

Council Agenda



Epping Forest District Council

NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the EPPING FOREST DISTRICT COUNCIL to be held in the COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING at 7.30 pm on Tuesday, 17 February 2015 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: Simon Hill
Tel: 01992 564249 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.

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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 Democratic Services 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 Assistant Director (Governance & Performance Management) 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. MINUTES (Pages 7 - 64)

To approve as a correct record and sign the minutes of the meeting held on 16 December 2014.

3. DECLARATIONS OF INTEREST

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

4. ANNOUNCEMENTS**(a) Apologies for Absence****(b) Announcements**

To consider any announcements by:

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

5. PUBLIC QUESTIONS (IF ANY)

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

6. 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.

7. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 65 - 96)

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 Assets and Economic Development Portfolio Holder;
- (c) Report of the Environment Portfolio Holder;
- (d) Report of the Finance Portfolio Holder;
- (e) Report of the Governance and Development Management;
- (f) Report of the Housing Portfolio Holder;
- (g) Report of the Leisure and Community Services Portfolio Holder;
- (h) Report of the Planning Policy Portfolio Holder;
- (i) Report of the Safer, Greener and Transport Portfolio Holder; and
- (j) Report of the Technology and Support Services Portfolio Holder.

8. 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 7 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 thirty 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 at his discretion.

9. MOTIONS

To consider any motions, notice of which has been given under Council Procedure Rule 13.

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

Reports of the Cabinet

10. PAY POLICY STATEMENT 2015/16 (Pages 97 - 108)

(Technology and Support Services) To consider the attached report.

11. JOINT CONSULTATIVE COMMITTEE - REVIEW OF TERMS OF REFERENCE (Pages 109 - 114)

(Technology & Support Services Portfolio Holder) To consider the attached report.

12. SUPPORT FOR THE COUNCIL'S PROPERTY DEVELOPMENT PROGRAMME (Pages 115 - 116)

To note the attached decision taken by the Chairman of the Council to waive the call-in provisions of the Overview and Scrutiny Rules.

13. TREASURY MANAGEMENT STRATEGY STATEMENT & INVESTMENT STRATEGY 2015/16 TO 2017/18 (Pages 117 - 146)

(Finance Portfolio Holder) To consider the attached report.

14. COUNCIL BUDGETS 2015/16 (Pages 147 - 192)

- (a) (Finance Portfolio Holder) To consider the attached report; and
- (b) To hold a recorded vote on the recommendations contained within the report, in accordance with the Council Procedure Rule 17.6 'Voting at Budget Decision Meetings' which directs Members to comply with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, immediately after any vote is taken at a budget decision meeting there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

"Budget decision" means a meeting at which:

(a) a calculation is made (whether originally or by way of substitute) in accordance with any of the Sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the Local Government Finance Act 1992, as amended; or

(b) a precept is issued under Chapter 4 of Part 1 of that Act,

and includes a meeting where making the calculation or issuing the precept as the case may be was included as an item of business on the agenda for that meeting.

References to a vote are references to a vote not only on the substantive budget motions agreeing the budget, setting council taxes or issuing precepts, but also on any amendments proposed at the meeting.

15. OVERVIEW AND SCRUTINY (Pages 193 - 194)

(a) To receive the report of the Chairman of the Overview and Scrutiny Committee and to answer any questions without notice asked in accordance with Council procedure rule 12.7(b) and 12.9 (a).

(b) Reports of the Overview and Scrutiny Committee (if any);

16. APPOINTMENT OF CO-OPTED MEMBER (Pages 195 - 196)

(Audit and Governance Chairman) To consider the attached report.

17. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS (Pages 197 - 198)

(a) To receive the attached report from Councillor Sartin and Councillor Stavrou, as the Council's representatives on the Lee Valley Regional Park Authority and to receive answers to any questions on those bodies which may be put without notice; and

(b) To request written reports from representatives on joint arrangements and external organisations for future meetings.

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:	16 December 2014
Place:	Council Chamber, Civic Offices, High Street, Epping	Time:	7.30 - 8.50 pm
Members Present:	Councillors A Boyce (Chairman), Mrs E Webster (Vice-Chairman), K Adams, K Angold-Stephens, R Bassett, W Breare-Hall, K Chana, D Dorrell, L Girling, R Glozier, P Gode, Mrs A Grigg, J Hart, R Jennings, Ms H Kane, H Kauffman, P Keska, J Knapman, Ms Y Knight, Mrs J Lea, L Mead, A Mitchell MBE, G Mohindra, R Morgan, S Murray, S Neville, J Philip, Mrs C P Pond, C C Pond, C Roberts, B Rolfe, B Sandler, Mrs M Sartin, Ms G Shiell, D Stallan, Ms S Stavrou, B Surtees, Mrs L Wagland, G Waller, A Watts, C Whitbread, Mrs J H Whitehouse, J M Whitehouse and D Wixley		
Apologies:	Councillors Mrs H Brady, R Butler, G Chambers, T Church, Mrs R Gadsby, Mrs S Jones, A Lion, Mrs M McEwen, H Mann, Mrs T Thomas, Ms S Watson and N Wright		
Officers Present:	G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), C O'Boyle (Director of Governance), R Palmer (Director of Resources), A Hall (Director of Communities), S G Hill (Assistant Director (Governance & Performance Management)), A Hendry (Democratic Services Officer), S Mitchell (PR Website Editor), P Tredgett (Information Assistant), T Carne (Public Relations and Marketing Officer) and R Perrin (Democratic Services Assistant)		

64. WEBCASTING INTRODUCTION

The Assistant Director of Governance and Performance Management 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.

65. MINUTES

RESOLVED:

That the minutes of the Council meeting held 4 November 2014 be taken as read and signed by the Chairman as a correct record.

66. DECLARATIONS OF INTEREST

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

67. ANNOUNCEMENTS

(a) Announcements by the Chairman of the Council

(i) Events;

The Chairman reported that he had attended 24 events since the last meeting of the Council. The Council noted that the Chairman had attended services at Epping War

Memorial and Epping Cemetery, a service at St John's Church, Buckhurst Hill, St Andrew's North Weald followed by lunch with the North Weald Parish Council, Friends from Norway and the Norwegian Ambassador and then onto a service at the Epping War Memorial and St John's Church, Epping. He had also attended the Ambulance Awards for Essex, Cambridge and Bedfordshire area, the Chigwell School choir performance, a function for 'Access to Finance' with Councillor Grigg at the Civic Offices, a presentation at North Weald Airdrome to the Essex Ambulance Service, a meeting at Collier Road, Romford for the Carers Carers, the unveiling of a mural completed by residents and artists at Norway House, the Salvation Army Carol Service at Theydon Bois, the Army Cadets play in Epping, lunch at the Citizen Advice Bureau in Waltham Abbey, the Royal Mail sorting offices in Epping and Ongar, a Befriending group in Loughton with Voluntary Action Epping Forest, the Friends of Ongar Carol Service, the Carol Service in Brentwood and a service at Chelmsford Cathedral. The Chairman finally advised he had donated the remaining Tour de France T Shirts to 'Crisis at Christmas' charity in London.

(ii) Floral display

The Chairman advised that he intended the flowers from tonight's meeting to be sent to St Clare's Hospice, Hastingwood.

(b) Announcements by the Leader of the Council and Portfolio Holders

There were no announcements under this heading.

68. PUBLIC QUESTIONS (IF ANY)

The Council noted that there were no public questions to be considered at this meeting.

69. QUESTIONS BY MEMBERS UNDER NOTICE

The Council noted that there were no Member questions made with notice to be considered at this meeting.

70. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET

The Council received written reports from members of the Cabinet.

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

(a) The Leader of the Council

The Leader advised that the Council that he had recently visited the food bank at St Mary's Church in Loughton and congratulated them on the wonderful service they provide the community, especially at this time of year. He had attended the Local Councils Liaison Committee with the Essex County Portfolio Holder for Highways Maintenance and Small Schemes Delivery, Councillor E Johnson, who updated attendees on a range of highways issues. The Cabinet had also asked the Parking Partnership Officers to attend a future meeting of the Overview & Scrutiny Committee later on in the New Year, to enable members the opportunity to question officers. The Leader advised that the Council had recently held a Planning and Review day for the Local Strategy Partnership and Members would receive a report on the event. Finally the Cabinet had attended the Locality Board held at the Civic Offices, where mutual concerns of the Council and Essex County Council (ECC) were discussed with the

local MP Eleanor Laing regarding Council House Building Programme, Empty Homes, and the new Economic Development Strategy for Essex.

(b) Assets and Economic Development Portfolio Holder

Councillor Grigg advised that the sale of Leader Lodge had been completed and agreement had been reached in principle between the ECC and Epping Forest District Council (EFDC) to purchase the school site at St John's Road, Epping. The detail of the deal was yet to be finalised in legal documentation and involved not simply a payment but had the potential to bring Lindsay House into a much needed residential use. Alongside this agreement, Solicitors had been instructed to negotiate with Frontier Estates in order to secure the best deal for EFDC and the Town Council. It was made clear that the best deal would mean, best for Epping as a town and as a District and would involve price considerations and also the best mixed use scheme possible which should boost the town and bring employment opportunities. The Portfolio Holder stated that the proposal must also respect the built heritage and retain certain features of importance, whilst providing new premises for the Town Council in the heart of the town better suited to their needs.

(c) Finance Portfolio Holder

Councillor Stavrou advised members of an update on the Autumn Statement, which stated that there would be no further reduction to Local Authority funding for 2015/16 and that the Government would work towards giving Local Authorities control of multi-year funding settlements, business rates and licensing after the next spending review enabling the Council to forward plan and create better service delivery. Councillor Stavrou advised the Council that the inflationary increase for 2015/16 had been capped at 2%. Other points worth mentioning were the £1000 discount of rateable values for retail pubs and cafes below £50,000 increasing to £1500, the doubling of small business rate relief for another year, an extension to April 2017 for transitional businesses with a rateable value up to £50,000, a review of the future structure of business rates in 2016 and reducing the costs of local licensing regime by 2018.

(d) Governance and Development Management Portfolio Holder

Councillor Philip advised that following the fraudulent purchase of a Council House property in Waltham Abbey previously reported, Chelmsford Court had awarded the Council compensation of just over £85,000 and £3,000 for costs. A portion of the funds would be passed onto Chelmsford Borough Council for the work they had undertaken. Councillor Philip advised that the Council should be able to provide a similar service once the new Fraud Team established itself. Equally, Councillor Philip reassured the Council that if the person had to sell the property, the Right to Buy causes would ensure the Council received back some of the discount. Councillor Philip advised that the Individual Elector Registration process had received additional funding, which would enable the Council to send a letter to all residents in District to make sure they were registered to vote and to enable residents to update their information. Finally, baby changing facilities had been installed in the Civic Offices in the first floor disabled toilets.

(e) Safer, Greener and Transport Portfolio Holder

Councillor Waller advised that County Councillor Bass had approved the Key Decision for Epping Forest Community Transport (EFCT) to become an independent charity and offered his congratulations. The EFCT was currently short of volunteers and if Members knew of anyone who would be able to offer their time, could they get in touch with Councillor Waller.

71. QUESTIONS BY MEMBERS WITHOUT NOTICE**(a) Child Services**

Councillor Surtees asked the Finance Portfolio Holder whether the recent research from the Children's Society who advised that 32% families who sought help with problem debt from their Councils thought that it was not helpful and whether the level of service for EFDC was much higher and if she had access to information to support this?

Councillor Stavrou advised that her impression of the Council was that EFDC had a very good reputation with the residents and she had not heard of any concerns or complaints. If there was any further information, she would pass it onto Councillor Surtees.

(b) Shredded paper collections

Councillor Sartin asked the Environment Portfolio Holder about the clarification of the collection of shredded paper?

Councillor Breare-Hall advised that a contamination leaflet which referred to shredded paper was to bring awareness of the cost that contamination in recycling could cost the Council. He advised that shredded paper would now be accepted in the recycling sacks.

(c) Stanstead Consortium

Councillor J H Whitehouse asked the Leader of the Council about the Cabinet decision for annual subscription to the London Stansted Cambridge Consortium and what benefits this would bring to the District and how it could be justified, when proposed savings would directly affect residents.

Councillor Whitbread advised that the Cabinet looked for investments and job creation in the local area and the partnership work along the M11 corridor was fundamental in promoting the District on a wider level. The Leader advised that he would bring forward a report on the benefits of the Consortium. Any savings had been in the back office first, before front line services had been considered.

(d) Highways

Councillor Murray asked the Leader that following the recent Essex Highways survey, which had confirmed that the roads in this part of the County were the worst, whether he was satisfied that ECC would rectify this and was this evidence that EFDC were not a priority?

Councillor Whitbread advised that improvements could be made and that the District's County Councillors were working hard to improve the problems and Members should get behind the County Councillors.

(e) Countrycare

Councillor C C Pond asked the Safer, Greener and Transport Portfolio Holder whether there was a charge for the Countrycare visit to Wormley Primary School?

Councillor G Waller advised that Countrycare had charged the Primary school for their service.

(f) North Essex Parking Partnership (NEPP) - Enforcement in Chigwell

Councillor Wagland asked the Safer, Greener and Transport Portfolio Holder about the absence of the NEPP patrolling in Chigwell and what award the NEPP received that they referred to on their correspondence, if they were unable to patrol the Chigwell Parade.

Councillor Waller advised that enforcement by the Civil Enforcement officers had recently fallen below the required standards because of problems with a suitable location for refreshment breaks for the officers and a new enforcement manager had been recruited. He advised that arrangements were being made to meet with the new manager and potentially a schedule of surgery's to be arranged so that members could meet to discuss enforcement issues.

(g) Section 106 – Langston Road, Debden Loughton

Councillor Angold-Stephens asked the Assets and Economic Development Portfolio Holder whether the 106 section agreement with Polofind would be taken into account in any further negotiations and what action the Council intends to take in respect of the approximant 300 cars currently parked on the site?

Councillor A Grigg advised that the officers were looking into the 106 agreement and would probably be taken into account with the negotiations with Polofind. With regards to the 300 cars parked on the land, the Director of Governance advised at Cabinet on 15 December that it was Polofind's land and the removal would be down to them. Councillor Grigg advised that the Portfolio for Safer, Greener and Transport would probably have to take this into consideration when the Debden Broadway Parking Review was completed.

(h) St John's School – Use of Car Park

Councillor J M Whitehouse declared a personal non pecuniary interest in this item due to be a resident of St John's Road, Epping.

Councillor J M Whitehouse asked the Assets and Economic Development Portfolio Holder whether any consideration had been given to using the St John's Primary School car park to allow permit holders of the Bakers Lane Car Park to park, whilst the site goes through the Council's planning procedures?

Councillor Grigg advised that they would view the idea favourably once EFDC owned the site, although there may be reasons why they may not be able to do this.

(i) Buckhurst Hill Parking Review

Councillor Neville asked the Portfolio Holder for Safer, Greener & Transport whether he had any further indication for the works to commence on the Buckhurst Hill Parking Review and whether he knew which road would be first.

Councillor Waller advised that all the necessary preparation works had been completed and although he did not have an exact date or starting street, he believed it would start without delay.

(j) Housing problems

Councillor Knapman asked the Portfolio Holder for Governance and Development Management whether a recent comment about Chigwell residents would resolve the Housing problems in the District.

Councillor Philip advised that he was sure that the Council had a proper approach to the Housing issues in the District.

(k) Local Plan

Councillor Surtees asked the Portfolio Holder for Planning Policy that in response to a number of enquiries about a planning policy matter, a senior member of the coalition cabinet cited delays by District Councils in preparing the local plan as a reason for uncertainty continuing and could he comment on EFDC in this respect?

Councillor Bassett advised that Local Plans were not something to be undertaken lightly and that the Council had to consult with residents and come up with solutions that were acceptable to them and the District. With regards to EFDC, he had tried to do as much consultation with every Member on the best way forward and advised that the process was very prescriptive, with different inspector's decision changing the goal posts and clarifications from Government not always clear. The aim was to get the Local Plan right first time for all concerned.

(l) Lighting on Council Garage Sites

Councillor Sartin asked the Portfolio Holder for Housing about the lack of lighting in a garage site that a resident had raised concerns over for her safety and whether there was any possibility of lighting being put into the area?

Councillor Stellan advised that as long as the site has not been included in the Council House Building programme document July 2012, he would go back to officers to see whether anything could be done.

72. MOTIONS

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

73. LEISURE AND CULTURAL STRATEGY

Councillor H Kane presented a report on the adoption of the Leisure and Cultural Strategy and the 20 key recommendations.

Report as first moved **ADOPTED**

RESOLVED:

That the Leisure and Cultural Strategy attached as Appendix 1 to these minutes be adopted.

74. CALENDAR OF COUNCIL MEETINGS 2015/16

Councillor Philip presented a report regarding the Calendar of Council Meetings 2015/16 with the addition of two meetings of the Development Control Chairman and Vice-Chairman on 23 September 2015 and 23 March 2016.

Report as amended **ADOPTED**

RESOLVED:

That the Calendar of Council Meetings 2014/15 attached as Appendix 2 to these minutes be adopted.

75. LOCAL COUNCIL TAX SUPPORT SCHEME

Councillor Stavrou presented a report recommending no changes to the Local Council Tax Support Scheme 2015/16.

Report as first moved **ADOPTED**

RESOLVED:

That no changes be made to the Local Council Tax Support Scheme 2015/16 other than the annual uprating of premiums, allowances, non-dependent deductions and any changes to the national pension age scheme that were required to be reflected in the Council's Scheme.

76. OVERVIEW AND SCRUTINY**(a) Report of the Chairman of the Overview and Scrutiny Committee**

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

Councillor Morgan advised that all members had recently been invited to provide feedback on the preferred option of the Task and Finish Panel, which was considering the future structure of the Scrutiny Panel framework and would feed in to the final proposal to be considered by the Overview and Scrutiny Committee in February 2015. Unfortunately, very few members had responded and in order to contribute to this process, members were asked to submit any views on the preferred structure option to Democratic Services by 19 December 2015, so that these could be considered by the Task and Finish Panel at its meeting on 15 January 2015.

77. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS**(a) Grange Farm Trust**

Councillor M Sartin advised that she had been unable to attend the most recent Grange Farm Trust meeting and would report back to the Council at the next meeting.

(b) Stansted Airport Consultative Committee

Councillor M Sartin reported that following the Council's motion regarding Proposed Charges on 6 November 2012, the new owners had reconsidered the 10 mile radius and had included some areas of Epping Forest District in the scheme and would be in place Spring 2015 to provide discounts to residents dropping off passengers.

(c) Lea Valley Regional Park Authority

Councillor J M Whitehouse asked that a report be made by the representatives from the Lea Valley Regional Park.

78. EXCLUSION OF PUBLIC AND PRESS**RESOLVED:**

That the public and press be excluded from the meeting for the item of business set out below on the grounds that it involves the likely disclosure of

exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Subject</u>	<u>Exempt Information Paragraph Number</u>
16	Licence Fee for North Weald Market	3

79. LICENCE FEE FOR NORTH WEALD MARKET

Councillor Grigg presented a report seeking a variation to the Market Licence Fee for North Weald Airfield Market.

Report as first moved **ADOPTED**

RESOLVED:

- (1) That the Council would vary the current licence on a temporary basis to eliminate any fixed fee and alternatively would receive a 75% profit share from Hughmark Continental Limited, regarding North Weald Airfield Market;
- (2) That a formal review of the variation to the licence of North Weald Airfield Market would take place at the meeting of the Cabinet Committee on the 23 April 2015;
- (3) That as a condition of the variation all outstanding arrears were brought up to date;
- (4) That a 100% of the rate reduction that Hughmark Continental Limited had applied for at North Weald Airfield Market be paid to the Council; and
- (5) That all of the above conditions were backdated to the beginning of the financial year, 1 April 2014.

CHAIRMAN

Epping Forest District Council

Leisure and Cultural Strategy



2015 - 2025

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INTRODUCTION

The Purpose of this Strategy:

This document is Epping Forest District Council's (EFDC) Leisure and Cultural Strategy. Its purpose is to provide a policy focus for EFDC in its role in supporting the future provision of leisure and cultural opportunities, to meet the needs of residents and visitors to the District.

The overarching aim is to increase the number and frequency of people, participating in leisure, cultural and community activities, by ensuring that local provision is accessible and of the highest affordable quality. This is based on the rationale that if achieved, this will help improve health and wellbeing, raise aspiration and attainment, improve community cohesion and enhance the local economy. **(Recommendation 1)**

How has this Strategy been developed:

The development of the Strategy has been steered by a Portfolio Holder Advisory Group, led by the Council's Leisure and Wellbeing Portfolio Holder.

The Terms of Reference of the Portfolio Holder Advisory Group are as detailed below:

- To assist in the development of a new Leisure and Cultural Strategy for the District;
- To seek to establish priorities for the future provision of Leisure and Cultural Services by the Council;
- To define the role that the District Council should play in addressing Leisure and Cultural need in the future;
- To identify any emerging socio-economic and demographic factors and their potential impact on the future provision of Leisure and Cultural Services;
- To review how the Council's services can help meet the aspirations of the West Essex Health and Wellbeing Strategy;
- To review the current services delivered under the existing Leisure Management Contract and to consider the type and level of future service provision to be sought, in any new contract.

- To critically review the Sports and Leisure Centres owned by the Council, giving consideration to their location, age, condition, costs/subsidy and make recommendations on future provision/investment.

The Advisory Group have met on a number of occasions and received presentations by a range of relevant officers engaged in the delivery of leisure and cultural services. The Group have also undertaken site visits to the Council's Leisure facilities.

What is Leisure and Culture:

There are numerous definitions of both Leisure and Culture to be found. However, what is apparent is that for each of us, it can often mean different things. For some, it can mean playing sport or participating in the arts, for others it can involve enjoying our heritage, architecture and landscape, or simply spending time with friends or family.

Regardless of interpretation, there is a strong link between actively engaging in leisure and cultural activity and leading a better quality of life. Indeed, there is considerable evidence to suggest that such benefits include:

- Improving physical and mental health and wellbeing;
- Raising aspirations and achievements;
- Enhancing a sense of identity, building individual self-confidence and development;
- Contributing to community development, cohesion, inclusion and sustainability;
- Driving economic development – cultural and leisure employment, visitor economy, and inward investment.
- Reducing crime and anti-social behaviour.

Why is a Strategy needed:

In common with other districts, a wide range of agencies work to develop and deliver leisure and cultural activities across Epping Forest. In addition to EFDC, these include community groups, private and voluntary sector clubs and organisations, the City of London Corporation, the Lea Valley Park Authority, Essex County Council, Town and Parish Councils, schools and colleges.

This Strategy creates the opportunity to improve co-ordination both within EFDC and in the context of its work with partners. Whilst the document will, therefore be of interest to anyone involved with, or who has a stake in the future provision of leisure and cultural opportunities, it should be stressed that the primary focus of the Strategy is the District Council's role going forward, identifying the Council's future priorities.

This emphasis has been driven by the fact that the Council is currently operating in an environment of constrained resources, a situation which is unlikely to change in the foreseeable future. The Council's Medium Term Financial Strategy requires the achievement of in excess of £2m of efficiency savings in the period 2015-2019. The provision of leisure and cultural services is the largest area of discretionary expenditure that the Council incurs, of some £3.6m per annum. (Net Expenditure 2014/2015 – Leisure Centres £2m, Arts £30k, Museum £437k, Sports and Health Development £291k, Community Development £251k, Limes Farm Centre £47k, Grants to Voluntary Organisations £210k). Therefore, there is a clear need to ensure that priorities are clearly established and that services are being provided in the most efficient way possible. It is also important that there are monitoring and evaluation processes in place, to ensure that desired policy outcomes are delivered and value for money is achieved.

For these reasons, it has been necessary not only to adopt a strategic approach, but also to primarily focus on the range of Leisure and Cultural opportunities directly provided or actively facilitated, by the District Council. Notwithstanding, the document does demonstrate the links to other strategic documents and as such, has not been developed in isolation. This is because as highlighted earlier, Leisure and Cultural activities have the ability to deliver across a number of broader themes such as Health and Wellbeing, Social Inclusion, Regeneration, Skills and Employment, Community Safety and Economic Development. Therefore, the relationship between this strategy and existing and emerging strategic documents, such as the Local Plan, the West Essex Wellbeing Strategy, the Local Strategic Partnership's Tourism Strategy and the work that has commenced on the emerging Corporate Plan and new Economic Development Strategy for the District, has been considered.

(Recommendation 2)

The Period of the Strategy:

In terms of the length of this Strategy, a balance has needed to be struck between taking a longer term view, for example, the new Local Plan will cover a 20 year period up until 2033, and a shorter term more pragmatic view, given the current uncertainty with regard to local government funding and legislative change.

A review of strategic documents, produced by other local authorities, shows a typical range of between 5-15 years. Given that the Council's own Corporate Plan, set for renewal in April 2015, covers a five year period, it has been determined that a

medium term vision of ten years (the potential length of any new Leisure Management Contract) with a formal five-year review, to coincide with the cycle of the Corporate Plan, was the most appropriate time frame for this Strategy.
(Recommendation 3)

SECTION TWO – THE EPPING FOREST DISTRICT - NOW AND IN THE FUTURE:

Character of the District:

Epping Forest District Council abuts Greater London yet is dominated by open countryside. Over half of the approximately 124,700 residents live in the areas of Loughton, Buckhurst Hill, Chigwell and Waltham Abbey, which account for only 5% of the area of the district. Epping Forest is therefore, a largely rural district (over 92% Green belt), with individually distinct towns and villages, set in generally attractive countryside.

The key natural feature is Epping Forest itself, which runs along the north-west boundary of Buckhurst Hill and Loughton to the southern end of Epping. This part of the Forest (which extends south to Wanstead in London) is designated as a Special Area of Conservation, an acknowledgement of its international importance for nature conservation. There are several other ancient woods in the district, including part of the remnants of Hainault Forest. The district has a total of eight SSSIs although some of these straddle the boundary with other authorities. There are nine Local Nature Reserves and over 200 Local Wildlife Sites (LoWs).

Waltham Abbey, Epping and Chipping Ongar are market towns of medieval original, and the centres of several towns and villages, are also designated as conservation areas. The district currently has over 1,300 listed buildings, 34 scheduled monuments, and five registered parks and gardens. The Council has identified over 300 locally listed buildings. The built heritage is also therefore, very important with respect to the special character of the District.

The development of the Central Line in the mid to late 19th century led to huge expansion of Buckhurst Hill and Loughton and these two settlements now comprise the largest urban area in the district. The District is served uniquely in Essex by eight underground train stations. The M25 runs east-west almost through the middle of the district, with a local road interchange at Waltham Abbey. The M11 runs north-south, with a full interchange at Hastingwood, just south of Harlow, and a northward-off/southward-on interchange at Loughton. The A414 is a key east-west route in the county, crossing the district from Harlow to Ongar, on the way to Chelmsford and the Essex coast.

Demographic Considerations:

The district's population has grown steadily over the last 50 years, from 108,000 people in 1961 to almost 124,700 in 2014. Population estimates and projections issued since the 2011 Census indicate that the population could potentially continue to rise to a total of approximately 142,900, by 2033.

The largest proportion of the population in the district (39.4%) lives within the more urban areas of Loughton, Grange Hill, and Buckhurst Hill. The market towns of Epping, Chipping Ongar and Waltham Abbey have 29.9% and the rural areas (including the large villages such as North Weald, Theydon Bois and Nazeing) account for the remaining 30.7%.

In terms of internal migration, the trend in recent years is for people to leave London to come to the district, and for local residents to leave the district to go to other areas. Within the region, the main exchange of population takes place between the district and other Essex districts.

The district's population is older than the average for Essex, and for England and Wales as a whole. Epping Forest District has less people in the 20 to 39 age bracket compared to Essex. Conversely, the district has more people within the 40 to 59 bracket (28.6% compared to 27.4% in Essex and 26.8% in England and Wales).

Projections suggest that this situation will become more pronounced in the next 20 years, as the large, already 'older' population ages further, leading to a higher 'average age' for the district. It is estimated that by 2020 over 55% of the District's population will be 60 years+.

Life expectancy in Epping Forest District is higher than the national average, and is rising steadily, following the national trend. Male life expectancy is 77.9 years, with female life expectancy 82.1 years, in both cases above the national averages. However, there is a variation of 8.8 years in life expectancy between the more affluent ward of Chigwell Village and some of the more deprived wards in Waltham Abbey.

The Joint Strategic Needs Assessment and Health Profiles for the District, indicate that 22.9% of the local adult population is classified as being obese with 17.8% of local children in school year six, being similarly classified.

The vast majority of the population remains White British, although the percentage of non-White British people has risen to over 20% since the 2001 census figure of 8.8%.

The population of the district is on average fairly affluent, but there are particular pockets of deprivation generally in the larger towns and urban areas, e.g. Waltham Abbey, Loughton Broadway and Grange Hill.

Economy and Employment

The number of residents in full time employment is above the national average with 2.6% of the resident population being unemployed. However, there are currently

16% of children living in poverty in the district, with their families living on 60% of the national median average wage. Young people NEET (Not in Employment, Education or Training) is below the Essex Average, and has shown a continuing decrease in recent years.

The most dominant sectors for employment in the district are distribution, hotels and restaurants, banking and finance, and the public services. Recent growth in employment has been strong as the economy moves out of recession, particularly in the construction, transport and communication sectors. The District's business structure is dominated by micro businesses of 1 to 10 employees with a strong entrepreneurial spirit evident. Although formal educational attainment levels are Below average, despite some high performing schools, household income levels are above.

As might be expected due to the availability of transport links, there is a strong commuting pattern into London, with an estimated 65% of the working age population out commuting.

Epping Forest in the Future

Some of the trends evident in the current profile of the District, that have been highlighted in the previous section, will occur naturally and will be taken into account in meeting future leisure and cultural needs. However, the Council's role as Planning Authority will be a key determinate of future change and provision for the District.

Previous Central Government regulations required every local authority to produce a Local Development Framework. However, change in regulation introduced by the coalition government, under the National Planning Policy Framework, now mean the Council must prepare a full Local Plan.

The Local Plan will set out the planning policies and land allocations that will guide development in Epping Forest District over the next 20 years. The Local Plan will use the views of the local community, coupled with a robust evidence base, to establish a Vision for how the district will develop (to include aspirations in relation to Leisure and Culture), along with detailed planning policies and specific land allocations.

There are a number of stages in the preparation of the Local Plan. The Council has published its revised timetable called the Local Development Scheme, which anticipates going out to consultation in May 2015 on Preferred Options. However, at an earlier stage in the process, a Community Visioning exercise was conducted, in the winter of 2010/2011.

This district-wide public Consultation gave local people the opportunity to say how they would like the area to develop over the next 20 years, identifying what issues were important to them in terms of future life in Epping Forest.

The key issues identified by the Community Visioning Consultation where:

- Conservation and enhancement of the **natural and historic environment**, including landscape;
- The need for homes and jobs in the areas;
- The provision of retail, **leisure** and other commercial development;
- The provision of infrastructure for transport, energy, telecommunications, waste management, water supply, waste water and flood risk management;
- The provision of health, security, **community and cultural services** and other local facilities; and
- Climate change mitigation and adaptation.

From the key issues identified by residents, it can be seen that considerable importance is placed on the natural and historic environment, leisure opportunities and community and cultural services.

Based on the key issues, a draft Vision Statement has been developed, which will shape the Local Plan and outline the community aspirations that the plan will be required to deliver. **(Recommendation 4)**

Draft Local Plan Community Vision for Epping Forest District:

“Epping Forest District residents will continue to enjoy a high quality of life where the built and natural heritage is highly valued and conserved. The District will meet its development needs in the most sustainable locations where there is the greatest capacity for utilising existing infrastructure and delivering new infrastructure, least impact on the natural and historic environment and where the Green Belt will continue to serve its purposes of keeping settlements separate and retaining their identities.

Epping Forest will be conserved and enhanced and will continue to form a key part of the District’s identity. Residents will have excellent access to open and natural spaces including the Lea Valley Regional Park and the countryside. Development will utilise the latest technology to deliver resource efficient development and ensure resilience to climate change.

The District’s economy will retain its strong links with London whilst developing a more sustainable local economy which builds on its strengths and assets including

tourism, aviation related industry, research and development, food production and the building industry.

A distinctive and attractive network of towns and village centres which can be accessed by well serviced public transportation, walking and cycling will continue to be at the heart of the District's communities. Residential development will be located to meet the needs of the housing market area whilst supporting economic development. Towns and Villages will benefit from appropriate scale development that meets local need and ensures their vitality".

SECTION THREE – LINKS TO OTHER STRATEGIES:

It is important that this Strategy takes account of the current national and regional context for the development of culture and leisure. Relevant policies have been reviewed and summarised to assess their “fit” with the Strategy proposed for Epping Forest. It should be noted that national and regional policies could be subject to amendment over the next year, in the event of a change in Government priorities, post the May 2015 general election. **(Recommendation 5)**

National Policy:

Providing access to high quality leisure provision, maximising the role of culture in building sustainable communities and supporting the creative and cultural economy, are key elements of current national policy.

The stated aim of the Department for Culture, Media and Sports (DCMS) is to “improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries”.

Levels of participation in physical activity and the resulting positive impact on the health and well-being of the nation, are also the focus of attention for many national policy documents.

The National Policy statements of intent, with respect to Culture and Leisure, that are of direct relevance to Epping Forest, can be summarised as follows:

- Supporting vibrant and sustainable arts and culture nationally and locally, by continuing to fund arms-length bodies like the Arts Council England, giving incentives to the creative industry;
- Maintaining world-leading museums and galleries and supporting the wider museum sector by providing funding for national museums and galleries, providing free public access to the permanent collections of national museums and galleries, and funding the Arts Council England to provide support to “non-national” museums;
- Promoting the understanding and enjoyment of the historic environment through funding English Heritage, protecting nationally important sites and monuments of archaeological or historic interest, by granting them scheduled status;

- Ensuring as many people as possible are playing sport by funding Sport England to help community sports grow, (including helping 14-25 year olds to keep playing sport through their lives), expanding the School Sports Programme, maintaining and improving Britain's elite sports performance and building a lasting legacy from the 2012 Olympic and Paralympic Games;
- Helping people to make healthier choices by providing advice on a healthy diet through the Change 4 Life Programme, and giving guidance on how much physical activity people should be undertaking;
- Supporting marketing campaigns to attract visitors to the UK in the years following 2012, increase the proportion of UK residents who holiday in the UK, and broaden the tourism offer, by creating alternative attractions that match London.

Regional Policy:

There are a number of agencies who are responsible for delivering national policy on a regional basis, to include Arts Council England, Sports England, English Heritage and the Museums, Libraries and the Archives Council (which are now part of Arts Council England). These regional bodies are supported in practical delivery initiatives, by a number of sub-regional/county wide partnerships, such as Active Essex, Museums East of England and Museums Essex, Essex Arts, Culture First, Visit Essex and with respect to Health Improvement, the County Council's Directorate of Public Health and local Clinical Commissioning Groups.

Whilst each of these bodies/partnerships have their own individual priorities and action plans, they generally sit within the policy umbrella provided by Central Government. They provide a key interface with the National Lottery and other External Funding streams with respect to Arts, Heritage and Sports, by providing technical and professional input into the evaluation, award and monitoring of funded projects.

As the Council's Leisure Management, and in particular Community and Cultural Services, have an excellent track record in securing external funding and grants, to extend service provision (totalling over £5M in the last ten years), it will remain important to maintain alignment of future service delivery, to locally relevant regional grant making priorities. **(Recommendation 6)**

Local Policy:

This Strategy does not seek to simply replace the various existing strategies that influence how culture and leisure opportunities are provided in Epping Forest. Many current initiatives have been developed by local partnerships such as Active Epping

Forest, Epping Forest Disability Forum, Think Family (previously the Epping Forest Children's Partnership), Epping Forest Youth Strategy Group, Epping Forest Health and Wellbeing Partnership, Visit Epping Forest and the numerous local Historical Societies and Conservation Groups

Rather this Strategy seeks, as previously stated, to focus on the District Council's role and priorities for action, whilst being complementary to the aspirations of national government, regional agencies and local partners.

The District Council's desired policy outcomes, with respect to direct provision and partnership working in Leisure and Culture, are currently contained within a number of strategic documents. These are highlighted below:

The Community Strategy 2010-2031

One Epping Forest is the Local Strategic Partnership for the District. The Partnership is made up of representatives from local councils, education, the police, health services, business and community groups. Its key role is to deliver the shared vision, outcomes and values, enshrined in the Community Strategy, many of which can be practically delivered through participation in Leisure and Cultural activities.

The Community Strategy is the long term overarching plan to deliver better quality of life and improve the economic, social and environmental well-being of the Epping Forest District over the next 20 years and beyond. Based on local needs and residents priorities, it seeks to support 'sustainable communities' for the future. The central element of the strategy is a statement of joint ambitions, a shared vision of what collectively are the outcomes to be achieved, on behalf of the District's communities. This has been articulated as:

"Together making Epping Forest a great place to live, work, study and do business".

It should be noted that the Council's Community Services currently plays a major role in delivering on key aspects of the Community Strategy, including health and wellbeing, children's and young people's services, community cohesion and capacity building, in order to build sustainable communities.

The Corporate Plan 2010-2015

The District Council's current Corporate Plan has identified the authority's Medium Term Aims, from which the Cabinet's Key Objectives are developed on an annual basis. The Corporate Plan and Cabinet Key Objectives are an integral part of the Council's Performance Management Framework, setting out corporate priorities and policy objectives. These are practically delivered through Departmental Business Plans and supporting service strategies.

