	29,226	27,538
Non Dwelling Rents		852	890
Charges for Services and Facilities		1,560	1,545
Leaseholder Contributions		172	185
Revaluation of Fixed Assets	1	19,228	1,355
TOTAL INCOME		51,038	31,513
EXPENDITURE			
Repairs and maintenance	4	5,607	5,406
Supervision and Management		6,400	6,024
Rents, Rates, Taxes and Insurance		524	496
Housing Revenue Account Subsidy Payable	5	-	11,304
Revenue Expenditure funded from Capital under Statute	11	172	185
Depreciation	2/9/10	12,652	10,032
Revaluation of Fixed Assets	1	-	57
Debt Management		59	141
Provision for Bad / Doubtful Debts		176	90
HRA Self-Financing	14	-	185,456
TOTAL EXPENDITURE		25,590	219,191
NET COST OF SERVICES AS INCLUDED IN THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT		(25,448)	187,678
HRA services share of Corporate & Democratic Core		572	572
HRA share of other services		50	36
NET COST (INCOME) OF HRA SERVICES		(24,826)	188,286
HRA SHARE OF THE INCOME AND EXPENDITURE INCLUDED IN THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT		(24,826)	188,286
Gain on sale of HRA non-current assets		(328)	(545)
Interest Payable and Similar Charges		5,517	61
Interest and Investment Income		(461)	(638)
Changes in the Fair Value of Investment Properties		-	
Valuation increase Rent to Mortgages		(20)	(61)
Pensions Interest/Return on Assets		600	470
(SURPLUS)/DEFICIT FOR THE YEAR ON HRA SERVICES		(19,518)	187,573

MOVEMENT ON HOUSING REVENUE ACCOUNT STATEMENT

The Housing Revenue Income and Expenditure Statement shows the Councils' actual financial performance for the

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The payment of a share of housing capital receipts to the Government is treated as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than from council tax.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners rather than as future benefits earned.

The Housing Revenue Account Statement compares the Council's spending against the Income that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn in the Housing Revenue Income and Expenditure Statement and the Housing Revenue Account balance.

	Note	2012/13 £000	2011/12 £000
INCREASE/DECREASE IN THE HOUSING REVENUE ACCOUNT BALANCE			
(Surplus)/Deficit for the year on the Housing Revenue Account Income and Expenditure Statement		(19,518)	187,573
Adjustments between accounting basis and funding basis under statute (including to or from reserves)	12	17,710	(186,624)
Transfers to Earmarked Reserves	12	2,926	444
(Increase) or decrease in the Housing Revenue Account balance		1,118	1,393
Housing Revenue Account surplus brought forward		(4,493)	(5,886)
Housing Revenue Account surplus carried forward		(3,375)	(4,493)

Notes to the Housing Revenue Income and Expenditure Account

1. HOUSING REVENUE ACCOUNT ASSET VALUATION

The valuation of the Council's housing stock and other Housing Revenue Account assets is as follows:

	OPERATIONAL ASSETS						NON- OPERATIONAL ASSETS	Total £000
	Land £000	Dwellings £000	Garages £000	Equipment £000	Vehicles £000	Other £000	Investment Properties £000	
Gross Book Value								
31 March 2012	149,348	301,246	3,869	4,614	499	2,058	143	461,777
Revalued								
Restated	-			(1,737)	(131)	(32)	-	(1,900)
Reclassified	-		-	(282)	-	282	-	-
1 April 2012	149,348	301,246	3,869	2,595	368	2,308	143	459,877
Revalued in year	-	-	-	-	-	-		
Additions	-	9,066	3	270	37	265	-	9,641
Disposals	(274)	(567)	-	-	(32)	-	-	(873)
Reclassified in year	3	(402)	-	-	-	(48)	-	(447)
Accumulated Depreciation Written Off		(21,842)	(281)					(22,123)
Revalued	3,520	15,889	278					19,687
Gross Book Value	152,597	303,390	3,869	2,865	373	2,525	143	465,762
Depreciation								
1 April 2012	-	(9,653)	(133)	(2,922)	(352)	(165)	-	(13,225)
Restated				1,737	131	32		1,900
Reclassified				196		(196)		-
1 April 2012	-	(9,653)	(133)	(989)	(221)	(329)	-	(11,325)
Accumulated Depreciation Written Off		21,842	281					22,123
Reclassified								
Depreciation in Year	-	(12,229)	(148)	(219)	(41)	(54)	-	(12,691)
Depreciation on Assets Sold	-	40	-	-	23	-	-	63
Depreciation								
31 March 2012	-	-	-	(1,208)	(239)	(383)	-	(1,830)
Net Book Value								
31 March 2013	152,597	303,390	3,869	1,657	134	2,142	143	463,932
Net Book Value								
31 March 2012	149,348	291,594	3,736	1,692	147	1,893	143	450,446

The dwelling valuation shown in the balance sheet represents the value of the housing stock to the Council in its existing use as social housing occupied on the basis of secured tenancies. The corresponding value of those dwellings if sold on the open market without tenants, i.e. vacant possession, is £1,161,079,000. The difference between the two values represents the economic cost of providing council housing at less than open market rents.

Notes to the Housing Revenue Income and Expenditure Account

2. HOUSING STOCK

The Council was responsible for managing on average 6,563 (6,573 in 2011/12) dwellings during 2012/13. Changes in the stock are summarised below. The figures include 48 units for the homeless at Norway House, North Weald, and 6 wardens' and caretakers' dwellings.

		2012/13	2011/12
Stock as at 1 April		6,570	6,576
Less	Sales	(13)	(7)
	Stock Transfers / Conversions	(5)	-
Add	New / Reinstated Properties	4	1
Stock as at 31 March		6,556	6,570
Number of:			
Houses and Bungalows		3,518	3,521
Flats and Maisonettes		3,028	3,039
Other		10	10

3. GROSS DWELLING RENT INCOME

During 2012/13 0.76% (0.91% in 2011/12) of all lettable dwellings were vacant. Average rents were £87.14 per week, an increase of £4.95 or 6% over the previous year. 54% (54% in 2011/12) of all Council tenants received some help through rent rebates in 2012/13. Rent arrears increased to £1,054,450 (£911,651 in 2011/12), which represents 3.7% (3.5% in 2011/12) of gross dwelling rent income. The provision for bad and doubtful debts on these arrears amounted to £735,794 (£632,421 in 2011/12). Amounts written off during the year totalled £73,122 (£71,231 in 2011/12). Dwelling rents are shown after allowing for voids.

4. HOUSING REPAIRS FUND

The Council maintains a Housing Repairs Fund that evens out the annual cost to tenants of a cyclical repairs programme. The movement on the Fund is as follows:

	2012/13		2011/12	
	£000	£000	£000	£000
Balance as at 1 April		(3,915)		(4,121)
Contribution from the HRA	(5,200)		(5,200)	
Other Income	(81)		(105)	
Total Income		(5,281)		(5,305)
Responsive & Void Repairs	3,317		3,038	
Planned Maintenance	2,201		2,333	
Other	170		140	
Total Expenditure		5,688		5,511
Balance as at 31 March		(3,508)		(3,915)

In accordance with the accounting changes introduced for the 2006/07 accounts, the amount shown on the face of the Housing Revenue Income and Expenditure Statement is the actual net expenditure on repairs and maintenance rather than the contribution to the repairs fund. The difference between the two figures forms part of the adjustments between accounting basis and funding basis under regulations (Note 6 page 20).

Notes to the Housing Revenue Income and Expenditure Account

5. SUBSIDY ENTITLEMENT

The Housing Revenue Account Subsidy system was abolished from 1 April 2012. On 28 March 2012 the Council took out loans to make a payment to Central Government on the cessation of the system. There are therefore no subsidy transactions relating to 2012/13.

	2012/13		2011/12	
	£000	£000	£000	£000
Management and Maintenance Allowance				10,994
Major Repairs Allowance				4,978
Less				
Notional Rents			(27,167)	
Interest on Receipts			(95)	
		0		(27,262)
Adjustment relating to previous year				(14)
Total (Payable)		0		(11,304)

6. PENSIONS

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge made against the Housing Revenue Account is based on the contributions payable to the fund in respect of 2012/13; the real cost of retirement benefits is therefore reversed out of the Housing Revenue Account after Net Operating Expenditure.

The 2010 Actuarial Valuation has produced new funding levels for the years 2011/12, 2012/13 and 2013/14. The deficit contributions in total for the Council will be £1,651,000 for 2011/12, £1,725,295 for 2012/13, and £1,802,933 for 2013/14, with the HRA share being 31.92%, £550,714 in 2012/13. As the capitalisation direction applied for in 2011/12 was rejected by the Department for Communities and Local Government, no application was made in 2012/13 and the deficiency payments have been funded in full by the HRA.

7. HOUSING REVENUE ACCOUNT CAPITAL RECEIPTS

The Council received £1,141,000 in respect of Housing Revenue Account capital receipts during 2012/13. This arose as a result of the sale of council houses (£1,133,000) and principal repayments on mortgages (£8,000). Of this the Council used £17,000 for the administration of the sales which left £1,124,000 to fund capital projects and pay the central government pool an amount of £596,000.

8. CAPITAL EXPENDITURE

The Housing Revenue Account incurred the following capital expenditure.

Capital Expenditure on:	£000	Financed by:	£000
Council Dwellings	8,611	Revenue	4,200
Disabled Adaptations	418	Major Repairs Reserve	5,418
Plant and Equipment	307	Other Contributions	36
Intangibles	13		
Environmental Works	305		
	9,654		9,654

Notes to the Housing Revenue Income and Expenditure Account

9. MAJOR REPAIRS RESERVE

With effect from 1 April 2001 the Council is required to maintain a Major Repairs Reserve, to account for money received from the Government used to fund major, capital repairs to the Housing Stock. The Housing Revenue Account receives funding via its Housing Subsidy (see note 5, page 58), which is then transferred into the Major Repairs Reserve via a depreciation charge. This income can then be used to fund repairs of a capital nature. The Council is allowed to transfer certain sums back to its Housing Revenue Account, namely any excess of depreciation charged over and above the level of the Major Repairs Allowance received. The movement on the reserve is as follows:

	2011/12		2011/12	
	£000	£000	£000	£000
Balance as at 1 April		(8,241)		(6,540)
Depreciation transferred from the HRA		(12,652)		(10,032)
Used to fund Capital Expenditure on Council Dwellings	5,418		3,277	
Transferred to the HRA	5,720		5,054	
Total Expenditure		11,138		8,331
Balance as at 31 March		(9,755)		(8,241)

10. DEPRECIATION

Depreciation is charged on Housing Revenue Account assets in accordance with IAS 16. Depreciation is now charged with reference to balance sheet values and the average life remaining on the housing stock and its major components. No depreciation is chargeable on the Housing Revenue Account investment assets. (See also note 1, page 56)

11. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

A charge of £172,000 (£185,000 in 2011/12) was made in respect of revenue expenditure funded from capital under statute. This related to recharges to leaseholders for repairs.

12. NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON HRA BALANCE

	2012/13	2011/12
	£000	£000
AMOUNTS TO BE EXCLUDED		
Transfer from Major Repairs Reserve and other depreciation reversals and impairments	(5,767)	(3,805)
Upward revaluation of Council Dwellings and Garages	19,228	0
HRA Self-Financing	0	(185,456)
Revenue expenditure funded from Capital under statute	(172)	(185)
Valuation changes Rents to Mortgages	20	61
Gain/(loss) on disposal of HRA fixed assets	328	546
Flexi / Leave Accruals	2	(19)
HRA share of contributions to/ (from) pensions reserve	(1,559)	(1,214)
	12,080	(190,072)

Notes to the Housing Revenue Income and Expenditure Account

AMOUNTS TO BE INCLUDED	2012/13 £000	2011/12 £000
Leaseholder Contributions	172	185
Employers contributions payable to the pension fund	1,222	1,189
Capital Expenditure funded by the HRA	4,200	2,050
Capital Contributions Applied	36	24
	5,630	3,448
	17,710	(186,624)
TRANSFERS TO EARMARKED RESERVES		
Housing Repairs Fund	(407)	(206)
Self Financing Reserve	3,180	
Service Enhancement Fund	170	
Insurance Fund	(17)	650
	2,926	444
	20,636	(186,180)

13. SETTLEMENT PAYMENTS DETERMINATION 2012 (HRA SELF-FINANCING)

On 28 March 2012 the Council borrowed £185,456,000 from the Public Works Loan Board in order to pay an equivalent amount over to the Department for Communities and Local Government. This payment was the amount prescribed as payable on the cessation of the Housing Revenue Account Subsidy regime on 31 March 2012. The payment is of a Capital nature but as it neither creates or improves an existing asset the payment is written off to the Comprehensive Income and Expenditure Statement in the year of payment. This item is of course reversed out within the Adjustments Between Accounting Basis and Funding Basis under Regulation as it is not funded from revenue resources.

The new financial freedoms and additional funding available from 1 April 2012 has meant that some components, such as bathrooms and kitchens, are being replaced more frequently and therefore have shorter useful economic lives. This has had the effect of increasing the depreciation charge. The increase in 2012/13 over 2011/12 is around £2m.

The change to the self-financing has seen the annual subsidy payment of £11.3 million replaced with an interest charge and borrowing repayments of £5.5 million. The full borrowing of £185 million will be repaid over the life of the 30 year business plan.

14. TRANSFER TO INSURANCE FUND

There has for sometime been a possibility that the Council might become liable for the settlement of claims relating to Mesothelioma. There have been court proceeding in an attempt to ascertain whether liability to settle any claims rests with the Councils current insurers or the insurers at the time of employees exposure to the risk. On 28 March 2012 judgement was passed that liability rests with the insurers at the time of potential exposure. The insurers at the time are no longer trading as such and it is unlikely that there are sufficient assets to meet the totality of any claims, which will therefore mean some liability if not all will fall on the scheme creditors of which this Council is one. Whilst there is a little more clarity suggesting that 15% or £84,500 might be the extent of the liability this is by no means certain. Having reviewed the situation It is felt for the time being the transfer made to the fund of £650,000 in 2011/12 should remain until such time as things become clearer.

Notes to the Housing Revenue Income and Expenditure Account

15. TRANSFER TO SELF FINANCING RESERVE/SERVICE ENHANCEMENT FUND

As part of the new financial arrangements for the Housing Revenue Account two new earmarked reserves have been set up. A Self Financing Reserve was set up with the purpose of receiving a transfer of £3.18m per annum to accumulate enough funds to repay the £31.8m variable loan. Whilst this is the stated purpose of the fund the decision does not preclude the use of these funds for another HRA purpose. Self financing has meant additional funds have become available for HRA expenditure, as a result a programme of service enhancements and improvements have been agreed by the Council. It was agreed that any unspent monies allocated in 2012/13 should be carried forward within the fund for use in future accounting periods. The value of this carry forward at the end of the financial year was £170,000.

THE COLLECTION FUND

INCOME AND EXPENDITURE ACCOUNT

INCOME	Note	2012/13 £000	2011/12 £000
Council Tax	1	82,973	81,590
Non Domestic Rates	2	32,301	31,119
TOTAL INCOME		115,274	112,709
EXPENDITURE			
Precepts and Demands:			
Essex County Council		59,663	59,347
Essex Police		7,505	7,215
Essex Fire Authority		3,647	3,627
Epping Forest District Council		11,334	11,231
Distribution of Estimated Collection Fund Surplus/(Deficit).			
	3		
Essex County Council		(400)	(8)
Essex Police		(49)	(1)
Essex Fire Authority		(24)	(1)
Epping Forest District Council		(75)	(2)
Non Domestic Rate			
Payment to National Pool		32,127	30,946
Cost of Collection Allowance		174	173
Provision for Non Payment of Council Tax		28	45
Council Tax Write Offs		509	242
TOTAL EXPENDITURE		114,439	112,814
DEFICIT / (SURPLUS) FOR YEAR		(835)	105
BALANCE BROUGHT FORWARD		720	615
BALANCE CARRIED FORWARD		(115)	720

Notes to the Collection Fund

1. COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands, estimating 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council, Essex Police, Essex Fire Authority and this Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted discounts: 54,900 for 2012/13, 54,608 for 2011/12). The basic amount of Council Tax for a Band D property (£1,438.65 for 2012/13, £1,434.06 for 2011/12) is multiplied by the proportion specified for the particular band to give an individual amount due.

	Chargeable Dwellings	Chargeable Dwellings after Discount, Exemptions and Disabled Relief	Ratio to Band D	Band D Equivalents
Band A Disabled	-	3	5/9	2
Band A	1,727	1,350	2/3	900
Band B	4,868	3,903	7/9	3,036
Band C	11,322	9,835	8/9	8,743
Band D	13,659	12,355	1	12,355
Band E	9,231	8,446	1 2/9	10,323
Band F	6,634	6,195	1 4/9	8,948
Band G	5,785	5,437	1 2/3	9,062
Band H	1,116	1,043	2	2,086
Total Band D				55,455
Less Adjustment for Collection Rate				555
Council Tax Base				54,900

The income of £82,973,314 for 2012/13 (£81,589,884 for 2011/12) is receivable from the following sources.

	2012/13 £000	2011/12 £000
Billed to Council tax payers	73,959	72,558
Council Tax Benefits	9,014	9,032
	82,973	81,590

Notes to the Collection Fund

2. NATIONAL NON DOMESTIC RATES

Non Domestic Rates are organised on a national basis. The Government specifies an amount, 45.0p (small business) and 45.8p (others) in 2011/12, (42.6p (small business) 43.3p (others) in 2011/12) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

The Council is responsible for collecting rates due from the ratepayers in its area but pays the proceeds into a NNDR pool administered by the Government. The Government redistributes the sums paid into the pool back to local authorities' General Funds on the basis of a fixed amount per head of population.

The total non-domestic rateable value at the year-end was £86,549,824 (£87,790,574 in 2011/12).

3. CONTRIBUTIONS TO COLLECTION FUND SURPLUSES AND DEFICITS

The surplus or deficit on the Collection Fund arising from council tax transactions relates to this Council and the other Major Precepting Authorities. The surplus or deficit on the fund is estimated as at 15 January every year and paid over or recovered from the Council's General fund and major precepting authorities in the following Financial year. The balance on the Fund represents the difference between the estimated surplus or deficit and the actual position.

Annual Governance Statement

1 Scope of Responsibility

Epping Forest District Council (EFDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has approved and adopted a Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the Council's Constitution. A copy of the Code is on our website at www.eppingforestdc.gov.uk. This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 4 of the Accounts and Audit Regulations 2011, in relation to the publication of a Statement on Internal Control.

2 The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the Governance Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. It is also responsible for evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Council's Code of Governance recognises that effective governance is achieved through the following core principles:

- (i) focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
- (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- (iii) promoting values for the Council and demonstrating good governance through upholding high standards of conduct and behaviour;
- (iv) taking informed and transparent decisions which are subject to effective scrutiny and management of risk;
- (v) developing the capacity and capability of Members and officers to be effective;
- (vi) engaging with local people and other stakeholders to ensure robust public accountability.

The table below summarises the Council's Governance Framework (which includes the system of internal control) for the year ending 31st March 2013 and up to the date of approval of this Statement and the Statement of Accounts.

The Governance Framework	
	The key elements of the Council's governance arrangements are:
1	A corporate plan covering 2011-2015, setting out the Council's priorities and defining the goals to be achieved.
2	The Constitution, which is revised each year
2.1	sets out the Council's decision-making framework,
2.2	gives a clear definition of the roles and responsibilities of members, committees, and the statutory officers (Head of the Paid Service, Section 151 Officer and Monitoring Officer),
2.3	includes a scheme of delegation of responsibility, financial regulations and contract standing orders,
2.4	defines codes of conduct for members and officers, and a protocol for how the two work together.
3	The Council facilitates policy and decision making via a Cabinet Structure with Cabinet Member portfolios.
4	There are Standing Scrutiny Panels to cover key policy areas, Task and Finish Panels to undertake specific reviews and a co-ordinating Overview and Scrutiny Committee.
5	A Standards Committee.
6	An Audit and Governance Committee.
7	A Management Board consisting of the Chief Executive, Deputy Chief Executive and Directors.
8	A Corporate Governance Group consisting of the Chief Executive, Deputy Chief Executive, Section 151 Officer, Monitoring Officer, Deputy Monitoring Officer and The Chief Internal Auditor, meeting monthly.
9	A Corporate Risk Strategy managed by a Risk Management Group meeting quarterly.
10	Working Group on Financial Regulations, Contract Standing Orders and Delegated Authorities (reviewed annually).
11	A standard committee report format that includes specific consideration of all legal, financial, professional and technical considerations.
12	A Medium Term Financial Strategy which informs service planning and budget setting,
13	A compliments and complaints procedure.
14	A risk-based approach to internal audit, emphasising the need for sound control and good value.
15	A robust whistle blowing policy and process, refreshed in 2011-12, along with supporting documents outlining the Council's zero tolerance approach to fraud and corruption.
16	Contribution to the delivery of the Sustainable Community Strategy for the District through active participation on One Epping Forest, formerly the Local Strategic Partnership, and the alignment of the Key Themes of the Corporate Plan 2011/15 with the Community Strategy.

