



CABINET
Thursday, 2nd February, 2017

You are invited to attend the next meeting of **Cabinet**, which will be held at:

Council Chamber, Civic Offices, High Street, Epping
on Thursday, 2nd February, 2017
at 7.00 pm .

Glen Chipp
Chief Executive

Democratic Services
Officer

Gary Woodhall
(Governance Directorate)
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Members:

Councillors C Whitbread (Leader of the Council) (Chairman), S Stavrou (Deputy Leader and Housing Portfolio Holder) (Vice-Chairman), R Bassett, W Breare-Hall, A Grigg, H Kane, A Lion, J Philip, G Mohindra and G Waller

PLEASE NOTE THE START TIME OF THE MEETING

1. WEBCASTING INTRODUCTION

- (a) This meeting is to be webcast;
- (b) Members are reminded of the need to activate their microphones before speaking; and
- (c) the Chairman will read the following announcement:

"I would like to remind everyone present that this meeting will be broadcast live to the Internet and will be capable of subsequent repeated viewing, with copies of the recording being made available for those that request it.

By being present at this meeting, it is likely that the recording cameras will capture your image and this will result in your image becoming part of the broadcast.

You should be aware that this may infringe your human and data protection rights. If you have any concerns then please speak to the Webcasting Officer.

Please could I also remind Members to activate their microphones before speaking.”

2. APOLOGIES FOR ABSENCE

(Director of Governance) To be announced at the meeting.

3. DECLARATIONS OF INTEREST

(Director of Governance) To declare interests in any item on this agenda.

4. MINUTES

To confirm the minutes of the last meeting of the Cabinet held on 1 December 2016 (previously circulated).

<https://eppingforestintranet.moderngov.co.uk/documents/g8653/Printed%20minutes%2001st-Dec-2016%2019.00%20Cabinet.pdf?T=1>

5. REPORTS OF PORTFOLIO HOLDERS

To receive oral reports from Portfolio Holders on current issues concerning their Portfolios, which are not covered elsewhere on the agenda.

6. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

(Director of Governance) To receive any questions submitted by members of the public and any requests to address the Cabinet.

(a) Public Questions

To answer questions asked by members of the public after notice in accordance with the provisions contained within Part 4 of the Constitution (Council Rules, rule Q3 refers) on any matter in relation to which the Cabinet has powers or duties or which affects the District.

(b) Requests to Address the Cabinet

Any member of the public or a representative of another organisation may address the Cabinet on any agenda item (except those dealt with in private session as exempt or confidential business) due to be considered at the meeting, in accordance with the provisions contained within Article 7 of the Constitution (The Executive, paragraphs 27 & 28 refers).

7. OVERVIEW AND SCRUTINY

(a) To consider any matters of concern to the Cabinet arising from the Council's Overview and Scrutiny function.

(b) To consider any matters that the Cabinet would like the Council's Overview and Scrutiny function to examine as part of their work programme.

8. REVIEW OF THE CARELINE MONITORING SERVICE (Pages 5 - 46)

(Chairman of the Communities Select Committee) To consider the attached report (C-052-2016/17).

9. VOID WORKS CONTRACT (Pages 47 - 74)

(Housing Portfolio Holder) To consider the attached report (C-053-2016/17).

10. WASTE AND RECYCLING POLICIES (Pages 75 - 110)

(Environment Portfolio Holder) To consider the attached report (C-054-2016/17).

11. TRANSFORMATION PROGRAMME - MONITORING REPORT NOVEMBER/DECEMBER 2016 (Pages 111 - 118)

(Leader of Council) To consider the attached report (C-055-2016/17).

12. PAYMENT OF HOUSING ASSOCIATION GRANT TO EAST THAMES (Pages 119 - 134)

(Housing Portfolio Holder) To consider the attached report (C-060-2016/17).

13. TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18 (Pages 135 - 170)

(Finance Portfolio Holder) To consider the attached report (C-056-2016/17).

14. PAY POLICY STATEMENT 2017/18 (Pages 171 - 184)

(Technology & Support Services Portfolio Holder) To consider the attached report (C-059-2016/17).

15. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972 requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

16. EXCLUSION OF PUBLIC AND PRESSExclusion

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	Paragraph Number
17	Disposal of Lindsay House, Epping	3

18	Surrender of Lease and Renewal – Glyn Hopkins, Brooker /Cartersfield Road, Waltham Abbey	3
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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.

Background Papers

Article 17 of the Constitution (Access to Information) 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 and in respect of executive reports, the advice of any political advisor.

The Council will make available for public inspection one copy of each of the documents on the list of background papers for four years after the date of the meeting. Inspection of background papers can be arranged by contacting either the Responsible Officer or the Democratic Services Officer for the particular item.

17. DISPOSAL OF LINDSAY HOUSE, EPPING (Pages 185 - 194)

(Asset Management & Economic Development Portfolio Holder) To consider the attached report (C-057-2016/17).

18. SURRENDER OF LEASE AND RENEWAL - GLYN HOPKINS, BROOKER ROAD/CARTERSFIELD ROAD, WALTHAM ABBEY (Pages 195 - 204)

(Asset Management & Economic Development Portfolio Holder) To consider the attached report (C-058-2016/17).

Report to the Cabinet



**Epping Forest
District Council**

Report reference: C-052-2016/17

Date of meeting: 2 February 2017

Portfolio: Report of the Communities Select Committee

Subject: Review of the Epping Forest Careline Monitoring Service

Responsible Officer: Roger Wilson (01992 564419).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That, in accordance with Option Three in the report, the Council's Careline Monitoring Service be outsourced to an external provider through a competitive tendering exercise;

(2) That, if Recommendation (1) above is agreed, a further report be submitted to the Cabinet regarding:

(a) a restructure of Housing Older Peoples Services following the Careline Service being outsourced; and

(b) future charges to users based on the cost of the outsourced service;

(3) That, in order to mitigate any risks to the service during the transitional period (as set out in the Risk Management Section of the report), budget provision be made as follows:

(a) That retrospective approval be agreed under emergency budget provision for the purchase of the PNC call answering equipment funded by a virement of £32,000 in 2016/2017 from the Non-Cost Reflective Repairs Budget;

(b) That additional revenue funding of £38,000 be agreed as part of the HRA budget in 2017/2018 in order to meet the costs of the ex-gratia retention payments and any potential costs of handing over the service to the manufacturer during periods of staff shortages; and

(c) That further additional revenue funding of £70,000 as part of the HRA budget be agreed in order to meet the transitional costs set out in Paragraph 72 of the report.

Executive Summary:

At our meeting on 21 November 2016 we considered a report from the Director of Communities on the following four options for the future delivery of the Careline Alarm Monitoring Service:

- (1) That the Careline Monitoring Service continues to be provided by the Council under the current arrangements;
- (2) That the Council provides an enhanced Careline Monitoring Service;
- (3) That the service is monitored through another provider 24/7; or
- (4) That the service is monitored through another provider overnight.

The reason why our Committee undertook the Review, which formed part of our agreed Work Programme, was due to the expansion of the Careline Monitoring service, with the increasing number of private sector connections and advances in technology, which we were advised is causing management and operational aspects of the service becoming more complex. In addition, we considered the difficulties being experienced in recruiting staff due to the nature of the work and the salary level. This has led to additional pressures on existing staff that have had to cover, not only vacant posts, but also annual leave and sickness absences. We also considered the cost of the various options to the Council and users, and the possibility of funding currently received from Essex County Council being withdrawn from April 2017.

Following detailed consideration we concluded that the best option for the future delivery of the service was Option 3 and we are therefore recommending that the service be outsourced to an external provider following a competitive tendering exercise.

We further recommend that a report is submitted at a later date to the Cabinet on a restructure of Housing Older Peoples Services following the Careline Monitoring Service being outsourced and a review of charges to users, subject to the Cabinet agreeing the outcome of the proposed competitive tendering exercise.

We have also made a further recommendation relating to the required transitional costs up to when the service is outsourced.

Reasons for Proposed Decision:

Our Committee considers that outsourcing the Careline Monitoring Service to an external provider will ensure its future resilience and reduce costs to the Council and/or charges to users.

Other Options for Action:

- (i) That the Careline Monitoring Service continues to be provided by the Council under the current arrangements in accordance with Option One in the report.
- (ii) That the Council provides an enhanced Careline Monitoring Service in accordance with Option Two in the report.
- (iii) That the service is monitored through another provider overnight in accordance with Option Four in the report.

Report:

1. At our meeting on 21 November 2016 (Minute 40 refers) the Communities Select Committee considered a report on the options for the future delivery of the Careline Alarm Monitoring Service.

2. The Council's Careline Monitoring Centre is based at Parsonage Court, Loughton. The service was introduced in June 1984 and offers a twenty-four hour, 365 days per year, emergency alarm monitoring service to older and disabled people living within the District. The Service is also offered to other vulnerable groups including victims of domestic violence and younger people with disabilities. The Council's own sheltered housing schemes and other designated dwellings for older people on housing estates have a hard-wired system installed in their properties with a speech module mounted on the wall and a pull cord in each of the rooms. There are currently 2,572 properties (representing around 3,500 people) in the District linked to the centre in this way.

3. In addition to emergency alarms, Careline provides many other important services which include the following:

- Monitoring a range of associated sensors including smoke, carbon monoxide and flood detectors, bogus call buttons and inactivity mats;
- CCTV systems at sheltered housing schemes;
- Lone worker systems for Council staff;
- Monitoring and supporting Scheme Managers who are on/off site Private sector dispersed alarms (see Paragraph 4 below);
- Monitoring of alarm systems of other housing providers; and
- Initiating call-outs for rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan.

4. The Careline Monitoring Centre also gives valuable support to Scheme Managers. In the Scheme Manager's absence, Careline contacts residents over the alarm system at varying frequencies, based on their level of risk. Scheme Managers pass information about their schemes to Careline staff when going off duty, and are updated on any incidents when they return.