The Corporate Plan Medium Term Aims 2010/11 to 2014/15 are:

- Safeguard frontline services that our local residents tell us are important;
- Have the lowest District Council Tax in Essex and maintain that position;
- Be recognised as an innovative and top performing Council in Essex;
- Continuously improve efficiency by adopting new ways of working with our partners and maximising revenue from our assets;
- Provide clear community leadership and be a strong advocate, championing the interests of the people of Epping Forest and protecting the special character of the District.

The Council is currently in the process of developing a new Corporate Plan, effective from April 2015.

Council's Current Service Strategies:

The following section highlights a number of existing Council service strategies and their key aims. These are not only important in delivering desired outcomes in relation to the previous two high level plans, i.e. Community Strategy and Corporate Plan, but give an important context for the development of the new Leisure and Cultural Strategy. It should be noted that for a number of these documents, the end date is 2015 and therefore the new Leisure and Cultural Strategy is timely, with respect to identifying future priorities.

Sports and Health Development Strategy 2010-2015:

The Council seeks to secure and develop a broad spectrum of sports, health and physical activity provision across the District, by providing advice, support and direct services and through the establishment of partnerships, collaborations and co-operation between clubs, organisations, agencies and individuals involved in sport. The Council aims to co-ordinate the district's sports, health and physical activity provision and to ensure a wide range of opportunities are available for people of all ages and abilities to take part in quality sports experiences including exercise to improve health and general well-being, leadership and volunteering.

Epping Forest Arts Strategy 2012-2015:

The Council seeks to provide a service which enables residents of all ages, abilities and backgrounds to access, and engage with high quality arts provision, and to experience the benefits that the arts can provide. The Council will provide a professional and high quality arts programme that includes targeted activities and events for socially excluded groups, including older people in residential care, people with learning disabilities, people with physical disabilities, and young people with low

educational attainment. In addition, the Council will not only provide arts activities for all, but also advice and support to communities arts groups and artists resident in the District. This will be supported by grant-aid to groups and individuals.

Community Development Strategy 2010-2015

The Council seeks to support the development of active, sustainable communities, with a particular focus on the District's for local super output areas, namely Limes Farm Estate in Chigwell, Ninefields Estate in Waltham Abbey, Oakwood Hill Estate in Debden and Shelley Estate in Ongar.

Epping Forest Play Strategy 2007-2017

Produced in conjunction with the Epping Forest Play Partnership, this Strategy seeks to inform the future development and delivery of high quality, safe, challenging and suitable play facilities and opportunities.

Epping Forest District Museum Service Strategy

The Council seeks to celebrate the social history of the Epping Forest District, with an emphasis on people and the environment in which they live. This is achieved through exhibitions, collections and records which are conserved. The aim is to ensure that the service is accessible to everyone, and can contribute to the quality of life in the District.

Leisure Management Strategy

Epping Forest District Council's Key Objectives with respect to the management of its Leisure facilities, are to increase use and activity for all residents, to provide services which are complimentary to and not in competition with facilities provided by others in the District, to improve the range of service offered, maximise external capital investment in the Council's facilities and reduce revenue costs by the minimisation of management fees, to any external management partner.

Playing Pitch Strategy

The Council has mapped a way forward for the provision of pitch sports facilities in the District. The Strategy gives direction and guidance to all those involved in providing outdoor sports facilities in Epping Forest and is also important in supporting applications to external bodies to increase and improve the existing stock of pitches.

Voluntary Sector Grants

Epping Forest District Council supports voluntary sector organisations involved in providing community work, culture and/or sports activities by providing financial assistance to enable them to deliver successful services. Small grants are also made available to talented Artists and Sports people to assist their development.

West Essex Health and Wellbeing Strategy (Draft)

In collaboration with the West Essex Clinical Commissioning Group and the neighbouring authorities of Harlow and Uttlesford, the District Council seeks to ensure that West Essex is “A place with the highest standards of health and wellbeing that prioritises promoting innovation and new ways to meet growing health needs. Where local communities and individuals are enabled to help themselves wherever possible, but with excellent services for those that cannot, provided through a framework of innovation and genuine partnership between all concerned local stakeholders”.

Epping Forest Biodiversity Action Plan

This action plan contains a range of targets aimed at conserving and enhancing biodiversity across the district in the key habitats, of woodland, farmland, urban open space and species rich grassland and heathland. The plan seeks to balance conservation and protection of the natural environment with the promotion of active recreational and leisure use.

SECTION FOUR – PROVISION FOR LEISURE AND CULTURAL

Current Opportunities

As highlighted earlier, there are a significant number of providers and partner agencies in the statutory, private and voluntary sectors who currently deliver a diverse range of leisure and cultural opportunities. These opportunities are located not only within the main urban conurbations, but also across the rural parts of the district, with the voluntary/community sector, in particular, playing an important role in many rural areas, delivering accessible leisure and cultural opportunities in areas of poor public transport, helping to develop community cohesion and combating isolation for the elderly.

Performing Arts Facilities

The District currently has limited provision with respect to purpose built arts rehearsal and performance space. Whilst there are drama studios at a number of the secondary schools, Zinc Arts in Ongar and Epping Forest College, the East Fifteen Acting School in Debden, has the only permanent fully equipped theatre. Although the physical proximity of London provides opportunities for residents of the district to access high quality performing arts, this may be restrictive for some local people due to other access barriers such as cost. However, the regional Playhouse Theatre in Harlow, does provide affordable access by audiences to performances, on a more local basis.

Whilst this choice exists, there has not been pressure and demand for the provision of a dedicated arts facility to be directly provided by the Council. Rather, the Council has adopted a policy of outreach and over many years has developed a comprehensive community arts programme. An audit of current activities provided by the Council's Community and Cultural Services, to include arts development activity, was undertaken as part of the development of this Strategy. This illustrates the depth and range of Community and Cultural activity, across the District.

Museums and Galleries

The Council provides the Epping Forest Museum Service. Whilst based at the District Museum in Sun Street, the Service also operates on an outreach basis through a programme of temporary exhibitions, education visits, loan boxes, lectures and seminars. The Council also supports the North Weald Airfield Museum through its grant programme and through professional support.

The museum collection celebrates the social history of the District. In 2013, the service was successful in securing a major Heritage Lottery Fund grant of £1.65m which will enable the provision of new space to significantly extend the museum's

exhibition, and on-site storage, as well as providing complete, step-free access for people with disabilities. The funding additionally covers the appointment of two posts to develop volunteering and community engagement with museum services. The Council also manages the Borough of Broxbourne's Museum Service, based at Lowewood Museum in Hoddesdon, through a Service Level Agreement. The Museum has also been commissioned to provide a specialist resource for the preparation of touring exhibitions which are toured across the East Region. This programme is funded by Arts Council England at a sum of £145,000.

Currently there is limited community gallery and exhibition space located in the District. However, with the extension of the Council's Museum in Waltham Abbey and a planned new initiative at Epping Forest College, the deficit of gallery space will be partially addressed. As in the case of access to performing arts venues, the numerous galleries in the capital and the Gibberd Gallery in Harlow Town Centre, assist in meeting some local requirements.

Outdoor Sports Facilities

The provision of facilities to play outdoor sports is met primarily by voluntary sports clubs and Town and Parish Councils. There are currently 78 adult football pitches, 26 junior football pitches, 13 mini soccer, 32 cricket pitches and 16 adult rugby pitches.

The District Council's role is largely one of advice and facilitation, although in recent years the Council has provided direct funding to develop a full-sized 3G floodlit artificial pitch at Town Mead, Waltham Abbey, managed in partnership with Waltham Abbey Town Council. This facility met a gap in provision, complementing the other all-weather pitches at Debden High School, Roding Valley High School, St John's Epping, Old Loughtonians and Spurs Lodge, Chigwell, the Academy in Debden, and Upper Clapton Rugby Club in Thornwood.

Community Halls

There are 43 community halls provided by local town and parish councils, voluntary clubs and village hall committees, equivalent to one hall per 2,907. Whilst the Council directly provide a range of services from the Limes Farm Centre, Chigwell, its current role is again in facilitating and providing a level of capital funding for improvements through the Community Grants Scheme. Access to community halls plays an important role in the local provision of leisure and cultural opportunities.

Tourist Facilities

The District Council does not play a direct role in the management of any specialist tourist facilities, with the exception of the District Museum which attracts visitors from

outside of the area. However, the authority has an active role in the management of conservation and wildlife areas through its Country care Service, which plays an important part of the visitor offer. Similarly, North Weald Airfield with its event programme and outdoor market also attracts a significant number of visitors per annum.

The Council does, however, appreciate the importance of tourism to the local economy, with visitor spend estimated at over £20m per annum in the District.

As such, the Council plays an important ongoing role in the Tourism Taskforce established by the Local Strategic Partnership, recently funding a dedicated Tourism Officer post to co-ordinate and develop their work. Their Website, Visit Epping Forest, has proven highly successful in increasing awareness of key visitor attractions such as the Ongar Epping Heritage Railway, the Royal Gunpowder Mills, Epping Forest and the Lea Valley Regional Park.

Sports and Physical Activity

Utilising Sport England Surveys (Active People), and market segment information from Expedia, the patterns of demand for open space, sport and recreation in the District have been identified. Whilst the results primarily relate to formal sports activities, this also included “moderate intensity activity”, comprising non-competitive activities such as jogging, walking and recreational cycling, which make use of the open space in the District.

Most current indices of participation in sport and active recreation in Epping Forest, are just above the median for our geographic neighbours, demographic comparator authorities, and regional/national averages. However, it can be observed that participation in organised competitive sport is lower than the comparators, which suggests that provision for recreational level and informal participation is important locally.

Levels of satisfaction are a little below the regional and national averages, which may imply that there is some dissatisfaction with the quality and quantity of local provision. The market segmentation analysis suggests that demand for swimming, golf and water sports, is likely to be higher than the national average, as is demand for open space that provides for outdoor activities.

The District Council currently promotes leading an active and healthier lifestyle, through its Sport and Health Development Team, working with partners and supporting the voluntary sector. Much of this work is funded through external funding secured via competitive process and over the last few years this has been in the region of £250,000. This is complementary to the Council’s main leisure facility provision. These activities have also been audited and mapped.

Leisure Centres and Swimming Pools

The District is currently served by a number of providers with respect to leisure/sports centres and swimming pools. The private sector has a presence ranging from small gym facilities to larger health and fitness clubs, operated by national companies such as Virgin Active and David Lloyd. Other facilities can be accessed outside of curriculum use, at the 6 state funded secondary schools, comprising of primarily sports halls and outdoor courts, although Davenant and West Hatch Schools have swimming pools, which are hired to the public.

In addition to these facilities, in the private and education sector, the District Council has four purpose built community leisure centres which are currently managed under contract by an external leisure management partner, SLM, up until January 2016. These facilities are Epping Sports Centre, Loughton Leisure Centre, Waltham Abbey Swimming Pool and Ongar Leisure Centre. Combined they represent by far the largest area of direct leisure service provision by the Council and incur the highest level of discretionary expenditure by the Council. For these reasons, the future level of provision and delivery is covered in some depth later in this Strategy. An audit of existing provision in the District and in near neighbouring authorities has been undertaken and mapped to show the distribution of opportunities.

(Recommendation 7)

Future Need

In April 2012, as part of the compilation of the evidence base for the Local Plan, the Council appointed specialist external consultants to analyse the differing needs of the District’s population for open space, built sports facilities and active recreation. This report, the “Epping Forest Open Space, Sport and Recreation Assessment”, will not only inform the Local Plan, but contains detailed research on which to base this Leisure and Cultural Strategy. This is with respect to evidence of current supply, identification of existing facilities in need of enhancement, and to plan for any new future facility requirements. The scope of the study covered an extensive list of types of provision, including:

- | | | |
|------------------------|--------------------|--------------------------|
| Allotments | Cricket Pitches, | Health and Fitness |
| Cemeteries & | Swimming Pools | facilities |
| Graveyards | Synthetic Athletic | Indoor Sports facilities |
| Informal Recreation | Tracks | Equestrian facilities |
| Grounds | Artificial Pitches | Airfields |
| Children’s Playgrounds | Sports Halls | Shooting facilities |
| Woodlands and Semi- | Tennis Courts | Village and Community |
| Natural Open Spaces | Squash Courts | Halls |
| Football Pitches | Golf Courses and | |
| Rugby Pitches | Driving Ranges | |

The development of the Assessment Study was supported by a stakeholder consultation group comprising Town and Parish Councils, Sport Essex, Essex Wildlife Trust, EF Youth Council, Lea Valley Regional Park Authority, City of London, Sport England and Natural England.

Whilst the Assessment Report is therefore a key piece of evidence in the Local Plan process, this Leisure and Cultural Strategy focuses on the District Council's future role. Therefore, there is no further analysis of provision for those types of facilities for which the Council makes no direct investment or indeed, does not play an enabling/supporting role.

Other providers i.e. Town and Parish Councils, statutory partners, the private and voluntary sectors, can access the conclusions of the Assessment Report which is published on-line on the Council's Website, under the Local Plan section. This is not to say that these other providers' services are not important in meeting future leisure and cultural need, but rather sit outside of the scope of this Strategy. The Council will be giving due regard to the recommendations around these other types of provision, as part of the key deliverables in the Local Plan. **(Recommendation 8)**

Therefore, for District Council direct and enabled services going forward, the following assessment of future need has been established.

Community and Cultural Services

The current aims and description of these services including Arts, Community, Sports and Health Development and the Museum Service have been outlined earlier in the Strategy. It can be observed that in order to compensate for the lack of some specialist, particularly arts and gallery provision, and to reflect the nature and demography of the District, Community and Cultural Services are primarily delivered on an outreach basis, with an ethos of community development. This is a cost effective approach which does not incur the expense of built facilities and delivers activities on an ongoing self sustaining basis, once the initial set up work is completed, building community capacity and enabling self help.

Additional Value for Money is also achieved by the long-standing success of external funding applications which have enabled a level of participation in excess of what core Council funding could provide alone. The role of the Council and its staff is, in this regard, to act as a facilitator and a "hub" to identify, seek access and deliver external funding opportunities for community and cultural services.

Given the reputation and success of the Council's current Community and Cultural Services, it is assessed that demand for these services will continue in future. However, as discretionary services, the Council will need to ensure that it is achieving Value for Money and that the service is targeted at those in the greatest

need and likely to benefit the most. The proposed future priorities for Community and Cultural Services are outlined later in the Strategy.

Indoor Sports Halls

For the purposes of this Strategy, sports halls are defined as indoor halls with a minimum dimension of 33m x 17m x 7.6m, equivalent to four basketball courts. Currently there are 6 sports halls with community access in Epping Forest, equivalent to one facility per 20,833 people.

Sports Hall	Address	Dimensions
Epping Sports Centre	Hemnall Street, Epping CM16 4LU	33m x 18m
St John's CoE School	Bury Lane, Epping CM16 5EN	33m x 18m
Debden Park High School	Willingale Road, Loughton IG10 2BQ	33m x 18m
Roding Valley High School	Alderton Hill, Loughton IG10 3JA	33m x 17m
Waltham Abbey Sports Centre	Broomstick Hall Rd, Waltham Abbey EN9 1LF	40m x 17m
Ongar Leisure Centre	The Gables, Ongar CM5 0GA	33m x 18m

In addition to the regulation sized sports halls in the district, there are a number of smaller halls, which, whilst unable to accommodate the full range of sports hall activities by virtue of their limited dimensions, nevertheless serve to supplement local provision:

Facility	Address	Dimensions
Chigwell School	High Road, Chigwell IG7 6QF	25m x 18m
Davenant Foundation School	Chest Road, Loughton IG10 2LD	18m x 17m
David Lloyd Club (Chigwell)	Roding Lane, Buckhurst Hill IG9 6BJ	18m x 17m
Guru Gobind Singh Khalsa College	Roding Lane, Chigwell IG7 6BQ	25m x 18m

Sports Hall provision in neighbouring local authorities is tabulated below. Epping Forest has the second lowest per capita rate of sports hall provision and number of badminton courts per capita, well below the median figure for both measures.

Local Authority	No. Sports Halls	Sports Halls per capita	No. Courts per capita
Uttlesford	6	1: 12,600	1: 3,150
Havering	16	1: 14,756	1: 3,689
Brentwood	8	1: 14,960	1: 2,394
Harlow	5	1:16,340	1: 4,085
Enfield	18	1: 16,383	1: 4096
Waltham Forest	13	1: 17,469	1: 4,367
Broxbourne	5	1: 18,120	1: 4,118
<i>Median Values</i>	<i>9.1</i>	<i>1: 18,643</i>	<i>1: 4,359</i>
East Hertfordshire	7	1: 19,586	1: 3,917
Epping Forest	6	1: 20,833	1: 5,000
Chelmsford	7	1: 23,971	1:5,413
Redbridge	9	1: 30,056	1: 7,512

Sport England recommends that for rural areas, the recommended travel time to a sports hall should be twenty minutes or less by car and that for urban areas up to twenty minutes walking time. On this basis, taking into account facilities in neighbouring authorities, these criteria are largely met. However, the Assessment Study did conclude that the current provision of six sports halls is inadequate with an assessed demand for one additional sports hall, bringing the total to seven, the preferred location being in the more densely populated South of the District.

Indoor Swimming Pools

There are five facilities, comprising a collective total of 1,713.5sq.m of water space, with community access in Epping Forest, equivalent to one facility per 25,000 people, or 13.71sq.m of water space per 1,000 people:

Swimming Pool	Address	Dimensions
Virgin Active Club (Chigwell)	Woolston Manor, Abridge Rd, Chigwell IG7 6BX	20m x 11m
Loughton Leisure Centre	Traps Hill, Loughton IG10 1SZ	25m x 12 m 18m x 7m
Ongar Leisure Centre	The Gables, Ongar, CM5 0GA	25m x 12.5m
David Lloyd Club (Chigwell)	Roding Lane, Buckhurst Hill IG9 8BJ	25m x 10m 20m x 6m
Waltham Abbey Pool	Roundhills, Waltham Abbey EN9 1UP	25m x 9m 12m x 5m

In addition to the swimming pools in the district that meet the minimum 20m length criterion to accommodate a full range of swimming activities, there are a number of smaller pools, which, whilst unable to accommodate a full range of activities by virtue of their limited dimensions, nevertheless serve to supplement local provision:

Facility	Address	Dimensions
Marriott Leisure Club (WA)	Old Shire Lane, Waltham Abbey EN9 3LX	15m x 6m
Davenant Foundation School	Chester Road, Loughton IG10 2LD	18m x 6m
Woolston Manor Golf Club (Outdoor)	Abridge Road, Chigwell IG7 6BX	18m x 6m
West Hatch High School	High Road, Chigwell IG7 5BT	18m x 8m

The provision of swimming pools in neighbouring local authorities is tabulated below and shows that Epping Forest has the third highest figure for both pools and water space per capita, well above the median figure for both measures of provision (based on data from 'Active Places').

Local Authority	No. pools	Pools per capita	Water space	Sq.m per 1000 people
Brentwood	6	1: 12,467	1,906.0sq.m	25.48sq.m
Broxbourne	5	1: 18,120	1,307.5sq.m	15.12sq.m
Epping Forest	5	1: 25,000	1,713.5sq.m	13.71sq.m
Waltham Forest	8	1: 28,388	2,796.25sq.m	12.31sq.m
Uttlesford	3	1: 25,200	907.5sq.m	12.00sq.m
<i>Median values</i>	<i>5.5</i>	<i>1: 30,465</i>	<i>1,735.0sq.m</i>	<i>11.97sq.m</i>
Havering	9	1: 26,233	2,796.25sq.m	11.84sq.m

East Herts	5	1: 27,420	1,603.5sq.m	11.70sq.m
Enfield	8	1: 36,863	2,581.75sq.m	8.75sq.m
Harlow	2	1: 40,850	660.0sq.m	8.08sq.m
Chelmsford	3	1: 55,933	1,141.5sq.m	6.80sq.m
Redbridge	7	1: 38,642	1,731.5sq.m	6.40sq.m

Sport England have established a standard of provision that is utilised in establishing need and on which they determine capital grants. This was the case for the Sports Lottery Award for Loughton Leisure Centre. On the basis that the entire population of the District is within 20 minute drive to their nearest pool, it can be concluded that quantitative need is met. However, in terms of quality and condition, a number of areas of concern are highlighted in the next chapter.

Squash Courts

For the purpose of this Strategy, squash courts are defined as specialist courts, complying with dimensions specified by England Squash and Racketball. There are 11 courts at five locations in the district, equivalent to one court per 11,363 people.

Site	Address	No. courts
Epping Sports Centre	Hemnall Street, Epping CM16 4LU	4
Old Chigwellians SC	Roding Lane, Chigwell IG7 6BA	1
Ongar Squash Club	Love lane, Ongar CM5 9BL	2
Waltham Abbey Sports Centre	Broomstick Hall Road, WA, EN9 1LF	2
Metropolitan Police (Chigwell)	Chigwell Hall, High Road, Chigwell IG7 6BD	2

The provision of squash courts in neighbouring local authorities is tabulated below. The data shows that Epping Forest has a per capita rate of provision well above the median.

Local Authority	No. courts	Courts per capita
Brentwood	18	1: 4,156
Broxbourne	13	1: 6,969
East Hertfordshire	16	1: 7,038
Epping Forest	11	1: 11,363
Uttlesford	6	1: 12,600
Harlow	6	1: 13,617
Chelmsford	12	1: 14,125
<i>Median values</i>	<i>11.6</i>	<i>1: 15,231</i>
Enfield	18	1: 16,383
Waltham Forest	12	1: 18,925
Havering	9	1: 26,233
Redbridge	6	1: 45,083

As a specialist sports facility, squash court users typically travel by car to reach their chosen facility. On the basis of current provision, the entire population is again within 20 minute drive at their nearest facility. It should be noted that the popularity of squash has declined over the last 10 years, as alternative means of keeping fit in the

form of fitness suites and movement classes have increased. This has led to poor uptake of courts particularly at non-peak times, and as such, many squash courts are being used to host alternative activities such as yoga, and children's play.

Health and Fitness Facilities

Health and Fitness facilities for the purpose of this Strategy are deemed to comprise of specialist indoor area with a mixture of cardio and resistance exercise equipment and areas for movement classes. There are 12 health and fitness facilities, collectively providing 715 stations in the district, equivalent to one facility per 10,417 people and one station per 175 people.

Site	Address	Stations
Concept Fitness	224 High Street, Epping CM16 4AQ	15
Epping Sports Centre	Hemnall Street, Epping CM16 4LU	35
Marriott Leisure Club (WA)	Old Shire Lane, Waltham Abbey EN9 3LX	18
Pro SW Gym	Sterling House, Langston Road, Loughton IG10 3TS	24
Simply Fitness	Old Station Road, Loughton IG10 4PE	18
Virgin Active Club (Chigwell)	Woolston Manor, Abridge Road, Chigwell IG7 6BX	150
Metropolitan Police (Chigwell)	Chigwell Hall, High Road, Chigwell IG7 6BD	20
Loughton Leisure Centre	Traps Hill, Loughton IG10 1SZ	90
Waltham Abbey Pool	Roundhills, Waltham Abby EN9 1UP	40
Krunch Gym	Ability House, Brooker Road, Waltham Abbey EN9 1JH	85
David Lloyd Club (Chigwell)	Roding Lane, Buckhurst Hill IG9 6BJ	165
Ongar Leisure Centre	The Gables, Ongar CM5 0GA	55

The provision of fitness facilities in neighbouring local authorities are tabulated below and show that Epping Forest is above the median figure for the number of facilities and has the second highest level of per capita provision of stations.

Local Authority	No. facilities	Facilities per capita	No. stations	Stations per capita
East Hertfordshire	14	1: 9,793	849	1: 161
Epping Forest	12	1: 10,417	715	1: 175
Harlow	7	1: 11,671	453	1: 180
Uttlesford	11	1: 6,873	383	1: 197
Chelmsford	17	1: 9,871	836	1: 201
Brentwood	8	1: 9,350	366	1: 204
<i>Median value</i>	<i>12.4</i>	<i>1: 12,811</i>	<i>688</i>	<i>1: 228</i>
Havering	12	1: 19,675	956	1: 247
Broxbourne	6	1: 15,100	366	2: 248

By mapping the geographic location of the current health and fitness facilities in Epping Forest, it can be seen that the entire population is within a 15 minute drive time. As such, it can be concluded that provision is adequate.

Synthetic Sports Pitches

Definition: For the purposes of the Strategy, synthetic sports pitches are defined as artificial grass playing surfaces, with dimensions of 101.4m x 64m (including run-offs) with sand-filled, rubber crumb or water-based pitch surface variants. There are six pitches with community access in the district, equivalent to one facility per 25,000 people.

Site	Address	Type
Debden Park High School	Willingale Road, Loughton IG10 2BQ	Sand-filled
Roding Valley High School	Alderton Hill, Loughton IG10 3JA	Sand-filled
Chigwell School	High Road, Chigwell IG7 6QF	Sand-filled
Old Loughtonians HC (x2)	Luxborough Lane, Chigwell IG7 5AB	Water-based
Town Mead Recreation Ground	Townmead, Waltham Abbey	Rubber Crumb

In addition to the synthetic turf pitches in the district that meet the minimum dimensions of 101.4 x 63m, there are a further two small facilities which serve to supplement local provision.

Site	Address	Type	Dimensions
Old Loughtonians HC	Luxborough Lane, Chigwell IG7 5AB	Sand-filled	50m x 50m
Upper Clapton RFC	Upland Road, Thornwood	Rubber Crumb	50m x 50m

By mapping the location of synthetic sports pitches in Epping Forest, together with the 20 minute drive time catchment standard. It shows that the entire population of the district is within 20 minutes' drive of their nearest pitch, and as such provision is adequate.

Future Provision Conclusions

On the basis of the analysis provided, it can be seen that the District Council plays a role in the direct provision of sports halls, swimming pools, health and fitness facilities and synthetic pitches. With the exception of sports halls, a picture of adequate access to provision is evident with the number of facilities generally above the median figure in comparison to neighbouring authorities and within the access catchment criteria established by Sport England.

The exception to this is with respect to the provision of sports halls, where there is a deficiency of one sports hall. An opportunity exists to fill this need in the south of the District, as Epping Forest College have expressed an aspiration to provide a new sports centre to serve both their students and the community at their site in Borders Lane. The Council has previously sought a commitment from the College in the form of a letter of intent that they would seek to re-provide such a facility, as and when financial circumstances allowed, to compensate for the loss of the previous Debden

Community Association Sports Centre, which was redeveloped for an older people's care home. If this was to proceed it could meet an identified strategic need.

The analysis shows that the District's current population is within a 15-20 mile drive time of swimming pools, health and fitness facilities and synthetic pitches. Whilst the Objectivity Assessed Housing Need figure within the Local Plan is yet to be established, the Issues and Options consultation expressed a preference from the community for incremental development around existing settlements. On this basis, there is therefore, given current provision serving such existing settlements, not a future need for more quantitative provision. The caveat to this proposition is if any neighbouring authority was to close a major facility, creating a deficit for residents of the district on the borders.

Similarly, to close an existing provision in the District, particularly a Council community facility would also create deficit. However, with an ageing stock of, in particular, sports halls and swimming pools, there is a qualitative issue that is sought to be addressed in the following section on Future Provision and Management of the Council's Sports and Leisure Centres. **(Recommendation 9)**

SECTION FIVE – DISTRICT COUNCIL PRIORITIES AND PROVISION

Leisure Facilities

Background

In 2005, as a result of a recommendation of a Best Value inspection of Leisure Services, and against a backdrop of increasing pressure on revenue and capital budgets, the Council undertook a comprehensive review of the alternative options available, to manage its leisure facilities. Following this review, the Council elected to pursue the appointment of an external “partner” to manage and develop its major leisure facilities and swimming pools.

By engaging an external “Partner”, the Council aimed to achieve a number of key Objectives:

- To manage the Council’s Leisure Facilities by the most cost effective means possible, therefore reducing the level of revenue support necessary in the future;
- To alleviate the financial risks to the Council and in particular to release the Council from the threat of VAT penalties deriving from exempt incomes;
- To invest in the facilities to ensure that the internal fabric is maintained to current standards and that capital refurbishments and new facilities are provided where possible;
- To ensure that high quality and diverse opportunities remain available and accessible to all sections of the local community, and to seek continuous improvement to the Service.

Following a competitive procurement process, the Council awarded the contract to Sport and Leisure Management Limited (SLM). The contract for Loughton Leisure Centre, Ongar Leisure Centre and Waltham Abbey Swimming Pool, was initially for seven years with an option to extend it for a further three years based on satisfactory performance. This option was exercised in 2011 and involved the contractor submitting proposals, which were financially advantageous to the Council’s revenue position.

In relation to Epping Sports Centre, this had originally been tendered for a period of three years, due to uncertainty about the position regarding the possible relocation of the Centre, as part of the redevelopment of a new secondary school in Epping. However, when the option was not pursued, the contract timescale for Epping

Sports Centre was realigned with the rest of the overall contract which is currently due to terminate in January 2016.

As is the case with the vast majority of local authority leisure provision throughout the country, and in particular, those councils who have an ageing stock of buildings, an element of subsidy is required as generally income from fees and charges does not cover the operating costs. A key objective of seeking alternative management of the Council's facilities had been the transfer of risk of under-achievement of income and the minimalisation of the level of revenue support required. As a result, tenders were sought on a "deficit guarantee management fee basis", i.e. after the contractor had met all their obligations regarding staffing, maintenance, and operating costs, and based on their estimate of income from users, which they retained, what level of "deficit" payment or management fee would they require.

The contract with SLM commenced on 3 January 2006, and the Council's Leisure Centre staff, at that time, were TUPE transferred to SLM.

Shortly after the commencement of the contract, as per SLM's tender bid, a capital improvement programme involving some £1.6 million of expenditure commenced. This resulted in a major refurbishment of both the wet and dry changing rooms at Ongar Leisure Centre combined with the conversion of the squash courts to provide a fitness suite and movement studio. In addition, at Waltham Abbey Swimming Pool, the changing rooms were refurbished and reconfigured to provide internal access to the fitness suite and the construction of a new extension incorporating a movement studio. SLM designed, specified, procured and funded the works, managing the building contracts directly.

The Council had sought a "hybrid" contract with the intention of ensuring that the specification of requirements achieved a balance between protecting the Council's long term interests in the buildings, and guaranteed an affordable accessible programme of activity to meet the needs of all sections of the community, whilst ensuring that any contractor had the flexibility to develop the business. SLM's charitable trust status also produced financial advantages, in terms of business rate relief, VAT exceptions and corporate tax advantages.

Financial Performance of Current Contract

The current management fees paid to meet the deficit of operating the four centres are detailed below. Due to the quality of the modern facilities provided by Loughton Leisure Centre and its premium location, it does not currently require a deficit payment, rather SLM pay the Council a management fee reflecting the Centre's high revenue potential.

By bringing together cost and performance considerations, it is possible to apply a relative ranking to the current facilities. In summary, Loughton Leisure Centre has the lowest management fee, the highest participation figure and the lowest subsidy per user. This is in contrast to Waltham Abbey Swimming Pool which has the highest management fee, the second lowest participation figure and the highest subsidy per user. **(Recommendation 10)**

2013-2014 Subsidies					
	Management Fees	EFDC Costs	Total Cost	Subsidy per head of population	Subsidy per user
Epping Sports Centre	£301,916	£46,604	£348,520	£2.81	£2.08
Loughton Leisure Centre	-£182,730	£103,700	-£79,030	-£0.64	-£0.18
Ongar Leisure Centre	£286,336	£46,044	£332,380	£2.68	£1.69
Waltham Abbey Pool	£498,278	£48,672	£546,950	£4.41	£2.66
	£903,800	£245,020	£1,148,820	£9.27	£6.25

Attendances 2013 – 14

Based on SLM supplied site attendances

Epping Sports Centre	167,603
Loughton Leisure Centre	432,603
Ongar Leisure Centre	197,137
Waltham Abbey Pool	205,502

Condition of Current Facilities

As part of the budget process for 2014/15 the Council made provision for and has commissioned full building condition surveys for all centres. A breakdown of current known maintenance issues and each centre's relative strengths and weaknesses is attached at Background Paper 1. However, subject to formal confirmation by the building surveyor's reports and based on pre-tender estimates it has been established that Waltham Abbey Swimming Pool has effectively reached the end of its viable life. To invest the significant sums of money, estimated in excess of £1m to refurbish a building some 45 years old, would not make economic sense, given its inherent problems with layout and its current financial performance. Therefore, there is a need to re-provide a pool, elsewhere in Waltham Abbey. **(Recommendation 11)**

Epping Sports Centre is a conversion of an army drill hall and whilst significant sums have been spent on the roof and tanking the sports hall, the building has very poor access for people with disabilities and has restricted car parking. Again, the building does not lend itself to modern flexible use and has an awkward layout. Despite not reaching the unviable position of Waltham Abbey Pool, serious consideration should be given to its replacement in the medium term. A key consideration of future

location will be the Local Plan and where future growth is delivered. However, the Masterplanning Exercise recently submitted into the evidence base for North Weald Bassett and the Deloitte Report on North Weald Airfield, both suggest that future provision may be required. This will need to be kept under review and reflected in any future management contract. **(Recommendation 12)**

Ongar Leisure Centre, whilst of a similar age to Epping Sports Centre, in part because of its original specification as a dual use centre with higher quality mechanical and electrical plant (accepting that the flat roofs may need to be refurbished in 5-10 years), coupled with investment by SLM of over £1m on the changing facilities and new fitness suite conversion, has a longer viable life than the other two older centres. With the success of the bid to provide a new secondary school in Ongar under the “free schools” programme on the site, an opportunity exists to revert back to the previous dual use arrangements, which would potentially enable a cost sharing arrangement on repairs and running costs to be negotiated. **(Recommendation 13)**

Future Leisure Management Contract Options

As part of the Council’s initial decision to seek an alternative provider, extensive consideration has been given to the respective management options available, namely direct management, private sector operator, in-house trust or established trust. An evaluation was undertaken of the benefits of adopting the particular options, and a firm conclusion was reached that outsourcing to a private sector partner or external trust was the preferred option in relation to the delivery of the Council’s Key Objectives

A recent review of these options has reached the same conclusion, particularly as a result of recent number of visits to other authorities who have recently re-let large contracts, coupled with the increasing feature in the leisure contracting market of private sector companies being willing to invest capital or enter into joint development arrangements, for new or extensively extended leisure facilities, to include where appropriate facilities for participation in arts and cultural activities. **(Recommendation 14)**

Procurement Approach

There is a considerable amount of complexity in relation to the procurement of a new leisure management contract for the Council, particularly given the number of variables and unknowns in relation to the condition of buildings and future provision options. Whilst it would be possible to replicate the previous approach, where the Council had specified its requirements in detail through the contract specification, this would have a limiting effect on the contractor. The Council’s current operator has

already referred to this restriction and has indicated that an alternative approach of competitive dialogue may be preferable. **(Recommendation 15)**

Competitive Dialogue was used to let the Council's new Waste and Street Cleansing Contract and to date has proved to be a positive experience, allowing contractors to be innovative and bring forward their own ideas based on their experience on how services could best be delivered. Braintree District Council and Hinkley Borough Council have recently let their new leisure management contract by way of competitive dialogue, with considerable benefits in terms of reduced revenue costs and capital investment. **(Recommendation 16)**

Community and Cultural Services

In Sections 3 and 4 of the Strategy, the Council's range of Community and Cultural Services including Arts, Community Development and Sports/Health development, as well as the District Museum Service, were outlined along with the aims of their current service strategies.

It was explained that they operate on largely an outreach basis, working closely with other partners in the public and voluntary sector, with a good track record of accessing external funding. The exception to this work has been the direct management of services for the Limes Farm Hall, which underwent an extensive refurbishment, under a project led by Community and Cultural Services. A similar opportunity has been identified to provide a community hub in an area of social deprivation at Hillhouse, in Waltham Abbey.

The management of the service, which now lies in the Council's Communities Directorate, has recently been reviewed and has brought together the four teams, who have always undertaken work on a complementary basis, into two teams reflecting the synergies between the Arts and Museum Service and Sports/Health and Community Development.

Whilst these discretionary services at the initial time of establishment, used to work primarily within their own particular professional discipline, delivering arts, sports, community and museum activities, they have over a period of years operated on a much more thematic basis recognising their ability to impact a wider policy objectives in relation to health inequalities, social inclusion, anti-social behaviour, youth empowerment and active ageing.

As a result, a number of review workshops, future forecasting and self evaluation exercises, including the active engagement of Members of the Portfolio Holder Advisory Group for the development of this Strategy, the following priority areas for the future work of the Council's Community and Cultural Services have been identified to be delivered through programmes of partnership work.

(Recommendation 17)

- Community and Cultural Cohesion
- Health Inequality
- Young People and Youth Unemployment
- Anti-Social Behaviour
- Ageing Population
- Rural isolation.

Health and Wellbeing

Introduction

The health and social care system, nationally and locally, is undergoing major structural change at a time of increasing demand. The gap between what is needed to maintain services in their current configuration, and the needs of a growing and increasingly aged, higher need population are stretching resources at a time of budget constraint. With patients' expectations and the costs of health care, and infrastructure also increasing, there are significant challenges to be addressed in the short, medium and longer term to respond effectively.

As an integral part of planning for health care in West Essex, the Clinical Commissioning Group and the three West Essex Local Authorities, namely Epping Forest, Harlow and Uttlesford District Councils, have built on their history of collaborative working, to formally constitute the West Essex Wellbeing Board. This co-ordinating partnership has sought to clarify its future priorities through the development of "Better Together" the West Essex Health and Wellbeing Strategy.