3 Review of effectiveness

The Council is responsible for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the various sources noted below. In respect of partnerships, the Council has relied on statements from the partner bodies.

Directors governance statements, which provide appropriate management assurance that the key elements of the system of internal control are operating effectively;

Documentary evidence of processes, procedures and standards:

The Chief Internal Auditor's annual opinion on the Council's control environment, delivered to the Audit and Governance Committee, as the body charged with governance. Audit reports issued along with the assurance ratings of full, substantial, limited or no assurance, on the adequacy and effectiveness of the Council's control environment, particularly in the key financial

The work undertaken by the External Auditor reported in their annual audit and inspection letter and other review reports;

Significant governance issues from previous years;

Significant governance Issues from 2012/13.

In preparing this statement and reviewing the effectiveness of the council's governance arrangements, we have identified areas for improvement which are set out in the table below, together with the steps to be taken to address them.

No.	Issue	Action to be taken
1	<p style="text-align: center;">Housing Repairs Service Stores</p> <p>A number of Internal Audit Reports since the Housing Directorate has taken over responsibility for the former Building Maintenance Works Unit have highlighted internal control deficiencies within that section (now known as the Housing Repairs Service) with regard to procedures relating to the Stores.</p>	<p>Since taking over the Stores, the Asst. Director (Property) has taken a number of steps to improve the position in the short term. To improve efficiency, value for money and financial controls, an EU-compliant competitive tender exercise has therefore been undertaken to appoint a company to provide a material supply chain, with adequate control measures being a key component of the specification. This new contract will commence in May 2013.</p>
2	<p style="text-align: center;">Housing and Council Tax Benefits Accuracy checks</p> <p>Last year the Governance Statement mentioned an internal control issue in Benefits. This problem had been raised by both external and internal audit and related to the amount of checking that was being undertaken. The internal audit report issued on Benefits in June 2012 (relating to the 2011/12 year) still had a limited assurance rating because of the checking control.</p>	<p>This control has been addressed and checking has taken place to cover the whole of the 2012/13 financial year.</p>

We propose over the coming year to continue to improve matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for any improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Glenn Chipp
Chief Executive

Signed

Councillor Chris Whitbread
Leader of the Council

Members Allowances

The allowances of £318,441 listed below include the connect scheme, travel and subsistence and employers national insurance and pension costs. The figures also include allowances paid to lay members of the Audit & Governance Committee and the Standards Committee.

	£		£
R.H.MORGAN	7,109	J.F.COLLIER	320
P.SMITH	6,760	D.P.DODEJA	320
D.J.STALLAN	9,915	J.PHILIP	4,700
D.J.JACOBS	4,099	W.J.PRYOR	320
A.G.GRIGG	9,036	J.M.SUTCLIFFE	320
S.W.MURRAY	5,300	D.J.WIXLEY	3,966
J.M.WHITEHOUSE	3,620	M.A.PEDDLE(Nee Rickman)	500
M.A.MCEWEN	5,334	S.A.LYE	500
J.KNAPMAN	4,306	R.THOMPSON	500
C.L.WHITBREAD	16,746	D.JACKMAN	500
J.H.WHITEHOUSE	3,400	A.LION	5,254
U.M.GADSBY	4,436	W.S.BREARE-HALL	10,035
P.GODE	3,400	T.O.COCHRANE	3,544
M.SARTIN	9,275	J.HART	3,398
J.M.HART	6,467	Y.R.KNIGHT	3,400
D.M.COLLINS	320	S.I.WATSON	3,400
J.LEA	3,400	L.T.LEONARD	5,254
P.RICHARDSON	342	D.JOHNSON	3,930
J.A.MARKHAM	3,150	R.COHEN	3,400
C.P.POND	3,571	S.JONES	3,400
B.P.SANDLER	5,762	C.W.FINN	3,150
S.A.STAVROU	9,590	R.KELLY	500
K.ANGOLD-STEPHENS	5,192	J.GUTH	111
K.S.CHANA	3,556	K.AVEY	3,150
G.MOHINDRA	4,272	P.KESKA	3,400
P.J.SPENCER	3,631	A.MITCHELL	4,170
L.A.WAGLAND	5,506	G.WALLER	11,097
J.A.WYATT	6,780	H.BRADY	3,449
B.A.ROLFE VC	10,927	G.CHAMBERS	3,522
R.BASSETT	10,238	A.J.CHURCH	2,842
E.A.WEBSTER(SPINKS)	5,550	L.GIRLING	3,518
M.WRIGHT	9,355	H.KANE	3,342
R.E.BROOKES	9,417	H.MANN	2,842
R.BARRETT	125	G.SHEILL	3,342
A.L.BOYCE	320	T.THOMAS	3,342
A.WATTS	320	N.WRIGHT	2,842
H.ULKUN	6,334		
Total	206,861	Total	111,580
		GRAND TOTAL	318,441

Glossary of Terms

For the purposes of this Statement of Accounts, the following definitions have been adopted:

ACCRUALS

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

BALANCE SHEET

This statement sets out an authority's financial position at the year-end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness and the fixed and net current assets employed in its operations together with summarised information on the fixed assets held.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing asset.

CAPITAL ADJUSTMENT ACCOUNT

This account records the accumulated amount of set aside receipts and minimum revenue provision together with capital expenditure financed by way of capital receipts and revenue contributions. Set against these amounts are adjustments to the revenue account for depreciation and capital expenditure written off to revenue during the year. This, therefore, ensures that only actual expenses are charged to revenue in year. This account was formerly known as the Capital Financing Account.

CAPITAL FINANCING REQUIREMENT

This measures the change in and the underlying need for the council to borrow to finance Capital expenditure. Where all capital expenditure is financed by resources generated by the council the Capital Financing Requirement will remain unchanged.

CASH FLOW STATEMENT

This statement summarises the cash flows of the authority for capital and revenue spending as well as the cash flows used to finance these activities.

COLLECTION FUND

This account reflects the statutory requirement for billing authorities to maintain a separate collection fund which shows the transactions of the billing authority in relation to non-domestic rates and the council tax and illustrates the way in which these have been distributed to preceptors and the general fund.

COMMUNITY ASSETS

Assets that the local authority intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Glossary of Terms

CONSISTENCY

The accounting treatment of like items within an accounting period and from one period to the next is the same.

CONTINGENCY

A condition that exists at the balance sheet date where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

CONTINGENT LIABILITIES

A contingent liability is either:

(i) a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the authority's control; or

(ii) a present (current) obligation arising from past events where it is not probable (but not impossible) that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

It is considered that a contingent liability below £50,000 need not be disclosed, as any such amounts would not be significant.

CONTINGENT GAINS

A contingent gain (or asset) is a possible economic gain arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose nominated bodies managing the same services.

INTANGIBLE ASSETS

Expenditure which may properly be defined as being capital expenditure, but which does not result in a physical asset being created. For expenditure to be recognised as an intangible asset it must yield future economic benefits to the council.

REVENUE EXPENDITURE CHARGED TO CAPITAL UNDER STATUTE

Expenditure of a capital nature that does not result in a fixed asset being created. An example of such an item would be expenditure on a former HRA property held on a long lease by a third party. The expenditure is written off in the year that it is incurred.

Glossary of Terms

DEPRECIATION

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset whether arising from use, passage of time or obsolescence through technological or other changes. The useful life is the period over which the local authority will derive benefit from the use of a fixed asset.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXTRAORDINARY ITEMS

Material items that derive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items nor do they include prior period items merely because they relate to a prior period.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arms length transaction less, where applicable, any grants receivable towards the purchase or use of the assets.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if, at the inception of the lease, the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

FIXED ASSETS

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

GENERAL FUND

This statement records the information of all the authority's activities, excluding those in relation to the Housing Revenue Account and Local Council precepts.

GOING CONCERN

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Glossary of Terms

GOVERNMENT GRANTS

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

HOUSING REVENUE ACCOUNT

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure such as maintenance, administration, rent rebates and capital financing costs, and how these are met by rents subsidy and other income.

IMPAIRMENT

An impairment occurs when a fixed asset suffers a loss in value either due to a fall in market values generally, or as a result of use of the asset other than normal wear and tear.

INFRASTRUCTURE ASSETS

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

INVESTMENTS

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments that do not meet the above criteria should be classified as current assets.

INVESTMENT PROPERTIES

Interest in land and / or buildings:

- (i) in respect of which construction work and development have been completed; and
- (ii) which is held for its investment potential, any rental income being negotiated at arms length.

LONG-TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

Glossary of Terms

MINIMUM REVENUE PROVISION (MRP)

Local authorities are required by statute to set aside a minimum revenue provision for the redemption of external debt. The method of calculation is defined by statute and does not relate to actual external debt outstanding. Statute requires MRP of 2% of the housing credit ceiling and 4% of the non-housing credit ceiling, offset by an adjustment for debts commuted in relation to old improvement grants.

NET BOOK VALUE

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

NET CURRENT REPLACEMENT COST

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NET REALISABLE VALUE

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

NON-OPERATIONAL ASSETS

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties, assets that are surplus to requirements pending sale or redevelopment and assets under development or construction.

OPERATING LEASES

Leases other than a finance lease.

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility. Operational assets comprise Council dwellings, other land and buildings, vehicles plant and equipment, infrastructure and community assets.

POST BALANCE SHEET EVENTS

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the responsible financial officer signs the Statement of Accounts.

PRIOR YEAR ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Glossary of Terms

PROVISIONS

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. Provisions are required to be recognised when:

- (i) the local authority has a present obligation (legal or constructive) as a result of a past event;
- (ii) it is probable that a transfer of economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision should be recognised.