Private Sector Installations

5. Around 1,380 of the connections are private sector dwellings, which are connected via a dispersed alarm, which has an associated neck worn radio trigger. A range of various sensors are offered for example, on line smoke alarms, fall and flood detectors etc. The user pays an annual rental to the Council for the service; in 2015/2016 the Council received a total income of around £185,000, inclusive of associated sensors. This includes income for monitoring alarms for a small number of housing association schemes. The Council works in partnership with Essex County Council which funds the first 12 weeks rental for the user.

6. The charges made by all Essex authorities last year (2015/16) are set out at Appendix One. As can be seen, the charges currently made by the Council are very competitive compared to other authorities in Essex.

Careline Initiatives

7. The Council has introduced many Careline initiatives which include the following:

- A Disaster Recovery Plan which is an essential back up system. In the event of a major incident at the Careline Monitoring Centre, all calls can be diverted and handled at the equipment manufacturer's own control centre in Yorkshire where clients' information is securely stored and is regularly updated should this alternative system be needed.

- Careline has an ongoing test programme ensuring all systems are working. This includes testing for any faults with the equipment itself, or the telephone line, which provides the link for the scheme.
- Following the installation of a dispersed alarm system, the client's next of kin is notified in writing.
- Client records are updated regularly, backed up on disc and stored away from the Careline Monitoring Centre with hard copies being filed at the Centre.
- The Housing Manager (Older Peoples Services) gives presentations to local groups, and other agencies, promoting the service. In addition, leaflets and posters are placed at the Council's Information Points, Libraries, and Citizens Advice Bureaus, etc. The service is advertised in the local press, and the Council's tenants' magazine "Housing News". When an enquiry is received about the service, an application pack is sent out.
- The Council pledges to install a basic dispersed alarm for any new private client when requested on an urgent basis within 2 working days of receiving the application. This timescale is regularly achieved.
- Careline works in partnership with other agencies like the Police who promote Telecare when assisting victims of domestic violence or bogus callers and the Fire Service when undertaking home safety checks.
- All conversations which take place over the alarm service are recorded and retained for a 12 month period. This is an important safeguard and enables the Council to investigate any complaints made about the service.
- Careline monitors fire alarms within the sheltered housing schemes when the Scheme Manager is off duty.
- All those residents who are nominated as "high risk" are called and accounted for every day.
- The Council is the founder member of the Essex Emergency Communications User Group, which was set up in 1984. This is an important means of liaising with other alarm service providers throughout Essex.
- Careline alarms are installed at the Council's homeless person's hostel at Norway House, North Weald. Various passenger lifts are also monitored by Careline including those at sheltered housing schemes and on the Limes Farm housing estate, Chigwell.

Reason for the Review

(a) Expansion of the Careline Monitoring Service and Covering Arrangements

8. The reason why our Committee considered the report was due to the expansion of the Careline Monitoring service. This is in terms of the number of private sector connections and the advances in technology enabling service users to benefit from a range of associated sensors, which we were advised is causing management and operational aspects of the service to become more complex. In addition, we considered the difficulties being experienced in recruiting staff due to the nature of the work and the

salary level. This has led to additional pressures on existing staff that have had to cover, not only vacant posts, but also annual leave and sickness absences. We noted that all new staff complete an 8 week training programme prior to commencing full duties, which adds to the burden of covering shifts.

(b) Telecare Services Association (TSA)

9. In 2011 the Careline Monitoring Service became Telecare Services Association (TSA) accredited. TSA is a nationally recognised standards body for the delivery of technology enabled care and support services in the UK. Accreditation involves the service being inspected against a rigorous regime on an annual basis to ensure it meets with the TSA Code of Practice ensuring the highest possible quality service. The Council's Careline Service has to date met all of the Audit requirements.

(c) British Standard

10. We gave particular attention to the British Standard (BS8591) which the TSA has recently brought to the attention of the Council and other authorities nationally, an extract of which states:

"There should be a minimum of two operators in an ARC [control centre] at all times, capable of carrying out all operational procedures, at least one of whom should be at their workstation at all times".

11. Officers advised our Committee that they have had discussions with the TSA who confirmed that the above Standard is under review. Although the TSA say this is work in progress, it is likely that it will be brought in line with the European Standard. Although 2 Operators on duty at all times is expected to be desired, this will result in Centres who do not have 2 Operators on duty at all times being required to put contingency measures in place should more than one emergency call be received at any one time. Such measures would be likely to include working with another centre or other 24 hour services so that such calls can be diverted, or having a duty worker at another site. There is currently no technical solution to such contingencies.

12. We were further advised that Authorities who do not comply with the Standard will not pass any TSA annual Audits when the Standard has been reviewed.

(d) Other alarm monitoring centres in Essex

13. The table at Appendix Two sets out all the Control Monitoring Centres in Essex, their staffing arrangements, number of connections, and those who have outsourced the service.

14. As can be seen, 5 authorities have retained the service and all 5 have two Operators on duty at all times, whereas 5 authorities have outsourced alarm monitoring.

Review of the Careline Monitoring Service

15. Although our Committee considers that the service currently provides an excellent and reliable service to residents, due to the reasons above we considered it important that this review is undertaken to ensure the future resilience of the service. We considered the following four options for the future delivery of the Careline monitoring service:

Option One – The Careline Monitoring Service continues to be provided by the Council under the current arrangements

16. The Committee noted that the Council is making a small surplus on the service by around £13,122 per annum, but accepted the disadvantages of continuing to provide the service under the current arrangements which are as follows:

- The Council would not be meeting with the British Standard set out at Paragraph 10 of the report and would therefore be at high risk should any call not be dealt with correctly by any Careline Operator where a user's well-being is put at risk and a challenge is brought against the Council;
- The difficulties of recruiting and retaining Careline staff and maintaining cover for staff absences, referred to earlier; and
- The inability to expand the service.

17. Due to the disadvantages set out above (apart from the surplus referred to at Paragraph 16) our Committee agreed that the Council can no longer continue to provide the service under the current arrangements, and we therefore decided that we could not recommend this Option to the Cabinet.

Option Two - The Council provides an enhanced Careline Monitoring Service

18. Under this Option our Committee considered an enhanced service which would include employing 5 (FTE) additional staff in order to meet with the British Standard referred to earlier in the report.

19. We considered the advantages of continuing to provide an enhanced Careline service under the current arrangements are:

- Scheme Managers will continue to have a local service which supports them in their work;
- Ability to expand the service without the need to employ further Operators;
- The Service can continue to initiate the call-out of rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan;
- Careline could provide the homelessness out of hours telephone response service; and
- All of the procurement costs under Options Three & Four would be avoided.

20. The disadvantages we considered of continuing to provide the service under the current arrangements are:

21. Apart from the busiest time being 9:30 am to 12:30pm weekdays, the service is currently covered by just one Careline Operator. As can be seen from the table at Appendix Four, additional staffing costs have been added in order meet with the British Standard (BS8591), that there should be a minimum of two operators on duty at all times, capable of carrying out all operational procedures, at least one of whom should be at their workstation.

22. Although this would comply with the British Standard, there would be insufficient work to ensure that both Operators would be fully utilised.

23. Importantly, if the service was retained in order to meet with the British Standard the Council would need to increase the establishment by 5.0 (FTE), which would increase staffing costs by around £166,300 per annum which would either need to be absorbed by

the Housing Revenue Account (HRA) or passed on to the customer. This could make the service uncompetitive and push service users towards other cheaper suppliers.

24. The table at Appendix Four sets out the cost to the Housing Revenue Account (HRA) of providing an enhanced Careline service based upon the level of expenditure expected in 2016/2017. As can be seen, if the Council were to continue with an enhanced service it would result in an increased cost to the Council of around £148,178 per annum. Therefore, under this Option in order for the service to break even, based on the calculations in the following table it would be necessary to increase charges to users by around 58%.

Category of User	Current Annual Income (£)	Increased Annual Income (58%) (£)	Current Annual charges (£)	Increased Annual charges (58%) (£)
Council Tenants – Self Funders (270 x £3.60 pw)	50,500	79,790	187.20 (£3.60 pw)	295.77 (£5.68 pw)
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222	35,110	28.60 (£0.55p pw)	45.18 (0.87p pw)
Private Users (1,380) basic alarm charge including sensors and income from Housing Association Schemes	185,000	292,300	112.00	176.96
Total	257,722	407,200		

25. As can be seen, in order to break even there is the disadvantage that the increase in costs to private sector dispersed alarm users would make the service less competitive. The Council's charge would become the 6th highest in Essex. This could result in such users switching to another provider which could reduce income, resulting in higher charges having to be made for remaining users. However, in order to make charges more affordable, they could be reduced by an agreed percentage with any balance being subsidised by the HRA.

26. Our Committee considered the following further disadvantages of this Option which are as follows:

- Charges to service users increasing and being uncompetitive in order to meet the additional costs of the enhanced service unless the deficit is funded from the HRA;
- Difficulties with recruitment and retention and covering staff absences will increase due to the additional 5.0 (FTE) Posts;
- Inability to free up office accommodation; and
- Missed opportunity to make further savings on; staffing through a future staffing restructure of Housing Older Peoples Services; reduced service contract costs and disaster recovery arrangements.

27. Due to the disadvantages including in particular the continuation of the operational difficulties referred to and also the additional costs which would make the service uncompetitive, our Committee agreed that it could not recommend this Option to the Cabinet.

Option Three - Monitor the Service through another Provider 24/7

28. Under this Option, our Committee considered whether the alarm monitoring service should be outsourced to an external provider. We noted however, that the Council would still need to provide the associated services set out in Paragraph 35 of the report.

29. Officers advised us that following informal market testing, in order to offer a basic monitoring service to the Council's 2,572 properties currently linked into Careline on a 24-hour basis, it is expected that a third party alarm monitoring service provider would charge approximately £80,000 per annum. However, if the service was to be out-sourced this would be subject to the outcome of any competitive tendering exercise which may reduce this cost. It is important to note that any potential redundancy costs (set out at Paragraph 35) would be added to any tender obtained.