The strategy attempts to ensure that all stakeholders are enabled to contribute and play their role in meeting these challenges in a coherent and co-ordinated way. It starts from the proposition that the issues and factors which generate and sustain a healthy and successful community are not simply within the gift of the statutory health services to remedy.

The work to integrate Health, Social Care and District Council Services, such as Housing, Planning and Leisure and Culture, goes beyond simply having closer links between the CCG District Councils and ECC. Resources that can have a critical impact on these factors exist within communities and the many services which are geared to support them either at a community level through publicly funded public services or increasingly through private sector organisations.

Key Priorities

The Strategy contains 5 main health and wellbeing priorities, which will be the key areas where action by the Council and all other partners, collectively and individually, will be focused for the next five years. These are the issues where a joined up partnership approach will deliver the greatest added value in service delivery and will impact the most on delivering the vision.

Three of the priorities have been set out at the level of West Essex, and two have been identified by the Local Partnership in each district as the areas of particular concern of them, and where they feel the greatest improvement can be made. The sixth priority running through everything, is to drive service improvement and efficiency in the management of scarce resources through joined up, strategically focused services.

These priorities will be reconfirmed on an annual basis at a West Health Stakeholder Conference, and will be addressed through the production and agreement of an Annual Delivery Plan in each area and pan West Essex. This will also contain detailed targets.

The agreed West Essex Priorities are:

1. Divert and manage demand for publically funded health services, focusing on community mobilisation and collective and individual resilience.
2. Establish joint critical pathways from the NHS into social care.
3. Establish new innovative solutions to meeting care needs, using tele-care etc.

In Epping Forest this will be complemented by the following priorities:

4. Mitigating the impact to accessing services to vulnerable groups, particularly linking to social deprivation, age and Rural Isolation; and
5. Investing in services to Young People, improving sexual health, child and adolescent mental health (CAMH's) and tackling childhood obesity.

These priorities have been established on the evidence of the health profiles produced by the County Council's Director of Public Health and the Joint Strategic Needs Assessment.

Given that the determinants of good health are wider than simply access to primary care services, for example, poor housing, lack of access to services by public transport, poor diet and lack of exercise and social isolation, the District Council

clearly has a vital role to play. This is not only restricted to direct service delivery, but also in its role as Planning Authority, ensuring that access to appropriate health care is delivered as part of the Local Plan, commensurate with levels of growth.

The District Council will continue to be actively engaged in the West Essex Wellbeing Board and maintain its role in delivery of the West Essex and local Epping Forest priorities. These will be reviewed along with the agreed delivery plan at the annual stakeholder conference. An opportunity exists for the priorities contained in the Health and Wellbeing Strategy to be incorporated in the service specification for any new leisure management contract, as the Council's contractor could have a significant contribution to make, in addressing health inequalities.

(Recommendation 18)

At the local level, the Council participates in the Health Sub Group of the Local Strategic Partnership, a multi-agency group, co-ordinating practical local delivery initiatives. It is anticipated that emerging initiatives such as Social Prescriptions, will have positive results in addressing isolation for the elderly.

Voluntary Sector and Partnership

Reference has been made earlier in the Strategy to the role that the Council plays in supporting the voluntary sector through its Community Grants Scheme. The Council are also committed to its obligations to support the voluntary sector through the Local Compact. To date, the Council has retained its level of funding to the Voluntary Sector, despite the requirement to make substantial efficiency savings in recent years.

This reflects the fact that many voluntary sector clubs in the area of Leisure and Culture are actively engaged in partnership delivery of services to the local community i.e. sports clubs, heritage societies etc. However, this is becoming more difficult within restricted resources, and the Council has established a Task and Finish Panel of Councillors to review both the methodology for agreeing grant funding and the total amount to be provided. The Task and Finish Panel will also consider the inter-relationship with discretionary rate relief given to voluntary organisations.

(Recommendation 19)

Since its inception in 2000 as part of the Community Wellbeing Act, the Council has played a leading role in the District's Local Strategic Partnership "One Epping Forest". Not only has the Leader of Council chaired the Partnership for the last six years, demonstrating clear Community Leadership, but also the Council hosts the Partnership Manager.

An ongoing commitment to the work of the LSP and its delivery groups i.e. Safer Communities, the Epping Forest Think Family Forum, Sustainable Communities and

Health and Wellbeing, would help the delivery of future leisure and cultural policy outcomes and opportunities.

The structure and role of the LSP is due to be reviewed by the Partnership in December 2014 and any new focus or implications will be taken on board with respect to this Strategy.

Tourism and Visitors

Tourism initiatives to attract visitors to the District, are co-ordinated through the Epping Forest Tourism Task Force. The idea for a tourism taskforce emerged at the One Epping Forest annual stakeholder conference (2012) looking at potential areas for growth and economic returns to the district. Partners, local business and tourism attractions felt that this was already a significant element of the local economy, and there were real opportunities for growth in terms of jobs and income while enhancing rather than despoiling the green and unique character of the area.

Following discussion with representatives from the private sector and major attractions, a taskforce was established which met in March 2012 for the first time. Initial investigatory work undertaken by the Task Force revealed that –

- The area already had a significant tourism and visitor economy: this comprised a significant percentage of local jobs and generated almost £20m locally. This is a much greater return than other districts in West Essex or nearby. The Forest alone is estimated to have 6 million visits annually. Investment by individual organisations in promotion is substantial and the district funds the Waltham Abbey Tourist Information Centre (TIC) (£15,000 pa and Visit Essex £1,500 pa).
- Visits were mostly related to people visiting friends or relatives, daytrips rather than significant overnight/longer term stays.
- The accommodation sector is thought to be under developed (there are no 5 star hotels), but partners were unsure this was a significant barrier.
- However, this return was generated without any local leadership, support or coordination. Unlike other areas with significant similar sectors, there was no active committee to coordinate or lead, no single promoted brand or website resource, no single promotional leaflet/posters, banners, presence at tourism fairs or exhibitions, cross ticket promotions, etc. Basically none of the infrastructure to support a sustained growth of such a significant element of the local economy was in place.

- Returns from and engagement with Visit Essex, the current platform for driving visitor numbers, was poor. This site was felt to be cumbersome and focused on promoting the coastal areas and sites in the East of the county. The site originally promoted only two places to stay in the district, one of which was in Harlow.
- The major strength of the area, its unique selling points, remain its green and unique nature; over 90% green belt, with two major parks, and a significant number of SSSI's and nature reserves, coupled with its proximity and easy connections to London. The area also boasts an enviable number of key attractions that augment and enhance the green and unique offer, particularly around the historical theme, and adrenaline sports.
- Many of the 'attractions' in and close to the district were dependent on the role played by volunteers (the resurgence of the Epping-Ongar railway being a good example of this), the wider voluntary sector and the support of infrastructure bodies such as Voluntary Action Epping Forest.

On the basis of the above, the taskforce has developed an Action Plan to address these issues, the key recommendations of which are detailed below:

- That a standing committee, of either One Epping Forest or Epping Forest District Council, under the Chairmanship of an elected member, remain in place to lead, coordinate, champion and promote the growth of the Tourism and Visitor economy locally. The Committee should also look at establishing sector-led groups e.g. hotels, restaurants, pubs to promote work and coordinate activity in their specialist areas.
- Commission work on the longer term branding of the district, and assessing the potential to grow the sector into overnight, weekend and longer stays, particularly around exploring London. The key priority to be to increase numbers but also maximise the retention of spend in the district.
- Exploratory work on the potential of growing eco/green tourism offer, and the development of a Hot (High Octane Triangle) Zone based on the White Water Centre in Waltham Abbey, Gunpowder Mills and Mountain Biking in the Forest, should be undertaken as a priority.
- That a submission be prepared on behalf of the sector, identifying physical investment programmes to support the industry, in particular re-opening the rail connection from Ongar to Epping to a scheduled service, providing bridges linking the LVRPA White Water Centre, the Royal Gunpowder Mills, and Waltham Abbey, looking at enhanced opportunities for higher-end accommodation sites in the district.

- Through the London Stansted Cambridge Corridor partners, and the West Essex Alliance, look to ensure connections are made with neighbouring areas' tourism promotion, in particular developing new trails from central London northwards to Cambridge. The Tri-council group (Enfield, Broxbourne and Epping Forest) should also be approached to develop cross border working. More detailed bids for external funding should also be prepared for these groups and be included in the Integrated County Strategy, or any other appropriate source of funding.
- Repeat Annual Tourism and Visitor Value research to chart longer term the health locally of the sector, and the impact of interventions.
- Partners should investigate as a matter of urgency the capacity required to deliver these improvements. It is clear that this report sets out an ambitious programme of work, but there remains a deficit in capacity in terms of staff time and resources to ensure the programme is delivered. It is suggested that a part-time post is established to support the ongoing work of the tourism partnership, the remuneration and location (which organisation hosts) of the post to be decided by the committee.

The District Council has adopted the recommendations of the Tourism Taskforce. To reflect the importance placed on the sectors contribution to Economic Development, (one of the Council's Key Objectives), and to address the final recommendation around capacity, the Council has already funded a Tourism Development Officer for an initial one year period. **(Recommendation 20)**

SECTION SIX – RECOMMENDATIONS AND ACTIONS

Summary of Key Recommendations

1. That the key aim of the District Council with respect to the future provision of Leisure and Cultural activity, is to increase the number of people actively participating, by ensuring that provision is accessible and of the highest affordable quality.
2. That the ability of Leisure and Cultural activities to deliver across a number of broader themes, such as Health and Wellbeing, Social Inclusion, Regeneration, Skills and Employment, Community Safety and Economic Development, is acknowledged and as such, is considered important to delivering policy objectives in these areas.
3. That the Leisure and Cultural Strategy sets out a medium term vision of 10 years, with a formal review after 5 years, to coincide with the length of the District Council's Corporate Plan.
4. That the Draft Vision Statement developed by the Community Visioning consultation exercise of the Local Plan, steers the longer term aspirations of the Leisure and Cultural Strategy.
5. That the Council's Leisure and Cultural Strategy takes account of National and Regional Policy, which should be kept under review.
6. That future service provision delivered by the Council maintains alignment to the locally relevant priorities of National/Regional supervisory and grant making bodies, to maximise external funding opportunities.
7. That since the Council's investment in purpose built leisure facilities, represents the largest area of discretionary spend, future provision should be delivered by the most cost effective means possible and that maximum Value for Money is sought in terms of cost and quality.
8. That whilst this Leisure and Cultural Strategy focuses on the role of the District Council, with respect to the services it delivers directly or plays a significant role in enabling, the conclusions of the "Epping Forest Open Space, Sport and Recreation Assessment" should form part of the key deliverables with respect to the Local Plan.
9. (a) That the conclusions of the Assessment Report with respect to future provision are accepted with regard to the quantitative adequacy of Swimming Pools, Health and Fitness Facilities, Squash Courts and Synthetic Pitches, based on current and future demand.

(b) That the need to provide additional sports hall provision is accepted and that the opportunity to meet the deficiency by working with Epping Forest College, is positively explored.

(c) That it is acknowledged that the current level of provision is adequate with respect to catchment standards, (although age and condition of the Council's facilities will need to be addressed), but that future leisure facility provision is kept under review, as growth scenarios develop as part of the Local Plan.

(d) That provision of dual purpose spaces and facilities, where practically possible and affordable, are included within any development of new Leisure Facilities in the district, in order to accommodate arts, cultural and community activity.

10. That the current relative performance of the Council's Leisure Facilities with respect to cost, participation and subsidy, be noted and form a key consideration with respect to future provision.
11. That subject to confirmation of the final results of the building condition surveys, that Waltham Abbey Pool is deemed to have reached the end of its viable life, and be replaced by a new facility in Waltham Abbey, the part of the District with amongst the poorest health outcomes, with further work undertaken on the most suitable location, and how it may be funded.
12. That in the medium term, depending on growth in the locality, the opportunity to re-provide a replacement facility for Epping Sports Centre should be investigated and that any new Leisure Management Contract has appropriate break clauses to enable relocation.
13. That now confirmation of funding for the new Ongar Academy has been confirmed, and on the basis that the site adjacent to the existing Leisure Centre remains the preferred location, negotiations are entered into with respect to a dual-use arrangement for the Leisure Centre, with the intention of increasing use and sharing cost.
14. That the Council's Key Objectives with respect to Leisure management are re-affirmed as the basis for any future management contract, with the preferred option being to outsource to either the private sector or external trust.
15. That the procurement approach to the new Leisure Management Contract be by Competitive Dialogue, seeking to deliver flexibility for any partner to develop income streams to reduce costs, whilst still meeting the Council's Key Objectives with respect to participation and community access.
16. That based on the success of other authorities, any new management partners are encouraged to invest in new facilities, which may involve the Council in providing capital finance.
17. (a) That the future Community and Cultural Priorities for the Council are Community and Cultural Cohesion, Health Inequalities, Young People and Youth Unemployment, Anti-Social Behaviour, Ageing Population and Rural isolation.

- (b) That the potential for a further community hub development at Hillhouse, Waltham Abbey, be positively explored with the aim of co-locating health and wellbeing services to improve the quality of life of residents, in this area of health inequality.
18. That the Council adopts the priorities of the West Essex Health and Wellbeing Strategy and continues to play a key role in the local delivery of services, which have a positive impact on addressing health inequality, allowing people to live a longer more active life.
 19. That the Council, whilst acknowledging the important role of the voluntary sector, undertakes a review of its Grant Aid Policy and Discretionary Rate Relief Policy for Voluntary Organisations to ensure that resources are used in the most efficient way possible, and that policy priorities are met.
 20. That the Council continues to support the work of “One Epping Forest” generally, but specifically the work of the Tourism Taskforce in delivering their Action Plan, given the economic and social benefits that increased visitors to the District can bring.

Performance Indicators

A suite of Key Performance Indicators will be developed to monitor the delivery of the Strategy once the Strategy has received consideration by the Cabinet.

Culture and Leisure Action Plan

An Action Plan with appropriate timeframes and targets will be developed by the Portfolio Holder Advisory Group, to practically implement the key recommendations once the Strategy has received endorsement by the Cabinet.

SECTION SEVEN – BACKGROUND PAPER

- 1. Leisure Centre, Facilities, Strengths/ Weaknesses and Maintenance Issues.

Epping Sports Centre

The Centre was originally developed from a former Army Drill Hall and opened in 1975.
The facility consists of;

- Sports Hall with viewing balconies at two levels,
- Activity Hall (former drill hall/gymnasium with wooden floor)
- 4 Squash Courts with viewing gallery above (one with glass back for exhibition or competition)
- Fitness studio with CV and resistance machines and small free weights area.
- Therapy room (operated by a third party)
- Creche (not registered under Children's Act)
- Lounge area
- Bar & kitchen
- Male and female changing rooms with showers
- Additional changing room with showers
- Parking for 27 cars

Maintenance Issues

Basement flooding issues – under sports hall floor needs tanking

Sports Hall - sprung floor needs replacing

Car park drainage issues caused by tree roots

Out dated plant & equipment

Thermally inefficient

Strengths

Well supported community centre

Good decorative order

Established management team

Weaknesses

Age & design of building

Accessibility issues throughout building

Insufficient car parking spaces

No swimming pool

Waltham Abbey Swimming Pool

Opened in 1969, originally consisted of a swimming pool and football changing rooms. The teaching pool was a later addition. The football changing rooms have since been converted into the fitness gym
The facility consists of;

- Main Pool 25m x 9m; depth from 1m to 3m with ground floor viewing gallery
- Teaching Pool 12.2m x 6.14m, depth 1m throughout
- Sauna and steam
- Fitness studio with CV and resistance machines and free weights area
- Movement Studio
- Beauty salon (operated by a third party)
- Male and female changing rooms and showers - main pool & teaching pool
- Foyer with seating and refreshment vending
- Garden area with play equipment
- Parking for 86 cars

Maintenance Issues

Roof needs replacing

Air handling plant & ductwork needs replacing

Thermally inefficient (all windows are single glazed)

Car park surface needs replacing

Inefficient plant & equipment

Strengths

Well supported community based centre

Experienced long serving staff

Weaknesses

Age & condition of building

Poorly located

Poor decorative order

Car park closed in bad weather due to slope

Limited space for dry activities

Loughton Leisure Centre

Opened in January 2003 on the site of the old Loughton Swimming Pool.
The facility consists of;

- Main Pool 25m x 12.5m depth from 0.9m to 2.2m. with water features and viewing balcony
- Teaching Pool - 17m x 6m with viewing gallery
- Fitness Studio CV & resistance equipment and free weights area
- Movement Studio with wood floor and mirrored walls
- Coffee Pod
- Function Hall (Octagon) – available to hire as meeting / function room
- Sauna & Steam rooms
- Changing village for swimming pools with both communal showers and separate men's & ladies showers
- Male and female dry sports changing rooms with showers & toilets
- Reception area / Foyer with vending machines and seating
- Adjacent public pay & display car park for 180 cars (this is outside the lease)

Maintenance Issues

Numerous roof leaks

Worst energy efficiency rating

Poor standard of construction workmanship & wrongly specified material during construction

Strengths

Good location

Extremely busy centre (centre income accounts for nearly 50% of income for contract)

Good accessibility for people with physical disabilities

Weaknesses

Lack of understanding of Building Management System

Weak management team

Cleanliness issues

Octagon out-dated and unsuitable for most fitness classes

Ongar Leisure Centre

Situated on the site of the Ongar Comprehensive School, the centre was opened in 1977 with a swimming pool and sports hall and extended in 1979.

The facility consists of;

- Swimming Pool - 25m x 12.5m, depth from 0.9m to 2.2m with poolside showers
- Sports Hall one court granwood floor hall with glazed viewing balcony/ activity area
- Activity area (1) laminated wood floor and partially mirrored, overlooking sports hall
- Activity Area (2) Vinyl floor, overlooking sports hall
- Beauty Room (hired to third party).
- Fitness Studio with CV and resistance machines and free weights area
- Outdoor Multi Use Games Area - floodlit, 2 tennis / five-a-side areas
(This area needs refurbishment due to the surface condition)
- Viewing area with restricted view of the swimming pool, seating & vending machines
- Male and female dry sport changing rooms
- Swimming pool changing village with men's & ladies showers and toilets
- Playing Fields - 22 acres - marked out for junior football as required
- Parking for 180 cars – to be shared with Enterprise Centre and Adult Education Centre.

The use of the car park is subject to a car park agreement.

Maintenance Issues

Roof will need replacing in near future (probably 5 -10 years)

Thermally inefficient

Poor energy efficiency rating

Strengths

Only wet & dry facility and playing fields in the district

Good decorative order (recently refurbished)

Room to enlarge facility

Good accessibility for people with physical disabilities

Weaknesses

Rural location

Poorly located (edge of town)

Poor highway signage

No changing facilities for outdoor pitches

Multi use games area surface needs replacing

No teaching pool

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Epping Forest District Council Calendar of Meetings 2015/16

		2015								2016				
Meeting		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Executive														
Council		28th		28th		29th		3rd	15th	16th(18th)			26th	26th
Cabinet			11th	23rd		3rd	8th	5th	3rd		4th	3rd	7th	
FPM Cab Comm			18th	30th		17th		12th		21st		17th		
AM & ED Cab Comm				9th			15th		10th		11th		14th	
Local Plan Cab Comm				2nd			1st			14th			21st	
Scrutiny														
OS Committee			9th	21st			20th			5th	23rd		19th	
Scrutiny Panel I			16th			8th		10th		12th		8th		
Scrutiny Panel II				7th			6th		1st		2nd		5th	
Scrutiny Panel III			23rd			15th		17th		19th		15th		
Scrutiny Panel IV				14th			13th		8th		9th		12th	
Scrutiny Panel V			30th			22nd		24th		26th		22nd		
Planning														
District Development			10th		5th		7th		2nd		24th		20th	
Plans East		13th	17th	15th	12th	9th	14th	11th	9th	13th	10th	9th	6th	11th
Plans West		20th	24th	22nd	19th	16th	21st	18th	16th	20th	17th	16th	13th	18th
Plans South			3rd	1st-29th	26th	30th	28th	25th		6th	3rd	2nd-30th	27th	
Licensing														
Licensing Committee							14th						13th	
Licensing Sub-Comm			9th	7th	4th	8th	6th	10th	8th	12th	9th	8th	5th	
Miscellaneous														
Audit & Governance			29th			21st		30th			1st	28th		
Housing Appeals Panel			8th	6th	3rd	7th	5th	2nd	7th	11th	8th	7th	11th	
Joint Consultative Comm				20th			19th			18th			18th	
Local Councils Liaison				6th				16th				21st		
Appointments Panel		14th-21st												12th-19th
Standards Committee				13th			12th			25th			25th	
Dev Control Chairs/Officers						23rd						23rd		
Webcast meeting:		<u>Easter 2016</u>			<u>Fri 25-Mar-16 - Mon 28-Mar-16</u>				<u>Local/PCC Election</u>			<u>Thu 5-May-16</u>		

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Report to the Council

Committee: Cabinet **Date:** 17 February 2015

Subject: Portfolio Assets and Economic Development

Portfolio Holder: Councillor A Grigg

Recommending:

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

North Weald Airfield - Park and Ride Scheme

The Assistant Director of Asset Management and Economic Development recently met with Essex County Council Officers. They were preparing a detailed report regarding the viability of a possible park and ride scheme at North Weald Airfield. It was anticipated that the report would be completed by the end of March 2015.

Epping Forest Shopping Park

A progress report was presented to Cabinet on 2nd February noting progress with legal documentation between the Council and the development partner, Polofind Ltd. An appraisal was also discussed setting out values and costs based upon information currently available. This showed a high level of profitability for the Council.

Waltham Abbey Studies

Officers together with external consultants are finalising several studies regarding Waltham Abbey. These commissions are appraising the current position of the town in terms of unemployment, the role and function of the town centre. It was hoped to be able to report on the findings by Spring 2015. Reports have now been received and are being reviewed and analysed with consultants.

Tourism

The post of Tourism Development Manager has now been filled by Quentin Buller and he is now working on various projects including a Tourism Summit, which is being planned for March 2015. One of his key roles would be to support the work of Visit Epping Forest which is a forum that brings together key individuals from a number of tourist destinations such as the Gunpowder Mills, Ongar Railway and the Lea Valley White Water Centre.

Staffing

The recruitment of two Assistant Asset Management and Economic Development Assistants is currently underway with the intention of appointing to these posts by mid/late March 2015.

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Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Environment

Portfolio Holder: Councillor W Breare-Hall

Recommending:

That the report of the Environment Portfolio Holder be noted.

Waste Management

I chaired the first meeting of the Waste Management Partnership Board on Monday 26 January and received an update on relocation from the Langston Road Depot in Loughton to the Biffa depots in Waltham Cross and Edmonton; the purchase of the new fleet of vehicles; collection of new materials in the recycling stream; the introduction of enhanced ICT systems and, most importantly, the move to a four day collection week (Tuesday to Friday).

At this stage Biffa are working on the new collection routes for the four day service. As soon as we have details of the resultant day and time changes, and who will be affected, residents will be informed through a district-wide publicity campaign. I will ensure Members are notified of these changes in a timely fashion.

On Monday 2 February I attended a meeting of the Essex Waste Management Partnership Board in Chelmsford. At this meeting it was agreed that the Board would replace the Inter Authority Agreement Working Group, and there was extensive discussion of the need for less extensive discussion. Accordingly, in the prevailing spirit of action, the Board agreed that one of its first priorities would be to coordinate a county-wide publicity campaign to reduce the amount of recyclable material that is discarded in black sacks. A further meeting of the Board, to discuss this campaign, is planned for March so I will keep Members informed of developments in this area.

Litter

Last year's Essex-wide "Love Essex" anti-litter campaign, which this council participated in, has been short-listed in the Keep Britain Tidy Diamond Jubilee Awards, for the Diamond Jubilee Partnership Award. It has been nominated against London's "Capital Clean-up" campaign.

Flooding

During 2013 and the early part of 2014 many properties in the country suffered damage as a result of the severe weather experienced. The Government has now extended the period for certain schemes allowing householders and businesses affected by flood damage to apply for financial assistance. Applications for support can now be made for damage experienced between 1 April 2013 and 31 March 2014.

The District Council has put in place a number of measures to support residents and businesses impacted. These measures include Council Tax Exemption, the Business Rates Relief Scheme and a Repair and Renew Grant. The Council administers the scheme for:

- Residents whose home was flooded, in the form of flood resilience
- Businesses affected by flooding, in the form of business rate relief and/or flood resilience grants

Residents or businesses that were affected by flooding during this period should contact staff dealing with business rate relief or the Private Sector Housing Grants Team as appropriate.

Unauthorised Encampments

Two gypsy caravans recently arrived at Traps Hill car park, Loughton, on land owned by EFDC. The caravans moved off the site the night before a possession hearing in court. The Environment and Neighbourhoods team proceeded with obtaining a possession order to prevent the occupiers returning to the same site and this was granted.

The caravans moved to Epping Forest College land in Borders Lane and have subsequently split up, with one remaining on College land and one moving to private land near the Wake Arms roundabout.

It is unusual in this district for unauthorised encampments (UE) to remain in the area for long periods. However, Harlow have an ongoing problem with UE in large groups (up to 90 caravans in total in the summer), simply moving from one site to another, often before any legal action can be taken to prevent them returning.

Essex Police have restricted the use of their discretionary power to remove six or more caravans from land, under s.61 of the Criminal Justice and Public Order Act 1994. There is a risk, therefore, that more UE may be on their way to EFDC in the near future and that the removal of these will rely on landowners (including EFDC) pursuing possession proceedings to evict trespassers. Unfortunately, this process that can take weeks to be effective.

Noise Abatement

A resident in Crossways, Loughton, accepted a simple Caution on 9 January 2015 for breaching a noise abatement notice to control music and amplified sound. The Caution was offered for this first offence, after the resident was formally interviewed and she accepted she was guilty of breaching the notice.

Fly-tipping

Chris Farran, of Hitchin, Hertfordshire, was fined £400 and ordered to pay the Council's prosecution costs of £705.40 (inclusive of clearance costs of £91.16), together with a Victim Surcharge of £20, after pleading guilty to two offences in relation to some fly-tipped waste found in Pick Hill, Waltham Abbey.

He had handed waste materials from kitchen refits he was working on to an unknown person without taking reasonable care that the person was authorised to transport waste and without exchanging a written description of the waste. Evidence gathered by the Council's Environment and Neighbourhoods team led to a prosecution in Chelmsford Magistrates Court on 4th December 2014.

When a business, however small, produces waste, that business has a legal 'Duty of Care' to ensure that the waste is stored and disposed of correctly. The Duty of Care applies to everyone involved in handling the waste, from the person who produces it to the person who finally disposes of it. As such, Duty of Care is one of the main ways to combat fly-tipping by keeping waste out of the hands of rogue traders who fly-tip waste for profit.

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Finance

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Finance Portfolio Holder be noted

Accountancy

This is always a very busy time of year for the Accountancy Service with the work to compile the budget and produce a variety of reports to the many meetings that consider the budget. As there is a separate report on the budget I will not say anything more about it here.

Benefits

Cabinet on 3 November 2014 gave delegated authority to the Director of Resources and I to negotiate a revised income sharing agreement with Essex County Council and the other preceptors. This follows on from the previous agreement to minimise losses on Local Council Tax Support which has been successful in the two years of its operation. I am pleased to inform Council that a new agreement has been signed. This provides funds for not only the work on Local Council Tax Support but also a wider initiative to review and examine various discounts and reliefs to ensure that these are not being fraudulently or incorrectly claimed. The County Council is often subject to criticism so it is good to be able to be positive about this ongoing joint working.

The quarter three position on the key performance indicators will be considered at the March meeting of the Finance and Performance Management Scrutiny Panel, but I will take this opportunity to give a brief update. New claim processing shows an improvement for the third quarter running. The current average time taken on a new claim is now 21.63 days, which is significantly ahead of the target of 25 days. The other processing indicator is for changes of circumstance. These are also doing well and are currently being processed in 8 days, compared to a target of 10 days.

The key performance indicators for our work on benefit fraud are showing a positive picture as well. By the end of the third quarter we were hoping to have completed 169 investigations and the actual number is 188. This is despite a member of staff suffering with a long term sickness issue. Not only has more work been done but it has also yielded better results than we had hoped. There is a target that fraud should be proven in 35% of the cases investigated but we have proven fraud in 55% of cases.

Revenues

Having touched on joint working above, I can also update on the pooling of non-domestic rates. In my report to Council in December I informed Members that

modelling had predicted a benefit across the pool of £3 million and that our share would be likely to exceed £100,000. Of course the outcomes from the pool are uncertain as they will be determined by how the economies of the participating districts perform during 2015/16. However, this is an opportunity for us to benefit from economic growth and I am pleased to report that an agreement has now been signed with nine other authorities to pool in 2015/16.

The key performance indicators at the end of quarter three are mixed for Council Tax and Non-Domestic Rates. At the end of December the in-year collection rate for Council Tax was 77.63% which was slightly ahead of the target of 77.56%. Non-Domestic Rates is behind the target of 82.33% with 78.72% having been collected. As I have reported previously, this is due to the extension in instalment arrangements this year from 10 to 12 payments. I am still confident that performance for the whole year will be close to the 97.7% target for in year collection.

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Governance and Development Management

Portfolio Holder: Councillor J Philip

Recommending:

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

Members Electronic Communications

The Local Government (Electronic Communications) Order (England) 2015, which enables the use of electronic communications to local authority members, will come into force on the 30th January.

Members may recall that in 2012 officers brought a report to the Constitution Panel on proposals for a move towards paperless agenda. Research at that time, together with an opinion of Counsel on the matter, revealed that the law actually made emailing papers to Councillors illegal, even if a councillor did not want paper copies.

At that time members asked officers to write on behalf of the Council to Minister Eric Pickles to see if he would change the law. Officer argued that the original law predated and could not have predicted the internet. The Country was using a law that was 40 years out of date.

Officers sought support from colleagues in other Councils and 17 authorities joined Epping Forest in their request for change. Since 2012 officers have pursued the matter with the minister and department on several occasions, sought support from the Association of Democratic Services Officers (ADSO) and used social media by tweeting at #askpickles Select Committee appearances during 2014.

On 7 January 2015 the order was laid before parliament. The Order modifies provisions in Schedule 12 to the Local Government Act 1972 (c. 70).

Allowing members to become more digital is an important part of giving elected members the tools they need to effectively operate and communicate. Officers will be looking at how this might be implemented during 2015-16 together with training for members as part of the members training programme. It is worth noting that this is a permissive order, that is it allows the use of electronic media it does not mandate it.

Individual Elector Registration (IER) Update

In my report to the November 2014 Council, I reported that the IER canvas had been completed but had highlighted two issues:

- a) The Council were not seeing the registration of as many 16/17 year olds as would normally be expected despite efforts to identify them using a variety of engagement methods; and

- b) Electors registering at new addresses are not providing previous addresses so there is a chance of being registered twice in our area.

These problems were as a direct result of the new legislative processes.

Officers made an approach directly to the Cabinet Office in November 2014 to seek additional funding to undertake a 'write-out' in early January to each property listing the electors we have on the register as at 1 December 2014 so that residents had the opportunity to make sure those who should be registered were, particularly as we are approaching a General Election.

The Cabinet Office made 'Maximising Registration' funding of £7,800 available in January and by utilising savings on other grants, officers were able to commission individual 'House Notification Letters' to each household which have now been delivered.

Initial results suggest that some 350 people have been able to be added to the registers in January that would otherwise not been able to vote in May. Likewise many hundreds of 'carried over' registrations have been able to be deleted by this process. The likely end position is that changes to the register will be in the thousands.

Development Management Update

Building Control continues to show good signs of recovery demonstrating a turnover of £25,442 for December 2014 which is £4,282 above budget. This compares favourably with the Three Year average of £23,279 and is significantly higher than the actual £19,036 for December 2013.

With a Year to Date turnover of £311,673 they require £74,327 to meet budget. The average monthly turnover is £34,630 which is higher than the budgeted average monthly figure of £32,166.

All they require is an average turnover for the last three months of the financial year of £24,775 to meet budget.

However based on their average actual turnover it is likely that they will finish the year with a turnover of approximately £415,000 and if this is achieved, then they are in line to achieve a surplus of £29,000 above budget.

This is an excellent position for Building Control to be in, given the significant staffing difficulties they have experienced against a background of a diminishing market share for Building Control Survey work.

Development Control (DC) continues to demonstrate a high rate of applications resulting in very good monthly turnover figures.

The latest turnover for DC for December 2014 was £77,534. Their Year to Date turnover of £594,226 already exceeds the budgeted turnover target of £515,000 by nearly £80,000.

Their average monthly turnover for the nine months of 2014/15 is £66,025, it is reasonable to assume that DC may well end up with a surplus of £594,000 plus £180,000 which equates to approximately £770,000 for the year.

If this happens, the surplus above budget may be as high as £250,000 for the year which will represent a really good income result for Development Control. In addition, pre-planning application fees for the year to the end of January are £76,000.

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Housing

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Outcome of Judicial Review Claim - Hillsden v EFDC

I am pleased to report that the Council has successfully defended a Judicial Review Claim in the High Court, regarding the implementation of the Council's Residency Criteria for our Housing Allocations Scheme

Following the introduction of the new Housing Allocations Scheme in September 2013, a housing applicant (Ms Hillsden) was removed from the Council's Housing Register, since she no longer qualified - due to her not living in the District for more than the required 2½ years.

Following an unsuccessful internal review, Ms Hillsden applied for a Judicial Review to the High Court. In summary, she felt that her case had exceptional circumstances which officers should consider. Her three claims were:

(a) That the wording of the Council's Housing Allocations Scheme is not clear and implies that the Director of Communities has discretion to allow applicants, who are not ordinarily eligible, to join the Council's Housing Register if their circumstances are exceptional;

(b) That, since local authorities are "encouraged" under the Government's Code of Guidance to exercise discretion where there may be exceptional circumstances in the case of individual applicants whatever the general criteria, our Housing Allocation Scheme should include such a provision; and

(c) That the Council did not have regard to the Code of Guidance when it considered and formulated its revised Housing Allocations Scheme

A full Judicial Review hearing was heard in the High Court on 25 & 26 September 2014, with the Judgement handed down on 7 January 2015. The Judge rejected all aspects of the Claimant's challenge, awarded the Council its costs and refused the Claimant Permission to Appeal to the Court of Appeal.

The implications for the Council, and all local housing authorities nationally, if we had lost this Judicial Review were that all local housing authorities would have to assess whether every applicant applying to join their Housing Register had any "exceptional circumstances" when assessing their eligibility - including any Local Eligibility Criteria (including any Residency Criteria). I believe that this would have caused lots of difficulties, particularly around ensuring consistent decision-making. I am therefore very pleased that the Judicial Review was successfully defended.

Open Market Shared Ownership Scheme – Review of EFDC’s Loan Values

I am pleased to report that the values of the Council’s loans provided under our unique Open Market Shared Ownership (OMSO) Scheme, which we operate in partnership with B3Living (formerly Broxbourne Housing Association), have increased by over 20% within just three years.

Under the Scheme, the Council provides interest-free loans to B3Living to enable them to fund the purchase of properties off the open market, chosen by housing applicants living in the Epping Forest District, for B3Living to then provide these open market properties to those applicants on a shared ownership (“part rent / part buy”) basis.

The applicants are responsible for funding the purchase of 50% of the property (from a mortgage and deposit) and they pay a subsidised rent on the other 50% - which is purchased by B3Living, partly funded by the interest-free loan from EFDC (which amounts to 58% of B3Living’s 50% share).

On average, the monthly cost to the applicant of their mortgage and rent is around 1/3 of the cost if they had purchased the property themselves. In addition, the amount of deposit they have to pay is around half of the amount they would normally have to come up with themselves. The shared owners can also purchase additional equity shares up to 100% of the property’s value (i.e. full ownership) – referred to as “staircasing”.

From our point of view, it is a unique scheme that assists our residents to access home ownership, through shared ownership – whilst giving them a really good choice to purchase any property (within criteria) off the open market. This is instead of them being restricted to buy a newly-built shared ownership property from a very limited range of new developments under construction (which may not be in a location that the applicants want to live, or at a price they still cannot afford).

From a financial point of view, although we no longer receive the interest that we would have received on the money that we lend to B3Living, we do receive the financial benefit of any increase in the properties’ values in respect of the share that we have funded (i.e 58% of B3Living’s 50%).

We have now completed Phases 1 and 2 of theOMSOScheme, which has resulted in 13 shared ownership properties being purchased off the open market by applicants from Epping Forest.

A recent desk-top analysis has shown that the value of the Council’s loans provided to B3Living for the first 10 properties under the Scheme has increased by an estimated 21% (£115,340) - from £552,015 to £667,355 - since the first property was purchased a little under 3 years ago, in March 2012.

I am sure that members will agree that the Scheme has not only assisted a number of local residents to access home ownership (which they would not otherwise have been able to do), it has also resulted in the Council gaining a significant financial benefit, compared to the very low interest we would have received if we had left the money in Council balances, due to the current low interest rates.

Provision of affordable housing on developments comprising less than 10 dwellings

In November 2014, the Government updated the Planning Practice Guidance (PPG) on Planning Obligations in relation to the provision of affordable housing by developers on smaller sites.

As a result, due to what the Government considers to be the “disproportionate burden” of developer contributions on small-scale developers, councils are no longer able to seek any affordable housing (or any financial contributions in lieu of on-site affordable housing provision) on developments comprising 10 homes or less, which have a combined gross floor space of less than 1,000 square metres. There is an exception for some specific rural areas, but this does not relate to any areas in the Epping Forest District.