A constructive obligation is an obligation that derives from an authority's actions where;

- (i) by an established pattern of past practice, published policies or sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities; and
- (ii) as a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

PRUDENCE

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

RELATED PARTIES

Two or more parties are related parties when at any time during the financial period:

- (i) one party has direct or indirect control of the other party; or
- (ii) the parties are subject to common control from the same source; or
- (iii) one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- (iv) the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Examples of related parties of an authority include:

- (i) central government;
- (ii) local authorities and other bodies precepting or levying demands on the Council Tax;
- (iii) its subsidiary and associated companies;
- (iv) its joint ventures and joint venture partners;
- (v) its members;
- (vi) its chief officers; and
- (vii) its pension fund.

Examples of related parties of a pension fund include its:

Glossary of Terms

- (i) administering authority and its related parties;
- (ii) scheduled bodies and their related parties; and
- (iii) trustees and advisers.

These lists are not intended to be comprehensive.

For individuals identified as related parties, the following are also presumed to be related parties:

- (i) members of the close family or the same household; and
- (ii) partnerships, companies, trusts or other entities in which the individual or a member of their close family or the same household, has a controlling interest.

RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- (i) the purchase, sale, lease, rental or hire of assets between related parties;
- (ii) the provision by a pension fund to a related party of assets or loans, irrespective of any direct economic benefit to the pension fund;
- (iii) the provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- (iv) the provision of services to a related party, including the provision of pension fund administration services;
- (v) transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the authority but also in relation to its related party.

REVALUATION RESERVE

This account was created on 31 March 2007. The purpose of which is to hold all revaluations occurring to fixed assets subsequent to that date.

STOCKS

Comprise the following categories:

- (i) Goods or other assets purchased for resale;
- (ii) consumable stores;
- (iii) raw materials and components purchased for incorporation into products for sale;
- (iv) products and services in intermediate stages of completion;
- (v) long-term contract balances; and
- (vi) finished goods.

UNAPPORTIONABLE CENTRAL OVERHEADS

These are overheads for which no user now benefits and should not be apportioned to services.

Glossary of Pension Related Terms

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- (i) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or
- (ii) the actuarial assumptions have changed

CURRENT SERVICE COST

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

CURTAILMENT

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- (i) termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- (ii) termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

DEFINED BENEFIT SCHEME

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

DEFINED CONTRIBUTION SCHEME

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DISCRETIONARY BENEFITS

Retirement benefits that the employer has no legal, contractual or constructive obligations to award and which are awarded under the authority's discretionary powers, such as the Local Government (Discretionary Payments) regulations 1996.

EXPECTED RATE OF RETURN ON PENSION ASSETS

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Glossary of Pension Related Terms

EXTRAORDINARY ITEMS

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the authority, and which are not expected to recur. They do not include exceptional items nor do they include prior year items merely because they relate to a prior period.

IAS19

International Accounting Standard 19 (IAS19) ensures that organisations account for employee retirement benefits when they are committed to pay them, even if the actual payment may be years into the future.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS (NON-PENSIONS FUND)

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments, other than those in relation to the pensions fund, which do not meet the above criteria should be classified as current assets.

INVESTMENTS (PENSIONS FUND)

The investments of the Pensions Fund will be accounted for in the statements of the fund. However authorities (other than town and community councils) are also required to disclose, as part of the transitional disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

PAST SERVICE COST

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PROJECTED UNIT METHOD

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

(i) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and

Glossary of Pension Related Terms

(ii) the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

(i) an employer's decision to terminate an employee's employment before the normal retirement date, or

(ii) an employee's decision to accept redundancy in exchange for those benefits,

because these are not given in exchange for services rendered by employees.

SCHEME LIABILITIES

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

SETTLEMENT

An irrecoverable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

(i) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits

(ii) the purchase of an irrevocable annuity contract sufficient to cover vested benefits, and

(iii) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

VESTED RIGHTS

In relation to a defined benefit scheme, these are:

(i) for active members, benefits to which they would unconditionally be entitled on leaving the scheme;

(ii) for deferred pensioners, their preserved benefits, and

(iii) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependents.

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Report to the Council

Committee: Cabinet

Date: 26 September 2013

Portfolio Holder: Councillor A Grigg (Asset Management and Economic Development))

SUPPLEMENTARY CAPITAL ESTIMATES – LANGSTON ROAD DEPOT, LOUGHTON AND SITE OF SIR WINSTON CHURCHILL PUBLIC HOUSE, THE BROADWAY, LOUGHTON

Recommending:

- (1) That a supplementary capital estimate of £20,000 in 2013/14 be approved for the installation of new CCTV systems at the Langston Road Depot, Loughton; and**
 - (2) That a supplementary capital estimate of £75,000 in 2013/14 be approved in order to instruct external solicitors to prepare and negotiate a development agreement for the site of the Sir Winston Churchill Public House, The Broadway, Loughton.**
-

Langston Road Depot

1. The Council owns Langston Road Depot, Loughton and uses it for various front line services: waste and recycling, grounds maintenance, fleet operations including MOT service and museum storage. In addition, the Council's waste and recycling contractor, Sita, occupies part of the site under a licence agreement.
2. Maintenance of the fabric of the depot buildings and associated assets is the responsibility of the Council. This includes provision of CCTV systems. These systems are old and somewhat unreliable, and are difficult to maintain and repair.
3. At present the Council's CCTV systems are being supplemented by equipment loaned from Essex Police but this is a temporary arrangement which cannot be sustained.
4. In view of the proposed development of the depot site as a retail park, investment in the depot in recent years has been restricted. However, it is now apparent that the depot is likely to remain operational until 2016. In the light of this timescale we have considered the replacement of the existing CCTV systems on the site.
5. Replacing the existing systems with modern, Code of Practice compliant systems across the entire site is estimated to cost £15,000.

6. We have been assured that it will be possible to remove most of the new equipment for reuse at a new depot, when it becomes available. This includes CCTV cameras, recording equipment, external fittings and fixtures and some of the cabling.
7. However, some of the infrastructure will not be transferrable and there will be costs associated with leaving it on-site. There will also be costs associated with the removal and reinstatement of the equipment. These costs are estimated at £5,000.
8. There is an on-going revenue budget allocation that will be used to monitor and maintain the new systems, both at the existing depot and the new depot.
9. In view of the benefits of new systems and the fact that most of the new equipment can be reused at a new depot we recommend as set out at the commencement of this report.

Site of Sir Winston Churchill Public House, The Broadway, Loughton

10. In August 2008, the Council approved the Debden Town Centre and Broadway Development Options Brief. The Brief identifies the present vision and key developments to regenerate the area. The Sir Winston Churchill Public House site, the freehold of which is owned by the Council, is identified as a landmark site in a key gateway location to The Broadway.
11. The Public House site is let by the Council to the Spirit Pub Company on an 80 year lease from September 1955, leaving a current unexpired term of about 22 years.
12. In the current economic climate, part of the Council's financial strategy is to maximise the value of its property assets to generate additional revenue income.
13. CK Property Investments Ltd, a property development company, has entered into an option agreement with Spirit Pub Company to redevelop the site, subject to agreement with the Council and obtaining planning permission. The developer will need to submit a planning application which will be considered in accordance with normal procedures.
14. CK Property Investments Ltd has proposed a development which envisages a replacement public house and two retail units on the ground floor with 64 residential units above. Car parking would be rented to flat leaseholders on Council owned land currently used for lock up garages and parking. Income from the rental would be retained by the Council.
15. In addition a Housing Association has expressed interest in redeveloping the lock up garage site with ground floor car parking and 14 social housing units above.

16. We have considered and agreed Heads of Terms proposed following negotiations between the Council's agents, Latham High Chartered Surveyors and CK Property Investments Ltd. The Heads of Terms are the main principles on which a development agreement will be based covering issues such as finance, the respective parties' responsibilities and the length of the agreement.
17. We have been advised that although the skill set required to provide the necessary legal advice and to negotiate the development agreement is available within the in-house Legal Section, the spare capacity to undertake the work is not. Accordingly, we are of the opinion that external legal resources will be required to deliver this proposal within the required timescales.
18. There is no budget provision for such external legal support. The work will be subject to competitive quotation from suitably qualified and experienced practices and until quotations are received the precise cost is not known. However, we do not expect this to exceed £75,000 and we are seeking a supplementary capital estimate for this amount.
19. We recommend as set out at the commencement of this report.

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Report to the Council

Committee: Cabinet

Date: 26 September 2013

Portfolio Holder: Councillor A Grigg (Asset Management and Economic Development)

LANGSTON ROAD RETAIL PARK

Recommending:

That a supplementary District Development Fund estimate in the sum of £150,000 in 2013/14 be approved to cover the Council's share of the cost of contamination investigations and to make a detailed planning application for the proposed Retail Park

1. On 20 July 2012 outline planning permission was granted for the development of retail warehousing on the combined Council depot site and the Polofind Ltd owned T11 site at Langston Road.
2. Negotiations have continued since that time and it is now proposed to progress the development by submitting an application for full planning permission.
3. The outline planning application was funded jointly by the Council and Polofind Ltd and we are proposing that the application for full planning permission be funded in the same way.
4. Polofind Ltd has obtained fee quotations from consultants and it is estimated that the total cost of the full application and a contamination survey required to support the application will be between £260,000 and £300,000. The Council's share will therefore be up to £150,000.
5. We recommend as set out at the commencement of this report.

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Report to Council

Date of meeting: 26 September 2013

Subject: Overview and Scrutiny report to Council – September 2013

Contact for further information: Councillor R Morgan



Recommendation:

That the Overview and Scrutiny progress report from August 2013 to the present be noted.

Report

Extra Ordinary Overview and Scrutiny Committee Meeting – 27 August 2013

1. On 27 August we held an extra ordinary meeting to hear a call-in of a Cabinet Decision (C-018-2013/14), on the future of North Weald Airfield. The call-in was based on the following premises, that:

- Insufficient weight given to the discount rate reflecting risk;
- No analysis of revenue implications vs. Capital;
- No district wide consultation on change to Issues and Options prior to preferred Options stage;
- No options available without massive development without any aviation.

2. The call-in members and portfolio holders put their respective cases across to the committee and the meeting was then opened out for a general discussion on the merits of the call-in. In the end the Overview and Scrutiny Committee confirmed the original decision of the Cabinet.