30. We considered that the advantages of monitoring the Careline service through another provider are as follows:

31. The table at Appendix Five sets out a cost analysis of providing the Careline service externally, based upon 2015/2016 actual out-turn costs and an indicative external provider's monitoring cost. As can be seen, this Option would result in a surplus of around £215,822 per annum, with the surplus the Council could consider either reducing charges to all service users, providing the service at a much lower cost to sheltered housing tenants, the savings being added to HRA balances or a combination.

32. We considered that there are the following further advantages of outsourcing the monitoring service:

- Resolving the difficulties with staff recruitment and retention and covering for staff absences;
- Removing the need for an in-house service to meet with the British Standard;
- Reduction in service contract costs of £14,000 due to the removal of the need for the PNC 5 call answering equipment;
- There would be no need to have a Disaster Recovery (DR) plan which would result in an annual saving of £5,750 (plus £130 for each hour the DR is activated) and the cost of telephone lines reducing;
- Ability to expand the service without the need to employ further Operators; and
- Ability to free up office accommodation.

33. We considered the disadvantages of outsourcing the service which are as follows:

- Although this option would result in savings, there is no guarantee that these would remain at this level in future years and there is the risk that the Council could close the Careline Centre and then have to pay higher charges in future. However, this risk can be mitigated through the application of competition;
- If it was decided to out-source the service under this option, it could prove difficult running the Careline centre leading up to the closure/transfer, as staff would be demotivated by the process, knowing they could become redundant. Members' attention is however drawn to the Risk Management Section later in the report;
- Officer's time involved in procuring the new provider including writing the specification and undertaking the client function;
- Re-programming all existing alarm equipment and running dual centres until the hand over is complete which may result in some additional one-off costs, which is estimated to be around £10,000;
- The selected provider could provide a less effective and quality service than the Council; and
- The need to cover other Council services provided by the Careline Centre set out in the table at Paragraph 36.

34. We were told that the Council's Human Resources advise that if the service was outsourced, existing staff (who spend more than 50% of their time on Careline duties) would transfer to the monitoring provider under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations. Should their new employer not require their services, then (based on an indicative termination date of 31 March 2018) a total of around £50,000 in redundancy costs would almost certainly be added to the successful providers tender for the first year's monitoring charge. This could be reduced, should it be possible to re-deploy staff. This figure is based on 5.5 FTE's transferring.

35. If Option Three was agreed it would be necessary to cover a number of other services provided at the Careline Centre by other means. These services and the suggested alternative ways of providing the services are set out in the following table:

Service	Alternative arrangements
Monitoring CCTV systems at sheltered housing schemes	Passively monitored by the Corporate CCTV officer through digital recordings as with other Council systems
Lone worker systems for Council staff	Monitored through Mears or the new monitoring service provider
Initiating call-outs of rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan	To be initiated by office staff during office hours and the Homelessness Officer on call out of hours
Monitoring and supporting Scheme Managers who are on/off site including calling "risk" residents at Schemes	Monitoring Service to be provided by the new monitoring service provider supporting EFDC management and retained staff

36. We noted that if the service was outsourced, although an external provider would be monitoring the service, the Council would still need to employ a number of staff to carry out the following functions:

- Undertaking the client role in managing the new service provider;
- Continuation of TSA accreditation for assessing and installing Telecare equipment;
- Continuing to manage the rest of Older Peoples Services;
- Performance monitoring;
- Partnership working with Social Care, Police etc.;
- Visiting users to update information;
- Providing cover at sheltered schemes in the Scheme Manager's absence;
- Installing and removing dispersed alarms;
- Undertaking Telecare assessments and installing sensors;
- Undertaking battery changes and testing equipment;
- Presentations to local groups and promoting the service generally; and
- Undertaking general administration.

37. Following detailed consideration, our Committee is recommending that this Option is agreed by the Cabinet.

Indicative Timescales

38. Officers advised us that if Option Three is agreed by the Cabinet work will commence on the tendering process following the call-in period. Bearing in mind that the procurement process could be managed by the procurement arm of the Northern Housing Consortium, or the Essex Procurement Hub or both of which the Council is a member, the process could take around 12 months. As it would then be necessary to undertake the transition arrangements including re-programming alarms to the new provider's centre, the handover should be completed by around the spring of 2018.

Option Four - Monitoring the Service through another provider overnight

39. Our Committee noted that one of the outcomes of the consultation with Careline Operators was that they felt a much more detailed analysis of the Option of monitoring the Careline Service through another provider overnight should be included, which was duly included in the report that we considered.

40. Under this Option, the Careline alarm monitoring service would be outsourced to an external provider but only at night between the hours of 8:00 pm to 8:00 am. Existing Careline Operators (5.5 FTE) would monitor the service during the day with 2 on duty at all times. This would meet with the British Standard without the need to employ further staff.

41. Following informal market testing, in order to offer a basic monitoring service of the Council's 2,572 properties currently linked into Careline on an overnight 12-hourly basis, it is expected that a third party alarm monitoring service provider would charge approximately £70,000 per annum. If the service was to be out-sourced overnight this would be subject to the outcome of any competitive tendering exercise, which may reduce this cost.

42. We considered the following advantages of monitoring the Careline service through another provider at night which were as follows:

- This would comply with the British Standard as existing staffing levels would enable 2 Operators to be on duty during daytime hours with the external provider monitoring at night;
- Scheme Managers will continue to have a local service which supports them in their work; and
- Ability to expand the service without the need to employ further Operators.

43. We considered the following disadvantages of monitoring the Careline Service through another provider at night.

44. The table at Appendix 6 sets out the cost to the Housing Revenue Account (HRA) of monitoring the service through another provider at night based upon the level of expenditure expected in 2016/2017. As can be seen, if the Council were to outsource the service overnight it would result in an increased cost to the Council of around £50,778 per annum.

45. Therefore, under this Option in order for the service to break even, based on the calculations in the following table it would be necessary to increase charges to users by around 20%.

Category of User	Current Annual Income (£)	Increased Annual Income (20% £)	Current Annual charges (£)	Increased Annual charges (20%) (£)
Council Tenants – Self Funders (270 x £3.60 pw)	50,500	60,600	187.20 (£3.60 pw)	224.64 (£4.32 pw)
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222	26,666	28.60 (£0.55 pw)	34.32 (£0.66 pw)
Private Users (1,380) basic alarm charge including sensors and income from Housing Association Schemes	185,000	222,000	112.00	134.40
Total	257,722	309,266		

46. As can be seen, in order to break even there is the disadvantage that the increase in costs to private sector dispersed alarm users would make the service less competitive.

The Council's charge would become the 6th highest in Essex. This could result in such users switching to another provider which could reduce income, resulting in higher charges having to be made for remaining users. However, in order to make charges more affordable, they could be reduced by an agreed percentage with any balance being subsidised by the HRA.

47. We considered the following further disadvantages which are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain;
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems;
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the application of competition;
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function;
- Re-programming all existing alarm equipment may result in some additional one-off costs which is estimated to be around £10,000;
- The selected provider could provide a less effective and quality service than the Council overnight;
- Inability to free up office accommodation;
- Missed opportunity to make savings on staffing through a future staffing restructure of Housing Older Peoples Services;
- Service contract costs and disaster recovery arrangements remaining the same;
- There may be insufficient work to ensure that both Operators would be fully utilised during daytime hours; and
- Having to make alternative arrangements to provide associated services including monitoring CCTV systems at sheltered housing schemes, initiating call-outs of rest centre staff in the event of a civil emergency and monitoring the lone worker system overnight.

48. Due to the disadvantages set out above, this Option is not being recommended.

Other Options Considered

49. Two other options were considered and discounted. Firstly, continuing to provide the service locally but procuring a provider to monitor the service overnight. This option was originally discounted as it was considered this would be costly as it would be necessary to continue to employ all existing staff in order to have two Operators on duty during the day. Furthermore, the Careline call answering equipment would still need to be upgraded with no savings on service contract costs. However, following consultation with staff it was agreed that this would be explored in more detail and therefore has been included at Option Four in the report.

50. The second option was that the Council no longer provided the service to its 1,380 dispersed alarm users who could link into an alternative service provider of their choice. However, under this option, the Council would still need an external provider to monitor its sheltered housing schemes and remaining designated properties for older people on housing estates, therefore our Committee discounted this option.

Consultation on the Communities Select Committee Report

51. At our meeting on 21 November 2016, four members of Careline staff were in

attendance to observe our consideration of the Item; our Committee gave detailed consideration to the outcome of the consultations. Set out below were the comments made under the Consultation Section of our report by both Careline staff and UNISON and the responses of officers.

Careline Operators

52. Careline Operators were consulted on the report; the consultation process started with a meeting on 24 August 2016 and they were given a deadline of 30 days to respond. Their initial comments at the meeting were as follows:

- Careline Operators felt that a much more detailed analysis of the Option of monitoring the Careline Service through another provider overnight should have been set out in the report. In order to meet with their request, this has been included at Option Four in the report.

53. Another meeting was held with them on 4 October 2016 prior to them submitting the rest of their comments which in their own words are as follows:

54. *Careline staff was given a report on 24 August 2016 which will be presented to the Communities Select Committee in November 2016 regarding the future of Careline. Careline staff are shocked and very disappointed that their Managers are recommending the service be outsourced which would result in the loss of 4 full time posts and 3 part time posts. Staff had 30 days consultation period to respond and comment on the report. All Careline staff submitted their comments and below is a summary of their response.*

Option 1 – Careline staff accept that this cannot be considered as an option and that the service cannot continue under the current arrangements.

Option 2 – This would be the preferred option by the Careline Team as existing staff would remain in post with the recruitment of 5 additional staff to meet British Standards and the Tunstall call equipment being upgraded. However, staff are aware of the cost implications of this option.