Clearly, this will have an effect on the amount of affordable housing that can be provided within the District, despite the ongoing need.

Council Housebuilding Programme – Current Position

Phase 2 - Burton Road, Loughton

The planning application for the development of 52 new affordable rented homes at Burton Road, Loughton was refused permission by the Area Plans Sub-Committee (South) on 7 January 2015. As a result, the Council Housebuilding Cabinet Committee will be considering its options for the future of the site at its next meeting on 5th March 2015.

Development Packages

Feasibility studies for 35 of the 65 “Primary” potential development sites in the Council’s ownership have considered by the Cabinet Committee; these are in addition to the four sites in Waltham Abbey that make up Phase 1 of the Housebuilding Programme, currently on site. The approach previously agreed by the Cabinet Committee for the prioritisation of future phases and sites is on a rotational basis, in an agreed Priority Order, based on the number of housing applicants living within each location. The Cabinet Committee will therefore also be considering which sites should make up Phase 3 of the Housebuilding Programme at the March 2015 meeting.

Naming of buildings - Phase 1

With the sites in Phase 1 under construction, the Cabinet Committee have consulted Waltham Abbey Parish Council and local ward councillors on possible names for the new flat blocks and roads that are being created as part of the development. The proposals put forward by the Parish Council will also be considered at the March 2015 Cabinet Committee.

The Cabinet Committee has already agreed that the new development at Harveyfields, Waltham Abbey should be named “John Scott Court”, after the Council’s former Chief Housing Officer, District Health & Housing Officer and Joint Chief Executive - who retired in 2007 after giving 29 years loyal service to the District Council and the tenants and other residents of the Epping Forest District.

Code for Sustainable Homes

As part of the original Council’s original Development Strategy, the Council adopted Level 3 of the Code for Sustainable Homes (The Code) as its standard for all its homes built under its Housebuilding Programme.

In the meantime, the Government has announced its intention to introduce, in around April 2015, a new set of Building Regulations, which will likely lead to the Code being abolished.

The details of what can be expected in the new Building Regulations are still only at the consultation stage. However, the new Building Regulations are widely anticipated to be set at an equivalent standard to Level 4.

Simultaneously, at the request of the Safer, Greener and Transport Portfolio Holder, the Cabinet Committee has reviewed its standards and agreed that, starting with Phase 2 of the Housebuilding Programme, Level 4 be adopted for all future phases, at an estimated increased cost of around £1,250 per property.

Development Strategy

Since its formation in March 2013, the Council Housebuilding Cabinet Committee has considered a number of policies that have shaped the way the Council is delivering its Housebuilding Programme, all of which have been included within the Council's Development Strategy, adopted by the Cabinet in September 2013. Since that time, a number of new and amended policies have been developed, which have now been incorporated in an updated Development Strategy that is due to be considered by the Cabinet at its meeting on 2 February 2015. This includes the information set out above, as well as: an Affordable Rents Policy; a policy on development sites identified for Council Housebuilding that are not developable; and agreement to accelerate the Housebuilding Programme in order to ensure that all "1-4-1 Receipts" Right to Buy sales are spent within the required three years of receipt.

Housing Improvements and Service Enhancements Fund - 2015/16

For the past three years, the Cabinet has asked the Housing Scrutiny Panel to consider and recommend a proposed list of housing improvements and service enhancements utilising the additional funding arising from Government's introduction of "self-financing" for the Housing Revenue Account (HRA). This is in addition to maintaining the Council's housing stock to our new Modern Home Standard and implementing the Council's Housebuilding Programme. The service enhancements focus on improvements that provide a direct and demonstrable benefit to the Council's tenants.

After funding previous commitments and allocating a proposed £384,000 to the Major Capital Projects Reserve for future capital housing schemes, £216,000 is available for new service enhancements next year. Of this, £51,000 will be required to fund the proposed increase in the level of financial incentives offered to Council tenants wishing to downsize their accommodation (as part of the proposed new Housing Allocations Scheme) and a further £42,000 will be required to meet the HRA's costs of increasing the size of the new Corporate Fraud Team from April 2015.

At its meeting to be held on 9th February, the Housing Scrutiny Panel will therefore be considering proposals from officers for new service enhancements next year, totalling £123,000. These include:

- Introducing a more convenient, paperless, daily direct debit facility for Council tenants, to replace the 4 direct debit dates currently offered each month.
- Introducing a more convenient daily direct debit and swipe card payment facility for leaseholders.
- Providing a grant to the Epping Forest Citizens Advice Bureau to continue employing their two temporary full-time Debt Advisors for a further year, to mitigate the ongoing impact of the Government's welfare reforms

- Extending the opening hours of the Limes Centre Office, Chigwell into the afternoons as well as the mornings, enabling the range of services provided from the Office to be extended.

The Housing Scrutiny Panel will be making its recommendations on the proposed service enhancements to the meeting of Cabinet in March 2015.

Proposed Council rent increase and increase in charges for tenants in housing for older people – 2015/16

The Finance and Performance Management Cabinet Committee has made its recommendations to the Cabinet (due to be considered on 2nd February 2015) on the Council rent increase and the charges for sheltered housing from April 2015.

In accordance with the Government's Social Rents Policy - which requires councils and housing associations to increase rents each year by a maximum of the Consumer Prices Index (CPI) for September plus 1% - the recommended Council rent increase next year is 2.2% (since the CPI for September 2014 was 1.2%). This is generally the rent increase that councils and housing associations across the country are applying for next year, and will increase our average Council rent by £2.10 per week, to around £97.54 per week. This can be compared to last year's much higher rent increase of 4.9%.

With regard to the charges for sheltered housing, the Council currently receives funding of just over £300,000 from Essex County Council towards the cost of providing the Council's Careline and Scheme Management Service to older Council tenants in receipt of housing benefit who live in sheltered housing. However, from April 2015, this is being cut by £133,000 per annum (43%).

I have therefore undertaken a review on how this lost income can be replaced through the charges made to service users. For the Careline Service, the Cabinet Committee agreed my proposal to spread the required increase in charges to service users (amounting to 54p per week) over the next two years. Therefore, the charge for the Careline Service will increase by 27p per week from April 2015, with tenants in receipt of housing benefit (who currently pay nothing towards the cost) meeting this additional cost themselves for the first time.

However, members will be pleased to hear that not only does the Council currently make the lowest charges for Careline services in Essex, this will continue to be the case after this proposed increase.

With regard to the Scheme Management Service at sheltered housing schemes, the Cabinet Committee agreed to recommend to the Cabinet a number of proposals following my review.

Firstly, it is proposed that a new service charge be introduced to cover some of the work currently undertaken by our Scheme Managers, that can be re-classified as "Intensive Housing Management". One of the resultant benefits is that older tenants in receipt of housing benefit are eligible to receive housing benefit to cover this cost, yet it has no adverse effect on tenants who are not in receipt of housing benefit - who already meet this cost themselves.

Secondly, although the Housing Related Support Charge should be increased by 10% to recover the lost income from the County Council, it is proposed to increase all Support Charges to tenants in sheltered housing by just 5% from April 2015, with tenants in receipt of housing benefit meeting this increased charge themselves, again, for the first time.

Thirdly, it is proposed that the credit made to the accounts of tenants in receipt of housing benefit to meet their Housing Related Support Charge is reduced by 8% next year.

Overall, from April 2015, sheltered housing tenants in receipt of housing benefit will have to pay £1.27 per week for their combined Careline and Scheme Management Service for the first time, with those living in “Area Schemes” paying 52p per week. The overall increase for tenants not in receipt of housing benefit will be 71p per week and 39p per week respectively.

Finally, it should be noted that, as a result of spreading the required increases in charges over two years instead of one year, in order to dampen the financial effect on our tenants, the Housing Revenue Account (HRA) will be subsidising the loss of the Essex CC funding by around £58,000 during 2015/16.

Housing Strategy Key Action Plan – 2015/16

At its meeting to be held on 9th February 2015, the Housing Scrutiny Panel will be considering in detail a new Key Action Plan for the Council’s Housing Strategy formulated by officers (comprising 36 separate actions), prior to my adoption.

The Key Action Plan sets out the proposed actions to be taken by the Council to contribute towards the achievement of the Housing Strategy’s objectives over the coming year; progress with the Key Action Plan will continue to be monitored on a six-monthly basis by the Housing Scrutiny Panel (or its successor body) in the normal way, commencing July 2015.

Report to the Council

Subject: Leisure & Community Services

Date: 17 February 2015

Portfolio Holder: Councillor H Kane

Recommending:

That the report of the Leisure and Community Services Portfolio Holder be noted.

Community Services:

Following the Council's Directorate re-structure in 2014, a further series of reviews have been undertaken for services within each of the new directorates.

Within my area of responsibility, in the Communities Directorate, the individual services that previously formed the Community Services Department, which were Community Arts, Sports and Health Development, Community Development, District Museum and Young People, have now been amalgamated into two key service functions, these being:

- Museum, Heritage and Culture, and
- Community, Health and Wellbeing

As part of this restructure, we are planning to accommodate all Museum, Heritage and Culture staff at the new District Museum facility in Sun Street, Waltham Abbey, and for the Community, Health and Wellbeing staff to be transferred to the Civic offices to be centralised with corporate colleagues. There are several benefits to this re-organisation, but the key one, is that the vacation of staff from the Hemnall Street Offices, will enable the Council to look at alternative uses for the buildings, with the aim of increasing revenue income for the Council in 16/17.

We also anticipate that the centralisation of these services at the Civic Offices will enable the Council to benefit from enhanced collaborative working with corporate colleagues in order to increase the potential to attract external funding for corporate-wide projects.

General Update

The Epping Forest Youth Futures programme has seen weekly workshops being delivered in 3 secondary schools since January. In each school, groups of 12 young people referred by teaching staff have participated in interactive classroom based sessions to improve their confidence, self esteem and general wellbeing. Since the Youth Futures programme was developed in 2013/14, the feedback from pupils and staff has been extremely positive and in many cases, young people no longer have absences from school and their attitudes towards their education have improved significantly.

In addition to the Youth Futures work that takes place in schools, a further 5 long-term NEET young people have just completed the Land Management course at the Lambourne End Outdoor Centre in Lambourne. This course was designed and developed by Epping Forest Youth Futures (an EFDC initiative) in conjunction with the centre.

The Community Cafe based at The Limes Centre is going from strength to strength with new volunteers leading the weekly sessions. The Cafe provides an opportunity for local residents to meet socially, whilst also being a point of contact for key agencies to actively engage with the community.

The newly introduced Norway House After-School Club which is provided by Council staff is growing in popularity with new families coming along each week. The club provides an important platform for children living at Norway House to make friends whilst based in the Hostel and parents have reported that their children feel less isolated as a result of the group sessions.

Reality Roadshow, which is the Council's locally designed safety programme for young people in secondary schools, is scheduled for delivery in St Johns School on 6th Feb and Roding Valley High School on 9th March. I am pleased to advise Members that every Year 9 pupil in the district will participate in Reality Roadshow this year, with scenarios being delivered by Essex Police, Safer Places, AlcoHelp, the Drugs Advisory Service and ex-offenders. This initiative is seen as crucial in the efforts to raise personal safety awareness amongst teenagers, at a time when issues around self-harm and substance misuse are increasing nationally.

Community Services has been commissioned by Essex County Council to develop and implement a 10 week programme of work, which provides an alternative learning environment for pupils with special learning needs in Year 3 & 4. It aims to develop children's confidence in their own capabilities and nurture their emotional and social development. The programme is delivered to the same cohort of children for one hour each week and the sessions consist of 30 minutes of creative activities within a classroom (recorded with worksheets) followed 30 minutes of physical activity. Each pupil is given a special folder to collate and showcase their work and each week they work towards setting goals. They each receive mentoring by the Coach provided by the Council and their Teaching Assistant to help them achieve their goals/targets. The project has commenced delivery and will work with 11 primary schools that have been identified by the Extended Services Co-ordinator for Epping Forest South Local Delivery Group. The project is currently delivering in three schools in Waltham Abbey (Upshire, Leverton and Hillhouse). I can update members on the remaining schools in my next report.

The Arts Council England funded touring exhibitions programme produced by Museums heritage and Culture has recently launched an exhibition on the Cold War, which draws on many links within the district. The exhibitions team is currently leading a group of 28 students aged 17 -19, at Epping Forest College to develop a new exhibition 'Mythical Beasts', which will launch at the end of March 2015, in a new exhibition space at the college. Bookings for the exhibitions produced are still being taken from museums across the east of England and beyond. These are providing an income for the service, while also promoting the district and advertising the museum.

The Education Outreach Service provides history workshops in Primary Schools supporting topics in the History National Curriculum. Pupils have the opportunity to work hands on with real historical objects to develop their knowledge, skills and understanding of the topic in question.

In September 2015 the new National Curriculum was introduced, bringing significant changes in the content maintained primary schools had to deliver. A completely new topic, Life in Britain from the Stone Age to the Iron Age, was introduced. This presented many challenges for teachers as the speed of the change meant there were very few resources to support the teaching of this topic, and for many people it was a complex subject they had no prior knowledge or experience of.

The museum's Education Outreach Service was able to offer support to teachers on this new topic, both through teacher training to build subject knowledge and confidence, and in a new workshop for schools that gave pupils the opportunity to work hands on with some of the oldest objects in the museum's collection. The museum was offered the opportunity to work in partnership with the Museum of London in developing the teacher training and schools resources, and was the only museum to be asked to do this. Since September 2014, the museum has worked with 18 schools throughout the District and beyond, delivering 41 workshops on this topic to over 1,100 pupils. It has also delivered 8 teacher training sessions on Prehistory to 27 teachers.

Demand for other workshops offered by the Education Outreach Service has also remained high. From October to December 2014, workshops were delivered to over 1500 pupils – one of the highest returns for a quarter to date. Jan 2015 has also been the busiest January to date with over 600 pupils taking part in workshops. Demand for the museum's loan boxes in which schools hire a set of resources to use in school themselves also remains good.

With funding from the Heritage Lottery Fund, as part of the museum development project, the service has expanded its public social media engagement, using Facebook, twitter, blogs and newsletters to supplement the online resources provided by our websites with over 9000 contacts being recorded in December accessing the service through this route. The museum is also becoming increasingly well regarded within the sector for the work it does in this area.

As part of our Heritage Lottery Funded project, Museums, Heritage and Culture have also been developing the support and opportunities we offer for volunteer engagement in supporting the work we do. Between October and December we logged over 250 hours of volunteer time given to support the service. With volunteers undertaking work in; collections care, exhibition preparation and supporting staff at events.

Volunteering opportunities will be increased in all areas of the work we undertake over the next year, with volunteers receiving training and support. Volunteers are drawn from a wide range of age groups and abilities; including people with an interest in this area of work and the time available to offer support, to those looking for opportunities to develop their CV's, people looking for opportunities to gain skills as a way back into work and others who benefit from the social aspect of being involved in this project.

Museums, Heritage and Culture is now in the third year of operating the Lowewood Museum on behalf of Broxbourne Borough Council. The period has seen a growth in audiences for the service overall and while the museum in Waltham Abbey is closed, it has been possible to provide a continuity of service at Lowewood. The wider geographical reach of the service has been welcomed by our key external funders; Arts Council England, The Heritage Lottery Fund and Share East.

On the 27th January Lowewood was host to a Broxbourne Council event to unveil a monument to the victims of the holocaust and worldwide genocide.

A current programme of exhibitions and events covering the period January to June 2015 has been produced and 2015 is being marketed as the 'Year of Heritage' in Broxbourne. The Museum is preparing an exhibition on the author Anthony Trollope and his links with the Borough as part of this programme. This will open on the 4th April 2015.

As part of our programming we are also piloting a number of new initiatives which will be adopted at the Epping Forest District Museum when it re-opens later this year. Among these was a particularly significant first for the museum was the delivery of Takeover Day at Lowewood Museum. This national programme gives young people the opportunity to take over a museum for a day. We worked with a group of 11 students from Broxbourne School

to create an exhibition, develop education activities and deliver an opening event at the museum itself on the 21st November 2014. Over 70 people attended on the day, and 30 pupils from a local primary school also visited to take part in the activities the students had developed.

With external funding from Share East and building on the resources we have in both museums to support reminiscence work, we have started a project to develop 6 'memory' boxes, which can be hired free of charge by local community groups. Each box will cover a decade, containing nostalgic original objects.

Transitions : Funding has been secured to print the Transitions resource pack developed with Essex County Council. The resource was developed with care homes and residents and focuses on those living with dementia. The pack is being given to all care homes in the district along with the opportunity for workshops for residents.

Creativity Awards: There were six award winners of the Creativity Awards this year ranging from theatre groups to individual musicians. The overall winner, who is studying operatic singing, will be performing in five community venues for free for residents in the district.

Motiv8: Work is underway in developing the annual dance showcase in partnership with the college. The event sees hundreds of young dancers given the chance to perform to friends in family.

Half Term Holidays: Community Services will be providing a wide variety of events and activities over half term for children and families, from a theatre show in Epping and a free library event in Loughton to playschemes and multi-sport sessions for children and young people with additional needs. I have included further details of some of these below, but Members can find out further information by contacting Community Services.

The Epping Forest Inclusion Project is providing 3 holiday sessions for children and young people with various additional needs. These include a Multi Sports Camp, with trampolining and siblings are also welcome to join in this activity, 'Own a Pony' morning where children get the chance to groom, feed, muck out and ride a pony over a 2 hour session and 'Yogini Tinies' workshop, which includes yoga using creative play, storytelling and music.

The Six For All Project for young people and adults with additional needs, will be providing a Bounce and Swim session that will include one hour of trampolining and a swimming session.

Leisure Management

In accordance with the Council's Leisure and Cultural Strategy adopted in December 2014, the appointment of specialist consultancy support to assist in the competitive dialogue process for the next Leisure Management Contract has commenced. I intend to form a Portfolio Holder Advisory Group to assist in this project, which is of significant importance to the Council and local residents. I will keep Council advised of progress on the project highlighting the key milestones and timescales.

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Planning Policy

Portfolio Holder: Councillor R Bassett

Recommending:

That the report of the Planning Policy Portfolio Holder be noted

Local Plan

Local Plan timetable/workshops

The Local Development Scheme agreed by Cabinet in July 2014 proposes that the next stage of consultation on the draft plan/preferred option is to run in the summer of 2015. This would be followed by analysis of the responses and the preparation of a pre-submission plan for publication in early 2016. Once we have the outputs from SHMA and Green Belt Review we will look at dates and provide members with an update.

We are looking to arrange the next Local Plan member workshop at the end of March. The exact content depends on completion of various reports that have been commissioned and updates of information we have received and impacts on our plan. We have seen from the Uttlesford examination in public the difficulties that can occur and impact of the production of the Local Plan. As soon as we have a confirmed date we will let members know via the Bulletin.

Update on key evidence work

Strategic Housing Market Assessment update: One of the key pieces of evidence work is an update of our Strategic Housing Market Assessment (SHMA) in conjunction with the other authorities within our Housing Market Area: East Herts, Harlow and Uttlesford. This work is progressing well and we expect to receive a draft final report towards the end of February with a final steering group on 2 March 2015. The timetable slipped as we commissioned two additional pieces of work: the first to ensure that the economic activity scenarios match with the appropriate job growth projections for each District, the second to run a scenario based on intercensal population change which would more assess the projections for migration. We obtained agreement from the other three authorities to commission this work in December and this is now being used as the basis for identifying the Objectively Assessed Need (OAN). The consultants are now looking at housing mix and affordable housing to include in the final report. As Uttlesford recently discovered, this has become an increasingly important issue with Inspector's questioning OAN, the relationship between the housing need evidence in the SHMA and employment forecasts.

Economic and employment evidence: Hardisty Jones has provided their interim findings on economic and employment evidence to support both the Local Plan and Council's overall Economic Development Strategy. Officers have provided comments

and a meeting has been arranged to discuss comments on the interim findings. This work will need to incorporate the work commissioned by economic development on Waltham Abbey Town Centre and the Essex County Council commission for an Essex Economic Growth Strategy. Once finalised, this report will be reported to Cabinet alongside the report on the SHMA.

Green Belt Review: The fieldwork for Phase 1 of the Green Belt Review in the District to undertake a comprehensive high-level review of all Green Belt land across the District to identify its contribution to the Green Belt, as stipulated in the NPPF has now been substantially completed and is being mapped and written up. It will identify both the primary functions of the Green Belt, which deliver the national purposes, and in particular whether there are areas of the Green Belt land which no longer contribute towards the national purposes or contribute the least to these.

An officer working group meeting is scheduled in March to discuss initial findings and to feed into the report. It is then proposed to share the findings of Phase 1 with the Town and Parish Councils in accordance with the Cabinet's decision, before reporting to Cabinet on the findings and undertaking Phase 2 more detailed work. As we want to use the outcomes of the updated SFRA1 and transport accessibility work to sieve sites to inform the more detailed assessment, it is likely that this will happen immediately after the General Election with a report to June Cabinet.

This will set out the proposed methodology and work programme for Phase 2. A number of our neighbouring authorities are also currently undertaking Green Belt reviews. To ensure consistency of approach at the Cooperation for Sustainable Development Board meeting on 27th January it was agreed to share information regarding methodologies and findings of evidence base work including Green Belt reviews.

Strategic Land Availability Assessment: An update of the Strategic Land Availability Assessment has been completed as part of the Local Plan evidence base. A summary note of the findings will be placed in the bulletin.

Plan viability: The contract for the work on plan viability being undertaken by Dixon Searle Partnership, which will also inform policy choices on CIL/S106, is underway. The timetable has been revised, in discussion with the consultants, to enable the general direction from the Members' workshops on options and outcomes from strategic flood risk assessment and transport accessibility to inform the consideration of viability. Officers are meeting with the consultants on 6 February 2015.

Duty to cooperate: Officers have been meeting regularly with the appropriate authorities to consider cross boundary issues including the update to the SHMA and identifying the objectively assessed housing need, the approach to Green Belt reviews being carried out by several authorities, and identifying the functional economic area. The consultants' final SHMA report will be considered at the next officer and member group meetings to be held on 2 and 16 March respectively. At the recent Sustainable Development Board meeting members had a presentation from John McGill on current West Anglia mainline, Crossrail 2 and also a presentation from Essex County Council updating on M11 Corridor junction including Junction 7a.

Following the previous meeting held last October, Councillor Whitbread wrote to the Chairman (copied to all other members of the group) to advise that we had concerns that the emerging figure for the Objectively Assessed Housing Need for the SHMA might mean we will be unable to meet our full housing need. This is a precautionary

measure in the context of the recent planning practice guidance published on 6 October 2014 which reiterates the advice in the National Planning Policy Framework that local planning authorities should meet objectively assessed needs. Once need has been assessed the authority should take account of any constraints such as green belt which indicate that development should be restricted. The Leader has asked that the next meeting of the Member Board should discuss how the objectively assessed need could be met by the wider SHMA area.

Uttlesford Local Plan examination:

The PINS Inspector raised fundamental concerns regarding the soundness of the Uttlesford District Council's draft Local Plan. These focussed on:

- i) the housing numbers derived from an out dated SHMA and objectively assessed need for housing (OAN) and;
- ii) the potential expansion of the village Elsenham, in particular concerns about the capacity of the local road network in the absence of committed significant infrastructure improvements.

In a letter subsequently sent to Uttlesford DC on 19 December 2014, the Inspector concluded that he was not able to recommend adoption of the plan as submitted. He advised that the options for the Uttlesford District Council were either to continue the examination, but with the inevitable conclusion that he would not be able to recommend changes which would make the plan sound, or to consider withdrawing the plan. Uttlesford District Council decided to withdraw. The Council are now considering the additional evidence work required in order to address the Inspector's concerns and revising their Local Plan timetable accordingly.

Neighbourhood Plans: Moreton, Bobbingworth and the Lavers produced a revised draft Plan following the critical friend advice received from an NPIERS examiner. Officers have met with representatives and provided informal comments and advice and are currently undertaking a screening opinion on the requirement for Strategic Environmental Assessment which is a necessary part of the process. Once this has been completed we will then need to agree with the parish whether the plan is ready to go for examination. As no objections were received following consultation, Buckhurst Hill Parish Council was designated under delegated powers on 5 December 2014 as a neighbourhood area for the purposes of making a plan. . Loughton Parish Council has recently applied for their parish to be designated and a six week consultation on this proposal will be undertaken. North Weald Bassett Parish has also submitted an application. We have received one comment from the developer of Latton Priory about the area to be designated. As a result officers met with the Parish in December to discuss this matter which will be the subject of a report to Cabinet in March.

Planning Policy Team staffing

Following appointment of the Planning Policy Manager, the structure of the rest of the team has been reviewed through a job evaluation panel undertaken in December. As a consequence we are currently advertising to appoint 2 career grade planning officers and an administrative support officer to replace the previous post holder who resigned in December. Following interviews arranged in February, we hope to be able to appoint to these posts and have a fully staffed planning policy team shortly after Easter.

Lea Valley Food Task Force Update

The partnership has been refocusing its work programme around three work streams.

Planning policy, a draft paper has been produced following consultation with neighbouring councils in Broxbourne and Enfield that explores a more coherent and coordinated approach to the glasshouse industry across local boundaries. A workshop with relevant planning officers is being convened to look at how this might be progressed operationally. London Borough of Enfield has confirmed a grant of £10,000 to enable work on this and the projects below to be supported.

Employment Bridge, this work stream is exploring ways to ensure that unemployed people in the participating council areas can be supported to access existing jobs in the industry across the Lea Valley area. Negotiations with the Dept of Work and Pensions are at an advanced stage to enable a full time secondment of an officer to One Epping Forest to manage and support this programme across three jobcentres.

Institute of Food Security, £20,000 funding from POD West Essex has been secured, with support from Harlow and Uttlesford District Councils, to commission consultants to examine the feasibility/desirability of establishing a research centre of excellence in Lea Valley. The Brief for Consultants is currently being drawn up on behalf of the Task Force by Adap+ based at the University of East Anglia.

NVQ/Glasshouse/Horticulture Qualification, the partnership is participating in a national Trail Blazer programme with LANTRA and central government to support skills development in the industry. In addition up to £35,000 from Essex County Council has been identified to potentially support the development locally of new specialised qualification specifically designed around the needs of commercial organisations linked to the industry.

EU Partnerships, the Task Force has been recently contacted by organisations representing the growing industry in Holland to potentially participate in a joint approach to EU Funding on BioBoost projects. The overall objective of BioBoost is to pave the way for de-central conversion of residual biomass to optimised, high energy density carriers, which can be utilised in large scale applications for the synthesis of transportation fuel and chemicals or directly in small-scale combined heat and power (CHP) plants. A representative of the taskforce met with possible partners from Holland and Belgium mid January to discuss further. This is at a very early stage and officers are currently exploring opportunities and potential benefits to a combined approach. We think it is, on balance worth at least doing the Expression of Interest and the overall bid might be around 4m euro split three ways.

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Safer, Greener & Transport

Portfolio Holder: Councillor G Waller

Recommending: That the Report of the Safer, Greener & Transport Portfolio Holder be noted.

Community Safety

The Community Safety Team has had a very active start to the year. Cross border networking meetings continue to be held monthly in Chigwell and are demonstrating excellent co-operation between the Council's Anti-social Behaviour Investigators, Essex Police, the Metropolitan Police, British Transport Police and other organisations when required. This initiative is managed by the Council's investigators, thereby promoting consistency and continuity at times of regular staff changes on the part of the police. An example of recent work involves identifying a persistent offender from the Metropolitan Police area who was also committing crime at Limes Farm. Working with the Metropolitan Police, the Council's investigator has provided a community impact statement about the effect the offender is having on the community at Limes Farm. With the Council's support, the Metropolitan Police are applying for a new Criminal Behaviour Order as a result of the offender's activity, and one of the prohibitions will include a ban on entering the Limes Farm area.

Following the recent Council re-structure and the Community Safety team's placement in the Communities Directorate, I am pleased to report there is good integration with Housing officers. Strong links are being built, and ASB Investigators meet regularly with Housing teams providing support, advice and direction in relation to more complex ASB issues. It is expected that this will provide prompt identification of developing problems, allowing for earlier and more effective interventions.

CCTV continues to be used to good effect. Officers were called out on New Year's Day at the request of the Metropolitan Police to download footage relating to a serious crime. Officers were able to identify a vehicle used by the offender and obtained a full registration plate, as well as being able to provide identifiable details of the vehicle. This remains an active investigation led by the Metropolitan Police. CCTV also identified a vehicle involved in fly-tipping in the Bobbingworth area, and details of the vehicle have been passed to the Council's Neighbourhoods Team for investigation.

The Council's CCTV officer was recently asked by Essex Police to give a presentation at Police Headquarters to police and council licensing officers covering the whole county. The presentation covered the basic requirements licensing officers should consider recommending when dealing with licensed premises. Attended by 25 officers, the presentation was very well received, illustrating the high regard in which officers from the Council's Community Safety team are held.

The Community Safety team is working closely with Essex Police Architectural Liaison officers to provide advice and encouragement on new developments to build to Secured By

Design standards. This is crime prevention at a very basic level but a cost effective way of delivering community safety by designing out crime. The Community Safety Officer has recently been successful in achieving a City & Guilds Advanced Certificate qualification in Environmental Design and Crime Prevention.

The Community Safety team dealt with 469 incidents in 2014, representing a 23% increase from the previous year. The team dealt with 253 requests for CCTV downloads in 2014, which is an increase of 27% on 2013.

Safeguarding

The Council's Safeguarding Officer has now submitted the annual Section 11 self-assessment audit and the Vulnerable Adults audit, as required by Essex County Council and Essex Safeguarding Children and Adults Boards. This is part of an annual, county-wide audit involving a wide range of public sector agencies including key organisations such as schools and the NHS.

The submission deadline for audit responses was 30 January 2015, which provided a three month window for organisations to collate the necessary information, as far more detailed submissions were required this year. This included the production of a wide range of associated new documents as well as copies of written evidence relating to the Council's application of Safeguarding measures, with agendas and minutes of relevant meetings that had to be uploaded as part of the assessment. The range of new documents required for the audits included new EFDC policies and strategies for Child Sexual Exploitation, Domestic Abuse, Honour Based Abuse and the Prevent agenda, as well as a complete refresh of the Council's Safeguarding policy and procedures.

The submission was signed off by the Council's Management Board in January and the information will now be assessed by Essex Safeguarding Children and Adults Boards, which will produce a report on the effectiveness of each local authority in Essex.

Last year, the 2013/14 safeguarding audit demonstrated that the Council was only partly meeting its responsibilities, with 55% effectiveness in some areas. This led to a request for additional resources to apply to Safeguarding, and subsequent approval was given by Cabinet for a DDF item to enable the appointment of a Safeguarding Officer and Administration Assistant. I am pleased to say, that following successful appointments to these two posts and the capacity that this has created to address areas for improvement, the Council has fared much better in the recent audit, with an average of 80 – 85% effectiveness and in some areas reaching 100%.

However, the Safeguarding agenda is constantly changing, with new issues and responsibilities emerging all the time, including new legislation such as the Care Act, which has already had an impact on the language used to describe 'Vulnerable Adults'; we therefore need to ensure that the Council keeps abreast of these changes and continues to meet its duties to local residents. The Council's Safeguarding Officer is already working on the development of an Action Plan to address these new areas and make improvements in current practice.

The initial findings of the audit are available for any Members who wish to have more details of how the Council is meeting its duties. The new Safeguarding Policy and Procedures for the Council will be reported to Cabinet in March, but is available on the Council's intranet for reference by staff and Members.

I would like to remind any Members who are yet to undertake Safeguarding training that we have a Members' training session planned for Tuesday 24 February between 6.00 and 7.30 pm.

Countrycare

Since the last Report Countrycare has been participating fully in the National Tree Planting week, with 230 trees planted at two sites in Loughton at the request of Cllr David Wixley and Loughton Town Council.

The usual well attended Thursday volunteer programme has continued across the District. Just before Christmas a special lunch was arranged for the volunteers at Linders Field, Buckhurst Hill to thank them for their work during 2014. At this time of year the team are working on the hedgerows around the District, and hedge-laying has taken place in North Weald and Thornwood.

Despite some very wet Thursdays in the first few months of 2014, Countrycare recorded 670 volunteer days overall during the year. While this is a slight decline on 2013, the wet weather experienced in 2014 played a significant part in the reduction. As many as 53 people came out volunteering during the year including 10 who were new to volunteering. The total of 670 volunteer days equates to 4020 hours of volunteer work which, at an assumed rate of £7 per hour, represents a saving to the Council of £28,140. A total of 50 tasks were organised during the year, averaging 13.4 volunteers per task.

In recent high winds Countrycare have dealt with fallen trees in the reserves at Chigwell Row, Norton Heath, Buckhurst Hill and North Weald. Routine maintenance on the reserves has included footpath clearance, hedge cutting, re-pollarding trees and scrub clearance from grassland areas.

Countrycare has also been allocated the management of a new site at All Saints Church, Nazeing, with a remit to make it more wildlife-friendly. Work is beginning in February.

Trees and Landscape

The tree and landscape team have been active across a variety of fronts. The total number of TPOs for 2014 was 28, slightly more than average. Recent orders mostly relate to development pressures, but include a strategic TPO to protect the most important trees at Garnon Mead, Coopersale.

The team has also given advice on the usual range of planning applications with potential tree and landscape impacts, as well as continuing to follow up on the implementation of conditions, several contraventions and dealing with applications for works on protected trees. Advice on planning applications has ranged from impacts on single trees to intended large scale housing development in the green belt. In those cases the officers have made use of the agreed Settlement Edge Landscape Sensitivity Studies, which proved very useful in distinguishing those sites where development would be most damaging, and particularly where the effects could not be successfully mitigated by planting or design. Recent TPO applications include a proposal to remove two prominent trees, a Redwood and a Cedar at Fir Trees, Palmers Hill, Epping, on grounds of alleged subsidence. The initial assessment found that the evidence was clearly short of what would be required to determine the application; the applicants have been invited to withdraw.

The team has also been working with Countrycare in preparing the ground for a programme of future Community Tree Strategies, following a promise of significant external funding for 2015. Meanwhile work has begun on putting the Loughton Community Tree Strategy into action, as well as assisting Theydon Bois Parish Council with their Landmark Tree project, the results of which will be recorded on the Favourite Trees website.

Fuel Poverty

Professor Sir John Hills undertook a review of fuel poverty in 2012 and, as a result of his findings, the Department of Energy and Climate Change (DECC) carried out a consultation on a new fuel poverty strategy for England in the autumn of 2014. It is currently anticipated that the Government will issue its new Fuel Poverty Strategy and fuel poverty targets before the General Election.

Currently a family that has to spend more than 10% of its average weekly income to attain a reasonable level of heating is considered to be in fuel poverty. The consultation proposes a new definition with fuel poverty occurring when a household's residual income after fuel costs leaves them below the official poverty line.

The previous fuel poverty target proposed ensuring no one was living in fuel poverty 'where practically possible'. The proposed new statutory target will be to ensure as many homes as is reasonably practicable achieve specified minimum energy efficiency standards by 2020 and thereafter by 2025 and 2030.

The Council has information dating from 2011 on the number of its residents in fuel poverty using the current definition. This shows that an estimated 18%, equating to approximately 8,000 private sector homes in the District, were living in fuel poverty at that time. The Council also has some data on the energy efficiency of both private sector housing and its own stock. However, the Council currently has no data on levels of fuel poverty under the proposed new definition.

The Council will have to determine what action it needs to take to meet the targets in the new Fuel Poverty Strategy once it is published.

Car parking

Car parks strategy

Following the Cabinet decision on 2 February relating to the revised off-street car parking strategy, implementation plans are now proceeding. These include the procurement of new 'smart meters' to replace the old pay and display machines, the installation of new CCTV systems and improved lighting.

Although it has been agreed that tariff increases should take place in some car parks, the following measures have been designed to assist traders and visitors to our high streets and town centres: the retention of a 30 minute tariff; no increases in Waltham Abbey and Ongar car parks except for an increase from 10p to 20p for half an hour; two hours free parking at weekends; free parking at weekends and bank holidays in December; and free parking for Blue Badge holders. Charging at the Civic Offices car park will be introduced, with free parking for visitors to the Council.

Parking Reviews

Essex Highways are finalising the legal paperwork for the official Traffic Order which will enable the introduction of the new parking restrictions at Buckhurst Hill to take place. In parallel, the design drawings and related information have been submitted for the preparation of cost estimates to carry out the signing and lining work.

North Essex Parking Partnership (NEPP)

At the most recent meeting of the NEPP Joint Committee on 11 December, held at the Civic Offices in Epping, the Committee agreed that a review of the Partnership's off street function should be carried out. This work has now begun and I shall seek to ensure that

the outcome of this review results in a reduction in cost to this Council.

At the next meeting of the Committee on 12 March, I shall be nominating the next tranche of highest scoring schemes in the District. The relevant Ward Members will be contacted directly by officers to seek their views on the proposed changes.

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Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Technology and Support Services

Portfolio Holder: Councillor A Lion

Recommending:

That the report of the Technology and Support Services Portfolio Holder be noted

Support Services

Mast Lease Money - Staff Budget

Members may be aware that the Council leases roof space to one of the mobile network operators for a communications mast. Members agreed for the money from this lease to be used to contribute to projects for the benefit of staff. Any suggestions and the allocation of funding need to be considered and agreed through The Joint Consultative Committee (JCC). So far these have included refurbishment of the staff canteen, the provision a pool of loan bikes and staff shower facilities. The Joint Consultative Committee (JCC) agreed last year that some of this money be used to purchase £20 Marks and Spencer vouchers for all staff for Christmas. The Assistant Director (HR) has informed me that there had been a number of appreciative emails and notes from staff across the organisation, thanking the Council for the vouchers. For most staff it was a pleasant surprise.