Overview and Scrutiny Committee Meeting - 3 September 2013

3. At our last meeting on 3 September, we received a presentation from Dr Kamal Bishai, Vice Chairman of the West Essex Clinical Commissioning Group and Mr Dean Westcott, the Chief Financial Officer, regarding health care and their plans for the community's health and social care for the next 5 to 10 years. Their presentation "My Health, My Future, My Say" outlined the important challenges involved in providing healthcare services, which was followed by questions and answers. Questionnaires were also received by the committee on healthcare priorities.

4. We also discussed and agreed the Corporate Plan Key Objectives 2013/14 – Quarter 1 Progress Report.

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Report to the Council

Committee: Licensing

Date: 26 September 2013

Subject: Scrap Metal Dealers Act 2013

Chairman: Councillor K Angold-Stephens

Recommendations:

- (1) That officers carry out a consultation on the draft policy attached to this report;**
 - (2) That the licence fees set out in this report be adopted;**
 - (3) That the schedule of delegations set out in the draft policy take effect immediately; and**
 - (4) That the Director of Corporate Support Services and the Director of Environment and Street Scene be given delegated authority to authorize officers to carry out inspections of the sites and vehicles used and to conduct investigations and to issue and undertake prosecutions that may arise under the Act.**
-

Background

- 1 The Members of the Licensing Committee received a report informing us of impending changes to the regulatory regime for controlling scrap metal dealing to be implemented through provisions of the Scrap Metal Dealers Act 2013, and the increased duties and powers which this gives to the Council
2. The changes in the legislation have been prompted as a result of the impact of metal theft. This has become an increasing problem as the value of metal across the UK as a whole has risen. A wide range of bodies in both the public and private sectors are commonly affected by this criminal activity. Targets include transport, electricity and telephone links, street furniture, memorials; affecting both commercial and residential buildings, including churches and schools.
3. The Government has already introduced other legislation which regulates the scrap metal industry as follows:
 - (a) to prohibit cash payments for scrap metal;
 - (b) to amend police powers of entry into unregistered scrap metal sites.

Key features of the Act

4. The Committee heard that the Act introduces two types of licence, a 'site licence' and a 'collector's licence'.
5. The Authority must not issue or renew a licence unless it is satisfied that the applicant is a suitable person to carry on business as a scrap metal dealer and in making this decision the local authority can have regard to:

- whether the applicant or any site manager has been convicted of any relevant offence;
 - whether the applicant or any site manager has been the subject of any relevant enforcement action;
 - any previous refusal to issue or renew a scrap metal licence;
 - any previous refusal for an environment permit or registration;
 - any previous revocation of a scrap metal licence; and
 - whether the applicant has demonstrated that there will be adequate procedures to comply with the Act.
6. Once an application has been received, the local authority must consult with:
- any other local authority (if an application has been made or licence issued to the same applicant);
 - the Environment Agency; and
 - the Police
7. The Council is also under a duty to maintain a public register which will be open for inspection by members of the public.
8. The Act introduces the requirement for scrap metal dealers to verify the identity and full name and address of the metal supplier and keep copies of proof of identification. In addition, the dealer must keep records of the type of description of the metal(s) acquired, including weight and identifying marks, the date and time of receipt, the vehicle registration of any vehicle delivering the metal and copies of cheques used to pay for metal. All records must be kept for three years. The Act also prohibits the payment of cash for metals.
9. Local authority and Police officers have been given the powers to inspect licensed premises and can require production of any scrap metal at the premises, inspect records kept and take copies of those records. The Act provides police and local authority powers to issue closure notices to unlicensed scrap metal dealing premises and apply to a Justice of the Peace for a closure order.
10. The current legislation for scrap metal dealers only requires basic information to be supplied and no fee is payable. The new Act will require more detailed information to be submitted upon application and will allow the local authority to set a fee. The fee must be fixed to allow cost recovery and local authorities will have to have regard to guidance issued by the Secretary of State.

Implementation

11. The Committee at its meeting agreed to recommend that the Council adopts the recommendations which we consider necessary to implement these new powers and duties to enable the Council to make arrangement for dealing with applications; set a fee; authorise officers to exercise the new powers; and assign resources to ensure compliance.
12. The Licensing Manager participated in a small working group of Essex Licensing Officers and this group prepared a draft policy which can be adopted by all authorities in the group. We considered the policy at our meeting and made a number of amendments. We would ask the Council to agree that a short consultation exercise on the proposed policy is undertaken with existing local scrap metal dealers and motor salvage operators; Essex Police; British Transport Police; Environment Agency and Industry Associations. This will also serve to make these parties aware of the commencement of the new system.

Fee Setting

13. Fees are to be set locally by each authority on a cost recovery basis, but local authorities have a duty to have regard to guidance issued by Secretary of State. A copy of this guidance was attached to the Committee's report and specifies the issues that should be considered by authorities when setting the fee and what activities the fee can cover. This fee will be an essential component of the new regime as it will provide local authorities with the funding they need to administer the regime and to ensure compliance. It does not provide funding for enforcement.
14. The routine review of the level of fee will ultimately form part of the Council's annual adoption of fees and charges. However, because the Council has to be in a position to process applications as soon as the new system comes into effect we reviewed the recommended fee levels proposed. The Committee considered the basis upon which the fees were calculated and compared them to the fees being charged by other authorities. We agreed that to ensure compliance with the Act it will be necessary for officers to make two inspections during the licence term and we increased the proposed fees by £60 to take account of this. The Committee recommends the follows fees should be charged.

Proposed Fees

Site Licences:

Application for a new licence - £315.00
Application to renew a Site Licence - £215.00

Collector's Licence

Application for a new licence - £265.00
Application to renew a licence - £260.00

Variation of a Licence

Routine - £40.00 e.g. Change of name of individual (deed poll or marriage) or of company (retaining the same company number) or correction of the register.

Other - £217.00 e.g. adding a new site onto the licence or change of manager of a site.

Background Papers:

Guidance issued by the Secretary of State
Table of calculation of fees.

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EPPING FOREST DISTRICT COUNCIL

SCRAP METAL DEALERS ACT 2013

STATEMENT OF LICENSING POLICY

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APPENDICIES

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1. Introduction

1.1 This document states Epping Forest District Council Policy on the regulation of Scrap Metal Dealers.

The Law

1.2 The Scrap Metal Dealers Act 2013 received Royal Assent on 28 February 2013 and is expected to come into force on 1 October 2013.

1.3 The Scrap Metal Dealers Act 2013, hereinafter named 'the Act' repeals the Scrap Metal Dealers Act 1964 and Part 1 of the Vehicle (Crime) Act 2001, Paragraph 1 of schedule 3 of the Vehicle Excise and Registration Act 1994, Paragraph 168 of schedule 17 to the Communications Act 2003 and section 145 to 147 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. The Act brings forward a new regime for scrap metal dealing and vehicle dismantling industries.

1.4 The Act maintains local authorities as the principle regulator. It also gives them better powers to regulate these industries by allowing them to refuse to grant a licence to 'unsuitable' applicants and a power to revoke licences if the dealer becomes 'unsuitable'.

1.5 Epping Forest District Council ('the Council') is the Licensing Authority under the Scrap Metal Dealers Act 2013 and is responsible for granting site licence and collector's licences in the Epping Forest District in respect of businesses that deal in scrap metal and vehicle dismantling.

1.6 When assessing applications, the Council must be satisfied that the applicant is a 'suitable' person to hold a licence. Unsuitability will be based on a number of factors including any relevant criminal convictions.

1.7 The Scrap Metal Dealers Act 2013 makes it a requirement for a scrap metal dealer to have a licence in order to carry on in business as a dealer. It is an offence to carry on a business without first obtaining a licence. The Act incorporates the separate regulatory scheme for motor salvage operators under the Vehicle (Crime) Act 2001 into this new regime. This is to replace the current overlapping regimes for vehicle salvage and scrap metal industries with a single regulatory scheme.

Definition of a Scrap Metal Dealer

1.8 A person carries on business as a scrap metal dealer if:

- a) they wholly or partly buy or sell scrap metal (whether or not sold in the form it was bought in) or;
- b) they carry on business as a motor salvage operator (see 1.10).

1.9 A person selling scrap metal as surplus materials or as a by-product of manufacturing articles is NOT regarded as a scrap metal dealer.

1.10 Motor salvage operation is defined in the Act as a business that consists wholly or mainly of:

- a) recovering salvageable parts from motor vehicles for re-use or sale and selling the remainder of the vehicle for scrap;
- b) buying written-off vehicles, repairing and reselling them;
- c) buying or selling motor vehicles which are to be the subject of any of the activities mentioned in (a) or (b);
- d) wholly or mainly in activities falling within paragraphs (b) and (c).

1.11 Scrap metal includes:

- a) any old, waste or discarded metal or metallic material, and
- b) any product, article or assembly which is made from or contains metal and is broken, worn out or regarded by its last holder as having reached the end of its useful life.

1.12 Scrap Metal does not include:

- a) Gold;
- b) Silver; or
- c) Any alloy of which 2% or more by weight is attributable to gold or silver.

2. Consultation

2.1 There is no requirement, in the Act, for a Council to have in place a formal policy for dealing with applications made under the Scrap Metal Dealers Act 2013. As a process of 'Best Practice' the Council has chosen to adopt a formal policy for this purpose.

2.2 In developing this policy statement, the Council will consult with existing scrap metal dealers/motor salvage operators, Essex Police, British Transport Police, Environment Agency and Industry Associations.

3. Types of Licences

3.1 Anyone wishing to operate a business will require a site licence or a collector's licence. The licence is valid for three years and permits the holder to operate within the boundaries of the issuing authority. These are:

- **Site Licence** – A licence will be issued by the Council in whose area a scrap metal site is situated. A site licence will require all of the sites at which the licensee carries on the business as a scrap metal dealer, within the local authority area, to be identified and a site manager to be named for each site. This will permit them to operate from those sites including transporting scrap metal to and from those sites from any local authority area.

- **Collectors Licence** – authorises a licence holder to operate as a 'mobile collector' in the area of the issuing local authority area. This permits them to collect any scrap metal as appropriate, including commercial and domestic scrap metal. It does not permit the collector to collect from any other local authority area, separate licences should be obtained from each local authority. Also, the licence does not permit a licensee to carry on a business at a site within any area. If a collector

wishes to use a fixed site, they will need to obtain a site licence from the relevant local authority. There is no restriction as to the location where the collector can transport and sell their material.