Option 3 – Careline staff agree that this is not an option they hope would be considered because of the obvious implication of job losses for all staff and the adverse effect this change would have for all service users. In addition, alternative arrangements would need to be made for tasks currently undertaken by the Careline team. These tasks are referred to in paragraphs 36 and 46 (last bullet point) of the report. Other tasks to be included are:

- *Monitoring Limes Farm lifts – as well as responding to an emergency call when somebody is trapped in a lift by calling the Fire Service, Careline follow-up the call by contacting the Housing Officers in the Limes Farm Office and/or Facilities.*
- *Monitoring calls for Lee Valley Parks out of hours.*
- *Monitoring the main fire bells at Norway House – as well as calling the Fire Service if the main bells are activated it is necessary to contact member of staff from Norway House to attend.*

Option 4 – Careline staff were disappointed to read in the original report that very little time had been given to the viability of this option and Management had dismissed this as an option. It was requested that Option 4 be presented in the report in more detail and as a result Careline were given an amended copy of the report. Careline staff request that this

option be given serious consideration as it would mean that jobs would not be under threat. It must be noted, however, that if the night shifts were outsourced staff would lose a night allowance payment of approximately £198 per month for full time staff (6 nights) and between £33 - £66 per month for part time staff (1 or 2 nights).

Please refer to point 46 of the report which lists the disadvantages of option 4. Comments raised by Careline staff were:

- Many of the points listed as disadvantages for outsourcing the night shifts are also relevant if the service was monitored 24/7 by another provider.*
- Staff do not agree that there would be insufficient work to ensure 2 Operators use their time effectively. The role of the Careline Operator is not just call handling – a considerable amount of administrative work is necessary to ensure the service runs efficiently.*

The report refers to difficulties regarding recruiting new staff and the cost necessary to upgrade the Tunstall call equipment. The Careline team believes that:

- There could be a more positive response to job vacancies if applicants had the option of applying for a specific shift pattern i.e. applicant would work only early shifts, only late shifts or only night shifts.*
- Financial provision should have been made to upgrade the Tunstall call equipment following the last upgrade to PNC5 – no equipment lasts forever.*

55. The Careline team is proud of the service they provide and believe it is a credit to EFDC. They firmly believe that if the service is outsourced to another provider it would have a detrimental effect on how the service is delivered to users in terms of quality and response times.

Officers' Response to the Comments of Careline Operators

56. It is understandable that Careline Operators are very upset about the prospect of outsourcing the Careline Service and their hard work, commitment and dedication to the service is acknowledged and very much appreciated. They are discounting Option One and accept that the service cannot continue in the long term under the current arrangements. They also discount Option three monitoring the service through and external provider 24/7 for the reasons stated above.

Response to comments made by Careline Operators under Option Two - The Council provides an enhanced Careline Monitoring Service

57. Under Careline Operators preferred Option being Option Two the following disadvantages would remain:

- Having to recruit and retain 5.0 (FTE) additional Posts at an annual additional cost of £166,300;*
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 58% making the service uncompetitive;*
- Financial provision for the cost of upgrading the PNC 5 call answering equipment to PNC 7 has been made and is referred to under the Risk Management Section of the report;*

- Problems with covering staff absences will increase two-fold;
- There would be a missed opportunity to make savings on staffing through a future staffing restructure of Housing Older Peoples Services;
- No savings will be made on service contract costs and disaster recovery arrangements;
- There would be insufficient work to ensure that both Operators would be fully utilised; and
- Although not essential, there would be a missed opportunity to free up office accommodation.

Response to comments made by Careline Operators under Option Three - Monitor the Service through another Provider 24/7

58. All of the monitoring required under the bullet points listed will be included in the specification and covered by the external provider if the service was outsourced, apart from Lee Valley Park which could be dealt with by the Council's out-of-hours service provider Mears.

Response to comments made by Careline Operators under Option Four - Monitoring the Service through another Provider overnight

59. Careline Operators would lose their night allowance under this Option. It is also accepted that if there were two Operators on duty, the lack of work for two staff would not be such a problem compared to there being two Operators on duty 24/7. However, Members attention is drawn again to the difficulties of managing the service in this way which in particular are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain;
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems;
- There are risks associated with having two centres taking calls at different times of day including, delays in systems attempting to contact one centre before being re-diverted to the second centre and the reliance on technology to carry out additional functionality;
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the application of competition;
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function; and
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 20% making the service uncompetitive.

UNISON

60. UNISON was consulted on the report, the consultation process started on 24 August 2016 they were given a deadline of 30 days to respond. Their comments are as follows:

61. Having fully considered the Options 1-4 of the report and discarding Option 1, which is clearly untenable and Option 2, which is clearly too expensive, the EFDC Branch of Unison offers the following comments on Options 3 & 4:

Option Three - Monitor the Service through another Provider 24/7

- The Council will save the costs involved in upgrading the call answering equipment whether they choose Option 3 or 4;
- There are no costings for the removal of the current equipment and “making good” the vacated office space;
- The report makes no mention of the need to “free up” office accommodation; the Council already has a number of empty offices;
- The Council loses a degree of autonomy over the service;
- The Scheme Managers will lose the support of the staff and the service;
- It is unlikely that external providers will be able to offer the urgent 48hrs installation service;
- There are no costs attributed to the time that Council officers will spend dealing with staff being TUPE’d to the new provider;
- Redundancy costs will need to be built into the tenders;
- The Council will need to deal with the problems associated with keeping the service running through to the start of the transfer to an external provider; and
- The Council will need to fund the costs of providing the alternative methods of cover for the additional services being provided, detailed in item 36 of the report

Option Four - Monitoring the Service through another Provider overnight

It appears that it would be in the best interests of both the Council and employees to further explore Option 4. The reasons for this are:

- The Council retains a high degree autonomy over the service and the cost of providing it;
- The Council retains the in-house support and expertise for Scheme Managers;
- The Council will save both time and money as a result of staff not being TUPE’d to another service provider;
- The Council will save a considerable sum, in terms of potential redundancy costs;
- The Council is currently in the lower quartile across Essex, in terms of the costs for dispersed alarms and a 20% increase will keep EFDC in the lower half;
- The Council will save the costs involved in upgrading the call answering equipment;
- The Council will already be having the service covered at night;
- This retains the ability to install alarms within 48hrs;
- The Council will almost certainly eliminate recruitment and retention problems by removing the need for a night-shift;
- The Council avoids the problems of keeping staff whilst the new contract is put in place; and
- Careline will continue to cover for the additional services being provided, detailed in item 35 of the report.

Officers’ Response to the Comments of UNISON

62. Option One is discounted as UNISON considers this is untenable. Furthermore, Careline Operators preferred Option being Option Two has also been discounted by UNISON as they consider it is too expensive.

Response to comments made by UNISON under Option Three - Monitor the Service through another Provider 24/7

63. The cost of removing the current equipment and “making good” the office space would be minimal and freeing up the additional office space was by far not an important point. The Council would retain its autonomy through ensuring the specification is comprehensive and sets out what the Council as the client requires for the external provide including support for Scheme Managers.

64. The 48 hour urgent installation service will continue as this service will be provided by existing Careline Assistants who will not be affected should the service be outsourced. It is accepted that outsourcing the service will result in additional staff time to write the specification and deal with a range of other matters. Although some external assistance may be needed to complete the contract documentation the cost will be minimal particularly when taking into account the savings over future years should the service be outsourced. UNISON is correct in saying that any redundancy costs may be added to any Tender.

65. The problems associated with keeping the service running during the transitional period have been considered and are set out in the Risk Management Section of the report. Finally, the additional services referred to with are covered as set out at Paragraph 35 of the report.

Response to comments made by UNISON under Option Four - Monitoring the Service through another Provider overnight

66. It is accepted that the Council would retain more autonomy over the service during the day, would provide the in-house support and expertise for Scheme Managers and it would avoid TUPE issues. Furthermore, although charges to users would increase it would be by a lesser amount that if the service was enhanced under Option Three and the cost of upgrading the call answering equipment would be avoided. Regardless of which Option is agreed, the ability to install alarms within 48hrs will not be affected.

67. However, officers do not agree that the recruitment and retention problems (and covering shifts) would be resolved by removing the need for a night-shift.

68. Although it is accepted that the transitional arrangements may be easier, Members attention is drawn again to the difficulties of managing the service in this way which in particular are as follows:

69. Member’s attention is drawn again to the difficulties of managing the service in the way which in particular are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain;
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems;
- There are risks associated with having two centres taking calls at different times of day including, delays in systems attempting to contact one centre before being re-diverted to the second centre and the reliance on technology to carry out additional functionality;
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the

- application of competition;
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function; and
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 20% making the service uncompetitive.

70. Careline staff and UNISON have been consulted on this report to the Cabinet and their comments are set out under the Consultation Section of the report.

Conclusion

71. The Communities Select Committee recommends to the Cabinet that the Careline Monitoring Service be outsourced to an external provider in accordance with Option Three in the report and that a report is submitted at a later date on a restructure of Housing Older Peoples Services following the Careline Monitoring Service being outsourced including a review of charges to users, subject to the Cabinet agreeing the outcome of the proposed competitive tendering exercise.

72. Furthermore, we noted that potential risks need to be mitigated during the transitional period and therefore additional funding will be required. Our Committee therefore considers that budget provision is made in accordance with Recommendation 3 in the report to cover the following costs:

- Emergency budget provision to replace the PNC 5 call-answering equipment with PNC 7 technology, although the PNC 5 is currently reliable it is considered that the system should be replaced for the transitional period in order to mitigate any potential risk;
- Making budget provision for switching the service over to the manufacturer's Control Centre if needed, should there be staff shortages;
- Recruiting any additional staff that may be required in order to cover the Rota;
- Meeting the costs of the retention payments referred to under the Risk Management Section of the report; and
- Meeting procurement costs.