There is still money available to spend from this budget and staff have been asked to submit suggestions for projects. The Committee has set up a Working Group, consisting of both staff and Member representatives, to look at the suggestions in more detail and the first meeting took place in January. The intention is that staff will be consulted further on what projects should be taken forward. A further meeting of the Working Group will be arranged for mid-February.

Apprentices

The Council's Corporate Apprentices gave an informative presentation to the JCC regarding their experience of the Council's Apprenticeship Scheme. The Members of this Committee have requested that they also present to the Overview and Scrutiny Panel in the near future.

Since the presentation to JCC one of the Apprentices, applied for and has been appointed to a part-time Clerical Assistant post in the Business Support Team within Resources. She will continue on the Apprenticeship Programme for the other half of her time. She joins Louis Walton as the other apprentice who has gained employment with the Council.

HR will be looking to recruit at least 5 more apprentices this year and initial publicity for the Council's scheme will coincide with National Apprentice Week which starts on 9th March. The Council will also be working with the County's Employment and Skills team to search for suitable candidates.

Members may wish to know that the Council took part in the annual Careersfest that took place at Epping College in January. The Council's stand was organised and led by our

current Apprentices. The aim of the Careersfest is to discuss the Council's Apprenticeship Scheme with year 11 to 13 students.

Energy Savings

Smith Bellerby, an energy cost reduction company, have been engaged to identify potential savings, streamline the processing of invoices and verify the accuracy of energy data held. The Council's annual energy costs are approximately £750,000. The company are already working with a number of other Essex Local Authorities and have made savings of between 3 and 8%. This contract commences in February and will initially be for 1 year.

Solar Panels and roof works to the main & Conder buildings

The installation of the solar panels is dependent on roofing works being completed. Roofing repair and strengthening work will begin 16th February. The solar panel installation will start early in the new financial year and should be completed by June.

Window replacement works to the main building

Work to replace the windows in the main building is due to commence on the 30th March. Scaffolding will be erected initially at the back of the building before transferring to the front. It is anticipated that the works will be completed by July.

Technology

ICT Showcase

During the year ICT present showcases, highlighting examples of new technology and how it can improve the way we work. Following on from last year's successful events, the first ICT Showcase for 2015 will be held in the ICT training room on 10th February.

Areas that will be covered include;

- Flexible and Mobile working technology - overview and solutions including the Corporate Wireless network
- ShoreTel Phones – how to get the most out of the new phone system.
- Good – demonstrating new applications.
- ArcGIS Mapping – project update
- Windows 8.1- open workshop

These facilities have benefits to Members as well as staff, and all Members are encouraged to visit the showcase and discuss show technology is improving the way we work.

Host Servers

The servers have been installed and configured, with testing currently underway. The migration process will be commencing shortly and the major systems such as telephony and email will be completed out of hours to avoid any impact on frontline services. However, weekend work and potential system downtime is a possibility for other systems although ICT will do everything possible to minimise any disruption. It is anticipated that this exercise will conclude by the end of February and will contribute to a more robust and reliable infrastructure.

Building Control mobile working trial

ICT have been working with a local company called 'Swivel', to develop an Android mobile Phone based application to capture Building Control data to be used by officers whilst working on site. This is an initial pilot trial and feedback from staff will be used to further enhance this application and if successful will be introduced across building control.

Calling Line Identity

A feature of the new telephony system is the sending of calling line identity. This means that extension phone numbers can now be sent on most outgoing calls from the Council and displayed or recalled by recipients dialing 1471. Previously concerns had been expressed that some people might not pick up calls from the Council if the caller number was withheld, believing the calls to be unsolicited. Feedback received so far has been very positive.

Superfast Broadband High Speed Internet

Epping Forest has been selected by Essex County Council to partner for Phase 2b of Superfast deployment called The Rural Challenge Project. This has the potential of providing Superfast services to rural communities where it is not possible to offer directly connected fibre. In conjunction with ECC and the Portfolio Advisory Group an area around Ongar and North Weald has been identified for initial deployment. A supply plan has been developed by ECC with an initial request for solutions put out to the industry. A supplier workshop has been held by Essex to assess the market to develop a service.

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Epping Forest District Council

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Pay Policy Statement 2015/16

Portfolio: Technology and Support Services (Councillor A. Lion)

Recommending:

That the Council's Pay Policy Statement for 2015/16 adopted.

Introduction

1. Section 38(1) of the Localism Act 2011 requires the Council to publish a Pay Policy Statement for each financial year setting out details of its remuneration policy, specifically including the Council's approach to its highest and lowest paid employees. The Council's first Pay Policy Statement was published in March 2012.

Report

2. The matters which must be included in the statutory Pay Policy Statement are as follows:
 - (a) the Council's policy on the level and elements of remuneration for each chief officer;
 - (b) the Council's policy on the remuneration of its lowest paid employee (together with its definition of 'lowest paid employees' and its reasons for adopting that definition);
 - (c) the Council's policy on the relationship between the remuneration of its chief officers and other officers; and
 - (d) the Council's policy on specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.
3. The Act defines remuneration in broad terms and guidance suggests that it is to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments. We have amended the Council's Pay Policy Statement for 2014/15 to reflect:
 - (a) the Returning Officer fees paid in 2014/15; and
 - (b) the national pay award 2014-2016.
4. The draft Pay Policy Statement attached as an appendix to this report sets out the Council's current practices and policies, with amendments to the previous policy highlighted in bold text for ease of reference. The Statement also includes updates in relation to car leasing arrangements, pay, and the pay multiples relating to the Council. The Pay Policy Statement was agreed by the Joint Consultative Committee at its last meeting.
5. We were advised at our meeting that details of the national pay increase for chief officers for the period to 31 March 2016 had been published on 2 February 2015. Directors will receive a 2% increase to their salary from 1 January 2015, although there

will be no back pay. The Pay Policy Statement has therefore been amended to reflect this update. The pay increase for Chief Executives is yet to be decided.

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

EPHING FOREST DISTRICT COUNCIL

PAY POLICY STATEMENT 2015/16

Introduction

Epping Forest District Council is located adjacent to three outer London boroughs and on the Central Line into the City of London. Also residents have easy access to major motorway routes as both the M11 and M25 run through the district. There is a high incidence of commuting from the district which impacts on the local labour market and levels of pay, particularly for jobs that require skills that are in relatively short supply. Whilst the economic downturn has eased some long standing recruitment difficulties and improved retention rates in key skill areas, the situation is not static and is capable of changing very rapidly.

This Statement reflects the Council's current **pay, pension and leave** policies and strategies which will be amended over time to deal with changing circumstances. These documents play an important role in attracting and retaining the best people to the Council.

All decisions on pay and reward for Chief Officers will comply with the Council's current Pay Policy Statement. Salaries for Chief Officers will be considered by Full Council.

Glossary. ([Hyperlink to Glossary 1](#))

Hutton Review 2011 ([Hyperlink to Review 2](#))

The Hutton Review looked at the rise in executive pay in the private and public sectors. It suggested that the 'public overestimates how much public sector executives are paid' and that 'chief executive officers of companies with a turnover of between £101 million and £300 million earn more than twice their public sector counterparts'. It also suggested that pay multiples (between the highest and lowest paid employees) were much wider in the private than public sector.

The Review proposed that public bodies should publish information on senior managers pay and pay multiples between the highest and lowest paid employees and to that end some of these recommendations have been taken forward by the Localism Act 2011.

Legislation

Section 38 (1) of the Localism Act 2011 requires English and Welsh Councils to produce a Pay Policy Statement for 2012/2013 and for each financial year thereafter.

The Council's Pay Policy Statement;

- Must be approved formally by the Council;
- Must be approved each year;
- May be amended during the course of the financial year; and

- Must be published on the Council's website.

The Pay Policy Statement must include;

- The level and elements of remuneration for each of the Chief Officers;
- The remuneration of its lowest paid employees (together with its definition of 'lowest paid employees' and the Council's reasons for adopting that definition);
- The relationship between the remuneration of its Chief Officers and other Officers; and
- Other aspects of Chief Officers' remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

Remuneration is defined widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases/enhancements of pension entitlements and termination payments.

All salaries and calculations are based on full time equivalent (fte) figures and where applicable includes Inner Fringe Allowance.

Publication of the Pay Policy Statement

The Policy has been made available on the Council's website and contains hyperlinks to associated documents.

Effect of this Policy Statement

Nothing in this Policy Statement enables unilateral changes to employee's terms and conditions. Changes to terms and conditions of employment must follow consultation and negotiation with individuals and recognised trade unions as set out in other agreements and in line with legislation.

Single Status Agreement

In 1997, the National Joint Council (NJC) for Local Government Services (a body that brings together public sector employers and trade unions) came to an agreement to introduce a new pay and grading structure covering all employees whose terms and conditions are governed by the 'Green Book'. In 2004 the NJC set a timetable that required all pay and grading reviews to be completed by 31 March 2007. Epping Forest District Council met this timetable and implemented Single Status in July 2003.

As a result of this process a new salary structure (*hyperlink to structure 3*) and a Job Evaluation Maintenance Procedure (*hyperlink to procedure 4*) were agreed between the trade unions and the Council. Collective Agreements, which set out a number of terms and conditions and pay arrangements, were also agreed with the trade unions (*hyperlink 5, 6 & 7 to agreements*). The Agreements are applied consistently to all employees.

Pay Awards

Major decisions on pay, such as annual pay awards, are determined for most local authorities in England and Wales by the National Agreement on Pay, arrived at through a system of central collective bargaining mechanisms between representatives of Local Government Employers and representatives of the relevant trades unions on the National Joint Council. It is the Council's policy to implement national agreements.

Overtime and Evening Meeting Allowances

Payments for working outside normal working hours are set out in the Council's Collective Agreements. (*hyperlink to Agreements 5, 6, & 7*).

Annual Leave

The Council's Annual Leave Policy sets out leave entitlements for employees. (*Hyperlink to Policy 8*).

Flexi-Time Scheme

The Council's Scheme applies to all employees with some exemptions due to service delivery needs. The arrangements are set out in the Council's guidance. (*Hyperlink to Policy 9*).

Subsistence Policy

Subsistence Allowances are paid in accordance with the Council's Subsistence Policy. The policy sets out when employees are able to claim, what to claim and how. (*Hyperlink to Policy 10*).

Car and Cycle Allowance Policy

The Council pays Essential and Casual Car User allowances in appropriate circumstances which are in accordance with 'Green Book' rates. The Car and Cycle Allowance Policy sets out when employees are able to claim, what to claim and how. (*Hyperlink to Policy 11*).

The general principles of both policies are to ensure that employees only claim for additional expenses when undertaking work for the Council.

These policies are applied consistently to all employees.

Car Leasing

Cabinet, at its meeting on 3 December 2012 agreed the following changes to the Council's Car Lease Scheme, following a lengthy review and robust consultation process;

- Employees on the current scheme will be allowed one further lease of 3 years, after which the scheme will close

- The Council will make its contribution based on a maximum of £4,000 per annum including insurance with all costs over the maximum to be met in full by the employee
- The Council's contributions are capped as follows:
 - Year 1 – 70%
 - Year 2 - 60%
 - Year 3 – 50%
- These reducing contribution rates are the upper limits. Employees who currently qualify for the lower rates of Council contribution will retain their current rate and will be unaffected until the cap falls below their current rate.

Currently there are 31 employees on the Scheme; 2 Chief Officers; 6 Assistant Directors and 23 employees, the same number as in 2014/15.

As a comparison at 2013/14 there were 43 employees on the Scheme; 4 Chief Officers; 7 Assistant Directors and 32 employees on the Scheme. At 2012/13 there were 60 employees on the Scheme; 4 Chief Officers; 13 Assistant Directors and 43 employees.

The Cabinet also agreed to implement a Green Car Salary Sacrifice Scheme for all eligible staff to access with no Council contribution towards the cost of an employee's lease payments. Currently there are **12** employees on this Scheme.

Professional Fees and Subscriptions

The Council will meet the cost of a legal practising certificate for all those employees where it is a requirement of their employment, in addition the professional fees for the statutory roles of the s151 Officer and Deputy s151 Officer. No other professional fee or subscription is paid. The Council does not differentiate between Chief Officers and other staff.

Pensions and Termination Payments

On ceasing to be employed by the Council, individuals will only receive compensation:

- in circumstances that are relevant (e.g. redundancy), and
- that is in accordance with our published Pension Policy on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
- that complies with the specific term(s) of a compromise agreement.

All employees with contracts of 3 months or more are automatically enrolled into the Local Government Pension Scheme (LGPS), which is administered by Essex County Council. Details of the contribution rates are set out below. In addition, the Council will automatically enrol employees into the LGPS if they meet the relevant criteria in accordance with the automatic enrolment provisions.

The Council has the option to adopt a number of statutory discretions under the;

- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
- The Local Government Pension Scheme (Administration) Regulations 2008.
- The Local Government (Discretionary Payments) Regulations 1996 (as amended).
- **The Local Government Pension Scheme (LGPS) April 2014.**

In general the Council has chosen not to exercise a range of discretions relating to the LGPS due to additional costs. The Council's Pension Policy (*hyperlink to Policy 12*) contains information regarding all its discretions and includes information regarding Flexible Retirement arrangements.

Payments on grounds of Redundancy are covered by the Council's Redundancy and Efficiency Payments Policy. (*hyperlink to policy 13*)

All employees are treated in the same way with regard to the calculation of severance payments in situations of redundancy.

Pension Contributions

Employee contribution rates wef 1 April 2014;

Salary	Contribution
Up to £13,500	5.5%
£13,501 to £21,000	5.8%
£21,001 to £34,000	6.5%
£34,001 to £43,000	6.8%
£43,001 to £60,000	8.5%
£60,001 to £85,000	9.9%
£85,001 TO £100,000	10.5%
£100,001 to £150,000	11.4%
£150,001 and above	12.5%

Election Fees

Council employees engaged by the Returning Officer for election duties received payments under the relevant schedule of fees (i.e. polling and counting duties).

Remuneration of Employees, Grades 1-12

Pay Scale

For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council (NJC) for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine that commences at national Spinal Column Point (SCP) 5 and ends at local SCP 58. This pay spine is divided into 12 pay grades; grade 1 contains 1 scale point, grades 1 – 10 contain five incremental points and

grades 11 and 12 contain 4 incremental points. Grade 1 is the lowest and grade 12 is the highest of these pay grades. Posts are allocated to a pay band through a process of job evaluation.

As part of the latest national pay award, with effect from 1 October 2015 scp 5 will be deleted from the pay spine, therefore grade 1 will also be deleted.

The Council uses the NJC Job Evaluation Scheme to evaluate all posts on grades 1 – 12. This also includes Craft Workers who are subject to the Joint Negotiating Committee (JNC) for Local Authority Craft and Associated Employees National Agreement on Pay and Conditions (commonly known as the 'Red Book').

The Council does not operate overlapping pay grades therefore, the minimum point of a pay grade is not lower than the maximum point of the preceding pay grade. (*Hyperlink to pay scale 3*).

Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. For grades 1 – 10 the 5th point each grade will only be awarded if the employee has at least 5 years continuous service with the Council.

An Inner Fringe Allowance of **£824** per annum is paid to employees (this does not apply to Apprentices).

Assistant Directors

Assistant Directors are paid on grades 11 or 12 and are also subject to the NJC Job Evaluation Scheme. The salary ranges for these grades wef **1 January 2015** are;

Grade	Scale Column Points	Salary Range
Grade 11	SCP 51 – 54	£47,393 - £51,050
Grade 12	SCP 55 - 58	£53,102 - £57,225

The salary shown is inclusive of the Inner Fringe Allowance of **£824** per annum.

Definition of Lowest Paid Employees

For the purpose of this Policy Statement, employees on grade 1 are defined as our lowest-paid employees. This is because no employee of the Council is paid lower than SCP 5 which is contained in grade 1. **With effect from 1 October 2015 SCP 5 and grade 1 will be deleted from the pay spine.**

Employees on scp 5 will automatically progress to SCP 6, which is currently the bottom of grade 2. These employees will not be subject to incremental progression and will remain on scp 6. At 1 January 2015, the fte annual value of this SCP 5 will be £14,324 which includes an Inner Fringe Allowance of £824 per annum.

From 1 October 2015, the fte annual value of SCP 6 will be £14,438, which includes an Inner Fringe Allowance of £824 per annum.

The exceptions to the lowest grade are Apprentices who are paid £120.00 per week.

General

The values of the SCPs in grades 1 – 12 are increased by pay awards notified from time to time by the National Joint Council for Local Government Services. **A national pay award was implemented to these grades effective from 1 January 2015 covering the period 1 April 2014 to 2016 of 2.2%. There was no back pay awarded but a sliding scale of 'non-consolidated' payments was agreed.**

An Inner Fringe Allowance of **£824** per annum is paid to employees (this does not apply to Apprentices).

Annual salaries are paid pro-rata to part-time employees based on the hours contracted to work.

Remuneration of Chief Officers

The Council will not agree any pay arrangement which does not reflect the correct employment and/or tax/NI status of a Chief Officer or employee.

It will be the responsibility of Council to agree the initial salaries for Chief Officers following external advice/evaluation/benchmarking.

Chief Executive

The Chief Executive role was recruited to on a permanent and full-time basis in 2012. During the recruitment process the Council took external advice to set the appropriate salary for the role which took account of current economic circumstances and the recruitment market.

As at 1 April **2015** the salary for the Chief Executive role will be a spot salary of £112,000 per annum which includes the Inner Fringe Allowance of **£824** per annum and evening meeting allowances. The postholder is entitled to claim essential car allowance in accordance with the Council's policy. The salary and pay arrangements for the Chief Executive were agreed at Full Council on 18 June 2012.

The Chief Executive is also the Council's Head of Paid Service and from 16 June 2014 the Chief Executive **took** on the responsibility of the Returning Officer.

Returning Officer

The Returning Officer role attracts payment of fees and expenses, depending on the elections held in any year. The amount for such payments varies according to the particular elections held from year to year. These fees are taxable and subject to National Insurance and pension deductions.

The amount for such payments varies according to the particular elections held from year to year. These fees are taxable and subject to National Insurance and pension deductions.

Only a proportion of the fees were retained by the Returning Officer. The remainder were paid to employees who provide specific support in the organisation of elections which are outside the scope of the ordinary scale of election fees.

Returning Officer – Assistant to the Chief Executive

EU Parliamentary Election	£5202
District Council Elections	£7738.75
Parish Council By-Election	£435.15

Returning Officer – Chief Executive

District Council By-Election (August)	£272.80
District Council By-Election (September)	£440.50
Ongar Town Council Parish Poll	£435.15

Directors

The pay scale for Directors consists of 3 incremental points. The level of pay is locally determined following benchmarking with other public sector organisations and agreement by Council.

All Directors report to the Chief Executive. As at 1 January 2015, the annual FTE salary range for the four Director posts will be **£84,121 - £90,130** which includes the Inner Fringe Allowance of **£824** per annum. The postholders are entitled to claim essential car allowance in accordance with the Council's Policy and can claim evening meeting allowances. There are three incremental points in this grade.

Any pay awards to Directors' salaries will be agreed at a national level as notified from time to time by the JNC for Chief Officers of Local Authorities. **A recent pay award has been agreed for the period 2014 to end of March 2016 whereby Directors' salaries will increase by 2% from 1 January 2015. There will be no back pay. This is the first pay award applied to Directors since 1 April 2008.**

The statutory roles of Monitoring Officer and 'Section 151' Officer will be carried out by the Director of Governance and the Director of Resources respectively. The postholders do not receive additional payments for these duties.

Assistant to the Chief Executive

From 16 June 2014 this role no longer exists in the Council's structure.

General Principles Applying to Remuneration of All Employees

On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Usually new starters will be placed on the bottom of the pay grade unless their current salary is higher. In these circumstances their starting scale point will match their **previous** salary at least.

Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.

The Council does not apply performance-related pay or bonuses.
Market Supplements will be paid in accordance with the Council's Policy for Payment of Market Supplements. ([Hyperlink to Policy 14](#))

Honorarium or ex-gratia payments will be paid in accordance with our Additional Payments Policy. ([Hyperlink to Policy 15](#))

These policies are applied consistently to all employees.

Pay Multiples

The Hutton Review raised concerns about multiples in the order of 20 or higher between the lowest and the highest paid employees in local authorities. However the Interim Report noted that the most top to bottom pay multiples in the public sector are in the region of 8:1 to 12:1. The Council is therefore content that having due regard for the level of responsibilities and personal accountability between the lowest and highest paid roles, the current multiple of **7.8** seems to be both justifiable and equitable.

The council does not set the remuneration of any individual or group of posts by reference to a multiple. However, as suggest by the Hutton Review the Council will monitor multiples over time to ensure they are appropriate and fair and will explain significant changes in pay multiples. The multiples are as following;

Role	2013/14		2014/2015		2015/2016	
	Multiple	Salary	Multiple	Salary	Multiple	Salary
Chief Executive compared to lowest salary	x 8.6	£112,000	x8.5	£112,000	x7.8	£112,000
Directors compared to lowest salary	x 6	£76,838	x6.8	£88,363	x6.3	£90,130
Assistant Directors compared to lowest salary	x 4	£52,837	x4.2	£55,993	x4	£57,225
Average salary compared to Chief Executive	x4.3	£26,300	x4.2	£27,000	x4.1	£27,500
Average salary compared to lowest salary	x2	£26,300	x2	£27,000	x1.9	£27,500

- The Director salary used is the top point of the Director range
- The Assistant Director used is the top point of grade 12
- The average salary is based on fte and has not been pro rata'd for part-time employees
- The lowest fte salary in the Council is **£14,324**

Remuneration Panel

The Council is not at this time considering forming a separate Remuneration Panel to set pay rates for Council employees. The Council will continue to use an external body to evaluate Chief Officer roles when required and/or to provide benchmark pay information for these roles. It will also continue to use an internal job evaluation panel to evaluate those posts graded 1 – 12.

Annual pay awards will continue to be determined at a national level and implemented by the Council.

It will be the responsibility of Council to agree the initial salaries for Chief Officers following external advice/evaluation/benchmarking.

Review

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2016/17 and will be submitted to Council for approval as reasonably practical before 31 March 2016.

If it should be necessary to amend this 2015/16 Statement during the year that it applies, an appropriate decision will be made by the relevant Committee, however, Council will agree the Pay Policy Statement.



Epping Forest District Council

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Joint Consultative Committee – Terms of Reference

Portfolio: Technology and Support Services (Councillor A. Lion)

Recommending:

That the revised terms of reference of the Joint Consultative Committee be adopted.

Introduction

1. In local government it is usual to have a forum for the Council to formally discuss issues with the recognised trade unions in line with the representation at a regional level. In the Council's case this relates to the East of England Local Government Association Regional Council.
2. The Joint Consultative Committee (JCC) is the Council's forum whereby these discussions take place between the trade unions and the members. The Committee is consulted with, informed about and has discussions on a range of employee matters. However, employment matters concerning an individual are not within the scope of the Committee.

Report

3. The Terms of Reference for the Joint Consultative Committee (JCC) have not been reviewed for a considerable period of time, and Management Board agreed that a review of the JCC should therefore take place. One of the main issues identified for consideration as part of the review was the perception that non-union members were not represented by the JCC. Whilst the trade unions are not required to represent non trade union members, it should be noted that:
 - the trade union representatives who attend the Committee have to be employees of the Council;
 - there are nine trade union representatives from a range of service areas who between them are likely to hold a range of views similar to employees who are not trade union representatives; and
 - all representatives whether staff or member representatives, are permitted to share their views with the Committee and do so.
4. Other work is progressing outside the review of the Terms of Reference of the JCC, regarding internal staff communications. There will provide an opportunity to consider staff participation in a range of policy development areas or initiatives across the Council which may not relate to employment matters. An Employee Engagement Strategy will also be developed over the next six months.
5. Currently, the Lead Officer (the Assistant Director (Human Resources)) for the JCC is able to take forward the views of employees (either trade union members or non-members) and present them to the Committee. If staff wish to comment on any issue

raised, they can do so through their line manager or the Lead Officer for the Committee.

6. In addition, there has been a specific responsibility added to the Terms of Reference for staff to be informed of the outcome of the Committee meetings through 'District Lines' (or other staff newsletters). Officers also generally have access to the JCC agenda in advance of the meeting through the Council's committee management system.
7. The review of the terms of reference of the JCC brings them into line with existing arrangements for similar member panels etc., in that there will be no restriction on the number of substitute members that can attend a meeting. This will apply to both the trade union and member representatives on the Committee.
8. The proposed revised terms of reference of the Joint Consultative Committee are attached. We recommended as set out at the commencement of this report.

JOINT CONSULTATIVE COMMITTEE – TERMS OF REFERENCE

(1) The Committee shall be called the Joint Consultative Committee

(2) Objectives

The purpose of the Joint Consultative Committee is;

- (a) To bring together the Council and the recognised trade union representatives to provide a regular forum for consultation and negotiation on matters relevant to industrial relations, productivity, work arrangements and those terms and conditions of employment which the employer and/or trade unions deem appropriate.
- (b) To ensure that the views of the recognised trade union representatives are sought on existing practices and on proposed changes which will affect staff.
- (c) To discuss, in relation to local conditions, the implementation of matters which have been prescribed or recommended at a national, provincial or other agreed level.
- (d) To conduct employee consultation between the employer and trade unions on any potential points of disagreement.
- (e) To consider any relevant matter referred to it by another Committee of the Council, by the trade unions or by an officer of the Council. Relevant matters may include new ways of working, policies, procedures, reorganisations, conditions of service, staff welfare, learning and development, working conditions or safety issues.
- (f) To discharge any other functions from time to time specifically referred to the Committee by the Cabinet.
- (g) Any matters concerning an individual including, (but not exhaustive) pay, conduct, capability, job evaluation or promotion are not within the scope of the Committee.

(3) Membership

- (a) The Joint Consultative Committee shall comprise of 18 persons.
- (b) The Joint Consultative Committee shall include 9 councillors (to be known as the 'Council Representatives') to be appointed annually by the Council at its annual meeting based on pro rata allocations between the political groups in accordance with the Local Government and Housing Act 1989 (as amended).
- (c) Nine trade union representatives employed by the Council (to be known as the 'Staff Representatives') shall be appointed by the trade unions represented on the East of England Local Government Association Regional Council in proportion to the number of such employees in membership of each trade union, subject to each trade union represented having a minimum of one representative each. All representatives must be employees of the Council.
- (d) All members of the Committee shall retire annually and shall be eligible for re-appointment. If a member of the Committee ceases to be either a member or officer of the Council, they shall cease to be a member of the Joint Consultative Committee. Any vacancies shall be filled as soon as practicable.

- (e) Each political group or trade union represented on the Committee shall be entitled to nominate substitute members provided that the Committee Secretary is given notice not later than 60 minutes before the commencement of the meeting.

(4) Chairman and Vice-Chairman

- (a) A Chairman and a Vice-Chairman shall be appointed by the Committee at their first meeting in each Council year. The offices to alternate each year between the Council and Staff Representatives. If the Chairman appointed is a Council Representative, the Vice-Chairman shall be appointed from the Staff Representatives, and vice-versa. The member appointed from the Council Representatives to be Chairman or Vice-Chairman shall be a member of the Cabinet.
- (b) The Chairman of the meeting shall not have a casting vote.
- (c) It shall be competent for either side to waive its right under (a) above to nominate a Chairman at the first meeting of each Council year, in which case the Committee may proceed to elect a Chairman and appoint a Vice-Chairman on that basis.

(5) Officers

- (a) The Assistant Director (HR) shall be the Lead Officer for the purpose of formal and informal liaison between meetings. They shall ensure that the considerations and recommendations of the Committee are reported to all staff via the next available staff newsletter or equivalent.

(6) Advisors

- (a) Either side shall have the right to co-opt, in a consultative capacity, representatives of particular Directorates or Service Areas affected by an item under discussion, but only for a period during which the matter is under consideration. The co-opted representative will attend the Committee as required.
- (b) Either side may arrange for the attendance in an advisory capacity of an officer or trade union official at a Committee meeting where it would be helpful to the business under discussion.
- (c) Such attendances under (a) and (b) above shall be notified to the Committee Secretary at least two working days of the meeting, who will inform the Chairman and Vice-Chairman of the Committee.

(7) Meeting – Procedure and Protocol

- (a) The Committee shall meet at least 4 times a year as set out in the annual Calendar of Meetings document. The Chairman or Vice-Chairman may call a meeting at any time giving at least 5 working days' notice.
- (b) A meeting can be called within seven days following the receipt by the Chief Executive of a requisition signed by not less than one-third of the members of either side.
- (c) The matters to be discussed at any meeting of the Committee shall be stated upon the notice summoning the meeting; provided that any other business may be considered if admitted by a majority vote of those present on each side at the meeting.

- (d) The agenda for meetings will be despatched to each member of the Committee at least 5 working days before the meeting.
- (e) The quorum of the Committee shall be 3 representatives of each side.
- (f) No recommendation shall be regarded as carried unless it has been approved by a majority of the members present on each side of the Committee. In the event that the Committee is unable to arrive at a consensus, the Cabinet will make the final decision taking the views of both sides into consideration.
- (g) The Committee will only act in an advisory role, making its recommendations to the relevant Portfolio Holder or the Cabinet for final decision.
- (h) The Committee shall have the authority to appoint or to arrange for the appointment of Sub-Committees or working parties where necessary.
- (i) The minutes of proceedings of the Committee shall be kept by the Director of Governance and shall be signed by the Chairman and the Vice-Chairman.
- (j) The meetings will usually be held outside normal working hours. The Staff Representatives on the Committee shall be eligible to claim an Evening Meeting Payment in accordance with the Council's policy.
- (k) In the event of a meeting being held during normal working hours, the Staff Representatives shall be granted paid leave of absence in respect of their attendance.
- (l) Either side may request the revision of the Terms of Reference. The Committee at their next meeting will then consider the matter.

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Epping Forest District Council

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Overview & Scrutiny Rule 21 – Urgency and Call-In

Portfolio: Asset Management & Economic Development (Councillor Mrs. A. Grigg)

Recommending:

To note that the Chairman of Council agreed that the following decision of the Cabinet be treated as a matter of urgency and not be subject to the call-in provisions:

- (1) That Cabinet agrees to retain the expertise and knowledge of the Assistant Director (Asset Management and Economic Development) on a part-time contract basis for a period of 13 months, to ensure that the development of Langston Road and other sites critical to the Council's future revenue streams proceed without delay;
- (2) That Cabinet approve the use of Contract Standing Order C10 (Negotiated Tendering) to procure the contract;
- (3) That Cabinet delegate the authority to negotiate and finalise contract terms to the Chief Executive and the Asset Management and Economic Development Portfolio Holder;
- (4) That the cost is funded in 2014/15 from existing DDF development budgets;
- (5) That a DDF bid be made for £90,000 to cover the cost in 2015/16;
- (6) That given the high monthly cost of delaying key projects, the contract is executed expeditiously; and
- (7) That the Director of Neighbourhoods procures replacement resource with an appropriate handover programme 6 months before the end of the contract period.

1. The Cabinet has considered a report that sought to retain the services of the former Assistant Director (Asset Management and Economic Development), who had resigned from the Council's employment with effect from 13 February 2015.
2. Recruiting to this role would take some time and the Cabinet agreed to a part-time contract with this officer for a period of thirteen months. This would ensure that the Council did not lose momentum on major development sites.
3. Members are able to read the restricted report on the Cabinet agenda.
4. The Chairman of the Council has agreed to waive the call-in procedure as any delay likely to be caused by the call-in process would seriously prejudice the Council's interests, as a result of the risk of delayed rental income and/or increased development costs, which would have a significant impact on its ability to balance budgets without reducing services.

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Epping Forest District Council

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Treasury Management Strategy Statement and Investment Strategy 2015/16

Portfolio: Finance (Councillor S. Stavrou)

Recommending:

That the following be adopted:

- (a) the Treasury Management Strategy Statement and Annual Investment Strategy 2015/16 to 2017/18;
- (b) the Minimum Revenue Provision (MRP) Statement;
- (c) the Treasury Management Prudential Indicators for 2015/16 to 2017/18;
- (d) the rate of interest to be applied to any inter-fund balances; and
- (e) the Treasury Management Policy Statement.

(Note: At its meeting on 9 February 2015, the Audit and Governance Committee will consider how the risks associated with Treasury Management have been dealt with in the proposed Treasury Management Strategy Statement and Annual Investment Strategy. The Chairman of that Committee will report orally at the Council meeting on any comments or suggestions of that Committee).

Introduction

1. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2011). There is a requirement for the Council to approve its treasury and investment strategy and prudential indicators each year.
2. The attached strategy has been prepared in line with advice from the Council's treasury advisors, Arlingclose.
3. There are no major changes to the strategy from the current strategy.

Minimum Revenue Provision

4. Each year the Council has to approve its statement on the Minimum Revenue Provision (MRP). The Council has taken on debt of £185.5m and this would normally require the local authority to charge MRP to the General Fund. The Department for Communities and Local Government has produced regulations to mitigate this impact, whereby the Council can ignore the borrowing incurred in relation to the Housing Self-financing when calculating MRP and therefore, (for MRP purposes only) the Council is classed as debt free and does not have to make provision for MRP. However, the Council may undertake additional borrowing before or after additional capital spending. This will require MRP in the year following, 2016/17.

Inter-fund balances

5. The Council has inter-fund borrowed for many years between the General Fund and Housing Revenue Account and the interest charge made between the funds has been based on the average interest earned on investment for the year. As the Council has been undertaking inter-fund borrowing for many years, we are proposing to continue to use the average interest earned for the year on investments as the rate for any inter-fund borrowing.

Policy Statement

6. The Treasury Management Policy Statement is a high level statement setting out how the Council Treasury function will be undertaken. The Policy Statement was last updated as part of the 2014/15 Treasury Strategy and no amendments are proposed at this time.

Current Investments

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

UK Banks and building societies:

1. A maximum maturity limit of 12 months is no longer applicable;
2. A maximum maturity limit of 6 months to Lloyds TSB, Bank of Scotland, Santander UK, HSBC, Nationwide Building Society and Standard Chartered;
3. A maximum maturity limit of 100 days applies to Barclays plc;
4. A maximum maturity limit of Overnight applies to RBS and NatWest.

European Banks:

- (a) a maximum maturity limit of 100 days applies to Credit Suisse and ING Bank;
- (b) a maximum maturity limit of 6 months applies to Svenska Handelsbanken, Rabobank, Bank Nederlandse Gemeeten; and
- (c) a maximum maturity limit of 12 months applies is no longer applicable.

Non European Banks:

A maximum maturity limit of 6 months applies to Australian, Canadian, US and other banks that are on our list.

Money Market Funds:

A maximum exposure limit of 10% of the total investment per MMF.

8. The Council currently has an investment portfolio of £63.3m, this will vary from day to day, depending on the cash flow of the authority. A breakdown of this portfolio by Country and length of time remaining on investments are shown in the two tables below.

Country of counterparty	£m
United Kingdom	55.3
Canada and United States of America	0.0
Australia	0.0
Ireland	0.0
Sweden	8.0
Total	63.3

Current maturity profile of investments	£m
Overnight (Call / Money Market Fund)	24.3
Up to 7 days	0.0
7 days to 1 month	10.0
1 month to 3 months	15.0
3 months to 6 months	4.0
6 months to 9 months	5.0
9 months to 1 year	0.0
Greater than 1 year	5.0
Total	63.3

9. The continued low interest rates, the use of fewer counterparties and the shorter durations of investments have reduced estimated interest income for 2014/15 to £400,200.
10. Following our meeting on 2 February 2015, the Audit and Governance Committee were due to consider this matter at its meeting on 9 February 2015 and the Chairman of that Committee will report orally at the Council meeting on the views of the Committee.
11. We recommended as set out at the commencement of this report.

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Treasury Management Strategy Statement and Investment Strategy 2015/16 to 2017/18

Introduction

In April 2002 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (now the 2011 Edition) (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

External Context

Economic background: There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP. However, inflationary pressure is benign and is likely to remain low in the short-term. There have been large falls in unemployment but levels of part-time working, self-employment and underemployment are significant and nominal earnings growth remains weak and below inflation.

The MPC's focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee. Despite two MPC members having voted for an 0.25% increase in rates at each of the meetings August 2014 onwards, some Committee members have become more concerned that the economic outlook is less optimistic than at the time of the August Inflation Report.

Credit outlook: The transposition of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto **unsecured local authority investors**. The Bank Recovery and Resolution Directive promotes the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast Deposit Guarantee Schemes Directive includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, **the credit risk associated with making unsecured bank deposits will increase** relative to the risk of other investment options available to the

Authority. In consequence the Council intends to develop its use of Treasury Bills and Certificates of Deposit. These are currently permissible within our Treasury Strategy, and will be via the broker King and Shaxson.

Interest rate forecast: The Council's treasury management advisor Arlingclose forecasts the first rise in official interest rates in August 2015 and a gradual pace of increases thereafter, with the average for 2015/16 being around 0.75%. Arlingclose believes the normalised level of the Bank Rate post-crisis to range between 2.5% and 3.5%. The risk to the upside (i.e. interest rates being higher) is weighted more towards the end of the forecast horizon. On the downside, Eurozone weakness and the threat of deflation have increased the risks to the durability of UK growth. If the negative indicators from the Eurozone become more entrenched, the Bank of England will likely defer rate rises to later in the year. Arlingclose projects gilt yields on an upward path in the medium term, taking the forecast average 10 year PWLB loan rate for 2015/16 to 3.40%.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.93%, and that new long-term loans will be borrowed at an average rate of 3 to 4%.