3.2 A person may hold more than one licence issued by different authorities, but may NOT hold more than one licence issued by any one local authority.

4. Transitional Process 'Grandfather Rights'

4.1 During the transitional period, there will be special arrangements in place, (The Council will implement the transitional process in accordance with Guidance to be issued by Secretary of State).

4.2 Any dealer currently registered under the 1964 Scrap Metal Dealers Act, or a motor salvage operator already registered under the 2001 Vehicles (Crime) Act, will be deemed to have a licence under the 2013 Act, until the council grants a licence or sends the dealer notice of its decision to refuse the licence under the 2013 Act, ***provided that they submit an application on or before the 15th October***

4.3 Applications made after 31 August 2013 will be subject to the full licensing process.

4.4 Any dealer operating after 1 November 2013 without a licence will be in breach of the Scrap Metal Dealers Act 2013 and may risk being issued with a closure order.

4.5 Continuing to operate, in breach of a closure order, may result in an unlimited fine.

5. Application Process

5.1 When the Council is considering an application, it will have regard to:

- The Scrap Metal Dealers Act 2013;
- Guidance issued by the Secretary of State;
- Any supporting regulations
- This statement of licensing policy

5.2 This does not undermine the rights of any person to apply under the 2013 Act for a licence and have the application considered on its individual merits.

5.3 A person carrying on, or proposing to carry on, a business as a scrap metal dealer may apply to the Council to be licensed. The application must be in writing and contain the appropriate mandatory particulars, as set out in Appendix 1.

5.4 A local authority may request that an applicant provide such other information, as it considers relevant, for the purpose of considering the suitability of an applicant. The additional information that is required is set out in Appendix 1.

5.5 The application must be accompanied by the appropriate fee.

5.6 If the applicant fails to provide the information requested, including the additional supporting documentation, the Council may decline to accept the application as a valid application.

6. Suitability of Applicants

6.1 A local authority must determine whether the applicant is a suitable person to carry on a business as a Scrap Metal Dealer.

6.2 In determining this, the Council may have regard to any information it considers to be relevant, including whether any relevant enforcement action has been taken against the applicant or whether the applicant has been convicted of a relevant offence. A list of relevant offences are set out in Appendix 2.

6.3 The Council must also have regard to any guidance on determining suitability which is issued by the Secretary of State.

6.4 The Council may consult other agencies regarding the suitability of a applicant, including:

- Any other local authority;
- The Environment Agency;
- The Natural Resources Body for Wales; and
- An officer of a police force.

7. Determination of Application/Issue of Licence

7.1 Where the Council is satisfied that an applicant is a 'suitable person' to hold a Scrap Metal Dealers Licence, it must issue a licence.

7.2 6.5 In reaching its decision the Council will have regard to:

- Whether the applicant or any site manager has been convicted of any relevant offence;
- Whether the applicant or any site manager has been the subject of any relevant enforcement action;
- Any previous refusal to issue or renew a scrap metal licence;
- Any previous refusal for an environment permit or registration;
- Any previous revocation of a scrap metal licence; and
- Whether the applicant has demonstrated that there will be adequate procedures to comply with the Act.

All of the above will apply to any director, any secretary of a company or any shadow director of the company if the applicant is not an individual.

7.3 If an applicant or any site manager has been convicted of a relevant offence, the Council may include in the licence one or both of the following conditions:.

- To limit the dealer to receiving any metal within the hours of 9.00am to 5.00pm; and
- That any scrap metal must be kept in the form in which it is received for a specified period of time, not exceeding 72 hours.

7.4 Where the Council is not satisfied that an applicant is a 'suitable person' to hold a Scrap Metal Dealers Licence, or a licence holder is no longer considered 'suitable' to continue to hold a licence, the Council must consider refusing the application or revoking the licence where a licence has been issued. The matter will be referred to the Licensing Sub-Committee for determination.

Right to Make Representations

7.5 If the Council proposes to refuse an application or to revoke/vary a licence a notice must be issued to the applicant/licensee setting out what the authority proposes to do and the reasons for this. The notice must also state that within the period specified the applicant/licensee can either:

- a) make representations about the proposal; or
- b) inform the authority that the applicant/licensee wishes to do so.

7.6 The period specified in the notice must be not less than 14 days beginning with the date on which the notice is given to the applicant/licensee. Within this time the applicant/licensee must notify the Council that they do not wish to make representations. Should this period expire the applicant/licensee has not made representations, or informed the authority of their wish to do so the authority may refuse the application, or revoke or vary the licence.

7.7 If, within the period specified, the applicant/licensee informs the authority that they wish to make representations, the authority must allow a reasonable period to make representations and may refuse the application or revoke or vary the licence if they fail to make representations within that period.

7.8 If the applicant/licensee notifies the authority that they wish to make oral representations, the authority must give them the opportunity of appearing before, and being heard by, a person appointed by the authority. In this instance, this will be before the Licensing Sub-Committee.

7.9 The Council may revoke a scrap metal dealer's licence in certain circumstances. Please refer to Section 9 for circumstance of revocation.

Notice of Decisions

7.10 If the application is refused, or the licence is revoked or varied, the Council must give a notice to the applicant/licensee setting out the decision and the reasons for it. The notice must also state that the applicant/licensee may appeal against the decision, the time within which the appeal may be brought and, if revoked or varied, the date on which the revocation or variation is to take effect. (Please see Appendix 4 for appeal process).

8. Variation of Licence

8.1 An applicant can, on application, apply to the Council to vary licence by changing it from one type to another. The variation application must be made to reflect changes to:

- o Site licence – name of licensee, the sites, site manager
- o Collector's licence – name of licensee

The variation can amend the name of the licensee but not transfer the licence to another person.

8.2 Application is to be made to the issuing authority and contain particulars of the changes to be made to the licence.

9. Revocation of Licence by the Licensing Sub-Committee

9.1 The authority may revoke a scrap metal licence if it is satisfied that the licensee does not carry on the business of scrap metal dealing at any of the sites identified in the licence.

9.2 The authority may revoke a licence if it is satisfied that a site manager named in the licence does not act as site manager at any of the sites identified in the licence.

9.3 The authority may revoke a licence if it is no longer satisfied that the licensee is a suitable person to carry on a business as a scrap metal dealer.

9.4 A revocation or variation under this section comes into effect when no appeal under section 16.9 is possible in relation to the revocation or variation, or when any such appeal is finally determined or withdrawn.

9.5 If the authority considers that the licence should not continue in force without conditions, it may by notice provide:

- a) that, until a revocation under this section comes into effect, the licence is subject to one or both of the conditions set out in section 7.2; or
- b) that a variation under this section comes into effect immediately.

10. Register of Licences

10.1 The Environment Agency must maintain a register of scrap metal licences issued by authorities in England.

10.2 Each entry must record:

- a) the name of the authority which issued the licence;
- b) the name of the licensee;
- c) any trading name of the licensee;
- d) the address of the site identified in the licence;
- e) the type of licence; and
- f) the date on which the licence is due to expire.

10.3 The registers are to be open for inspection to the public.

11. Notification Requirements

11.1 An applicant for a scrap metal licence, or for the renewal or variation of a licence, must notify the authority to which the application was made of any changes which materially affect the accuracy of the information which the applicant has provided in connection with the application.

11.2 A licensee who is not carrying on business as a scrap metal dealer in the area of the authority which issued the licence must notify the authority within 28 days.

11.3 If a licence is issued to a business under a trading name the licensee must notify the authority which issued the licence of any change to that name within 28 days.

11.4 An authority must notify the Environment Agency, of –

- a) any notification given to the authority under section 11.2 or 11.3;
- b) any variation made by the authority under section 8 (variation of type of licence or matters set out in licence); and
- c) any revocation of the authority of a licence.

11.5 Notification under subsection 11.4 must be given within 28 days of the notification, variation or revocation in question.

11.6 Where the authority notifies the Environment Agency under subsection

11.4, the body must amend the register under section 10 accordingly.

12. Display of Licence

12.1 A copy of a site licence must be displayed at each site identified in the licence. The copy must be displayed in a prominent place in an area accessible to the public.

12.2 A copy of a collector's licence must be displayed on any vehicle that is being used in the course of the dealer's business. This must be displayed in a manner which enables it easily to be read by a person outside the vehicle.

13. Verification of Supplier's Identity

13.1 Prior to receiving scrap metal the scrap metal dealer must verify the person's full name and address by reference to documents, data or other information obtained from a reliable and independent source.

13.2 Should verification not be gained then each of the following are guilty of an offence:

- a) the scrap metal dealer;
- b) if metal is received at the site, the site manager;
- c) any person who, under arrangements made by a person within paragraph (a) or (b), has responsibility for verifying the name and address.

14. Payment for Scrap Metal

14.1 A scrap metal dealer must only pay for scrap metal by either:

- a) a cheque (which is not transferrable under Section 81A Bills of Exchange Act 1882); or
- b) electronic transfer of funds (authorised by a credit, debit card or otherwise).

14.2 Payment includes payment in kind – with goods or services.

15. Records: Receipt of Metal

15.1 If any metal is received in the course of the dealer's business the dealer must record the following information:

- a) description of the metal, including its type (types if mixed), form, condition, weight and any marks identifying previous owners or other distinguishing features;
- b) date and time of receipt;
- c) the registration mark of the vehicle delivered by;
- d) full name and address of person delivering it;
- e) full name of the person making payment on behalf of the dealer.

15.2 The dealer must keep a copy of any documents used to verify the name and address of the person delivering the metal.

15.3 If payment is made via cheque, the dealer must retain a copy of the cheque.

15.4 If payment is made via electronic transfer, the dealer must keep a receipt identifying the transfer, or (if no receipt identifying the transfer) record particulars identifying the transfer.

16. Records: Disposal of Metal

16.1 The Act regards the metal to be disposed of:

- a) whether or not in the same form it was purchased;
- b) whether or not the disposal is to another person;
- c) whether or not the metal is despatched from a site.

16.2 Where the disposal is in the course of business under a site licence, the following must be recorded:

- a) description of the metal, including its type (or types is mixed), form and weight;
- b) date and time of disposal;
- c) if to another person, their full name and address;
- d) if payment is received for the metal (by sale or exchange) the price or other consideration received.