73. Finally, we were advised that information has been received from Essex County Council that their Portfolio Holder for Housing Related Support (HRS) has stated that he proposes to recommend that all of the £81,000 HRS funding for our Careline Service is withdrawn from April 2017 resulting in higher costs to the HRA, or higher charges to users or both.

Resource Implications:

As set out under each Option in the report. The possible effects on other services are considered to be as follows:

If either Option 3 or 4 is agreed, then the Council's CCTV Operations Officer will need to assist with alternative passive monitoring of systems.

Human Resources will need to assist with a range of staffing matters should Option 3 be agreed.

The assistance of Legal Services and Procurement will be required should either Option 3 or 4 be agreed.

Legal and Governance Implications:

Housing Act 1985

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

Careline Operators

1. Careline Operators were consulted further on this report and were given a deadline of 30 days to respond. Their comments are as follows:

2. Below are the comments made by Careline staff on receipt of the report to be submitted to the Cabinet meeting to be held on 2 February 2017. With reference to sub-heading 'Careline Initiatives' (Paragraph 7), it is the Housing Assistants and the Assistant Housing Manager who generally carry out presentations to local groups.

3. To be added – after approximately 4 weeks following the new installation of an alarm a Careline Operator contacts the service user by telephone to ascertain if they are happy with the service or have any problems/questions to raise.

4. Some members of the Careline Team attended the Communities Select Committee meeting held on 21 November 2016. The comments raised by staff following the meeting are as follows:

- References were made by the Presenting Officer to imply that there is only one Manager who oversees the Careline service. It should be noted that there is also an Assistant Housing Manager who is based in Careline, who will call handle at busy times and cover vacant shifts as a last resort
- The Presenting Officer stated that it is necessary for the Housing Manager to frequently cover vacant shifts and help with call handling. The last shift covered by the Housing Manager was approximately 12 years ago and as stated above the Assistant Housing Manager assists the Careline Team when required
- The Presenting Officer stated that the installation of alarms was only carried out by the Housing Assistants. It should be noted that mobile duties, including installation of alarms, are carried out by Careline Operators 3 times a week

The Careline team felt it was important to document these inaccuracies as it could influence any decisions made.

5. Careline staff were originally advised that that the reasons why it was necessary to carry out a review included the need to upgrade the Tunstall equipment, which had high cost implications, and that the service failed to meet British Standards which requires 2 staff to be on duty at all times. At the meeting on 21 November 2016 the Presenting Officer announced that money had been allocated to upgrade the equipment and that there was a possibility the night shifts would be monitored by another provider during the interim period before arrangements are finalised to out-source the service. This would

mean that the rota could be configured so that 2 staff were on duty at all times – in effect this meets the requirements of Option 4. The Careline Team question why this can only be considered as an interim measure and not implemented on a permanent basis.

6. Careline staff attended a meeting on 23 November 2016 where a member of Human Resources was present. Staff was informed that if the service was out-sourced the staff would be TUPEd over to the new provider and that under no circumstances would EFDC be paying redundancy to staff. It is a great concern to staff that not only will they be losing their job; it is likely that they will have to endure a lengthy process to receive redundancy money they should be entitled to.

7. The Careline team are saddened and disappointed in terms of job losses and quality of service to service users that the recommendation to out-source the service 24/7 was agreed by the Communities Select Committee on 21 November 2016.

Officers' response to the comments of Careline Operators

In response to the matters raised under Paragraph 5 of the Careline Operator's comments, it was originally planned that a full EU Procurement may be necessary if the service was out sourced which could take around 18 months to 2 years. In these circumstances, it was considered that the Council may have to outsource at night during the lengthy transitional period. This would have also solved some staff rota difficulties that were being experienced at that time.

However, following consultation with another Council who outsourced their call monitoring services and discussions with the Council's procurement team and legal service, the Careline call monitoring service can be procured through a framework agreement which is a much quicker process. Furthermore, in consultation with Careline Operators, the staff rota difficulties have been resolved. The disadvantages of outsourcing the service overnight are set out under Paragraphs 43 to 47 and therefore Option 4 is not recommended.

In response to the matters raised at Paragraph 6 of the Careline Operator's comments, Human Resources confirm that the TUPE process would be the same regardless of whether the Council were to make staff redundant or if any were transferred to an external provider.

The Tenants and Leaseholders Association

The Tenants and Leaseholders Federation were advised of the Review at their meeting on 15 June 2016. They were updated again at their meeting on 31 August 2016. A copy of the report was submitted to their meeting on 2 November 2016. The Chairman of the Federation was at our meeting and reported their views as follows:

Having considered the options in detail we agree with the Recommendation that the Communities Select Committee reports to a future meeting of the Cabinet recommending that under Option Three in the report the Council's Careline Monitoring Service be outsourced to an external provider through a competitive tendering exercise.

Sheltered Forum

The Sheltered Forum will be informed of the decision of the Cabinet at their next meeting.

Background Papers:

Equality Impact Assessment
Report to the Communities Select Committee 21 November 2016.

Risk Management:

1. If the Careline monitoring service is outsourced there is a risk that Careline Operators may find alternative employment due to their jobs becoming at risk. As the Council must continue to monitor alarms for older and vulnerable people in the District during any transition the following two steps will be taken to ensure that risk is mitigated.
2. Firstly, Management Board have agreed that if the Cabinet agree that the Careline alarm monitoring service is outsourced, to assist with ensuring continuity of the service during the transition period, Careline Operators will be made an ex-gratia retention payment subject to certain conditions. This payment will be around 20% of their annual salary being a figure recommended by UNISON and may ensure that existing staff remain until the service is handed over to the new provider.
3. Secondly, officers are seeking a quotation from Tunstall Telecom Limited for monitoring calls at night during the transition period. Should some of the Careline Operators leave as a result of any decision to outsource the service then the remaining staff can cover the daytime shifts until the service is handed over to the new provider.
4. Our Committee noted that potential risks will need to be mitigated during the transitional period and therefore additional funding will be required. Our Committee therefore recommends that budget provision is made of £70,000 as part of the HRA budget in 2017/2018 and a further £70,000 in 2018/2019.

APPENDIX ONE**Charges made for Dispersed Alarms (basic alarm and pendant) in the private sector by other Essex authorities in 2015/2016**

Authority	Charges for Dispersed Alarms (£ Per annum)
Epping Forest District Council	109.32
Basildon District Council	206.96
Southend Borough Council	125.84
Braintree District Council	104.00
Colchester Borough Council	197.08
Tendring District Council	230.88
Harlow District Council	202.28
Uttlesford District Council	216.32
Chelmsford City Council	N/A
Castle Point District Council	60.00
Brentwood Borough Council	130.00

APPENDIX TWO

Control Centres in Essex, their staffing arrangements, number of connections and those who have outsourced the monitoring service

Authority	Staffing arrangements	Approximate Number of Connections
Epping Forest District Council	One member of staff on duty at all times, two on duty 9:30am to 12:30pm	2,572
Basildon District Council	Two staff on duty at all times	6,500 (inclusive of Castle Point DC)
Southend Borough Council	Two staff on duty at all times	3,000
Braintree District Council	Two staff on duty at all times, service monitored by Tendring District Council control centre overnight	4,000 (Plus 1,200 connections monitored for Uttlesford DC during the day)
Colchester Borough Council	Two staff on duty at all times	3,100
Tendring District Council	Two staff on duty at all times	2,900 (Plus 1,200 connections monitored for Uttlesford DC & 4,000 connections monitored for Braintree DC both overnight)
Harlow District Council	Monitoring service outsourced to Tunstall Telecom Limited's control Centre	2,000
Uttlesford District Council	Monitoring Service outsourced to Tendring District Council overnight and Braintree during the day	1,200
Chelmsford City Council	Monitoring service outsourced to Tunstall Telecom Limited's control Centre	N/A
Castle Point District Council	Monitoring Service outsourced to Basildon District Council	N/A
Brentwood Borough Council	Monitoring Service outsourced to North Herts Council	N/A

APPENDIX THREE

Current costs of the Careline Monitoring Service to the HRA based upon the 2015/2016 actual out-turn

Item of expenditure	Cost per annum (£)
Management of the service including proportion of Housing Manager (25% of FTE) & Assistant Housing Manager (Older Peoples Services) (45% of FTE)	30,100
Existing cost of Careline staff monitoring the centre including overtime costs, enhanced payments for bank holiday and night working and having 2 staff on duty for the 3 hour busiest period of the day (5.5 FTE)	183,800
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	325,600
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total surplus	13,122

APPENDIX FOUR

Costs to the HRA of providing an enhanced Careline monitoring service

Item of expenditure	Cost per annum (£)
Management of the service including proportion of Housing Manager (25% of FTE) & Assistant Housing Manager (Older Peoples Services) (45% of FTE)	30,100
Existing cost of Careline staff monitoring the centre including overtime costs, night allowances and having 2 staff on duty for the 3 hour busiest period of the day (5.5 FTE)	183,800
Additional cost of 5.0 (FTE) further staff in order to meet with the British standard and have Operators on duty at all times	166,300
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	491,900
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Saving of homelessness staff standby payments	5,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total cost to the Council	148,178

APPENDIX FIVE

Cost to the HRA of providing an outsourced Careline monitoring service, based upon 2015/2016 actual out-turn costs and the indicative monitoring cost

Item of expenditure	Cost (£) per annum
Estimated cost of monitoring through another service provider	80,000
Cost of Housing Manager (Older Peoples Services) undertaking the client function (25% of FTE)	12,900
Service contract costs, not including Careline control equipment and disaster recovery	42,000
Careline equipment budget	18,000
Sub Total	152,900
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Less estimated saving in staffing costs associated with the Careline Service following a restructure of the Older Peoples Services Section	30,000
Total surplus	215,822

APPENDIX 6

Cost to the HRA of outsourcing the Careline Monitoring Service overnight

Item of expenditure	Cost per annum (£)
Estimated cost of monitoring through another service provider including hosting equipment	70,000
Management of the service, including 35% FTE of Housing Manager time to manage the service during the day including undertaking the client role for outsourcing overnight and Assistant Housing Manager (Older Peoples Services) (45% of FTE)	35,300
Existing cost of Careline staff monitoring the centre including estimated overtime costs, having 2 staff on duty 8am to 8pm (existing 5.5 FTE), but excluding night allowances	172,500
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	389,500
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total cost to the Council	50,778

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Equality analysis report

Use this report template to record your equality analysis. This report is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination, advance equality of opportunity and foster good relations** with respect to the personal characteristics protected by equality law. Due regard must be paid at formative stages of policy or service development, changes, or withdrawal.