Local Context

The Authority currently has £185.5m of borrowing and £62m of investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.14 Actual £m	31.3.15 Estimate £m	31.3.16 Estimate £m	31.3.17 Estimate £m	31.3.18 Estimate £m
General Fund CFR	29.6	29.6	59.6	59.6	59.6
HRA CFR	155.1	155.1	155.1	155.1	155.1
Total CFR	184.7	184.7	214.7	214.7	214.7
Less: Other debt liabilities *	0	0	0	0	0
Borrowing CFR	184.7	184.7	214.7	214.7	214.7
Less: External borrowing	-185.5	-185.5	-214.5	-214.5	-214.5
Internal borrowing	-0.8	-0.8	0.2	0.2	0.2
Less: Usable reserves	57.5	55.0	45.0	50.0	55.0
Less: Working capital	47	45.0	45.0	45.0	45.0
Resources available for Investment	103.7	100.0	90.0	95.0	100.0

* finance leases and PFI liabilities that form part of the Authority's debt

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain investments below their underlying level, sometimes known as internal borrowing, subject to holding a minimum investment balance of £30m.

Investments are forecast to fall to £35m as capital receipts are used to finance capital expenditure and reserves are marginally used to finance the revenue budget.

The Authority has an increasing CFR due to a number of potential investment opportunities, these are not in the capital programme yet as there are still some uncertainties to resolve. It is likely that the Council will therefore be required to borrow up to £30m over the forecast period.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation from 2015/16.

Borrowing Strategy

The Authority currently holds £185.5 million of loans, the same as the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £215m in 2015/16.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to use internal resources.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2015/16 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages. Though in the main we are only lending at present.

Sources: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except the Essex Pension Fund)
- capital market bond investors
- Local Capital Finance Company and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase

- Private Finance Initiative
- sale and leaseback

The Council has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

LGA Bond Agency: Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for three reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; there will be a lead time of several months between committing to borrow and knowing the interest rate payable; and up to 5% of the loan proceeds will be withheld from the Authority and used to bolster the Agency's capital strength instead. Any decision to borrow from the Agency will therefore be the subject of a separate report to Full Council. This Council is not at present committed to working with the Agency.

LOBOs: The Council holds no LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

Short-term and Variable Rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £50.7 and £66.7 million, and similar levels are expected to be maintained in the forthcoming year.

Objectives: Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Strategy: Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes during 2015/16. This is especially the case for the estimated £10m that is available for longer-term investment. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits, and money market funds. This diversification will therefore represent a substantial change in strategy over the coming year.

Approved Counterparties: The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates (by Group)	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£10m 10 years	£10m 20 years	£10m 50 years	£10m 20 years	£1m 10 years
AA+	£10m 5 years	£10m 10 years	£10m 25 years	£10m 10 years	£1m 10 years
AA	£10m 4 years	£10m 5 years	£10m 15 years	£10m 5 years	£1m 10 years
AA-	£10m 3 years	£10m 4 years	£10m 10 years	£10m 4 years	£1m 10 years
A+	£10m 2 years	£10m 3 years	£10m 5 years	£10m 3 years	£1m 10 years
A	£10m 12 months	£10m 2 years	£10m 5 years	£10m 2 years	£1m 10 years
A-	£10m 12 months	£10m 13 months	£10m 5 years	£10m 13 months	£1m 10 years
BBB+	£10m 100 days	£10m 6 months	£10m 2 years	£10m 6 months	n/a
BBB or BBB-	£10m next day only	£10m 100 days	n/a	n/a	n/a
None	n/a	n/a	n/a	n/a	n/a
Pooled funds	£5m per fund				

This table must be read in conjunction with the notes below

Credit Rating: Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB or BBB- are restricted to overnight deposits at the Authority's current account bank, presently NatWest PLC.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. The Treasury Management Strategy Statement for 2014/15 to 2016/17 was previously amended to permit lending to service providers with which the Council is in a contractual relationship (e.g. the Waste Management Contractor). A maximum of £5m will be lent to any one service provider and the repayment term may not exceed the end of the contract period. Where a loan is made to a service provider the loan will be secured on the assets the loan is used to finance.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Segregated Fund Manager: none of the Council's funds are managed on a discretionary basis by a Fund Manager.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, currently Arlingclose, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other

market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£30m
Total investments without credit ratings or rated below A-	£5m
Total investments with institutions domiciled in foreign countries rated below AA+	£5m
Total non-specified investments	£40m

Investment Limits: The Council’s useable revenue reserves available to cover investment losses are forecast to be £30million on 31st March 2015. In order that no more than 33% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below:

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£10m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£15m per broker
Foreign countries	£10m per country
Registered Providers	£5m in total
Unsecured investments with Building Societies	£10m in total
Loans to unrated corporates	£10m in total
Money Market Funds	£15m in total

Liquidity Management: The Council uses spread sheets for cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast and known large transactions that may not be included in the forecast.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target	Q3 Rating
Portfolio average credit rating	A-	A+

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target
Total cash available within 3 months	£20m

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2015/16	2016/17	2017/18
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	75%	75%	75%

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year.

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Lower	Upper
Under 12 months	0%	100%
12 months and within 24 months	0%	100%
24 months and within 5 years	0%	100%
5 years and within 10 years	0%	100%
10 years and within 20 years	0%	100%
20 years and within 30 years	0%	100%
30 years and within 40 years	0%	100%
40 years and within 50 years	0%	100%
50 years and above	0%	100%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2015/16	2016/17	2017/18
Limit on principal invested beyond year end	£30m	£30m	£30m

Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative

counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Policy on Apportioning Interest to the HRA: On 1st April 2012, the Authority notionally split its existing long-term loans into General Fund and HRA pools. Though all the debt has since been in the HRA pool. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Investment Training: The needs of the Council's treasury management staff for training in investment management are assessed every month as part of the Treasury Management meetings, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers: The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by Officers experienced in these matters.

Investment of Money Borrowed in Advance of Need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £230 million. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2015/16 is £332,000, based on an average investment portfolio of £35million at an interest rate of 0.95%. The budget for debt interest paid in 2015/16 is £5.5 million, based on an average debt portfolio of £185million at an average interest rate of 3%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Resources, having consulted the Portfolio Holder, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses will be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses will be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

Appendix A - Arlingclose Economic & Interest Rate Forecast October 2014

Underlying assumptions:

- The UK economic recovery has continued. Household consumption remains a significant driver, but there are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP throughout this year.
- We expect consumption growth to slow, given softening housing market activity, the muted outlook for wage growth and slower employment growth. The subdued global environment suggests there is little prospect of significant contribution from external demand.
- Inflationary pressure is currently low and is likely to remain so in the short-term. Despite a correction in the appreciation of sterling against the US dollar, imported inflation remains limited. We expect commodity prices will remain subdued given the weak outlook for global growth.
- The MPC's focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee.
- Nominal earnings growth remains weak and below inflation, despite large falls in unemployment, which poses a dilemma for the MPC. Our view is that spare capacity remains extensive. The levels of part-time, self-employment and underemployment are significant and indicate capacity within the employed workforce, in addition to the still large unemployed pool. Productivity growth can therefore remain weak in the short term without creating undue inflationary pressure.
- However, we also expect employment growth to slow as economic growth decelerates. This is likely to boost productivity, which will bear down on unit labour costs and inflationary pressure.
- In addition to the lack of wage and inflationary pressures, policymakers are evidently concerned about the bleak prospects for the Eurozone. These factors will maintain the dovish stance of the MPC in the medium term.
- The continuing repair of public and private sector balance sheets leave them sensitive to higher interest rates. The MPC clearly believes the appropriate level for Bank Rate for the post-crisis UK economy is significantly lower than the previous norm. We would suggest this is between 2.5 and 3.5%.
- While the ECB is likely to introduce outright QE, fears for the Eurozone are likely to maintain a safe haven bid for UK government debt, keeping gilt yields artificially low in the short term.
- The probability of potential upside risks crystallising have waned a little over the past two months. The primary upside risk is a swifter recovery in the Eurozone.

Forecast:

- Arlingclose continues to forecast the first rise in official interest rates in Q3 2015; general market sentiment is now close to this forecast. There is momentum in the economy, but inflationary pressure is benign and external risks have increased, reducing the likelihood of immediate monetary tightening.
- We project a slow rise in Bank Rate. The pace of interest rate rises will be gradual and the extent of rises limited; we believe the normalised level of Bank Rate post-crisis to range between 2.5% and 3.5%.
- The short run path for gilt yields is flatter due to the deteriorating Eurozone situation. We project gilt yields on an upward path in the medium term.

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Dec-17	Mar-18
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
Downside risk				0.25	0.25	0.50	0.50	0.75	0.75	1.00	1.00	1.00	1.00
3-month LIBID rate													
Upside risk	0.05	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.55	0.60	0.65	0.85	1.00	1.15	1.30	1.45	1.60	1.75	1.85	2.05	2.15
Downside risk	0.10	0.15	0.20	0.30	0.40	0.55	0.65	0.75	0.85	-0.95	-0.95	-0.95	-1.00
1-yr LIBID rate													
Upside risk	0.10	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.95	1.00	1.05	1.20	1.35	1.50	1.65	1.80	1.95	2.10	2.20	2.40	2.50
Downside risk	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80	-0.80
5-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	1.70	1.75	1.90	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.90	2.95
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.70	-0.70
10-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.40	2.45	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	3.05	3.10
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60
20-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.90	2.95	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60
50-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	3.00	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55	3.60
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60

Appendix B - Existing Investment & Debt Portfolio Position

	31.12.14 Actual Portfolio £m	31.12.14 Average Rate %
External Borrowing:		
PWLB - Fixed Rate	153.656	3.000
PWLB - Variable Rate	31.800	0.57
Local Authorities	0	0
LOBO Loans	0	0
Total External Borrowing	185.456	
Other Long Term Liabilities:		
PFI	0	
Finance Leases	0	
Total Gross External Debt	185.456	
Investments:		
<i>Managed in-house</i>		
Short-term investments	43.7	
Long-term investments	10.0	
<i>Managed externally</i>		
Fund Managers	0	
Pooled Funds	5.0	
Total Investments	58.7	
Net Debt	126.756	

Appendix C -

Prudential Indicators 2015/16 to 2017/18

1. Background:

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

2. Gross Debt and the Capital Financing Requirement:

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

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with **gross** external debt.

The Director of Resources reports that the Council had no difficulty meeting this requirement in 2014/15 excepting in a very minor way, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

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

Capital Expenditure	2014/15 Revised £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Non-HRA	8.842	7.476	2.071	1.151	1.020
HRA*	15.250	18.952	22.003	20.176	19.400
Total	24.092	26.428	24.074	21.327	20.420

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2014/15 Revised	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
	£m	£m	£m	£m	£m
Capital receipts	7.578	8.002	4.537	3.212	2.811
Government Grants	1.638	1.395	0.390	0.355	0.324
Other Contributions	0.710	0.150	0.150	0.150	0.150
Major Repairs Allowance	8.754	11.969	11.235	7.455	7.407
Revenue contributions	5.412	4.912	7.762	10.155	9.728
Total Financing	24.092	26.428	24.074	21.327	20.420

Table 1 shows that the capital expenditure plans of the Authority can be funded entirely from sources other than external borrowing.

4. Ratio of Financing Costs to Net Revenue Stream:

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

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

Ratio of Financing Costs to Net Revenue Stream	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
	%	%	%	%	%
Non-HRA	-0.39	-0.05	-0.06	-0.83	-1.22
HRA	16.47	16.05	15.81	15.03	14.47

5. Capital Financing Requirement:

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

Capital Financing Requirement	2013/14 Actual £m	2014/15 Revised £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
HRA	155.1	155.1	155.1	155.1	155.1
Non-HRA	29.6	29.6	59.6	59.6	59.6
Total CFR	184.7	184.7	214.7	214.7	214.7

5.2 The Council has embarked on a house building programme. The preliminary work started during 2012/13 with the works themselves starting in 2013/14. Whilst the business plan includes a very modest allocation for this, it is expected that the programme will be expanded in years beyond 2014/15 once the first schemes have been completed successfully and following the Government announcement with regards to “Reinvigorating Right to Buy and One for One Replacement” where the Government desire is that at a national level every additional home sold under Right to Buy will be replaced by a new home for affordable rent. Given the need to borrow for any additional house building the Council took advantage of the competitive borrowing rates whilst it could, rather than borrowing in a few years time when those rates will be unavailable. In the meantime this will allow the General Fund to continue (as it has done for a number of years) to internally borrow from the Housing Revenue Account at an appropriate rate, resulting in no detrimental impact on the General Fund from self-financing and would be fair to the HRA as it will still broadly receive the same level of income that it would have had if it had invested the money, rather than loaned internally to the GF.

6. Incremental Impact of Capital Investment Decisions:

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

Incremental Impact of Capital Investment Decisions	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Increase in Band D Council Tax	-0.45	-0.28	0.15	-0.06
Increase in Average Weekly Housing Rents	-0.48	0.02	0.01	-16.80

7. Authorised Limit and Operational Boundary for External Debt:

- 7.1 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
- 7.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 7.3 The **Authorised Limit** is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- 7.4 The **Operational Boundary** has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 7.5 The **Operational Boundary** links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the **Authorised Limit** reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the **Authorised Limit**.

	2014/15 Approved £m	2014/15 Revised £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Authorised Limit for Borrowing	230.00	230.00	230.00	230.00	230.00
Authorised Limit for External Debt	230.00	230.00	230.00	230.00	230.00
Operational Boundary for Borrowing	204.00	204.00	219.00	219.00	219.00
Operational Boundary for External Debt	204.00	204.00	204.00	219.00	219.00

8. Adoption of the CIPFA Treasury Management Code:

8.1 This indicator demonstrates that the Authority has adopted the principles of best practice.

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

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

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

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

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

	2014/15 Approved %	2014/15 Revised %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
<u>Fixed</u>					
Upper Limit for Fixed Interest Rate Exposure on Debt	100	100	100	100	100
Upper limit for Fixed Interest Rate Exposure on Investments	(100)	(100)	(100)	(100)	(100)
<u>Variable</u>					
Upper Limit for Variable Interest Rate Exposure on Debt	25	25	25	25	25

Upper Limit for Variable Interest Rate Exposure on Investments	(75)	(75)	(75)	(75)	(75)
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9.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority’s treasury management strategy.

10. Credit Risk:

10.1 The Authority considers security, liquidity and yield, in that order, when making investment decisions.

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

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

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

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

Appendix D -

Appendix D - Current Recommended Sovereign and Counterparty List as at 31/12/2014
(Section 8)

Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m	Maximum Maturity Limit
UK	Santander UK Plc (Banco Santander Group)	10.0		6 months
UK	Bank of Scotland (Lloyds Banking Group)	10.0	10.0	6 months
UK	Lloyds TSB (Lloyds Banking Group)	10.0		6 months
UK	Barclays Bank Plc	10.0		100 days
UK	HSBC Bank Plc	10.0		6 months
UK	Nationwide Building Society	10.0		6 months
UK	NatWest (RBS Group)	Suspended	10.0	Suspended
UK	Royal Bank of Scotland (RBS Group)	Suspended		Suspended
UK	Standard Chartered Bank	10.0		6 months
Australia	Australia and NZ Banking Group	10.0		6 months
Australia	Commonwealth Bank of Australia	10.0		6 months
Australia	National Australia Bank Ltd (National Australia Bank Group)	10.0		6 months
Australia	Westpac Banking Corp	10.0		6 months
Canada	Bank of Montreal	10.0		6 months
Canada	Bank of Nova Scotia	10.0		6 months
Canada	Canadian Imperial Bank of Commerce	10.0		6 months
Canada	Royal Bank of Canada	10.0		6 months
Canada	Toronto-Dominion Bank	10.0		6 months
Finland	Nordea Bank Finland	8.0		6 months
France	BNP Paribas	Suspended		Suspended
France	Credit Agricole CIB (Credit Agricole Group)	Suspended		Suspended
France	Credit Agricole SA (Credit Agricole Group)	Suspended		Suspended

France	Société Générale	Suspended		Suspended
Germany	Deutsche Bank AG	8.0		100 days
Netherlands	ING Bank NV	8.0		100 days
Netherlands	Rabobank	8.0		6 months
Netherlands	Bank Nederlandse Gemeenten	8.0		6 months
Sweden	Svenska Handelsbanken	8.0		6 months
Switzerland	Credit Suisse	8.0		100 days
US	JP Morgan	8.0		6 months

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

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

The Council is not currently investing with the Euro Zone counterparties but the limits above are those recommended by Arlingclose.

Appendix E - Non-Specified Investments

Instrument	Maximum maturity	Maximum £M	Capital expenditure?	Example
Call accounts, term deposits & CDs with banks, building societies & local authorities which do not meet the specified investment criteria (on advice from TM Adviser)	5 years	20	No	
Deposits with registered providers	5 years	20	No	
Gilts	5 years	10	No	
Bonds issued by multilateral development banks	5 years	5	No	<i>EIB Bonds, Council of Europe Bonds etc.</i>
Sterling denominated bonds by non-UK sovereign governments	5 years	5	No	
Money Market Funds and Collective Investment Schemes	5 years	20	No	<i>Investec Target Return Fund; Elite Charteris Premium Income Fund; LAMIT; M&G Global Dividend Growth Fund</i>
Corporate loans and debt instruments issued by corporate bodies	5 years	10	No	
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573	These funds do not have a defined maturity date	10	Yes	<i>Way Charteris Gold Portfolio Fund; Lime Fund</i>

Appendix F - MRP Statement 2014/15

CLG's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

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

NB This does not preclude other prudent methods.

MRP in 2014/15: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.

The MRP Statement will be submitted to Council before the start of the 2014/15 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.

The Authority's CFR at 31st March 2012 became positive as a result of the Housing Subsidy reform settlement. This would normally require the Authority to charge MRP to the General Fund in respect of Non-HRA capital expenditure funded from borrowing. CLG has produced draft regulations intended to mitigate this impact, and as such under Option 2 (the CFR method) there is no requirement to charge MRP in 2013/14.

If, as is likely, the Council undertakes General Fund borrowing in 2015/16 then in the following financial year, 2016/17, there will be a requirement to charge MRP.

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

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

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

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

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

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

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

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

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

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

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

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

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

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

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Portfolio Holder: Councillor S Stavrou

BUDGETS AND COUNCIL TAX DECLARATION 2015/16

Recommending:

- (1) That the list of CSB growth and savings for the 2015/16 budget (set out in Annex 1) be approved;**
- (2) That the list of District Development Fund items for the 2015/16 budget (set out in Annex 2) be approved;**
- (3) That the revenue estimates for 2015/16 and the draft Capital Programme for 2015/16 be approved as set out in Annexes 3, 4 (a-g) and 5 including all contributions to and from reserves as set out in the attached Annexes;**
- (4) That the medium term financial forecast be approved as set out in Annexes 8 a and 8 b;**
- (5) That the 2015/16 HRA budget be approved and that the application of rent increases and decreases resulting in an average increase of 2.2% from £95.62 to £97.71, be approved;**
- (6) That £0.5 million be moved from the General Fund Reserve to create a new Earmarked Reserve that will be used for Invest to Save projects.**
- (7) That the Council's policy of retaining revenue balances at no lower than £4.0M or 25% of the net budget requirement whichever is the higher for the four year period to 2017/18 be amended to no lower than £4.0M or 25% of the net budget requirement whichever is the higher during the four year period up to and including 2018/19;**
- (8) That the report of the Chief Financial Officer on the robustness of the estimates for the purposes of the Council's 2015/16 budgets and the adequacy of the reserves (see Annex 9) be noted.**

Declaration of Council Tax

- (9) That it be noted that under delegated authority the Director of Resources, in consultation with the Finance Portfolio Holder, calculated the Council Tax Base 2015/16:**
 - (a) for the whole Council area as 51,285.5 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended); and**
 - (b) for dwellings in those parts of its area to which a Parish precept relates as set out below and in Annex 6.**

	Tax Base
Abbess, Beauchamp & Berners Roding	207.7
Buckhurst Hill	5,028.5
Chigwell	5,894.7
Epping Town	4,915.3
Epping Upland	401.1
Fyfield	407.9
High Ongar	541.0
Lambourne	830.6
Loughton Town	11,938.7
Matching	422.0
Moreton, Bobbingworth and The Lavers	552.4
Nazeing	1,996.1
North Weald Bassett	2,443.2
Ongar	2,618.9
Roydon	1,266.8
Sheering	1,290.0
Stanford Rivers	348.0
Stapleford Abbotts	511.3
Stapleford Tawney	79.3
Theydon Bois	1,953.6
Theydon Garnon	76.4
Theydon Mount	111.7
Waltham Abbey Town	7,223.0
Willingale	227.1

(10) That the following amounts be calculated for the year 2015/16 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:

- (a) £123,646,699 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;
- (b) £112,851,737 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
- (c) £10,794,962 being the amount by which the aggregate at 10 (a) above exceeds the aggregate at 10 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);
- (d) £210.49 being the amount at 10 (c) above (Item R), all divided by Item T (the amount at 9 (a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);
- (e) £3,165,218 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Annex 6);
- (f) £148.77 being the amount at 10 (d) above less the result given by dividing the amount at 10 (e) above by Item T (9 (a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

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

(12) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts in Annex 7 Part B (tabled) as the amounts of Council Tax for 2015/16 for each part of its area and for each of the categories of dwellings.

(13) That in accordance with section 52ZB of the Local Government Finance Act 1992, Council determines that the amount of Council Tax shown at (10) (f) of £148.77 for 2015/16, being unchanged from 2014/15 is not excessive and therefore there is no need to hold a local referendum.

General Fund Budget Guidelines

1. The annual budget process commenced with the Financial Issues Paper (FIP) being presented to the Finance & Performance Management Cabinet Committee on 28 July 2014. The paper was prepared against the background of the cumulative effects of reductions in public expenditure and highlighted the uncertainties associated with:
 - a) Central Government Funding
 - b) Business Rates Retention
 - c) Welfare Reform
 - d) New Homes Bonus
 - e) Development Opportunities
 - f) Income Streams
 - g) Waste and Leisure Contract Renewals; and
 - h) Organisational Review
2. There is now greater clarity on some of these issues, but several of them will not be resolved for some time. The key areas are revisited in subsequent paragraphs.
3. In setting the budget for the current year Members had anticipated using £243,000 from the General Fund reserves. This was possible as the MTFs approved in February 2014 showed a combination of net savings targets and limited use of reserves which still adhered to the policy on reserves over the medium term. The limited use of reserves in 2014/15 was not significant as the MTFs at that time was predicting the use of just over £1.7 million of reserves to support spending in the following three years.
4. The revised MTFs presented with the FIP took into account all the changes known at that point and highlighted the additional reductions in support grant. This projection showed a need to achieve net savings of £500,000 on both the 2015/16 and 2016/17 estimates, followed by £300,000 in 2017/18 and £200,000 in 2018/19 to keep revenue balances comfortably above the target level at the end of 2018/19.
5. Members adopted this measured approach to reduce expenditure in a progressive and controlled manner. The budget guidelines for 2015/16 were therefore established as:
 - i. The ceiling for CSB net expenditure be no more than £13.15m including net growth/savings.
 - ii. The ceiling for DDF net expenditure be no more than £0.204m.
 - iii. The District Council Tax to be frozen.

The Current Position

6. The overall revenue budget summary is included as Annex 3. The main year on year resource movements are highlighted in the CSB and DDF lists, which are attached as Annexes 1 and 2. In terms of the guidelines, the position is set out below, after an update on each of the key areas highlighted in the FIP.

a) Central Government Funding

7. The 2013/14 financial year took us into the new world of locally retained business rates, vastly reduced Revenue Support Grant and Local Council Tax Support. Rather unhelpfully the DCLG did not provide a separate figure for Local Council Tax Support Grant for 2014/15 and this has been maintained with the draft figures supplied immediately before Christmas. This means it is necessary to provide two comparative tables below to illustrate the reductions in funding. The first table is based on Formula Grant but this is only possible up to 2013/14.

	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
Formula Grant (adjusted)	9.368	9.415 (8.710)	7.590 (7.543)	6.656	6.050
Increase/(Decrease) £	0.046	0.047	(1.120)	(0.887)	(0.606)
Increase/(Decrease) %	0.5%	0.5%	(12.9%)	(11.8%)	(9.1%)

8. The figures shown above illustrate the substantial annual reductions that began in 2011/12. Even using the adjusted figure of £8.710m for 2010/11, Formula Grant reduced by £2.66m or 31% over three years. From 2014/15 Formula Grant has not been separately identified so a different comparison is needed.

	2013/14 £m	2014/15 £m	2015/16 £m
Formula Grant	6.050	Not known	Not known
Homelessness Grant	0.113	Not known	Not known
Local Council Tax Support Grant	1.119	Not known	Not known
Funding Assessment	7.282	6.375	5.467
Increase/(Decrease) £	n/a	(0.907)	(0.908)
Increase/(Decrease) %	n/a	(12.5%)	(14.2%)

9. By not providing a full analysis for 2014/15 and 2015/16 the DCLG has prevented a detailed comparison with earlier periods. The draft figure for 2015/16 of £5.467m is slightly higher than the figure of £5.393m provided this time last year. It can still be seen that in three years under this new system funding reduces by £1.815m or by 24.9%. Using the two tables to make a crude comparison it can be seen that over 5 years funding has fallen by nearly 60%. The funding position in 2015/16 is £74,000 better than had been anticipated in the February 2014 MTFS. In updating the MTFS the changes have been allowed for but the lack of figures beyond 2015/16 requires a larger element of educated guesswork than usual.
10. As part of abolishing Council Tax Benefit and introducing Local Council Tax Support the DCLG had to determine whether parish councils would be affected by the reduction in council tax base or left outside the calculations. Despite the consultation responses on the scheme being massively in favour of tax base adjustments only at district level the DCLG decided that parish councils should also be affected. One of the problems with that decision was that DCLG does not have a legal power to make grant payments direct to parish councils. This meant the funding for these councils had to be included in the grants to districts and it was then for districts to determine how much of the grant was passed on. Members determined for 2013/14 that parish councils should be fully protected, a decision not shared by many authorities across the country. This

meant that the figure notionally relating to parishes of £312,812 was topped up with an additional £7,460 to £320,272.

11. We do not have separate figures now for Local Council Tax Support, let alone a detailed split between the district and the parishes. In the absence of this information it is fair to assume the overall reductions of 12.5% and 14.2% are common to each element of the Funding Assessment. Funding to parish councils was reduced on that basis in 2014/15 and a consistent approach is proposed to reduce this by 14.2% for 2015/16 (£39,793). These amounts need to be seen in the light of the total parish precepts for 2014/15 being over £3m. There is a separate report elsewhere on the agenda setting out the amounts for individual parishes and this information was circulated to parish colleagues before Christmas.

b) Business Rates Retention

12. We have only had one full year of business rates retention and it is a complex system of funding. Given this complexity and the increasing importance of business rate retention relative to revenue support grant it is worth repeating a brief explanation of the system below.
13. For this district the predicted total amount of non-domestic rates for 2013/14 was set as £31,888,336, which is shared out as shown in the table below.

Authority & Percentage Share	Amount £
Central Government (50%)	15,944,168
EFDC (40%)	12,755,334
Essex County Council (9%)	2,869,950
Essex Fire Authority (1%)	318,884

14. As the billing authority we are responsible for collecting the money and then paying it over as set out above. However, as our share (£12,755,334) exceeds the amount of our funding deemed to come from retained business rates (£2,909,311) the excess (£9,846,023) is also paid to Central Government as a "Tariff". The tariffs are used to provide "Top Ups" to those authorities whose non-domestic rate income is lower than their deemed funding from business rates. Overall this means we will be collecting nearly £32m but retaining less than £3m, or just over 9%.
15. The basic amounts within the system are now fixed for an extended period, DCLG have stated that the system will not be re-set until 2020. Although this does not apply to the tariff payments that will be increased annually by inflation, we have been given indicative tariff figures of £10.038m and £10.230m for 2014/15 and 2015/16 respectively.
16. Overall the predicted total level of non-domestic rates was broadly in line with the current position and it was felt unlikely that the Council would have either a large initial shortfall or any windfall gain from the new system. There was a major concern here though due to the way appeals and refunds are treated within the system. Even though DCLG have already had the benefit of non-domestic rates paid in respect of periods prior to 1 April 2013, all appeals regardless of start date are accounted for within the new system. This means billing authorities will be refunding money that they have not benefited from in the first place. It also means that in getting to a predicted level of non-domestic rates for 2013/14, allowance had to be made for the amount of money we anticipated having to pay out in appeals and refunds.
17. Calculating an appropriate provision for appeals was extremely difficult as there are several hundred appeals with the Valuation Office. Each appeal will have arisen from different circumstances and it is difficult to produce a uniform percentage to apply. This is a particular concern at the moment as there is one property in the south of the

district which has a rateable value approaching £6 million and is currently being appealed. If a full provision was included in our calculations for the owners of this property being completely successful in their appeal there would be a significant shortfall. Based on previous experience and discussions with the Valuation Office a provision has been calculated that is felt to be prudent, but given the size of the financial risk here it is worth mentioning the potential problem.

18. Having had that reminder of the structure of the system we can reflect on how the first year went and what the future prospects are. The 2013/14 figures have been audited and the total amount of non-domestic rate income fell approximately £1m short of the £31.9m target. This translated to a shortfall of just under £400,000 in the Council's funding. However, part of the reason for the overall shortfall was the late changes made to the system to extend small business rate relief, cap increases in bills and introduce retail rate relief. These changes were not part of the original system design and as they were reducing business rate income for local authorities a compensation system of grants was constructed. The DCLG were very late confirming the amounts and dates of payments for the compensatory grants and this complicated the budgeting process. Ultimately though the compensatory grants meant the combined income from the various sources under business rates retention for 2013/14 was £56,852 higher than the baseline funding level. This meant in addition to the £9.85m of tariff already paid a levy of £28,426 also had to be paid on this excess income.
19. The other aspect of the system to reflect on is cash collection and thankfully we have far more control over that than we do over appeals. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances.
20. Members recognised the increasing importance of cash collection in the new system and increased the CSB budget by £25,000 to fund legal action in difficult, high value cases. This proved a sound investment as the collection rate was boosted from 96.85% to 98.09%. This exceeded the target of 97.5% and was the highest collection rate for several years. This meant that, even allowing for the appeal refunds, it was possible to fund all of the payments required by the system without reducing the Council's investment balances.
21. Having reflected on the mechanics of the system and the first year of operation we now need to consider the future. Firstly, is that excess funding likely to continue? This would seem likely as the 2013/14 figures suffered from old appeals being settled and a substantial provision based on external professional advice has been included at the year end. As the next updating of the rates list has been postponed to 2017 another fresh batch of appeals should not be received for some time. Historically we have seen growth in the rating list each year and with the sites covered in the section on development opportunities there are good prospects for future growth.
22. It is difficult to predict what the outcome of the general election will be and so the role of retained business rates within the system of local government funding may change. The current Secretary of State has indicated that he would like to see an increase in the percentage retained. If this was to happen and the various development opportunities were to be taken forward it is possible to contemplate a position within 5 years when the Council could be self-sufficient and not rely at all on revenue support grant. As we cannot yet accurately predict completion dates or rateable values for the developments the MTFs has not assumed any growth in retained business rates from these projects. This is a prudent position as the Council seems likely to benefit from the change to local retention of business rates.

23. One other aspect of the new scheme worth mentioning is the ability to pool with other authorities to share risk and reduce levy payments. As we were not in a pool for 2013/14 half of the growth above the baseline funding level had to be paid over as levy. Thankfully this year's Autumn Statement contained less of the shocks that caused pooling to be abandoned for 2014/15. Although the work done in relation to 2014/15 has provided a useful basis and through the Essex Leaders Strategic Finance Group it should be possible to have a pool in place for 2015/16.

c) Welfare Reform

24. This phrase is used to capture a number of initiatives that are radically changing the way many benefits are paid and the amounts of those benefits. The single largest change from 1 April 2013 was the abolition of Council Tax Benefit and its replacement with Local Council Tax Support (LCTS). Much effort has gone in across the county to develop, consult on and implement schemes aimed at being self-financing. Because of the requirement to protect people of pension age and the different demographics across the county it was not possible to agree a single uniform scheme but a number of common principles were agreed that all of the schemes were based on.
25. In constructing our own scheme we were always conscious that some of the assumptions being used by the DCLG and the Department for Work & Pensions (DWP) meant that talk of a 10% saving would in reality mean a funding gap closer to 15%. This meant many variables were modeled and considered before a draft scheme was agreed by Cabinet for consultation and finally adoption by Council in December 2012. The outturn shows that the 2013/14 scheme did its job and even returned a small surplus. As in-year monitoring had indicated that the scheme was working well no significant changes were made to the scheme for 2014/15.
26. In the section above on central government funding I explained that DCLG no longer tell us how much of the funding we get is for LCTS. On the basis that overall funding is reducing and without any other facts it is reasonable to assume that LCTS funding is reducing to the same extent as the overall funding. If caseload was constant, this would present us with a choice of either reducing the amount of money allocated for LCTS and consequently increase the size of the bills for those receiving support or we could subsidise LCTS by making reductions in other General Fund areas to pay for it. This would have been a difficult decision but thankfully the significant reduction in caseload means the existing scheme can continue largely unchanged into 2015/16 and this was confirmed at Council on 16 December 2014.
27. It is worth taking this opportunity to briefly update on some of the other welfare reforms. Both the Benefits Cap and the Spare Room Subsidy (also known as the "Bedroom Tax") have now been with us for a little while. Indications are that the impact of these changes has not caused major problems for many residents. There has been some demand amongst those deemed to be under-occupying to downsize but many have decided to stay where they are and pay a higher proportion of their rent themselves. Both the Conservatives and Labour have talked about further reductions in welfare after the election and so some residents may find their current situations are not sustainable in the long term.
28. A change that is currently being implemented is the Single Fraud Investigation Service (SFIS). This will see staff who investigate housing benefit fraud transfer to the DWP. To prepare for this transfer in 2015/16 both the Internal Audit and Housing Benefit functions had restructures approved by Cabinet on 1 December 2014.
29. The other major change that has received considerable media coverage is the replacement of a collection of different benefits with a single Universal Credit. Unfortunately this scheme has been subjected to delays, confusion and critical reports from the National Audit Office. There is still no clarity over the time period and process for the migration of our existing housing benefit claims to Universal Credit. The DWP

is still to decide on the role it wants local authorities to perform under the new system. Whilst there seems general agreement about the need to bring the welfare bill for the country under control there remains room for improvement in the delivery mechanisms and it would not be a surprise if whoever wins the election drops Universal Credit.

d) New Homes Bonus

30. The amount of NHB payable for a year is determined by the annual change in the total number of properties on the council tax list in October. This means that the bonus is payable on both new housing and empty properties brought back in to use. The increase in the tax base is multiplied by a notional average council tax figure of £1,439, with an additional premium for social housing. The calculated figure is then shared with 20% going to the county council and 80% to the district, with the amount being payable for six years.
31. The update to the MTF5 in July had included an additional £130,000 for NHB. Now the full amount of new properties and empty properties brought back in to use is known this amount has nearly doubled to £252,000. This Council has done relatively well from NHB and the amount the Council will receive for the first 5 years of NHB in 2015/16 is nearly £2.1 million.
32. The DCLG has published a review of NHB that concluded the scheme was working well and largely achieving its objectives. This view is not shared universally as many areas of the country are unhappy with the re-distributional effect of NHB and the future shape and possibly existence of NHB may depend on who wins the general election. It should be remembered though that the funding for NHB was top sliced from the overall local government funding pot. If a worst case scenario happens and the scheme is entirely scrapped it will take at least a year for an alternative allocation system to be devised. An alternative allocation system may not be as generous to this Council but the funding would not be completely lost as any new allocation system normally has floors and ceilings to prevent large fluctuations in funding in any one year.
33. NHB for future years is not anticipated in the MTF5 and given the uncertainty beyond the general election this is still a prudent assumption. The inclusion of the additional £252,000 in 2015/16 takes the NHB income in the CSB to just over £2m.

e) Development Opportunities

34. Significant progress has been made since July on some of the Council's development sites. It is worth touching briefly on some of the opportunities that currently exist in the district and their likely benefits. This is particularly important given the potential changes mentioned above to retained business rates.
35. The Heads of Terms for the re-development of the Winston Churchill public house site has been re-negotiated. Originally the Council was entitled to a capital receipt which could have increased depending on the sale values achieved for the flats. Under the revised agreement the Council takes less risk and changes the income from one-off capital to ongoing revenue.
36. Agreement has been reached to buy Essex County Council's land in the St Johns area of Epping. This should make it easier to take forward the exciting mixed use re-development of that area. This is a substantial scheme and it is likely to bring considerable benefits to the district. The largest single scheme is the Langston Road shopping park development. On 15 December Cabinet agreed an appropriate legal structure and associated documents to progress the scheme. To assist in freeing up this site approval has been provided for a new depot at Oakwood Hill. Other possibilities for Waltham Abbey and North Weald are further off but should not be forgotten.