16.3 If disposal is in the course of business under a collector's licence, the dealer must record the following information:

- a) the date and time of the disposal;
- b) if to another person, their full name and address.

17. Records: Supplementary

17.1 The information in sections 15 and 16 must be recorded in a manner which allows the information and the scrap metal to which it relates to be readily identified by reference to each other.

17.2 The records mentioned in section 15 must be marked so as to identify the scrap metal to which they relate.

17.3 Records must be kept for a period of 3 years beginning with the day on which the metal is received or (as may be the case) disposed of.

17.4 If a scrap metal dealer fails to fulfil a requirement under section 15 and 16 or this section each of the following is guilty of an offence:

- a) the scrap metal dealer;
- b) if the metal is received at or (as the case may be) despatched from a site, the site manager;
- c) any person who, under arrangements made by a person within paragraph (a) or (b) has responsibility for fulfilling the requirement.

17.5 It is a defence for a person within subsection 17.4 (a) or (b) who is charged with an offence under this section to prove that the person

- a) made arrangements to ensure that the requirement was fulfilled,
and
- b) took all reasonable steps to ensure that those arrangements were complied with.

18. Fees

18.1 A Council may make a charge for a licence on a cost recovery basis (subject to Guidance issued by the Secretary of State).

19. Compliance

19.1 The Act provides a Police Constable and an Officer from the Council with a right to enter and inspect the premises of licensed and unlicensed scrap metal dealers. The full provisions of the powers are set out in Appendix 3.

19.2 The Act does not provide an Officer of the Council with the power to inspect premises of licensed and unlicensed scrap metal dealers outside the area of the authority.

19.3 The Council delivers a wide range of compliance services aimed at safeguarding the environment and the community and at providing a 'level playing field' on which businesses can fairly trade.

19.4 The administration and compliance of the licensing regime is one of these services.

19.5 Compliance will be based on the principles that businesses should:

- Receive clear explanations from regulators of what they need to do and by when;
- Have an opportunity to resolve differences before compliance action is taken, unless immediate action is needed;
- Receive an explanation of their right of appeal.

19.6 The council recognises the interest of both citizens and businesses and will work closely, with partners, to assist licence holders to comply with the law. However, proportionate but firm action will be taken against those who commit serious offences or consistently break the law.

20. Closure of Unlicensed Sites

20.1 Interpretation

A person with an interest in a premises is the owner, leaseholder or occupier of the premises. Local authority powers are exercisable only in relation to premises in the authority's area.

20.2 Closure Notice

Not applicable if the premises are residential premises. A constable or the local authority must be satisfied that the premises are being used by a scrap metal dealer in the course of business and that the premises are not a licensed site.

A 'closure notice' may be issued by a constable or local authority which states they are satisfied of the above, the reasons for that, that the constable or local authority may apply

to the court for a closure order and specifies the steps which may be taken to ensure that the alleged use of the premises ceases.

The notice must be given to the person who appears to be the site manager of the premises and any person who appears to be a director, manager or other officer of the business in question. The notice may also be given to any person who has an interest in the premises.

The notice must be given to a person who occupies another part of any building or structure of which the premises form part and the constable or local authority believes at the time of giving the notice, that the person's access to that other part would be impeded if a closure order were made in respect of the premises.

20.3 Cancellation of Closure Notice

A 'cancellation notice' issued by a constable or local authority may cancel a closure notice. This takes effect when it is given to any one of the persons to whom the closure notice was given. This must also be given to any other person to whom the closure notice was given.

20.4 Application for Closure Order

When a closure notice has been given, a constable or the local authority may make a complaint to the justices of the peace for a closure order. This may not be made less than 7 days after the date on which the closure notice was given or more than 6 months after that date.

A complaint under this paragraph may not be made if the constable or authority is satisfied that the premises are not (or are no longer) being used by a scrap metal dealer in the course of business and there is no reasonable likelihood that the premises will be so used in the future.

The justice may issue a summons to answer to the complaint. This must be directed to anyone whom the closure notice was given and must include the date, time and place at which the complaint will be heard.

20.5 Closure Order

A closure order requires that a premises be closed immediately to the public and remain closed until a constable or the local authority makes a termination of closure order by certificate. The use of the premises by a scrap metal dealer in the course of business be discontinued immediately and that any defendant pay into court such sum as the court determines and that the sum will not be released by the court to that person until the other requirements of the order are met.

The closure order may include a condition relating to the admission of persons into the premises, the access by persons to another part of any building or other structure of which the premises form part.

A closure order may include such provision as the court considers appropriate for dealing with the consequences if the order should cease to have effect. As soon as practicable after the closure order is made, the complainant must fix a copy of it in a conspicuous position on the premises in respect of which it was made.

A sum ordered to be paid into court under a closure order is to be paid to the designated officer for the court.

20.6 Termination of Closure Order by Certificate

Once a closure order has been made and a constable or local authority is satisfied that the need for the order has ceased a certificate may be made. This ceases the closure order and any sum paid into a court is to be released by the court to the defendant.

As soon as is practicable after making a certificate, a constable or local authority must give a copy to any person against whom the closure order was made, give a copy to the designated officer for the court which made the order and fix a copy of it in a conspicuous position on the premises in respect of which the order was made.

A copy of the certificate must be given to any person who requests one.

20.7 Discharge of Closure Order by Court

A closure order may be discharged by complaint to a justice of the peace. This can be done by any person to whom the relevant closure notice was given or any person who has an interest in the premises but to whom the closure notice was given.

The court will make a discharge order if it is satisfied that there is no longer a need for the closure order. The justice may issue a summons directed to a constable as the justice considers appropriate or the local authority, requiring that person appear before the magistrates' court to answer to the complaint.

If a summons is issued, notice of the date, time and place at which the complaint will be heard must be given to all persons to whom the closure notice was given (other than the complainant).

20.8 Appeal

Appeal may be made to the Crown Court against:

- a) a closure order;
- b) a decision not to make a closure order;
- c) a discharge order;
- d) a decision not to make a discharge order.

The appeal must be made before the end of 21 days beginning with the day on which the order or decision in question was made.

An appeal under a) or b) may be made by any person to whom the relevant closure notice was given or any person who has an interest in the premises but to whom the closure notice was not given.

An appeal under b) and c) may be made by a constable or the local authority.

20.9 Enforcement of Closure Order

A person is guilty of an offence, without reasonable excuse, if they permit a premises to be open in contravention of a closure order, or fails to comply with, or does an act in contravention of a closure order.

If the closure order has been made, a constable or a person authorised by the local authority may (if necessary using reasonable force) enter the premises at any reasonable time, and having entered the premises, do anything reasonably necessary for the purpose of securing compliance with the order.

If the owner, occupier or other person in charge of the premises requires the officer to produce evidence of identity or evidence of authority to exercise powers, the officer must produce that evidence.

21. Delegation of Authority

21.1 Decisions on licensing matters will be taken in accordance with the approved scheme of delegation in Appendix 5 aimed at underlining the principles of timely, efficient and effective decision making.

21.2 This scheme will be subject to amendment from time to time as shown in the Council's constitution.

APPENDIX 1

1. APPLICATION PROCESS

An application for a licence should be made to the following address:

[The Licensing Manager
Epping Forest District Council
Civic Centre
High Street
Epping
Essex
CM16 4 BZ
]

To apply for a Scrap Metal Dealers Licence, applicants will need to complete an application form and send it to the Licensing Authority together with:-

- a) Full name of applicant (if an individual), date of birth and usual place of residence of an individual applicant (including mobile collectors), and anyone proposed as a site manager for a site.;
- b) Name and registered number of the applicant (if a company) and registered office;
- c) If a partnership – full name of each partner, date of birth and usual place of residence;
- d) Any proposed trading name for the business;
- e) Telephone number and email address (if any) of applicant;
- f) Address of any site within any other local authority where the applicant already carries on business as a scrap metal dealer or propose to do so
- g) Details of any relevant environmental permit or registration in relation to the applicant;
- h) Details of any other scrap metal licence issued to the applicant within a period of 3 years ending with the date of the application;
- i) Details of the bank account which is proposed to be used in order to comply with section 15 of the Act;
- j) Details of any relevant conviction or enforcement action taken against the applicant.

For site licence, must also provide:

- a) Address of each site proposed to be identified in the licence (or if renewal, each site identified for which renewal is sought);
- b) Full name, date of birth and usual place of residence of each individual proposed to be named in the licence as a site manager (other than the applicant);
- c) Site manager details to be included for g), h) and j) above.

Please note the collectors licence allows a business or individual to operate within that authority's area, therefore individuals wishing to collect across the boundary of the local authority will be required to obtain a collectors licence from the relevant local authority where they wish to collect and sell.

You are required to provide a basic disclosure of criminal convictions with your application. This can be obtained direct from www.disclosurescotland.co.uk or by telephoning the Disclosure Scotland Helpline on 0870 609 6006. Please note that the disclosure is valid for one month from the date it was issued.

2. Further information, in addition to that required above

the Council may request (at the time of the application or later) an applicant to supply such further information as is considered relevant for the purpose of considering the application. the Council requires the following additional evidence:

- • Photographic evidence (Current valid Passport, driving licence photo ID and counterpart);
- • Birth Certificate;
- • Utility bill or other recent document which confirms the address of the applicant (must be less than 3 months old);
- • Certificate of good conduct for applicants that have been out of the country for long periods, from the age of 10 years;
- • Document showing a right to work (Residents Permit) where applicable;
- • National Insurance Number.

The Council may have regard to the following information, when considering the suitability of an applicant:

- • Whether the applicant or any site manager has been convicted of any relevant offence;
- • Whether the applicant or any site manager has been subject of any relevant enforcement action;
- • Any previous refusal of an application for the issue or renewal of a scrap metal licence (and the reasons for refusal);
- • Any previous refusal of an application for a relevant environmental permit or registration (and the reasons for the refusal);
- • Any previous revocation of a scrap metal licence (and the reasons for the revocation); and

- • Whether the applicant has demonstrated that there will be in place adequate procedures to ensure that the provisions of this Act are complied with.

The Council may require the following additional information:

Site licences

- what security arrangements exist to prevent the unlawful purchase, sale or theft of scrap metal
- details of the arrangements to be used to record sales, storage and purchase of scrap metal

Mobile collectors

- details of the vehicles to be used
- where the vehicles are stored when not being used.