To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:

- Factsheet 1: Equality Profile of the Epping Forest District
- Factsheet 2: Sources of information about equality protected characteristics
- Factsheet 3: Glossary of equality related terms
- Factsheet 4: Common misunderstandings about the Equality Duty
- Factsheet 5: Frequently asked questions
- Factsheet 6: Reporting equality analysis to a committee or other decision making body

If you require further help, please contact the Performance Improvement Unit.

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	Careline
Revised / new / withdrawal:	Review of the Epping Forest Careline Monitoring Service
Intended aims / outcomes/ changes:	Increase resilience of Careline service for clients
Relationship with other policies / projects:	EFDC Epping Forest Tenant Census 2014 Report EFDC Strategic Housing Market Assessment HRA Business Plan 2016 Careline 2016 Survey Careline 2016 Annual Report Equality Careline Data KPIs Older People Services Epping Forest DRAFT Local Plan 2016 Cost to the HRA of providing an enhanced Careline service
Name of senior manager for the policy / project:	Roger Wilson
Name of policy / project manager:	Denise Pegler

Other relevant documentation	ONS Census Data 2011 ONS Subnational population projections for England 2012 – based on 2011 Census Strategic Housing Market Assessment for West Essex & East Herts 2015 Essex Insight.org.uk & data captured from website
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Step 2. Decide if the policy, service change or withdrawal is equality relevant

<p>Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.</p> <p>If no, state your reasons for this decision. Go to step 7.</p> <p><i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i></p>	<p>If yes, state which protected groups:</p> <ul style="list-style-type: none"> • Age (i.e. older and vulnerable people) • Dependents / caring responsibilities (peace of mind for relatives and friends of service users) • Clients with disabilities have access to the service <p>The following groups could benefit from the service if there are any risks to their safety in relation to violent or hate crimes</p> <ul style="list-style-type: none"> • Gender reassignment • Race / ethnicity • Religion or belief • Sexual Orientation • Domestic violence <p>If no, state reasons for your decision:</p>
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Step 3. Gather evidence to inform the equality analysis

What evidence have you gathered to help you understand the impact of your policy or service change or withdrawal on people? What does your evidence say about the people with the protected characteristics?

If there is no evidence available for any of the characteristics, please explain why this is the case, and your plans to obtain relevant evidence. Please refer to Factsheet 2 ‘Sources of evidence for the protected characteristics’

Characteristic	Evidence (name of research, report, guidance, data source etc)	What does this evidence tell you about people with the protected characteristics?
Age	ONS Census Data 2011 ONS Subnational population projections for England 2012 – based on 2011 Census	Census shows that 22.3% of the Epping Forest District population is aged 65 years and over. Life expectancy is increasing. Pg. 6 of the report shows a 5% population growth rate for the Epping Forest District.
	EFDC Tenant Census 2014 Report	Just over half of the Council's tenants responded: <ul style="list-style-type: none"> • 47% were over 65 years of age; and • 26.9% were over 75 years of age; The following Wards has an older population of over 70%: - <ul style="list-style-type: none"> • Lower Nazeing • Waltham Abbey • North Weald Bassett • Moreton and Fyfield Household living in 1 bedroom Council accommodation - 48.1% were between 65 and 74 years of age
	Epping Forest DRAFT Local Plan 2016	Pg 13 Paragraph 2.4 states: <i>“the District’s population increased by almost 17,000 between 1961 and 2011. Government estimates that the District’s population had risen by just over 5,000 since 2011.”</i> <i>“In 2011, compared to the rest of England, the District had smaller proportions of people aged under 30 and a larger proportion of people aged 45 to 64 years and 65 years and over.”</i> <i>“by 2033, projections suggest the proportion of people aged over 65 years will rise sharply compared to the other age bands”</i>
	HRA Business Plan 2016	Pg. 28: Careline Clients breakdown (as of 1/4/2014): - <ul style="list-style-type: none"> • Council tenants 1,231 • Private Occupiers 1,131 • Housing association tenants 108 • Total clients 2,470

Characteristic	Evidence (name of research, report, guidance, data source etc.)	What does this evidence tell you about people with the protected characteristics?																								
	Essex Insight.org.uk & data captured from website	<p>Dataset population projections for the Epping Forest District which shows a forecasted increase in older people across all age bands:</p> <table border="1" data-bbox="730 607 1241 965"> <thead> <tr> <th>Year</th> <th>60/65-74</th> <th>75-84</th> <th>85+ years</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>17,971</td> <td>9,012</td> <td>4,431</td> </tr> <tr> <td>2025</td> <td>18,692</td> <td>10,934</td> <td>5,141</td> </tr> <tr> <td>2030</td> <td>20,885</td> <td>11,582</td> <td>6,218</td> </tr> <tr> <td>2035</td> <td>22,247</td> <td>11,940</td> <td>7,930</td> </tr> <tr> <td>2039</td> <td>22,330</td> <td>13,439</td> <td>8,633</td> </tr> </tbody> </table>	Year	60/65-74	75-84	85+ years	2020	17,971	9,012	4,431	2025	18,692	10,934	5,141	2030	20,885	11,582	6,218	2035	22,247	11,940	7,930	2039	22,330	13,439	8,633
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	Strategic Housing Market Assessment for West Essex & East Herts 2015 pg108(6.33) & 106(6.22)	<ul style="list-style-type: none"> • Projections in Chapter 3, of this document show that the population of West Essex and East Hertfordshire is likely to increase by around 65,000 persons over the 22-year period 2011-33. The number of people over 65 years of age is projected to increase by around 47,200 persons, almost three-quarters (73%) of the overall growth. This includes 23,300 persons over 85 years of age, more than a third (36%) of the total increase. Most of these older people will already live in the area and many will not move from their current homes. • Older people are living longer, healthier lives and specialist housing offered today may not be appropriate for the future years and the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. 																								
	Equality Careline Data	<p>The age profile breakdown for the Careline customers: -</p> <ul style="list-style-type: none"> • 7.8% Birth to 64yrs • 9.1% - 65-69 yrs. • 11.1% - 70-74 yrs. • 13% - 75-79yrs • 19.1% - 80-84yrs • 39.9% - 85+ yrs. 																								
	Epping Forest DRAFT Local Plan 2016	<p>Ageing population – will require dwellings that are adaptable and accessible</p>																								
	KPIs Older People Services	<p>Percentage of calls to Careline answered: -</p> <ul style="list-style-type: none"> • 99.9% within 1 minute & 99.99% within 3 minutes. 																								

Characteristic	Evidence (name of research, report, guidance, data source etc.)	What does this evidence tell you about people with the protected characteristics?
	Careline 2016 Annual Report	<p>Careline currently has approximately 2,500 clients. Nov 2016 we conducted a random survey of 300 clients (12% of the user base).</p> <ul style="list-style-type: none"> • 99.3% satisfied with the quality of service • 99.3% happy with time taken to respond to calls • 100% found Epping Forest Careline staff helpful • 98% service was good value for money – this was a reduction from 99.2% in 2015. There was a marginal rise in monitoring fees for the 1st time in 3 years which may account for this. If prices increase further under either Option 3 or 4 in the report this could result in satisfaction on value for money reducing further • 99.3% equipment easy to use • 100% would recommend Epping Forest Careline to friends and family • The service carried out 347 new installations across the district in 2016, and received a total of 61,162 calls over the year, averaging 168 calls per day. <p>Careline enables the client to lead an independent life more confidently.</p>
Dependents / caring responsibilities	Customer Impact Assessment Stage 1 form Housing Ops 2010	Children may have difficulty understanding how the system operates if they have caring responsibilities for their parent/guardian. Although staff demonstrate the systems at installations and follow-up visits.