37. Even though there has been good progress there remains a lack of certainty at this time about the completion dates and composition of the schemes. In 2015/16 the management of these schemes will revert from a temporary home in the Governance Directorate to the Neighbourhoods Directorate. If the Council is to achieve the stated objective of reducing reliance on revenue support grant it is crucial that the momentum that has been achieved in 2014/15 is continued by those taking charge of the schemes in 2015/16. The revenue benefits of the schemes have not been anticipated in the MTFS but some development budgets have been approved by Members and these are included in the capital and DDF programmes as appropriate.

f) Income Streams

38. As you would expect, several of the Council's income streams reflect the position in the wider economy. Having suffered reductions during the downturn many of these areas are doing better now as the economy is improving. The FIP reported on the income position as at the end of June, which showed a combined potential surplus of £60,000. In every area the income position has improved in the subsequent six months. This is particularly evident for Development Control which is likely to see £80,000 of CSB growth and an additional £40,000 coming from pre-application charges.
39. Last year saw the first change to parking fees for many years and a detailed study is underway to consider how the charging scheme might be amended in future to ensure short term spaces are available for shoppers. Detailed recommendations from this work are likely to be presented to Cabinet in February. As part of the consideration of various business cases earlier in the budget cycle, Members agreed that a modest increase in income of £100,000 should be targeted for this area for 2015/16.
40. The other key income stream worth commenting on is the market at North Weald. As the operator was experiencing financial difficulties the Council agreed to move away from a fixed rent to an income share. This should place the market on a more sustainable basis going forward but has meant that the estimate for CSB income from the market has been reduced by £310,000.

g) Waste and Leisure Contract Renewals

41. Two of the Council's high profile and high cost services are provided by external contractors, Biffa for waste and SLM for leisure. The new waste contract commenced in November 2014 following a competitive dialogue procedure to achieve innovation and efficiency in the provision of this service. It was possible to procure the service at a lower cost than the previous contract and Biffa have made an encouraging start. Effective monitoring of the contract will be necessary to ensure it delivers the service improvements and cost savings that were included in the winning tender.
42. The leisure management contract was due to expire in January 2013 but an option was exercised that extended the contract for three years. A Leisure Strategy was approved by Cabinet in December 2014 to provide a vision for a new contract. The Director of Neighbourhoods is confident that a new contract based on this vision will achieve significant efficiencies and CSB reductions of £250,000 have been included in the later years of the MTFS.

h) Organisational Review

43. The 2014/15 budget included the effects of the first stage of the organisational restructure. This involved a reduction in the numbers of Directors and Assistant Directors and saw services consolidated into four new directorates. As phase two of the restructure, each directorate has now evaluated both opportunities to improve efficiency and areas that have been historically under resourced. This process has yielded some savings but also highlighted some additional funding requirements, such

as economic development. The MTFs has been adjusted for the changes to the organisation from this second phase. Although it is likely that the further amendments will continue during 2015/16.

44. A budget of £150,000 was included in the DDF for 2014/15 to allow the Chief Executive to take forward Transformational Projects. None of this money has been spent to date, although the Chief Executive is taking forward a flexible working and accommodation review. Early in the budget cycle he presented a business case and the projected saving of £100,000 has been included in the MTFs in 2016/17.

The ceiling for CSB net expenditure be no more than £13.15m including net growth

45. Annex 1 lists all the CSB changes for next year. The MTFs in July included CSB savings of £785,000 for 2015/16 and the revised 2014/15 budget had an additional £75,000 of savings. The most significant item not already covered above is a change in the allocation of work done in relation to anti-social behaviour. These costs have previously been borne entirely by the General Fund but now the Housing Revenue Account will pay for the work done on its behalf. It is anticipated that this will move over £100,000 of costs out of the General Fund.
46. Given the earlier start to the budget process this year and the large net cost increases from the loss of income from the market at North Weald and the investment in economic development, the November meeting of this committee considered whether the CSB target set in July should be amended. The Committee decided not to increase the savings targets by the full £430,000 necessary to maintain the July CSB target but to limit the increase to £250,000, thus allowing an increase in the CSB target of £180,000 to £13.33m.
47. The greater savings in 2014/15 and inflation being less than had been allowed for mean that the opening CSB in 2015/16 is £10,000 lower than anticipated in the previous MTFs. This means that although CSB savings are lower than the July target, the closing CSB is just £18,000 higher than adjusted November target.
48. The MTFs at Annex 8 (a) shows that the CSB total is £200,000 above the CSB target of £13.15m and it is therefore proposed to increase the CSB target to £13.35m.

The ceiling for DDF net expenditure be no more than £0.204m

49. The DDF net movement for 2015/16 is £1.123m, Annex 2 lists all the DDF items in detail. The largest cost item is £250,000 for work on the Local Plan. The Local Plan is a substantial and unavoidable project and in 2014/15 and the subsequent two years DDF funding of £0.76m is allocated to it. The Director of Neighbourhoods has been asked to provide regular updates to Cabinet to monitor this project and the expenditure incurred on it. Other significant items of expenditure include £129,000 for the planned building maintenance programme and £278,000 for the work on asset rationalisation.
50. The DDF lists include £150,000 (£75,000 in 2014/15 and £75,000 in 2015/16) for the Chief Executive's Transformation Programme. As mentioned above, the full amount was originally included in the budget for 2014/15 but none of the money has yet been spent. As the flexible working and accommodation review is taken forward external assistance will be necessary to transform the Council's operations. Whether all of this funding is needed will depend on the scale and nature of the projects pursued but it is prudent to leave the original budget intact at this time.
51. At £1.123m the DDF programme is £0.919m above the target for 2015/16. However, this needs to be balanced with the reduction in 2014/15 as the predicted spend in the previous MTFs of £2.269m has been reduced by £1.147m to £1.122m. Taking the two years together there is a net decrease in DDF spending of £0.228m. Therefore, it

is proposed to increase the DDF ceiling for 2015/16 from £0.204m to £1.123m. The DDF is predicted to continue to have funds available through to the end of the period covered by the MTFS.

The District Council Tax be frozen

52. Members have indicated that they want to benefit from the Council Tax freeze grant for 2015/16 and so the Council Tax will not be increased for 2015/16.

That longer term guidelines covering the period to March 2019 provide for

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

53. Current projections show this rule will not be breached by 2018/19, by which time reserves will have reduced to £8.521m and 25% of net budget requirement will be £3.139m.
54. As the balance on the General Fund reserve exceeds the minimum requirement and as further savings are required, Cabinet have recommended the transfer of £0.5 million from the General Fund reserve to an Invest to Save earmarked reserve. The earmarked reserve will be used to finance schemes that will reduce the CSB in subsequent years.

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

55. The outturn for 2013/14 added £214,000 to reserves and the revised estimates for 2014/15 anticipate a decrease of £493,000 (after the transfer of £0.5 million mentioned above). This would leave the opening revenue reserve for 2015/16 at £9.39m and with the estimates for 2015/16 showing a decrease of £30,000, reserves at the end of 2015/16 would be just under £9.4m. The Medium Term Financial Strategy at Annex 8 shows deficit budgets for the period from 2015/16 to 2018/19. The level of deficit peaks at £347,000 in 2016/17 and reduces to £179,000 in 2018/19, although this is achieved through CSB savings of £250,000 in 2016/17, £400,000 in 2017/18 and a further saving of £250,000 in 2018/19.

The Local Government Finance Settlement

56. This has already been covered in some detail above and whilst the figures are currently subject to consultation it is not anticipated that they will change significantly. Beyond 2015/16 the figures may fluctuate following the General Election and the next Comprehensive Spending Review and cannot be predicted with any certainty, further reductions of 10% each year have been allowed for in both 2016/17 and 2017/18 with a 5% reduction in 2018/19.

The 2015/16 General Fund Budget

57. Whilst the position on some issues is clearer now than it was when the FIP was written there are still significant risks and uncertainties. There has been an improvement in the economy but a lot of the jobs that have been created are part time or low paid. This has created an unusual situation whereby unemployment is low but tax revenues have not increased and so the deficit is still with us and there is no end in sight to the age of austerity. In the paragraphs above I have highlighted several key policy areas that could be affected by the General Election. There is increasing political uncertainty and with the impact of the Scottish National Party and the UK Independence Party another coalition government is a realistic possibility. Whatever

the make up is of the new government they will have to urgently conduct a Comprehensive Spending Review as there are no spending plans beyond 2015/16. It is hard to imagine any incoming government allocating additional funds to local government, although there are a range of possibilities in terms of the size of future spending reductions and where they will hit hardest.

58. Retention of non-domestic rates was already a complex system that another layer of complexity was added to with the very late changes in the 2013 Autumn Statement. The first full year has now washed through and the combined income from non-domestic rates and the compensatory grants was nearly £60,000 more than the formulae said we should receive. A levy of 50% has to be paid on income above the baseline funding level so we had to give half of it back. This is disappointing but under the previous system we would have not been able to retain any benefit at all.
59. An area of concern highlighted in the section on Business Rates Retention is the transfer of financial risk to billing authorities. The key risk here is the large number of appeals that are still outstanding against previous rating assessments and the difficulty in calculating an appropriate provision. The backlog of appeals with the Valuation Office is reducing but the single largest appeal against us, on the property with the £6m rateable value, is still to be settled and so remains a significant financial risk.
60. The Government has incentivised authorities to pursue residential development and economic development and so far this authority has done relatively well from the New Homes Bonus and the local retention of non-domestic rates. That we would continue to benefit in the future is more certain than whether the policies themselves will still be in place this time next year.
61. The other area worth touching on again is welfare reform. All we can really be certain of is that any incoming government will seek to reduce the overall welfare bill and that the current payment mechanisms will change. The extent, and effectiveness, of any targeted reductions and the future of Universal Credit can only be speculated about at the moment as can the role of local authorities.
62. The starting point for the budget is the attached Medium Term Financial Strategy, Annex 8. Annexes 8a and 8b are based on the current draft budget, no Council Tax increase (£148.77 Band D) for 2015/16 and subsequent increases of 2.5% per annum for the following years.
63. Members are reminded that this strategy is based on a number of important assumptions, including the following:
 - Future Government funding will reduce by 10% for both 2016/17 and 2017/18, with a smaller reduction of 5% for 2018/19.
 - CSB growth has been restricted and the adjusted CSB target for 2015/16 of £13.33m was very nearly achieved. Known changes beyond 2015/16 have been included but if the new leisure contract and the accommodation review do not yield the predicted savings other efficiencies will be necessary.
 - All known DDF items are budgeted for, and because of the size of the Local Plan programme the closing balance at the end of 2018/19 is anticipated to reduce to £0.9m.
 - Maintaining revenue balances of at least 25% of NBR. The forecast shows that the deficit budgets during the period will reduce the closing balances at the end of 2018/19 to £8.5m or 68% of NBR for 2018/19, although this can only be done with further savings in 2016/17 and subsequent years.

The Housing Revenue Account

64. The balance on the HRA at 31 March 2016 is expected to be £2.03m, after a deficit of £0.987m in 2014/15 and a surplus of £52,000 in 2015/16. The estimates for 2015/16 have been compiled on the self-financing basis and so the negative subsidy payments have been replaced with borrowing costs.
65. The process of Rent Restructuring to bring Council rents and Housing Association rents more in line with each other is no longer with us. This process may return in the future but for the moment it is possible to set a lower increase than the Council has been forced to do in recent years. The average rent increase is 2.2% for Council dwellings, substantially lower than the 4.91% in 2014/15, the 4.36% in 2013/14 and the 6% in 2012/13.
66. Both the Housing Repairs Fund and the Major Repairs Reserve are expected to have positive balances throughout the medium term. Members are recommended to agree the budgets for 2015/16 and 2014/15 revised and to note that although there is a deficit in 2014/15 the HRA has substantial ongoing balances.

The Capital Programme

67. The Capital Programme at Annex 5 shows the expenditure previously agreed by Cabinet. Members have stated that priority will be given to capital schemes that will generate revenue in subsequent periods. This position has been stated in previous Capital Strategies and has been reinforced by the increasing awareness that capital spending reduces investment balances and thus impacts on the general fund revenue balance through lower interest earnings.
68. Annex 5d sets out the estimated position on capital receipts for the next four years. Members will note that even with a substantial capital programme, which exceeds £116m over five years, it is anticipated that the Authority will still have nearly £1.8m of usable capital receipt balances at the end of the period. However, it should be noted that a number of sites are currently under review and that this could involve either receipts through disposals or additional expenditure to fund developments.

Risk Assessment and the Level of Balances

69. The Local Government Act 2003 (s 25) introduced a specific personal duty on the "Chief Financial Officer" (CFO) to report to the Authority on the robustness of the estimates for the purposes of the budget and the adequacy of reserves. The Act requires Members to have regard to the report when determining the Council's budget requirement for 2015/16. If this advice is not accepted, this should be formally recorded within the minutes of the Council meeting. The report of the CFO is attached as Annex 9, Members will note the following conclusions:
 - (i) the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2015/16; and
 - (ii) the reserves of the Council are adequate to cope with the financial risks the Council faces in 2015/16 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term.

The Prudential Indicators and Treasury Management Strategy 2015/16

70. Since 2004/05 it has been necessary to set affordable borrowing limits, limits for the prudential indicators and a Treasury Management Strategy. These elements of the budget requirements were set out in a separate report to Cabinet on 2 February.

71. Due to the £190m of debt for the HRA self-financing the Council is no longer debt free and the Prudential Indicators and Treasury Management Strategy have been amended for this. Ongoing difficulties persist in financial markets but higher capital requirements have eased concerns about some banks, Arlingclose still advise a very restricted counter party list but have allowed some increase in suggested investment periods.

Council Tax

72. The revenue and capital budgets of the various spending portfolios are set out in Annexes 4(a)-(g). Annex 3 summarises the overall budget for the Council for the General Fund and the HRA and is grossed up for the effects of local parish and town council precepts. Annex 5 summarises the Council's Capital Programme. The budget as submitted produces a District Council Tax (Band D) of £148.77 for 2015/16 (£148.77 for 2014/15), which represents a 0% increase. The average (Band D) Council Tax including local Parish/Town Council precepts will be £210.49 (£209.49 in 2014/15), which represents an increase of less than 1%.

Council Tax Declaration

73. Under Recommendations (1) – (4) which include Annexes 1, 2, 3, 4(a)-(g) the Council will agree its budget for the next year. The Authority must then proceed to declare a Council Tax. The appropriate technical recommendations are set out in Recommendations (9) onwards. These have been revised following changes to the Local Government Finance Act 1992 brought in as part of the Localism Act 2011. Under these changes the billing authority is now required to calculate a Council Tax requirement for the year, not its budget requirement as previously. The standard form of declaration recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) has been used as it is designed to avoid the possibility of legal challenge to the declaration of the Council Tax.
74. The Council Tax bases for each band in each area of the District were calculated by the Director of Resources in consultation with the Finance Portfolio Holder. These are reproduced in Recommendations (9) (a) and (b) and form part of the ensuing calculations. The amounts to be levied within the District in respect of Essex County Council, Essex Police Authority, Essex Fire Authority and Parish and Town Councils are notified to this Authority and are matters on which the District Council has no discretion.
75. However, the precepts of Parish and Town Councils are levied on the District Council and then taken into account in the General Fund. Details relating to the District Council precept together with the precepts in respect of Parish and Town Councils are set out in the recommendations and analysis in Annex 6.

Guide to the Council Tax Calculation

76. The figures in Recommendation (10) draw on calculations contained within the report as follows:

10(a) is the total of the revenue expenditure items shown in Annex 3 summary of revenue including the total of the Parish/Town Council precepts;

10(b) is the total of the revenue income items shown in Annex 3;

10(c) is the difference between the revenue expenditure and income as shown in Annex 3 (in simple terms it represents the net budget requirement of the District Council plus Parish and Town Council precepts);

10(d) is obtained by dividing 10(c) by the Council Tax Base; this represents the

average Band 'D' Council Tax for the District and Parish/Town Councils only;

10(e) as shown in Annex 3 is the total of Parish/Town Council precepts; and

10(f) represents the equivalent of dividing 10(e) by the Council Tax Base, the resulting figure being deducted from the figure shown in 10(d); this provides the average Band 'D' Council Tax for the District Council only.

77. This process culminates in the figures shown in Annex 6, which are the Council Tax amounts for the District Council and the Parish/Town Councils for each valuation band for 2015/16. To these amounts are added Council Tax figures supplied by the major precepting authorities and which are further summarised as the total Council Tax due for each valuation band in Part B of Annex 7.
78. Annex 7 relating to the precepts of various parts of the District will be tabled at the meeting.

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Council : 17 February 2015

List of Annexes:

Annex 1 CSB Growth/Savings List

Annex 2 DDF List

Annex 3 Revenue Expenditure, Income and Financing Summary

Annex 4 Directorate Budgets (a – g)

Annex 5 Capital Budgets and Financing

Annex 6 District & Parish Council Tax Rates

Annex 7 Major Precepting Authorities Analysis (Tabled)

Annex 8 Medium Term Financial Strategy (a & b)

Annex 9 Chief Finance Officers Report on the Robustness of the Estimates within the 2015/16 Budget

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service	Original	Revised	Estimate	Estimate	Estimate	Estimate
		2014/15 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Chief Executive	Directorate Restructure	(70)	(70)	(20)			
	Subscriptions		10				
	Corporate Policy Making				(100)		
	Directorate		(4)				
Total Chief Executive		(70)	(64)	(20)	(100)	0	0
Communities	All Weather Pitch	(23)	(35)	(5)			
	Safer Communities		(119)	(5)			
	Directorate Restructure	5	5				
	Affordable Housing			5			
	Private Sector Housing		(3)				
	Community Arts Programme			(10)			
	Grants to Vol. Organisations		(7)	(17)			
	Total Communities	(18)	(159)	(32)	0	0	0
Governance	Directorate Restructure	(73)	(73)	(19)			
	Internal Audit			66			
	Conservation Policy	2	2				
	Democratic Services	22					
	Governance & Performance Management			(10)			
	Estates & Economic Development	54	64	92			
	Land and Property	(224)	(209)	(13)			
	Land and Property	(20)					
	Land and Property		(68)	(21)			
	Land and Property		(5)	(24)			
	Land and Property			(3)			
	Legal Services		(4)	(10)			
	Public Relations			(39)			
	Development Control		(6)				
	Development Control			(6)			
	Development Control		(80)				
	Development Control			1	6		
Development Control		(40)					
Total Governance	(239)	(419)	14	6	0	0	

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST			Original	Revised	Estimate	Estimate	Estimate	Estimate	
Directorate	Service		2014/15 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	
Neighbourhoods	Land Drainage & Flood Defence	Flood Defence Income from ECC	(6)	(3)					
	Licensing	Licensing Officer (Premises Licences)	26	26	6				
	North Weald Airfield	Reduction in Market Rent		310					
	Leisure Management	Savings from New Contract				(125)	(125)		
	Off Street Parking	HRA car parks transferred to General Fund	(10)	(27)					
	Off Street Parking	Parking Fee Increases	(107)	(107)	(95)	(23)			
	Off Street Parking	Cleansing Contract		6	8				
	Off Street Parking	Machine Maintenance and collections			27	5	8		
	Waste Management	Inter Authority Agreement, reduced ECC Income	40	40	8	19			
	Waste Management	New contract		(144)	(88)	(159)			
	Fleet Operations	Vehicle parts		4					
	Fleet Operations	Removal of Deficit			(29)				
	Emergency Planning	Leased vehicle		3	4				
	Industrial Activities	Loss of income		3					
	Animal Welfare	Cleansing Contract		(5)	(7)				
	Animal Welfare	Budget Savings				(30)			
	Countrycare	Additional Income			(15)				
	Directorate Restructure	Savings	(150)	(150)	(24)				
	Total Neighbourhoods			(207)	(44)	(205)	(313)	(117)	0
	Resources	Civic Offices	Out of Hours Service	(13)	(21)	(36)			
Civic Offices		Solar Panel Energy Saving			(10)				
Civic Offices		Planned Maintenance Programme			(28)				
Civic Offices		NDR re-assessment			22				
Facilities Management		Casual Staff budget		(4)	(8)				
Finance Miscellaneous		Car Leasing (excluding HRA)	(15)	(19)	(20)	(7)			
Finance Miscellaneous		Employers Superannuation on Non-Contracted Overtime	38	38					
Finance Miscellaneous		Additional Employers Pension re Auto Enrolment	57	57					
Housing Benefits		Admin subsidy settlement reductions	26	56	22	50			
Housing Benefits		Postage		9					
Housing Benefits		Benefits restructure/SFIS transfer			(67)	(67)			
Accountancy		VAT helpline		2					
Directorate Restructure		Savings	(3)	(3)					
Directorate		Efficiency savings		(21)					
Car Leasing		Employers NI		(10)					
Corporate Training		Consultant Fees			(11)				
Corporate Improvement		Improvement budget savings			(20)				
Cashiers		Closure of Epping Cash Desk				(22)			
Bank and Audit charges		BDO reduction in fees		(35)					
Bank and Audit charges		Increased bank charges		8					
ICT	Essex on line Partnership Subscription			6					
Total Resources			90	57	(150)	(46)	0	0	
Other Items	Investment Interest	Reduction due to shops transfer	109	109	45				
	New Homes Bonus		(535)	(569)	(242)				
	Pensions	Deficit Payments			17	43			
Total CSB			(870)	(1,089)	(573)	(410)	(117)	0	

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
			2014/15 £000's	2013/14 2014/15 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Chief Executive	Corporate Policy Making	Transformation Programme	150		75	75			
	Corporate Policy Making	Efficiency Challenge Programme (RIEP)		3	3				
	Corporate Policy Making	LLPG staffing	22	46	42	16			
	Corporate Policy Making	LLPG staffing HRA Contribution	(5)	(10)	(9)	(4)			
	Corporate Policy Making	Restructure - Severance Pay	48		53				
Total Chief Executive			215	39	164	87	0	0	0
Communitites	Grants to Voluntary Orgs	Furniture Exchange Scheme	20		20				
	Grants to Voluntary Orgs	VAEF transport scheme	32		32				
	Safer Communities	Analysts post	14		16	27			
	Safer Communities	Contributions to Analysts post			(31)				
	Safeguarding	Safeguarding audit	44		42	47			
	Safeguarding	Rechargeable to HRA			(21)	(27)			
	Homelessness	Legal Fees			52	20	20	20	
	Housing General Fund	Landlord Accreditation Scheme			3	3			
	Housing General Fund	ECC re. Mobile Homes/Sites Improvements		2	2				
	Housing General Fund	Safe and Well Scheme		12	12				
	Housing General Fund	Energy Efficiency Works			4				
	Housing General Fund	Energy Efficiency Works - Hertsmere DC			(4)				
	Housing General Fund	Works in default			7	5			
	Housing General Fund	Works in default			(7)	(5)			
	Communities	Externally Funded Projects		137	184	153			
Communities	Externally Funded Projects		(137)	(184)	(153)				
Total Communitites			110	14	127	70	20	20	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
			2014/15 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Governance	Building Control Group	Salary saving re vacant posts (net of Consultants)	(89)		(64)	(57)			
	Building Control Group	Salary saving re vacant posts Ring Fenced Element	69		45	41			
	Development Management	Additional temporary staffing				25	25	25	
	Development Management	Document Scanning	55	9	33				
	Development Control	Additional Income			(120)				
	Development Control / Building Control	Consultants			(8)				
	Economic Development	Business Promotion & Support	10						
	Economic Development	Economic Development Strategy	30		25	5			
	Economic Development	Project Assistant		10					
	Economic Development	Tourism Task Force	25		10	15			
	Economic Development	Town Centres Support/Portas Funding	39	23	53	9			
	Elections	Combined Elections May 2014			(80)				
	Electoral Registration	Individual Registration Costs	53	5	77	49			
	Electoral Registration	Individual Registration Grant	(53)		(72)	(49)			
	Estates & Valuation	Additional Staff Surveyor	33						
	Estates & Valuation	Council Asset Rationalisation	130	9	255	278			
	Legal	Fees & Charges			(15)				
	Governance	Severance	46		47				
	Governance Policy	Temporary Assistant Director Post (Economic Development)	69		19				
	Land and Property	Reduced Rental Income Brooker Road		10	16				
	Land and Property	Rental Income Shops			(58)				
	Local Land Charges	Removal of Personal Search charges(Claims) (LLC Amendment Rules 2010)	88	(88)					
	Local Land Charges	Additional Income			(20)	(20)			
	Planning Appeals	Contingency for Appeals		46	11	35			
	Planning Appeals	Professional Fees			(6)				
	Planning Services	Technical Assistant - Conservation	7			10	15		
	Public Conveniences	Relocation of Superloo		21	21				
	Public Relations & Information	Website Officer	11						
Public Relations & Information	Uttlesford PR support			(14)					
Town Centre Regeneration	Waltham Abbey Regeneration Projects		45		45				
Total Governance			523	90	155	386	40	25	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
			2014/15 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Neighbourhoods	Food Safety	Inspections	4	1	2	3			
	Inspection of Workplaces	Expenditure of government grant		15	15				
	Inspection of Workplaces	Awarded Prosecution Costs - Queensthorpe			(5)				
	Neighbourhoods	Restructure - Severance Pay	66		66				
	Licensing	Additional Staff Premises Licences	4		4	4			
	Forward Planning	Maternity Cover	13	2	15				
	Countrycare	Conservation staffing			7	7			
	Local Strategic Partnership	Food Task Force	30		30				
	Forward Planning	Local Plan	321	103	230	250	280		
	Forward Planning	Neighbourhood Planning		5	10				
	Forward Planning	Neighbourhood Planning Grant			(5)				
	Contaminated Land & Water Quality	Contaminated land investigations	25			64			
	Off Street Parking	Payment to NEPP for Redundancies			31				
	Off Street Parking	Reduction in PCN income			40				
	Off Street Parking	Traffic orders and information boards				15			
	Leisure Management	Leisure Management Contract (Loughton)				46			
	Leisure Management	Leisure Management Contract (Loughton)			(23)	(23)			
	Leisure Management	Abortive feasibility costs re Waltham Abbey Pool			27				
	Leisure Management	Equipment/Signage		3	3				
	NWA Strategy Action Plan	NWA Consultancy exercise		20	20				
	North Weald Airfield	Safety of Bund	3	2	5	3			
	North Weald Airfield	Loss of Income - Hangar 5	4		4				
	Countrycare	BRIE - SLA	4		4	4	4	4	
	Countrycare	Protected species/habitat related consultation	9	1	10	10			
	Parks & Grounds	Roding Valley Lake - Disabled Projects		5	5				
	Parks & Grounds	Roding Valley Lake - Disabled Projects			(5)				
	Parks & Grounds	Open Spaces - Tree Planting			10				
	Parks & Grounds	Open Spaces - Tree Planting			(10)				
	Parks & Grounds	Survey of River Roding erosion				15			
	Street Cleansing	Surplus on recycling of street cleansing arisings	(18)						
	Waste Management	Waste contract procurement consultants	40	(27)	13				
	Waste Management	Wheeled bin replacements		1					
	Waste Management	Publicity		10	10				
Abandoned Vehicles	Abandoned vehicles contract	4							
Waste Management	Waste Contract Mobilisation			5					
Total Neighbourhoods			509	141	518	398	284	4	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Original	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
			2014/15 £000's	2013/14 2014/15 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Resources	Accounts Payable	Implementation of E-Invoicing		7	4	3			
	Council Tax Collection	Temporary Additional Staffing	49		119	190	190	190	
	Council Tax Collection	Technical Agreement Contributions	(157)		(127)	(197)	(190)	(190)	
	Council Tax Collection	Collection Investment	(47)		(47)	(47)			
	Council Tax Collection	Local Council Tax Support Expenditure	47	14	20	32			
	Council Tax Collection	Local Council Tax New Burdens Grant			(79)				
	Council Tax Collection	Local Council Tax New Burdens Expenditure					79		
	Housing Benefits	Local Council Tax Support		15					
	Housing Benefits	Hardship Fund	(5)		(5)	(5)			
	Housing Benefits	Data Sharing Programme		7	7				
	Housing Benefits	Transitional Funding	31			31			
	Housing Benefits	Welfare Reform Expenditure	37	5	37	24			
	Housing Benefits	Welfare Reform Grant			(24)				
	Housing Benefits	Overpayments			(150)				
	Council Tax Benefits	Clawback of benefit previously granted			(80)	(35)			
	Civic Offices	Out of Hours Service - Severance Payments	32	7	24				
	Civic Offices	Committee Room Tables	10		10				
	Civic Offices	NNDR re-assessment			25				
	Civic Offices	Vending machine rentals saving				(5)			
	Non HRA Building Maintenance	Planned Building Maintenance Programme	199	77	153	129	30	66	
	Procurement	Subscription saving/Hub rebate			(18)				
	Non Distributable Costs	Emergency Premises Works			2	18			
Total Resources			196	132	(129)	138	109	66	0
Total Service Specific District Development Fund			1,553	416	835	1,079	453	115	0
	Lost Investment Interest		151		191	115	78	78	
	Council Tax Freeze		(80)		(83)	(83)			
	Right to Challenge Expenditure		13						
	New Homes Bonus				(10)				
	Revenue Contributions to Capital	Records Scanner			26				
	Revenue Contributions to Capital	Enveloping Machine/Franking Machine			40	12			
	Revenue Contributions to Capital	Langston Road Development		147	147				
	NDR Income	Reduction due to appeals	250						
	Pensions	Deficit Payments	(24)		(24)				
Total District Development Fund			1,863	563	1,122	1,123	531	193	0

REVENUE EXPENDITURE, INCOME AND FINANCING

2014/15 ORIGINAL ALL REVENUE ITEMS £	2014/15 REVISED ALL REVENUE ITEMS £		GENERAL FUND ACCOUNT £	2015/16 ORIGINAL HOUSING REVENUE ACCOUNT £	ALL REVENUE ITEMS £
Gross Expenditure					
1,170,660	1,164,050	Office of the Chief Executive	4(a) 1,171,590	0	1,171,590
5,873,100	5,953,340	Governance	4(b) 5,850,130	0	5,850,130
16,886,040	16,531,360	Neighbourhoods	4(c) 15,231,810	0	15,231,810
42,004,740	42,227,390	Resources	4(d) 42,704,410	0	42,704,410
32,418,690	31,519,760	Communities	4(e) 5,092,690	27,474,860	32,567,550
258,990	264,970	Internal Trading Organisations	4(f) 233,550	0	233,550
98,612,220	97,660,870	Total Expenditure on Services	70,284,180	27,474,860	97,759,040
5,581,000	5,564,000	Interest Payable (Inc HRA)	457,000	5,144,000	5,601,000
16,211,000	14,167,000	Revenue Contribution to Capital	12,000	16,869,000	16,881,000
280,238	280,238	Parish Support Grants	240,441		240,441
3,077,383	3,077,383	Precepts Paid to Parish Councils	3,165,218	0	3,165,218
123,761,841	120,749,491	Total Gross Expenditure	10a 74,158,839	49,487,860	123,646,699
Gross Income					
39,366,390	39,584,130	Government Subsidies	39,902,390	0	39,902,390
31,814,570	31,630,860	Rents from Dwellings	0	32,177,460	32,177,460
5,087,150	5,110,100	Miscellaneous Rents, Trading Operations etc.	4,292,090	858,170	5,150,260
4,749,540	5,090,130	Fees and Charges	3,431,410	1,587,540	5,018,950
400,200	420,250	Interest on Mortgages and Investments	470,000	250	470,250
5,990,260	6,756,500	Grants and Reimbursements by other Bodies	6,023,050	0	6,023,050
87,408,110	88,591,970	Total Operational Income	54,118,940	34,623,420	88,742,360
1,042,833	1,479,623	Contribution from/(to) Revenue Reserves	28,778	(52,560)	(23,782)
(62,000)	(154,000)	FRS 17 Adjustment	(154,000)	0	(154,000)
1,863,000	1,122,000	Contribution from/(to) District Development Fund	1,123,000	0	1,123,000
(2,748,000)	(4,013,000)	Contribution from/(to) Other Reserves	(2,000)	(3,100,000)	(3,102,000)
(94,000)	43,000	Contribution from/(to) Collection Fund	50,000		50,000
19,359,000	16,534,000	Contribution from/(to) Capital Reserves	2,320,000	18,017,000	20,337,000
6,375,941	6,528,941	Exchequer Support	5,879,159		5,879,159
113,144,884	110,132,534	Total Gross Income	10b 63,363,877	49,487,860	112,851,737
10,616,957	10,616,957	To be met from Local Taxation	10c 10,794,962	0	10,794,962
Financed by:					
7,539,574	7,539,574	District Precept			7,629,744
3,077,383	3,077,383	Parish Council Precepts	10e		3,165,218
10,616,957	10,616,957	Total Financing			10,794,962

Office of the Chief Executive

Programme 2015/16

2014/15 Original		2014/15 Probable		Revenue Expenditure	2015/16 Original	
£	£	£	£		£	£
1,590,020		1,877,540		Corporate Activities	1,819,170	
	1,590,020		1,877,540	Total Expenditure		1,819,170
	419,360		713,490	Income from Internal Charges		647,580
	1,170,660		1,164,050	Net Expenditure (see Annex 3)		1,171,590
	1,170,660		1,164,050	To be met from Government Grant and Local Taxation		1,171,590
	-		-	Capital Expenditure (see Annex 5)		-

Governance

Programme 2015/16

2014/15 Original		2014/15 Probable		Revenue Expenditure	2015/16 Original	
£	£	£	£		£	£
543,430		524,660		Elections	563,670	
1,328,850		1,201,030		Member Activities	1,159,440	
2,521,020		2,635,380		Planning Services	2,699,960	
696,490		947,920		Land & Property	848,200	
352,450		313,770		Economic Development	309,190	
689,440		477,650		Other Activities	439,140	
3,582,123		4,257,530		Support Services	4,354,630	
	9,713,803		10,357,940	Total Expenditure		10,374,230
	3,840,703		4,404,600	Income from Internal Charges		4,524,100
	5,873,100		5,953,340	Net Expenditure (see Annex 3)		5,850,130
				Service Generated Income		
3,160,190		3,441,170		Miscellaneous Rents, Trading Operations etc	3,460,200	
1,212,390		1,525,150		Fees and Charges	1,353,440	
128,000		122,290		Grants and Reimbursements by other Bodies	194,100	
	4,500,580		5,088,610	Total Income		5,007,740
	1,372,520		864,730	To be met from Government Grant and Local Taxation		842,390
	-		4,924,000	Capital Expenditure (see Annex 5)		3,496,000

Neighbourhoods

Programme 2015/16

2014/15 Original		2014/15 Probable		Revenue Expenditure	2015/16 Original	
£	£	£	£		£	£
1,278,150		1,222,840		Environmental Health	1,257,500	
382,100		398,290		Licensing	408,990	
2,012,160		2,053,650		Leisure Management	2,021,650	
969,420		996,480		North Weald	978,120	
205,310		149,970		Emergency Planning	154,720	
7,716,830		7,449,510		Waste Management	6,067,380	
755,200		698,880		Land Drainage & Sewerage	774,330	
1,079,830		1,057,660		Parks and Grounds	1,091,960	
1,313,780		1,330,760		Technical Services	1,381,550	
1,090,780		1,021,490		Forward Planning & Economic Development	943,780	
4,501,940		4,386,420		Support Services	4,408,740	
	21,305,500		20,765,950	Total Expenditure		19,488,720
	4,419,460		4,234,590	Income from Internal Charges		4,256,910
	16,886,040		16,531,360	Net Expenditure (see Annex 3)		15,231,810
				Service Generated Income		
1,024,500		792,890		Miscellaneous Rents, Trading Operations etc	797,890	
1,558,510		1,479,220		Fees and Charges	1,619,620	
3,039,950		2,913,630		Grants and Reimbursements by other Bodies	1,993,510	
	5,622,960		5,185,740	Total Income		4,411,020
	11,263,080		11,345,620	To be met from Government Grant and Local Taxation		10,820,790
	4,324,000		466,000	Capital Expenditure (see Annex 5)		512,000

Resources

Programme 2015/16

2014/15 Original		2014/15 Probable		Revenue Expenditure	2015/16 Original	
£	£	£	£		£	£
39,707,570		39,674,640		Housing Benefits	40,253,920	
1,828,540		1,813,490		Local Taxation	1,950,370	
456,990		847,040		Other Activities	584,040	
2,940,550		3,246,450		Accommodation Services	2,798,660	
3,105,830		2,746,010		ICT Services	2,868,570	
2,513,980		2,702,440		Financial Services	2,810,610	
1,393,620		1,380,920		Other Support Services	1,441,560	
	51,947,080		52,410,990	Total Expenditure		52,707,730
	9,942,340		10,183,600	Income from Internal Charges		10,003,320
	42,004,740		42,227,390	Net Expenditure (see Annex 3)		42,704,410
				Service Generated Income		
39,000,390		39,212,130		Government Subsidies	39,522,390	
27,000		34,000		Miscellaneous Rents, Trading Operations etc	34,000	
29,200		25,450		Fees and Charges	23,710	
534,080		500,610		Grants and Reimbursements by other Bodies	617,620	
	39,590,670		39,772,190	Total Income		40,197,720
	2,414,070		2,455,200	To be met from Government Grant and Local Taxation		2,506,690
	1,087,000		1,351,000	Capital Expenditure (see Annex 5)		933,000