3. Fee

The application must be accompanied by the fee set by the Council, under guidance from the Secretary of State with the approval of the Treasury.

4. Renewal

When a licence is renewed the three year validity period commences on the day of receipt. Should a renewal application be withdrawn, the licence expires at the end of the day on which the application is withdrawn.

Making a false statement

An applicant who, in an application or in response to a request, makes a statement knowing it to be false in a material particular or recklessly makes a false statement is guilty of an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

APPENDIX 2

RELEVANT OFFENCES

Control of Pollution (Amendment) Act 1989: Sections 1, 5 or 7(3)
Customs and Excise Management Act 1979: Section 170 (for environmental/metal theft related offences only)
Environment Act 1995: Section 110(2)
Environmental Permitting Regulations 2007: Regulation 38
Environmental Permitting Regulations 2010: Regulation 38
Environmental Protection Act 1990: Sections 33 and 34
Food and Environment Protection Act 1985: Section 9(1)
Fraud Act 2006: Section 1 (for environmental/metal theft related offences only)
Hazardous Waste (England and Wales) Regulations 2005
Hazardous Waste (Wales) Regulations 2005
Landfill (England and Wales) Regulations 2002
Legal Aid, Sentencing and Punishment of Offenders Act 2012: Section 146
Pollution Prevention and Control (England and Wales) Regulations 2000
Proceeds of Crime Act 2002: Sections 327, 328, 330, 331 & 332 (for environmental/metal theft related offences only)
Producer Responsibility Obligations (Packaging Waste) Regulations 2007
Scrap Metal Dealers Act 1964 (for environmental/metal theft related offences only)
Scrap Metal Dealers Act 2013
Theft Act 1968: Sections 1, 8, 9, 10, 11, 17, 18, 22 & 25 (for environmental/metal theft related offences only)
Transfrontier Shipment of Waste Regulations 1994
Transfrontier Shipment of Waste Regulations 2007
Vehicles (Crime) Act 2001: Part 1
Waste Electrical and Electronic Equipment Regulations 2006
Waste (England and Wales) Regulations 2011: Regulation 42
Water Resources Act 1991: Section 85, 202 or 206

These are to be confirmed by Home Office Regulations and will be kept under review in accordance with the guidance.

APPENDIX 3

COMPLIANCE - RIGHT OF ENTRY

1. A constable or an officer of the Council may enter and inspect a licensed site at any reasonable time on notice to the site manager.

2. A constable or an officer of the Council may enter and inspect a licensed site at any reasonable time, otherwise than on notice to the site manager, if

a) reasonable attempts to give notice have been made and failed,
or

b) entry to the site is reasonably required for the purpose of ascertaining whether the provisions of this Act are being complied with or investigating offences under it and (in either case) the giving of the notice would defeat that purpose.

3. (1) and (2) above do not apply to residential premises.

4. A constable or an officer of the Council is not entitled to use force to enter a premises in the exercise of the powers under sections (1) and (2) above.

5. A justice of the peace may issue a warrant authorising entry to any premises within section 6 below if the justice is satisfied by information on oath that there are reasonable grounds for believing that entry to the premises is reasonably required for the purpose of:

a) securing compliance with the provisions of the Act, or

b) ascertaining whether those provisions are being complied with.

6. Premises are within this section if:

a) the premises are a licensed site, or

b) the premises are not a licensed site but there are reasonable grounds for believing that the premises are being used by a scrap metal dealer in the course of business

7. The warrant is a warrant signed by the justice which:

a) specifies the premises concerned, and

b) authorises a constable or an officer of a local authority to enter

and inspect the premises at any time within one month from the date of the warrant.

8. A constable or an officer of the Council may, if necessary, use reasonable force in the exercise of the powers under a warrant under section 5.

9. A constable or an officer of the Council may:

- a) require production of, and inspect, any scrap metal kept at any premises mentioned in section 1 or 2 or in a warrant under section 5;
- b) require production of, and inspect, any records kept in accordance with section 15 or 16 and any other records relating to payment for scrap metal;
- c) take copies of or extracts from any such records.

10. Section 11 below applies if a constable or an officer of the Council who seeks to exercise powers under this section in relation to any premises.

11. If the owner, occupier or other person in charge of the premises requires the officer to produce

- a) evidence of the officer's identity, or
- b) evidence of the officer's authority to exercise those powers the officer must produce that evidence.

12. In the case of an officer of the Council, the powers under this section are exercisable only in relation to premises in the area of the authority.

APPENDIX 4

APPEALS

An applicant may appeal to the Magistrates' Court against the refusal of an application or a variation. The licensee may appeal to a Magistrates' Court against the inclusion in a licence of a condition under section 7.2 or the revocation or variation of a licence under section 9.

An appeal must be made within 21 days beginning on the day the notice to refuse the application, to include the condition or to revoke or vary the licence under section 7 was given.

The procedure on an appeal under this paragraph is to be by way of complaint for an order and in accordance with the Magistrates' Court Act 1980. For the purposes of the time limit for making an appeal, the making of the complaint is to be treated as the making of the appeal.

On appeal, the Magistrates' Court may confirm, vary or reverse the Council's decision, and give such directions as it considers appropriate having regard to the provisions of the Act.

APPENDIX 5

DELEGATION OF POWERS

MATTER TO BE DEALT WITH	FULL COUNCIL	SUB-COMMITTEE	OFFICERS
Licensing policy	All cases		
Fee Setting - when appropriate	All fees	-	
Application for or renewal of a Site or Collector's licences		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
To issue a closure notice on non-residential premises being used as a scrap metal dealer's site		All cases	All cases
Application to the Magistrates Court for a closure order		All cases	All cases
Termination of a closure order		All cases	All cases
Application to the Magistrates Court to discharge a closure order.		All cases	All cases
Revocation of a licence		All cases	All cases
Consideration of and imposition of conditions		All cases	All cases

Report to Full Council

Date of meeting: 26 September 2013

Author: Councillor Gavin Chambers

Subject: West Essex Wellbeing Joint Committee



**Epping Forest
District Council**

Executive Summary:

Epping Forest District Council agreed in late 2012 to participate in a West Essex Wellbeing Joint Committee with Harlow and Uttlesford District Councils. Full Council agreed to appoint two members (Councillors Boyce and Chambers) to represent Epping Forest on the West Essex Wellbeing Joint Committee with terms of reference as outlined in Appendix 1 for reference.

The Committee met for the first time at Harlow Council on 23 July 2013.

The Health and Social Care Act 2012 established Health and Wellbeing Boards as a forum where key leaders from the health and care system work together to improve the health and wellbeing of their local population and reduce health inequalities. Each County and Unitary Council has its own Health and Wellbeing Board. Board members collaborate to understand community needs, agree priorities and encourage commissioners of services to work in a more joined-up way. The intention is that patients and the public should experience more joined-up services from the NHS in the future.

Health and Wellbeing Boards have influence over service commissioning decisions across health, public health and social care. Other services that impact on health and wellbeing, such as housing provision, may also be discussed by the Committee.

It is essential that the Essex Health and Wellbeing Board is relevant and responsive to the needs and priorities within the communities of West Essex. As such, the community leaders for the communities within West Essex (Epping Forest, Harlow and Uttlesford Councils), together with the West Essex Clinical Commissioning Group, agreed the need to have a strong voice within the Essex Health and Wellbeing Board. To ensure that this takes place it was also agreed that West Essex should have a local and democratically accountable forum to support effective joint working to produce better health outcomes.

The West Essex Wellbeing Joint Committee aim is to provide a governance structure for partnership working. This Joint Committee consists of representatives from each of the partners; the (3) and co-optees from the CCG (3) with full voting rights. The Joint Committee decide on co-optees/invitees from other partners, but seek to keep the membership of the Committee to a maximum of 15. No decisions at this stage have been made to co-opt other partners but a decision will be made at the next meeting scheduled for October 2013.

It is important to state that the West Essex Joint Committee is not accountable to, nor a part of, the Essex Health and Wellbeing Board but a Joint Committee of the three District Councils. This provides West Essex with a formal locally accountable democratic governance structure with authority to act and the ability to make formal representations to both the Essex Health and Wellbeing Board and to other key players outside of Essex.

Result of the first meeting:

It was agreed that each of the three participating councils would take annual responsibility to chair and host the meetings. Harlow District Council agreed to chair the meeting for the first year.

It was also requested by the three Council representatives that we needed more knowledge of the Clinical Commissioning Group exact responsibilities. A presentation of their work will be given to the Committee at the next scheduled meeting.

The Clinical Commissioning Group members reinforced that the West Essex Wellbeing Joint Committee is not a forum to scrutinise their work but a forum to work together to set priorities for West Essex.

The Committee acknowledged that the wellbeing of West Essex is affected by many things including lifestyle choices, access to health services, housing, leisure facilities, environmental pollution, transport, education, access to care services and economic development. It is important that any approach to community wellbeing should not be limited to a consideration of just health and care service commissioning, but to the wider issues that may affect it.

The three councils have different health needs and the committee is very keen to identify common priorities in the near future. Work has started on a joint Health and Wellbeing Strategy for West Essex which should achieve this objective. Input into this strategy will also come from 'One Epping Forest' the Local Strategic Partnership's Health and Wellbeing Group, which includes a number of key practitioners and the voluntary sector.

The Committee is still very much in its infancy and further work is needed to ensure that the Committee is effective in its new role and this is why the Committee has decided to meet more frequently than quarterly In the first instance.

I can be contacted at cllr.g.chambers@gmail.com for any questions.

Appendix 1

- (a) To provide effective local democratically accountable leadership for wellbeing within West Essex.*
- (b) To agree a West Essex Wellbeing Strategy to identify the priorities for wellbeing in West Essex and to influence the resource allocation, service commissioning and service provision within West Essex.*
- (c) To act as a Local Health and Wellbeing Partnership for West Essex and to represent the needs and priorities within West Essex in the Essex Health and Wellbeing Board.*
- (d) To monitor the performance of service commissioners and providers in improving the wellbeing of communities within West Essex in the context of the West Essex Wellbeing Strategy.*
- (e) To evaluate the resource allocations within the whole of Essex to ensure that resources reflect comparative needs between communities.*
- (f) To act as an advocate for West Essex for wellbeing issues.*
- (g) To contribute to the development of the Essex Health and Wellbeing Strategy.*

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