Characteristic	Evidence (name of research, report, guidance, data source etc.)	What does this evidence tell you about people with the protected characteristics?
Disability	EFDC Epping Forest Tenant Census 2014 Report	<p>Over half of all tenants responded: -</p> <ul style="list-style-type: none"> • 30.2% stated they had a disability • 34% of households contained at least one person who had a disability • North Weald Bassett Ward contained the highest proportion of tenants with a disability (39%), followed by Waltham Abbey North East (38%). These Wards had a higher than average number of older residents. • 1.4% of tenants needed assistance in communicating due to hearing difficulties, with 14 of these tenants understanding British Sign Language. • 240 tenants that completed the survey had a problem with their sight and preferred information supplied in large print. <p>% within each age group (who responded) of tenants with a disability: -</p> <ul style="list-style-type: none"> • 25-34yrs - 10% • 35-44yrs - 12.5% • 45-54yrs – 20.4% • 55-59yrs – 27.2% • 60-64yrs – 29.2% • 65-74yrs – 37.8% • 75-84yrs – 42.1% • 85 yrs and over 54%
	Equality Careline Data	<p>Client profile breakdown (or those that provided the information):</p> <ul style="list-style-type: none"> • Visual impairment – 9% • Hearing impairment – 13% • Mobility – 21% • Cancer – 4% • Mental Health – 2% • Progressive Disability / Chronic illness – 21% • Learning disability – 0% • Autistic spectrum – 0% • Other – 17% • Did not wish to disclose – 13%

Characteristic	Evidence (name of research, report, guidance, data source etc.)	What does this evidence tell you about people with the protected characteristics?
Race / ethnicity	EFDC Epping Forest Tenant Census 2014 Report	Just over half of all tenants responded: - 94% stated they were White British 98% stated they use English as their first language
	Customer Impact Assessment Stage 1 form Housing Ops 2010	Could be problem with a language barrier if a client cannot speak English or if English is not their first language.
	Equality Careline Data	Client profile breakdown of those who responded:- <ul style="list-style-type: none"> • White British / English – 86% • White British / Irish – 0% • White other – 3% • Mixed white & black Caribbean – 0% • Mixed white & black African – 1% • Mixed other – 0% • Asian / Asian British Indian – 0% • Asian / Asian British Pakistani – 0% • Asian / Asian British Bangladeshi – 0% • Asian / Asian British other – 0% • Black / Black British African – 1% • Black / Black British Caribbean • Black / Black British Other – 0% • Chinese / Other ethnic group: Chinese – 0% • Chinese / other ethnic group: other • Gypsy / Romany / Irish Traveller – 0% • Do not wish to disclose – 9%
Religion or belief	ONS Census Data 2011 ONS Subnational population projections for England 2012 – based on 2011 Census	Of the EFDC Population <ul style="list-style-type: none"> • Christian - 61.8% • Buddhist – 0.3% • Hindu – 1.4% • Jewish – 3.2% • Muslim – 1.9% • Sikh – 1% • Other religion – 0.3% • No religion –22.5% • Do not wish to disclose – 7.6%
	Customer Impact Assessment Stage 1 form Housing Ops 2010	There could be access restrictions due to faith.

Characteristic	Evidence (name of research, report, guidance, data source etc.)	What does this evidence tell you about people with the protected characteristics?
	Equality Careline Data	Client profile breakdown f(or those that provided the information): - <ul style="list-style-type: none"> • None – 4% • Christian (all denominations) 79% • Buddhist – 0% • Hindu – 0% • Jewish – 1% • Muslim – 0% • Sikh – 0% • Any other religion – 1% • Not known – 0% • Do not wish to disclose – 15%
Sex	Equality Careline Data	Client profile breakdown f(or those that provided the information): - <ul style="list-style-type: none"> • Male – 29% • Female – 57% • Transgender – 0% • Other – 0% • Do not wish to disclose – 14%
Sexual Orientation	Equality Careline Data	Client profile breakdown (or those that provided the information): <ul style="list-style-type: none"> • Heterosexual – 61% • Bi-sexual – 1% • Transsexual – 0% • Gay / Lesbian – 0% • Other – 1% • Do not wish to disclose – 37%
Domestic Violence	Equality Careline Data	0.8% of Careline Clients are connected due to threats of domestic violence
Staff	Recruitment of staff	Difficulties in recruiting staff due to the nature of the work and the salary levels. This has led to additional pressures on existing staff having to cover not only vacant posts, but also annual leave and sickness absences. New personnel undertake an 8 week training programme prior to starting full duties.

Steps 4 & 5 Analyse the activity, policy or change (*The duty to eliminate unlawful discrimination*)

Based on the evidence you have analysed, describe any actual or likely adverse impacts that may arise as a result of the policy decision. Where actual or likely adverse impacts have been identified, you should also state what actions will be taken to mitigate that negative impact, i.e. what can the Council do to minimise the negative consequences of its decision or action.

Characteristic	Actual or likely adverse impacts identified	Positive (+) actions that are already or could be taken to reduce the negative effects identified	Negative(-) impact as a result of possible action taken
Age Page 41	<p>The census shows that 22.3% of the Epping Forest District population is over 65 years of age and life expectancy is increasing</p> <p>There are semi-rural areas such as Moreton and Fyfield which in 2014 showed an older population of 73%. Residents living in rural type areas could possibly be more likely to use the Careline service due to their location</p> <p>The above shows that there is a likelihood that demand for the service will increase</p>	<p>That the Cabinet agrees the Recommendations set out in the report and the Careline monitoring service is outsourced. Or alternatively that the service is enhanced or outsourced overnight. This would ensure that the service could be expanded and take on more connections in order to provide the service to the ageing population in the District</p>	<p>If the service continues as it is currently being provided, this would remove the ability to take on any further connections and therefore would have a negative impact on the District's ageing population</p> <p>If the service was enhanced this would bring additional costs which if passed onto the client will make the service uncompetitive and resulting additional members of staff having an insufficient workload</p>
Disability Gender reassignment Race / ethnicity Religion or belief	<p>With the increasing population it is more likely that there will be a larger percentage of members in the community that are:</p> <ul style="list-style-type: none"> • Home carers, • Persons with a disability living independently • Victims of hate crime • Victims of domestic abuse • Client's first language is not English, • Religion or belief - the client's or their family beliefs and culture may inhibit communication <p>The above also shows that there is a likelihood that demand for the service will increase</p>	As above	As above

Characteristics	Actual or likely adverse impacts identified	Positive (+) actions that are already or could be taken to reduce the negative effects identified	Negative(-) impact as a result of possible action taken
Marriage and Civil partnership Pregnancy and maternity Sex Sexual orientation	None identified	None identified	None identified

Step 6.

The duty to advance equality of opportunity

Can the policy, service or project help to advance equality of opportunity in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

<i>Characteristic</i>	<i>Ways that this policy, service or project can advance equality of opportunity</i>	<i>Why this policy, service or project cannot help to advance equality of opportunity:</i>
Age	Contributes to the ability for clients to maintain their lifestyle and live within their community independently. Client feels secure when they need assistance, help and support can be reached quickly, thereby promoting equality in the community.	If changes are not made to ensure the future resilience of the service then there would be no scope to expand in order to meet the needs of the predicted increase of an ageing population and to meet the needs of other groups with Protected Characteristics
Disability		
Dependents / caring responsibilities	Enables carers to have peace of mind	As above
Pregnancy and maternity	No data	No data
Gender reassignment	Enables clients to maintain their lifestyle and live within their community independently, and feel secure that help and support is accessed quickly if they have been victimised due to hate crime. Thereby promoting equality in the community.	As above
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

The duty to foster good relations

Can the policy, service or project help to foster good relations in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

Characteristic	How this policy, service or project can foster good relations:	Why this policy, service or project cannot help to foster good relations:
Age	Contributes to the ability for clients to maintain their lifestyle and live within their community independently which fosters good relations	If changes are not made to ensure the future resilience of the service then there would be no scope to expand in order to meet the needs of the predicted increase of an ageing population and to meet the needs of other groups with Protected Characteristics. This in itself may not help to foster good relations.
Disability		
Dependents / caring responsibilities	Enables carers to live their lives and not feel they cannot leave their dependent alone. Reduce the feeling of being 'trapped in doors' or isolation from the community they live in, which can have a detrimental impact on their health.	
Pregnancy and maternity	No data	
Gender reassignment	Enables clients to maintain their lifestyle and live within their community independently, and feel secure that help and support is accessed quickly if they have been victimised due to hate crime. Thereby promoting equality in the community.	
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

Step 7. Documentation and Authorisation

Summary of actions to be taken as a result of this analysis (add additional rows as required):	Name and job title of responsible officer	How and when progress against this action will be reported
1. If the Cabinet agree the Recommendations or agrees either Option 2 or 4 then in order to meet the increasing needs of those with Protected Characteristics, particular taking into account the ageing population, the service will be outsourced. This will enable the expansion of the service to more older and vulnerable users	Roger Wilson Assistant Director (Housing Operations)	Further report to Cabinet on the appointment of the external provider
2. If agreed, expansion of the service including increased promotional activity in order to reach out to various client groups who need the service	Housing Manager (Older Peoples Services)	Through quarterly officer performance management meetings

Name and job title of officer completing this analysis:	Mary Masterson Performance and Information Officer
Date of completion:	11 January 2017
Name & job title of responsible officer: (If you have any doubts about the completeness or sufficiency of this equality analysis, advice and support are available from the Performance Improvement Unit)	Roger Wilson Assistant Director Housing Operations
Date of authorisation:	13 January 2017
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	13 January 2017

Step 8. Report your equality analysis to decision makers:

Your findings from this analysis (and any previous analysis) must be made available to a decision making body when it is considering the relevant service or policy.

Therefore you must:

- reflect the findings from this analysis in a 'Due Regard Record' (template available), and attach it as an appendix to your report. The Record can be updated as your policy or service changes develop, and it exists as a log of evidence of due regard;
- Include this equality information in your verbal report to agenda planning groups or directly to portfolio holders and other decision making groups.

Your summary of equality analysis must include the following information:

- if this policy, service change or withdrawal is relevant to equality, and if not, why not;
- the evidence base (information / data / research / feedback / consultation) you used to help you understand the impact of what you are doing or are proposing to do on people with protected characteristics;
- what the evidence base (information / data / research / feedback / consultation) told you about people with protected characteristics;
- what you found when you used that evidence base to assess the impact on people with the protected characteristics;
- whether or not your policy or service changes could help to advance quality of opportunity for people with any of the protected characteristics;
- whether or not your policy or service changes could help to foster good relations between communities.

Report to the Cabinet

Report reference: C-053-2016/17
Date of meeting: 3 February 2017



Portfolio: Housing
Subject: Voids Tender – Award of Contract
Responsible Officer: Paul Pledger (01992 564248)
Democratic Services: Gary Woodhall (01992 564470)

Recommendations:

- (1) That Gracelands CMS Ltd and Mears PLC be awarded the contracts for the inspection, maintenance and improvements works to void properties based on a 1-year contract renewable annually for up to a maximum of 3-years; and**
- (2) That this contract be designated as a serial contract to facilitate the annual adjustment to the tendered rates in accordance with The Department of Business, Innovation & Skills Building Cost Indices.**

Executive Summary:

Tenders were sought for the inspection, maintenance and improvements works to Council owned void properties. The tender exercise was undertaken in accordance with the Council's Procurement Rules, and was based on an assessment of both quality and price with a 30% weighting on quality and a 70% weighting on price (Most Economically Advantageous Tender or MEAT). The most economically advantageous tenders received was submitted by Gracelands CMS Ltd and Mears PLC with a score of 87.02% and 75.55% respectively.