Communities

Programme 2015/16

General Fund £	2014/15 Original		General Fund £	2014/15 Probable		Revenue Expenditure	2015/16 Original		
	Housing Revenue £	Total £		Housing Revenue £	Total £		General Fund £	Housing Revenue £	Total £
		0			0				
	27,712,910	27,712,910		26,190,150	26,190,150	Council Housing		27,474,860	27,474,860
1,196,150		1,196,150	1,309,790		1,309,790	Private Sector Housing	1,302,280		1,302,280
444,350		444,350	575,060		575,060	Homelessness	532,580		532,580
482,170		482,170	462,800		462,800	Voluntary Sector Support	400,430		400,430
1,034,680		1,034,680	1,108,910		1,108,910	Community services	1,067,150		1,067,150
1,576,630		1,576,630	1,581,460		1,581,460	Sports Development	1,509,100		1,509,100
609,770	1,034,340	1,644,110	451,320	972,140	1,423,460	Support Services	447,680	1,034,300	1,481,980
5,343,750	28,747,250	34,091,000	5,489,340	27,162,290	32,651,630	Total Expenditure	5,259,220	28,509,160	33,768,380
638,010	1,034,300	1,672,310	159,730	972,140	1,131,870	Income from Internal Charges	166,530	1,034,300	1,200,830
4,705,740	27,712,950	32,418,690	5,329,610	26,190,150	31,519,760	Net Expenditure (see Annex 3)	5,092,690	27,474,860	32,567,550
Service Generated Income									
366,000		366,000	372,000		372,000	Government Subsidies	380,000		380,000
	31,814,570	31,814,570		31,630,860	31,630,860	Rents from Dwellings		32,177,460	32,177,460
	875,460	875,460		842,040	842,040	Miscellaneous Rents, Trading Operations etc		858,170	858,170
143,510	1,574,880	1,718,390	212,240	1,612,520	1,824,760	Fees and Charges	201,090	1,587,540	1,788,630
	1,200	1,200		250	250	Interest on Mortgages and Investments		250	250
651,230		651,230	1,282,970	0	1,282,970	Grants and Reimbursements by other Bodies	1,041,820		1,041,820
	(7,353,000)	(7,353,000)		(8,882,000)	(8,882,000)	HRA Interest & Reversal of Depn		(7,096,000)	(7,096,000)
	799,840	799,840		986,480	986,480	Use of Balances		(52,560)	(52,560)
1,160,740	27,712,950	28,873,690	1,867,210	26,190,150	28,057,360	Total Income	1,622,910	27,474,860	29,097,770
3,545,000	-	3,545,000	3,462,400	0	3,462,400	To be met from Government Grant and Local Taxation	3,469,780	0	3,469,780
3,218,000	17,773,000	20,991,000	2,101,000	15,182,000	17,283,000	Capital Expenditure (see Annex 5)	2,535,000	18,902,000	21,437,000

Internal Trading Organisations

Programme 2015/16

2014/15 Original		2014/15 Probable			2015/16 Original	
£	£	£	£	Revenue Expenditure	£	£
2,414,070		2,445,540		Housing Maintenance	2,545,570	
445,630		471,780		Fleet Operations	444,110	
	2,859,700		2,917,320	Total Expenditure		2,989,680
	2,600,710		2,652,350	Income from Internal Charges		2,756,130
	258,990		264,970	Net Expenditure (see Annex 3)		233,550
				Service Generated Income		
231,050		235,550		Fees and Charges	233,550	
	231,050		235,550	Total Income		233,550
	27,940		29,420	To be met from Government Grant and Local Taxation		-
	50,000		68,000	Capital Expenditure (see Annex 5)		50,000

Non Service Budgets

Programme 2015/16

General Fund £	2014/15 Original Housing Revenue £	Total £	General Fund £	2014/15 Probable Housing Revenue £	Total £	Revenue Expenditure	General Fund £	2015/16 Original Housing Revenue £	Total £
(399,000)		(399,000)	(420,000)		(420,000)	Interest & Investment Income	(470,000)		(470,000)
	16,211,000	16,211,000	213,000	13,954,000	14,167,000	Revenue Contribution to Capital	12,000	16,869,000	16,881,000
(1,637,000)		(1,637,000)	(1,937,000)		(1,937,000)	Other Items	(2,176,000)		(2,176,000)
451,000	5,130,000	5,581,000	430,000	5,134,000	5,564,000	Interest Payable (Inc HRA)	457,000	5,144,000	5,601,000
(2,633,000)	(29,000)	(2,662,000)	(2,788,000)	(34,000)	(2,822,000)	Depreciation Reversals & Other Adjs.	(2,320,000)	(34,000)	(2,354,000)
(4,218,000)	21,312,000	17,094,000	(4,502,000)	19,054,000	14,552,000		(4,497,000)	21,979,000	17,482,000
-	16,726,000	16,726,000	-	13,746,000	13,746,000	Transferred to Housing Summary	-	18,017,000	18,017,000
(4,218,000)	38,038,000	33,820,000	(4,502,000)	32,800,000	28,298,000		(4,497,000)	39,996,000	35,499,000
		(242,993)			(493,143)	Contribution (from)/to Revenue Reserves			(28,778)
		62,000			154,000	FRS 17 Adjustment			154,000
		10,000			473,000	Contribution (from)/to Other Reserves			2,000
		(2,738,000)			(3,540,000)	Transfer (from)/to Housing Revenue Account			(3,100,000)
		94,000			(43,000)	Contribution (from)/to the Collection Fund			(50,000)
		(1,863,000)			(1,122,000)	Contribution from District Development Fund			(1,123,000)
		29,142,007			23,726,857	Reduction in Amount to be met from Government Grant and Local Taxation & other Housing Revenue Account items			31,353,222

Capital Programme

Programme 2015/16

General Fund £	Housing Revenue £	2014/15 Original	General Fund £	Housing Revenue £	2014/15 Probable	Gross Expenditure	General Fund £	2015/16 Original	Total £
		Total £			Original Housing Revenue £				
-		-	4,924,000		4,924,000	Governance	3,496,000		3,496,000
4,324,000		4,324,000	466,000		466,000	Neighbourhoods	512,000		512,000
1,087,000		1,087,000	1,351,000		1,351,000	Resources	933,000		933,000
3,218,000	17,773,000	20,991,000	2,101,000	15,182,000	17,283,000	Communities	2,535,000	18,902,000	21,437,000
	50,000	50,000	-	68,000	68,000	Internal Trading Organisations	-	50,000	50,000
8,629,000	17,823,000	26,452,000	8,842,000	15,250,000	24,092,000	Total Capital Expenditure	7,476,000	18,952,000	26,428,000
-	16,211,000	16,211,000	213,000	13,954,000	14,167,000	Less: Revenue Contributions to Capital	12,000	16,869,000	16,881,000
8,629,000	1,612,000	10,241,000	8,629,000	1,296,000	9,925,000	To be met from Capital Resources	7,464,000	2,083,000	9,547,000
Financed by:									
7,051,000	844,000	7,895,000	6,971,000	607,000	7,578,000	Capital Receipts	6,514,000	1,488,000	8,002,000
1,509,000		1,509,000	1,547,000		1,547,000	Government Grants	858,000		858,000
69,000	768,000	837,000	111,000	689,000	800,000	Other Grants	92,000	595,000	687,000
8,629,000	1,612,000	10,241,000	8,629,000	1,296,000	9,925,000	Total Financing	7,464,000	2,083,000	9,547,000

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COUNCIL TAX RATES FOR DISTRICT & PARISH/TOWN COUNCILS 2015/16

Authorities	Tax Base No.'s	Precept 2015/16	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£	£	£
District Expenses	51,285.5	7,629,744	148.77	99.18	115.71	132.24	148.77	181.83	214.89	247.95	297.54
Abbess, Berners and Beauchamp Roding	207.7	5,200	25.04	115.87	135.19	154.50	173.81	212.43	251.06	289.68	347.62
Buckhurst Hill	5,028.5	346,432	68.89	145.11	169.29	193.48	217.66	266.03	314.40	362.77	435.32
Chigwell	5,894.7	272,399	46.21	129.99	151.65	173.32	194.98	238.31	281.64	324.97	389.96
Epping Town	4,915.3	412,099	83.84	155.07	180.92	206.76	232.61	284.30	335.99	387.68	465.22
Epping Upland	401.1	14,777	36.84	123.74	144.36	164.99	185.61	226.86	268.10	309.35	371.22
Fyfield	407.9	10,882	26.68	116.97	136.46	155.96	175.45	214.44	253.43	292.42	350.90
High Ongar	541.0	13,500	24.95	115.81	135.12	154.42	173.72	212.32	250.93	289.53	347.44
Lambourne	830.6	32,150	38.71	124.99	145.82	166.65	187.48	229.14	270.80	312.47	374.96
Loughton Town	11,938.7	587,100	49.18	131.97	153.96	175.96	197.95	241.94	285.93	329.92	395.90
Matsong	422.0	13,800	32.70	120.98	141.14	161.31	181.47	221.80	262.12	302.45	362.94
Moreton, Bobbingworth and the Lavers	552.4	13,783	24.95	115.81	135.12	154.42	173.72	212.32	250.93	289.53	347.44
Nazeing	1,996.1	68,940	34.54	122.21	142.57	162.94	183.31	224.05	264.78	305.52	366.62
North Weald Bassett	2,443.2	172,034	70.41	146.12	170.47	194.83	219.18	267.89	316.59	365.30	438.36
Ongar Town	2,618.9	268,336	102.46	167.49	195.40	223.32	251.23	307.06	362.89	418.72	502.46
Roydon	1,266.8	28,915	22.83	114.40	133.47	152.53	171.60	209.73	247.87	286.00	343.20
Sheering	1,290.0	31,066	24.08	115.23	134.44	153.64	172.85	211.26	249.67	288.08	345.70
Stanford Rivers	348.0	19,900	57.18	137.30	160.18	183.07	205.95	251.72	297.48	343.25	411.90
Stapleford Abbots	511.3	5,410	10.58	106.23	123.94	141.64	159.35	194.76	230.17	265.58	318.70
Stapleford Tawney	79.3	1,522	19.19	111.97	130.64	149.30	167.96	205.28	242.61	279.93	335.92
Theydon Bois	1,953.6	104,986	53.74	135.01	157.51	180.01	202.51	247.51	292.51	337.52	405.02
Theydon Garnon	76.4	1,000	13.09	107.91	125.89	143.88	161.86	197.83	233.80	269.77	323.72
Theydon Mount	111.7	1,400	12.53	107.53	125.46	143.38	161.30	197.14	232.99	268.83	322.60
Waltham Abbey Town	7,223.0	735,445	101.82	167.06	194.90	222.75	250.59	306.28	361.96	417.65	501.18
Willingale	227.1	4,142	18.24	111.34	129.90	148.45	167.01	204.12	241.24	278.35	334.02
Town and Parish Total	51,285.5	3,165,218	61.72	41.15	48.00	54.86	61.72	75.44	89.15	102.87	123.44
District, Town and Parish Total	51,285.5	10,794,962	210.49	140.33	163.71	187.10	210.49	257.27	304.04	350.82	420.98

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Medium Term Financial Strategy

Introduction

1. For a number of years as part of the Council's sound financial planning arrangements a four-year financial strategy has been prepared. This document allows a considered view to be taken of spending and resources. Without a medium term financial strategy finances would be managed on an annual basis leading to sudden expansions and contractions in services. Clearly such volatility would lead to waste and be confusing for stakeholders.
2. Managing this Council's finances has been made easier by isolating one off fluctuations (District Development Fund or DDF) from the ongoing core services (Continuing Service Budgets or CSB). This distinction highlights the differing effects in the medium term of approving different types of initiative.
3. A key part of the strategy is future rises in Council Tax and the Council has a stated ambition to remain a low tax authority in the long term. To achieve this over the long term it is important to avoid the gimmick of one-off reductions. For 2015/16 it appears there will be a mixed picture across Essex, with some authorities increasing charges to just below the referendum limit and some considering token reductions.
4. At its 28 July 2014 meeting the Finance and Performance Management Cabinet Committee decided to recommend a continued freeze in the Council Tax. This recommendation was adopted by cabinet on 8 September 2014.

Previous Medium Term Financial Strategy

5. The July meeting of the Cabinet Committee considered the annual Financial Issues Paper and an updated medium term financial strategy. At that time Members attention was drawn to a number of areas of significant uncertainty. Key amongst those were the structural reforms to the financing of local authorities through the local retention of NNDR and the Government's programme of welfare reform. The general state of domestic and world economies remained a concern although most of the key income streams were now showing improvement. There were also questions over the New Homes Bonus, Development Opportunities and the Organisational Review.
6. Against this background of risk and uncertainty a forecast was constructed that set a target of £13.15m for CSB expenditure for 2015/16 and maintained the requirement for annual CSB savings over the forecast period. At this time deficit budgets were anticipated for each year of the forecast, although these were reducing at the end of the forecast.
7. At that time the predicted General Fund balance at 1 April 2019 of £8.29m represented 65% of the anticipated Net Budget Requirement (NBR) for 2018/19 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be £1.4m left in the DDF at 1 April 2019.

Updated Medium Term Financial Strategy

8. In the period since the Financial Issues Paper the Government has provided the draft settlement figures for next year and Cabinet increased the CSB target to £13.33m. The reductions in funding were somewhat smaller than had been anticipated, which was helpful given the increasing cost pressures. In constructing the forecast it has been necessary to make certain assumptions, these are set out below:
 - a) CSB Growth – the net savings required for 2015/16 have been found, but budgets will be re-visited during the course of 2015/16 to seek further reductions. In common with the earlier version of the strategy, target CSB savings are included for the period 2016/17 to 2018/19. The organisational restructure, savings on waste management, additional rental income and additional development control income have helped achieve the savings required for 2015/16. However, on top of known predicted savings, net savings targets of £250,000 for 2016/17 and £400,000 for 2017/18 may prove challenging.
 - b) DDF – all of the known items for the four-year period have been included and at the end of the period a balance of £0.9m is still available. This is consistent with the position in the current year's budget, where the MTFS adopted in February 2014 showed a closing balance at the end of the period of under £1m.
 - c) Grant Funding – beyond 2015/16 it has been assumed that there will be a 10% reduction in grant in each of the following years. These figures will be subject to change as a Comprehensive Spending Review will have to be conducted during 2015/16.
 - d) Other Funding – no amounts have been included for any additional New Homes Bonus that may arise for subsequent years. No growth in funding has been anticipated from growth in the non-domestic rating list. It has been assumed that the allowance for losses on appeals will be adequate but there are hundreds of appeals still outstanding, including one against the largest item on our rating list.
 - e) Council Tax Increase – Members have confirmed they wish to freeze the charge for 2015/16. Increases of 2.5% have been allowed for subsequent years. These assumptions have been built into the strategy.
9. This revised medium term financial strategy has deficits from 2015/16 to 2018/19, although these are reducing and the use of reserves in 2018/19 is £168,000 lower than in 2016/17. The predicted revenue balance at the end of the period is £8.5m, which represents 68% of the NBR for 2018/19 and thus comfortably exceeds the target of 25%.
10. It is worth repeating that savings of £0.9m are still to be identified for the last three years of the strategy and that identified savings of £0.4m in 2016/17 and 2017/18 will have to be delivered. In approving the medium term financial strategy Members are asked to note these targets. The strategy will be monitored during the year and updated for the July 2015 meeting of the Finance and Performance Management Cabinet Committee.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2014/15 - 2018/19

ORIGINAL 2014/15	REVISED FORECAST 2014/15	FORECAST 2015/16	FORECAST 2016/17	FORECAST 2017/18	FORECAST 2018/19
£'000 NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
14,644 Continuing Services Budget	14,913	13,921	13,900	13,415	12,985
-870 CSB - Growth Items	-1,089	-573	-410	-117	0
0 Net saving	0	0	-250	-400	-250
13,774 Total C.S.B	13,824	13,348	13,240	12,898	12,735
1,863 One - off Expenditure	1,122	1,123	531	193	0
15,637 Total Net Operating Expenditure	14,946	14,471	13,771	13,091	12,735
10 Contribution to/from (-) Other Res	500	0	0	0	0
-1,863 Contribution to/from (-) DDF Balances	-1,122	-1,123	-531	-193	0
-243 Contribution to/from (-) Balances	-493	-30	-347	-314	-179
13,541 Net Budget Requirement	13,831	13,318	12,893	12,584	12,556
FINANCING					
6,095 Government Support (NNDR+RSG)	6,248	5,638	5,074	4,567	4,338
0 RSG Floor Gains/(-Losses)	0	0	0	0	0
6,095 Total External Funding	6,248	5,638	5,074	4,567	4,338
7,540 District Precept	7,540	7,630	7,819	8,017	8,218
-94 Collection Fund Adjustment	43	50	0	0	0
To be met from Government 13,541 Grants and Local Tax Payers	13,831	13,318	12,893	12,584	12,556
Band D Council Tax	148.77	148.77	152.46	156.33	160.24
Percentage Increase %		0	2.5	2.5	2.5

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2014/15 - 2018/19

	REVISED FORECAST 2014/15	FORECAST 2015/16	FORECAST 2016/17	FORECAST 2017/18	FORECAST 2018/19
REVENUE BALANCES	£'000	£'000	£'000	£'000	£'000
Balance B/forward	9,884	9,391	9,361	9,014	8,700
Surplus/Deficit(-) for year	-493	-30	-347	-314	-179
Balance C/Forward	9,391	9,361	9,014	8,700	8,521
DISTRICT DEVELOPMENT FUND					
Balance B/forward	3,848	2,726	1,603	1,072	879
Transfer Out	-1,122	-1,123	-531	-193	0
Balance C/Forward	2,726	1,603	1,072	879	879
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	17,467	14,104	7,661	4,679	3,022
New Usable Receipts	4,215	1,559	1,555	1,555	1,555
Use of Capital Receipts	-7,578	-8,002	-4,537	-3,212	-2,811
Balance C/Forward	14,104	7,661	4,679	3,022	1,766
TOTAL BALANCES	26,221	18,625	14,765	12,601	11,166

The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2015/16 budgets and the adequacy of the reserves.

Introduction

1. The Local Government Act 2003 section 25 introduced a specific personal duty on the "Chief Financial Officer" (CFO) to report to the Authority on the robustness of the estimates for the purposes of the budget and the adequacy of reserves. The Act requires Members to have regard to the report when determining the Council's budget requirement for 2015/16. If this advice is not accepted, the reasons must be formally recorded within the minutes of the Council meeting. Council will consider the recommendations of Cabinet on the budget for 2015/16 and determine the planned level of the Council's balances.
2. Sections 32 and 43 of the Local Government Finance Act 1992 also require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the net budget requirement.
3. There are a range of safeguards, which exist to ensure local authorities do not over-commit themselves financially. These include:
 - The CFO's s.114 powers, which require a report to the Cabinet and to all members of the local authority if there is or is likely to be unlawful expenditure or an unbalanced budget
 - The Prudential Code, which applied to capital financing from 2004/05.

The Robustness of the Recommended Budget

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

- The analysis of the budget between the continuing services and one off District Development Fund items smoothes out peaks and troughs and enables CSB trends to be monitored
 - The adoption of a prudent view on the recognition of revenue income and capital receipts
 - The annual bid process whereby new or increased budgets should be reported to Cabinet before inclusion in the draft budget
 - Clear and reasoned assumptions made about unknowns, uncertainties or anticipated changes
6. With a Cabinet system the onus is on Portfolio Holders to work closely with Directors to deliver acceptable and accurate budgets. This role has been taken seriously and has helped enhance the detailed knowledge of the Cabinet. There is an established process that allows the Finance Scrutiny Panel to challenge and debate the detailed budgets with the Finance Cabinet Committee.
7. The budget is therefore based on strong and well-developed procedures and an integrated and systematic approach to the preparation of soundly based capital and revenue plans and accurate income and expenditure estimates. The risks or uncertainties inherent in the budget have been identified and managed, as far as is practicable, and assumptions about their impact have been made.
8. **The conclusion is that the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2015/16.**

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

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

Factor Assessment

a. Inflationary pressures

11. Every year base budget estimates are produced and then different inflation factors are applied to the resultant figures to take budgets to out-turn prices. It is inevitable that there will be either over or under provision for the full cost of inflation, as prices will vary against the estimates made. Efforts have been made to predict the level of inflation in the coming year, although the difficulty in making these predictions is highlighted by inflation remaining low and below the target for, and predictions of, the Monetary Policy Committee. The most recent figures for the year to December 2014, released on 13 January, have shown inflation at 0.5% which is the lowest level since recording in this form began in 1996. The last time inflation was at the target level of 2% was December 2013 and it has been below that level on a generally declining path since. As it is now more than 1% below the target the Governor of the Bank of England will be required to write a letter of explanation to the Chancellor of the Exchequer. This ongoing low inflation makes any increase in the rate of interest unlikely in the near future.
12. Even though inflation has been low increases in pay have been lower and people have seen the real value of their earnings fall. Pay rates had been frozen for several years prior to the 1% increase for 2013/14 and now 1.1% increases have been agreed for both 2014/15 and 2015/16. The Medium Term Financial Strategy (MTFS) includes an allowance of 1.5% for pay awards for 2016/17 and 2017/18. In the budgets the centrally held vacancy allowance has been maintained at 1.5%. This reflects the deletion of posts during the organisational restructure and the consequent reduction in the levels of salary under spends.

b. Estimates on the level and timing of capital receipts

13. The Council has always adopted a prudent view on the level and timing of capital receipts. Capital receipts are not recognised for budgetary purposes unless they have been received or their receipt is contractually confirmed prior to the budget being ratified. Currently, no significant disposals are anticipated in 2015/16.
14. The exception to this relates to receipts from council house sales. In this instance because sales occur throughout the year assumptions are made about their generation. Following the increase in Right to Buy discounts the number of sales has increased significantly. During 2012/13 there were 13 sales but 2013/14 saw the number increase to 53 and the first 9 months of 2014/15 have seen 28 sales. This indicates that the various Government initiatives to encourage lending have been effective and that it has become easier to obtain a mortgage.
15. Even with the Authority's substantial capital programme, which exceeds £116m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2019 will be just under £1.8m. The Capital Strategy continues to emphasise that priority will be given to capital schemes that will create future revenue benefit, either through increased income or reduced costs.

c. Treatment of demand led pressures and savings

16. The previous demand led pressures on the benefits and homelessness services have been easing with the slow improvement in the economy. Locally the housing market is improving, with increases in key income streams like planning and land charges. The income from both these areas will be greater in 2014/15 than 2013/14.
17. The net savings for the budget have been achieved from three main areas. Firstly, the new waste management contract has generated CSB savings of £144,000 in 2014/15 and £88,000 in 2015/16. Secondly, increases in income in the Governance Directorate with Development Control contributing £120,000 and additional property rental income yielding another £130,000 over the two years. The third significant item is changing pay and display parking fees, which should provide £68,000. A number of other smaller savings have also been identified and together these provide a sound base for the 2015/16 budget. However, there is still a need for further savings in 2016/17 and 2017/18 and work is ongoing on a number of ideas to reduce net costs.

d. Risks inherent in partnership arrangements etc

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

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

19. The Authority is no longer debt free, due to self-financing for the Housing Revenue Account (HRA). Although this is not a significant concern as the 30 year business plan for the HRA has demonstrated that the Authority will be considerably better off in the long term. Revenue reserves for both the General Fund and the HRA are in a healthy state.
20. A major threat to the Authority's financial standing is further substantial reductions in central government funding. The period from 2011/12 to 2015/16 will see grant funding reduced by approximately 60%. The period beyond 2015/16 will be the subject of the next Comprehensive Spending Review and whoever is in the next government will need to do more to reduce the deficit. A change of government could also see the New Homes Bonus scrapped and other structural changes to local authority finances. This means predicting beyond 2015/16 is hazardous although it is likely that there will be further reductions in revenue support grant and an increasing reliance on retained business rates.
21. I have previously expressed concern at the transfer of large financial risks to local authorities at a time of economic uncertainty. These risks were the localisation of Council Tax Benefit and the local retention of non-domestic rates. The implementation of Local Council Tax Support has been a success and the scheme has been managed within budget. In view of the success so far and the reducing caseload it has been possible to leave the scheme largely unchanged again for 2015/16.

22. Local retention of non-domestic rates has been more problematic and still represents a considerable financial risk. The major concern here arises from the treatment of appeals and refunds. Even though DCLG have already had the benefit of non-domestic rates paid in respect of periods prior to 1 April 2013, all appeals regardless of start date are accounted for within the new system. This means billing authorities are refunding money that they have not benefited from in the first place. There are still several hundred appeals outstanding, including one against the largest item on our rating list, and it is difficult to robustly predict what the combined outcomes will be.

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

23. The Authority has a proven track record in financial management as borne out by the Annual Audit Letters from the Authority's external auditors. A comparison of actual net expenditure with estimates over a number of year's shows that the Council rarely experiences over spends of any significance.
24. Most managers have received training on budget management. A course involving an external trainer, the CFO and the Chief Internal Auditor has now been supplemented with additional detailed training on a directorate basis being provided by accountancy staff.
25. The quarterly budget monitoring reports on key budgets to both the Finance and Performance Management Cabinet Committee and Scrutiny Panel will continue throughout 2015/16. The production of these reports during the year is essential in identifying emerging problems at the earliest opportunity. This allows maximum benefit to be accrued from any corrective action taken.

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

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

h. The adequacy of insurance arrangements

27. The Council is now in the final year of a five year agreement that was entered into following a collaborative procurement exercise with twelve other authorities. This exercise was somewhat disappointing and there was little benefit from it as insurance is something that is assessed on a risk by risk basis and not a uniform commodity that can be procured in bulk. Because of the value of the tender and the complexity of the insurance market, an external broker has been appointed to assist with the procurement. The Authority still maintains an insurance fund, which as at 31 March 2014 had a balance of £1.05m.

i. Pension liabilities

28. The latest triennial valuation as at 31 March 2013 showed an increase in the funding level of the scheme to 77% (the value of the scheme's assets only cover 77% of the liabilities). This has allowed the actuaries to reduce both the deficit payments and the projected recovery period. However, ongoing contributions have increased from 13% to 15.9% and this left the combined payment figure for 2014/15 and the two subsequent years similar to pre-valuation level. It is not anticipated that any applications will be made to DCLG for capitalisation directions and the full amounts of the deficit payments have been included in the CSB.

Statement on the adequacy of the reserves and balances

29. The Use of Resources assessment previously conducted by the external auditors moved on from the formulaic approach of CPA to achieve the 'good' ranking for reserves. The old formula had suggested that the Council should maintain a General Fund balance of at least £0.89m but no more than £17.86m. The Council's current best estimate of the General Fund balance at 31 March 2016 is £9.36m as shown in the Annex 8 b. This is clearly within the range specified but as a benchmark is not particularly useful. Therefore a risk assessment related to the Authority's individual circumstances is provided as a more meaningful benchmark against which the adequacy of the balances can be determined.
30. The following table lists those developments and cost pressures within the four-year forecast that offer the greatest risk to financial stability.

Item of risk	Estimated value of financial risk £000	Level of risk %	Adjusted level of risk £000
Basic 5% of Net Operating Expenditure			900
Grant reduction being 15% instead of 10% beyond 2015/16	600	50	300
Loss of New Homes Bonus in a new funding system	8,000	25	2,000
Pay award being settled 1% in excess of estimate for 16/17 and future years	800	25	200
Inflationary pressures between 1-4% higher than budget	600	20	120
Loss of North Weald Market Income	2,800	40	1,120
Unintended consequences of HRA reform impacting on General Fund	2,000	10	200
Localisation of Council Tax Benefit - Increase in caseload not covered by funding	1,000	20	200
Retention of non-domestic rates – losses on appeals	1,000	40	400
Renegotiating External contracts and partnership arrangements	4,000	25	1,000
Emergency Contingency	800	20	160
Total	21,600		6,600

31. The estimates for income generated from the market at North Weald airfield have been reduced but this remains a key source of income. Uncertainties surrounding the future of the airfield create a risk to the Authority that needs to be recognised and quantified hence its inclusion in the list above.
32. A number of contracts have been granted to outside bodies for the provision of Council services. The failure of any of these contracts would lead to the Council incurring costs, which may not be reimbursed. Other than certain bond arrangements there is no specific provision made in the estimates for this type of expenditure, which therefore would have to be covered by revenue balances.
33. The presentation in this table is not a scientific approach, but a crude attempt to put a broad order of scale on the main financial risks potentially facing the Council. It is meant to be thought provoking rather than definitive. It is certainly not a complete list of all the financial risks the Council faces but it shows the potential scale of some of the risks and uncertainties and the impact they may have on the Council's balances if they were to come to fruition.
34. Based on the old CPA formula there is an expectation that an authority should carry a level of balance that equates to at least 5% of the net operating expenditure (NOE) of the Authority. During the period of the four-year plan NOE is expected to average out at £13.5m, which suggests a figure of £675,000.
35. The Council has always been conscious of its balances position as can be demonstrated by budget reports over many years. Fortunately for the Authority the question had not been whether it had a sufficient level of balance but rather that it had too much. Balances increased by £213,000 in 2013/14 to leave a balance of £9.88m at 31 March 2014.
36. Policies have been determined previously to bring about reductions and the current policy reflects that deficit budgets are necessary to support the structured reduction in spending. The current policy allows for balances to fall to no lower than 25% of Net Budget Requirement (NBR). This is slightly different from the NOE stated above, the average NBR figure for the next four years is expected to be £12.8m therefore 25% of that figure equates to £3.2m. The current four-year forecast shows balances still at £8.5m at the end of 2018/19.
37. The risk assessment undertaken above suggests that 20-25% of NBR is about the range that this authority should be maintaining its balances within. By 31 March 2019 balances will represent 68% of NBR, which is more than adequate. However, Members are aware that this situation can only be achieved with CSB savings and have stated a clear target of reducing expenditure throughout the period of the medium term financial strategy.
38. It has already been stated that the capital fund is expected to remain in a surplus position beyond 2018/19 and the capital programme is fully funded.
40. The main earmarked reserve is the District Development Fund (DDF) which is used to keep one off items of income and expenditure separate from the base budget. At 31 March 2014 the balance on the DDF was £3.8m, which was an increase of £0.2m in the year. The DDF is predicted to have a balance of £0.8m at the end of 2018/19, although this is likely to be reduced by the Local Plan and any further organisational changes. The only other earmarked reserve with a significant balance is the Insurance Reserve, which stood at £1.05m at the end of 2013/14. There were no significant movements in the year on this fund.

41. The HRA revenue balance of £2.97m at 31 March 2014 is expected to decrease, by £1m in 2014/15 and then increase by £52,000 in 2015/16 to remain above £2m. The balance on the Housing Repairs Fund is expected to reduce over the next year, from £2.75m to £1.74m. Similarly the Housing Major Repairs Reserve is predicted to decrease from £11.36m to £10.13m. The 30 year business plan has demonstrated that under self-financing the overall financial standing of the HRA will improve significantly and its reserves going into 2015/16 remain healthy.

42. **The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2015/16 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term. Given the imminent general election there are particular concerns about New Homes Bonus and potential changes to the funding structure for local authorities.**



SCRUTINY



Report to Council

Date of meeting: 17 February 2015

**Subject: Overview and Scrutiny Report to Council –
17 February 2015**

Contact for further information: Cllr R Morgan

Democratic Services Officer: A Hendry

Recommendations/Decisions Required:

That the Overview and Scrutiny Progress report from January 2015 to the Present be noted.

Report:

Overview and Scrutiny Committee Meeting 12 January 2015

1. At our meeting on Monday 12 January we received a presentation from six members of the Epping Forest Youth Council. They were joined by thirteen other Youth Council members to give an overview of what they had been up to over the past year.
2. We noted that one of their biggest profile events last year was the Youth Conference held here in our Council Chamber on 14 October. They had 90 students attending from various secondary schools from around our district. They were consulted on issues affecting the lives of local young people, on ideas on how to improve the local community and on how to promote local democracy.
3. Social media was a big part of their work as it promoted the work they did and raised the profile of young people in the district. Recently their on-line following had doubled.
4. Youth volunteering was another big theme for them and as young volunteers they were passionate about encouraging young people to volunteer their time and energy. Their Youth Volunteer programme was now being taken up by all secondary schools in the district.
5. As always, we were very impressed by the quality of their presentation; we went on to question them on their work and the projects undertaken over the last year.
6. We then considered the Cabinet's Key Objectives for 2014/15 and the progress made in quarter 2, up to the end of September 2014. We noted the progress made and queried any parts of it that we were unsure of.
7. We went on to review our Committee's and the Scrutiny Panel's work programme to date.
8. We noted that that the County's Mental Health Services were to give a presentation to our Committee at a future meeting and discussed the issues we would like them to present on and wondered if the Youth Council would like to be present and ask their own questions.
9. We also noted that NEPP would like to come to one of our meetings and agreed that we should facilitate this.
10. Finally, we reviewed the Cabinet's Forward Plan but had no specific items that we wanted to consider.

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Epping Forest District Council

Report to the Council

Committee: Audit & Governance

Date: 17 February 2015

Subject: Audit & Governance Committee – Appointment of Co-opted Member

Chairman: Councillor A. Watts

Recommending:

- (1) That a Panel of three Councillors, to include the Chairman of the Audit and Governance Committee, be appointed with delegated authority to undertake interviews following public advertisement and to appoint the preferred candidate for the vacant co-opted member position on the Audit and Governance Committee;**
 - (2) That pro-rata rules not apply and that, on the nomination of the Leaders of the Liberal Democrat Group and the Loughton Residents Association Group, Councillors K. Adams and B. Jennings be appointed to serve on the Panel with the Chairman of the Audit and Governance Committee;**
 - (3) That Mr. R. Thompson (co-opted member) be invited to attend the interviews in an advisory, non-voting capacity; and**
 - (4) That appreciation of the contribution of Mr. R. Thompson as a co-opted Member of the Audit and Governance Committee over a six-year period be formally recorded.**
1. Under changes to Article 11 of the Council's Constitution relating to the Audit and Governance Committee, each co-opted member of the Committee may only serve for a maximum of two three-year terms as of right. If they wish to continue for a further term or terms, the rules say that they may be appointed but only after competitive recruitment has been arranged.
 2. Under the current arrangements, the two independent persons on the Committee have staggered terms of office and the two terms of office for Robert Thompson come to an end on 8 February 2015 and he is not seeking a further term.
 3. In order to fill the vacancy, it is recommended that the Council appoint at this meeting a Panel of three Councillors, including the Chairman of the Audit and Governance Committee and two member nominations of the remaining political groups, with delegated powers for the Panel to conduct interviews to appoint the preferred candidate. Nominations to the Panel have been made as follows:

Liberal Democrat Group - Councillor K. Adams
Loughton Residents Association Group – Councillor B. Jennings
 4. The Leader of the UKIP Group has indicated that the group does not wish to nominate a member for possible membership of the Panel.

5. We have previously considered other options regarding the number of Councillors to serve on the Panel. Panels comprising five or seven members enable pro-rata membership to be achieved, but we see distinct advantages in a smaller Panel, which has worked well in the past for similar recruitment exercises. The role of Audit and Governance Committee should be non-political and we think this warrants a Panel of three without the pro-rata rules being applied. This can be approved subject to no member voting against.
6. We consider that Mr Robert Thompson, the retiring co-opted member of the Committee, should attend the Panel interviews in a non-voting capacity to offer his advice on the appointment. We propose this because he has indicated that he is willing to participate in a non-voting capacity to assist the process. We feel that his input to the process will be valuable.
7. We recommend as set out at the commencement of the report and also wish to pay particular tribute to Mr. Thompson's contribution to the work of the Committee as the outgoing co-opted member.

Report to the Council

Date: 17 February 2015

Joint Arrangements and External Organisations: Lee Valley Regional Park Authority

Council Representatives: Councillor Sartin and Councillor Stavrou

At this point in time the Lee Valley Regional Park Authority is going through considerable change for the first time since its inception in 1967. As an Authority it was very much part of the Olympic legacy dream. As councillors will be aware, the White Water Centre was built on LVRP land near Waltham Abbey and was the only venue completed and brought into use ahead of the Olympic Games. Following its use during the Olympics it was the first venue handed back to the Authority to be run as a water sports centre.

Since 2012 the Velodrome site and the Hockey and Tennis Centre which were built on land at the southern end of the Park have now been handed over to the Authority to be run as public access venues. With these venues coming under the control of the Authority came large Business Rate bills. These would have been a huge burden on the Authority and brought into question its viability to continue in its original form.

Various ways of overcoming this problem were investigated but the best way forward was seen to be the setting up of a trust to run the sporting and other leisure venues. This will mean that reduced Business rates will be payable for each of the venues which are placed within the trust and will enable them to be run on a sound financial footing.

The Trust was established on 1 October 2014 and will come into full operation on 1 April 2015. The venues coming under the trust's umbrella will include the White Water Centre, the Velopark, the Hockey and Tennis Centre at Eton Manor, the Athletics Centre at Picketts Lock, campsites at Sewardstone and Dobbs Weir, the Riding Centre and Ice Rink in Lea Bridge Road, three marinas and Hayes Hill Farm.

Adverts were placed for trustees and following interviews Del Goddard, a former leader of Enfield Borough Council, was appointed Chairman of the trust alongside seven other trustee appointees. A corporate director of the LVRPA, has been appointed Managing Director and other staff will be TUPEed across from the Authority to the Trust.

The LVRPA will continue to be responsible for all parklands and open spaces. Within these areas are many miles of country walks and habitats for a wide variety of animals and birdlife which are maintained by the Authority. Within the Epping Forest District sits the Gunpowder Park which has been opened up to provide a large area for walkers and cyclists to enjoy. There are also 25 venues for angling and coarse fishing, twelve of which are directly managed by the Authority's fishing team with the rest being run by local clubs. Similarly, several sailing clubs operate on waters within the Park.

Cllr Jon Whitehouse at the last Council meeting raised the question of the Judicial Review triggered by the decision of EFDC to grant planning permission for the extension of glasshouses within the LVRP. The Authority very rarely makes use of these powers but has within the statutes of the Act under which it was set up the ability to do so if it decides that decisions made by a Local authority are in conflict with the remit of 1966 Act. On this occasion the decision was taken to proceed with a request for a Judicial Review which the

High Court has agreed can go forward. To suggest that this puts the Council and the Park Authority at loggerheads is perhaps unfortunate as both are carrying out their legislative role in the way that they both see is correct at the time of decisions being made.