Reasons for Proposed Decision:

The existing contracts for the inspection, maintenance and improvements works to Council owned void properties expires in September 2017; therefore it was necessary to re-tender the contract to satisfy the Council's Procurement Rules.

Other Options for Action:

The main alternative options appear to be:

- (i) To re-tender the contract on an annual basis. However, this would be time consuming and inefficient. Re-tendering would not guarantee more competitive tenders.
- (ii) To re-tender based on price alone. However, this would not necessarily return a more competitive tender and would not necessarily tease out a quality commitment from the lowest bidder.
- (iii) To seek quotations on an individual basis for each void property on an ad-hoc basis. However, this is very time consuming and is not cost effective, and given the volume of works

per annum, this would breach Contract Standing Order C5 (3) with the works exceeding £20,000 in value during one financial year.

(iv) Procuring the works with just one Contractor. However, from experience, the lack of competitive benchmarking only leads to more administration and resources, which in turn increases internal costs, and in any event would not assist in keeping void period to a minimum due to capacity issues.

Report

1. The Council has in the past undertaken void capital works in-house, supplemented through the use of contractors to manage the peaks in workload. However, in 2013/14, partly due to a combination of the Welfare Reform Act and a higher level of affordable housing being built in the district at that time, the Council appointed two Contractors by way of a competitive tender using a Schedule of Rates (SOR's) contract.
2. With around 120 new Council homes in the pipeline over the next 18-months, there is likely to be a further rise in the number of voids over the coming few years.
3. Around that time in 2012, in a bid to turn around void properties quicker the Council worked with the Repairs & Maintenance Focus Group, a panel of Tenant Representatives, to create a Voids Standard, which is now the basis on which void properties are assessed. A process mapping exercise identified changes in working practices that reduced the voids turnaround times from an average of 29.43 days in 2011/12 to 20 days as at the end of Q1 of 2016/17. These indicators relate to the time the Repairs Service receives the keys from Housing Options and then returns them when the work is completed. These are recorded as Management PI's to track the performance of the Contractor and the Repairs Inspections and feature as only a small part of the wider Corporate KPI on void property re-let times.
4. Incorporating the lessons learnt during the last voids contract, the Council has undertaken a competitive tender exercise in accordance with the Council's Procurement Rules, to again appoint two Contractors to undertake void works, based on a 1-year contract renewable for up to a maximum of 3-years subject to performance and quality, incorporating performance indicators and penalties for not returning a void property within specified targets.
5. The tenderers were asked to price against the latest NHF Schedule of Rates that cover all works, including capital improvements such as kitchens and bathroom, new heating systems and re-wiring. The NHF Schedule of Rates is a pre-priced set of descriptions that each contractor then has to adjust, either up or down by a percentage adjustment.
6. The annual expenditure on voids is estimated to be around £1.2m (or £3.6m for the contract period as a whole), which is split between the two contracts. This is below the EU threshold of around £4.1m
7. Invitations to tender were issued on 10 October 2016 to 6 contractors registered on Constructionline, with the tender evaluation criteria based on a 70:30 split on both price and quality respectively.
8. The tenders were returned on 11 November 2016, and opened by the Housing Portfolio Holder on 15 November 2016 in accordance with the Procurement Rules. The results of the tender opening were as follows:

Contractor		Tender Sum £	Position
1.	Mears PLC	360,922.88	2 nd
2.	Gracelands CMS Ltd	389,227.24	3 rd
3.	Complete Building Services	470,495.03	4 th
4.	Mitre Construction Company	485,362.13	5 th
5.	V. S. N. Enterprises Ltd	515,731.00	6 th
6.	Breyer Group PLC	356,646.97	1 st

9. A full arithmetical check, a comparison of the schedule of rate items and the identification of any pricing inconsistencies was undertaken on all of the submitted tenders.

10. Since it is not possible to identify the exact type of work that is likely to feature during the contract period, when evaluating the priced elements, a pre-set weighting was applied to the items that are likely to occur most frequently based on experience during the last 3-years. This provides the Council with some assurance, that the lowest overall costs are being paid for the full range of works likely to occur during the contract period.

11. Each of the tenderers submitted contained errors or zero rated entries, which required clarification or correction, since some zero rated costs can skew a weighted score. Each Contractor was therefore required to insert a price or clarify their tender sums, as part of the evaluation exercise. The outcome of the evaluation exercise resulted in the following weighted scores:

Corrected Cost Element Results			
	Company	Max total score available	% of weighted score
Contractor 1	Mears plc	70%	53.76
Contractor 2	Gracelands (CMS) Ltd	70%	61.57
Contractor 3	Complete Building Services (Herts) Ltd	70%	35.87
Contractor 4	Mitre Construction Ltd	70%	35.93
Contractor 5	VSN Enterprises Ltd	70%	37.19
Contractor 6	Breyer Group plc	70%	45.75

12. The quality assessment was based on responses to four questions on management and resource; approach to the void process; management of the programme and targets; and customer satisfaction and security. The quality evaluation was scored up to a maximum of 30%. The outcome of the quality scores was as follows:

Quality Assessment Method Statement Question Results				
	Company	Max total score available	Total weighted score	% of weighted score
Contractor 1	Mears plc	900	654	21.78
Contractor 2	Gracelands (CMS) Ltd	900	764	25.45
Contractor 3	Complete Building Services (Herts) Ltd	900	227	7.55
Contractor 4	Mitre Construction Ltd	900	331	11.02
Contractor 5	VSN Enterprises Ltd	900	265	8.83
Contractor 6	Breyer Group plc	900	645	21.50

13. The summary table with the weighted percentage scores for both price and quality, which have been evaluated strictly in accordance with the MEAT criteria, are set out in the table below:

Overall Tender Score					
	Company	Quality Assessment Total Weighted Score Percentage	Cost Element Total Weighted Score Percentage	ITT Evaluation Result	Contractors Overall Position
Contractor 1	Mears PLC	21.78	53.76	75.55	2nd
Contractor 2	Gracelands CMS Ltd	25.45	61.57	87.02	1st
Contractor 3	Complete Building Services	7.55	35.87	43.42	6th
Contractor 4	Mitre Construction Company	11.02	35.93	46.95	4th
Contractor 5	V. S. N. Enterprises Ltd	8.83	37.19	46.02	5th
Contractor 6	Breyer Group PLC	21.50	45.75	67.25	3rd

14. Based on the table above, the most economically advantageous tenders received was from Gracelands CMS Ltd and Mears PLC, who are the two current contractors undertaking voids works. It is therefore recommended that Gracelands CMS Ltd and Mears PLC be awarded the contracts with a combined quality and price score of 87.02% and 75.55% respectively.

15. A full supplier report has been undertaken on each of the two lowest tenders on Constructionline, which includes a financial credit check. The outcome of that revealed that Gracelands CMS Ltd have a turnover of £8.3m during 2015 and an overall feedback score of 9.03 compared to the national benchmark score of 8.0. Mears PLC had a turnover of £504m and an overall feedback score of 8.91.

16. Gracelands CMS Ltd and Mears PLC were the successful contractors during the last tender exercise and have demonstrated their experience in this competitive tender exercise through their price and quality submission. Both Contractors have a good track record working

with the Council and have provided both a quality service and value for money on a consistent basis.

17. It should be noted that when the contracts are subject to an annual increase in line with the appropriate DTI Building Cost Indices.

Resource Implications

Around £1.2M per annum from the existing capital programme for voids works. All prices are subject to an annual adjustment in line with The Department of Business, Innovation & Skills Building Cost Indices.

There has been a saving of around £20,000 attributed to the in-house procurement exercise as opposed to using external procurement consultants.

Legal and Governance Implications

The financial expenditure over a 3-year period is below that requiring an OJEU tender; therefore, this tender complies with the requirements as set out in the Council's Procurement Rules.

The Housing Act 1985

Safer, Cleaner and Greener Implications

None

Consultation Undertaken

None

Background Papers

Confidential Tender Evaluation Report.

Risk Management

The contract is being let based on a 1-year term, and renewable for up to a maximum of 3-years. Contract extensions are subject to a performance and quality review.

A supplier report and credit check has been carried out using Constructionline and each of the Contractors has returned a higher than average supplier feedback score and very low risk credit scores.

The contract includes a financial penalty for each day beyond the target turn-around time each void is completed, equivalent to 1/7th of the average weekly rent.

In view of Mears PLC involvement in the Repairs Management Contract, controls around the allocation of work, supervision of the Contractors and the payment of invoices is to rest with the Repairs Operation Manager under direct supervision of the Assistant Director (Housing Property & Development) to ensure a separation of responsibilities. This approach has been agreed by the Internal Auditors.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

A Housing Repairs Service and Asset Management Customer Impact Assessment has been carried out for all responsive repairs and planned maintenance works, which includes works to void properties. This includes identifying housing need, identifying equality related evidence and monitoring customer satisfaction. Priority for works is based on the condition of the home rather than the individual characteristics of the occupants. However, the needs of an aging population are taken into account when planning replacement bathrooms, where level access showers are incorporated in homes that become void that are suitable for older or disabled tenants.

All contractors are required to produce an Equality and Diversity Policy, which is assessed independently as part of the vetting process as part of the tender evaluation. The Equality Impact Assessment produced by Gracelands Complete Maintenance Service Ltd and Mears PLC has been reviewed by the Council as part of this tender exercise and has been found to be acceptable.

The Equality Impact Assessment is available as a background document

Equality analysis report

Use this report template to record your equality analysis. This report is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination, advance equality of opportunity** and **foster good relations** with respect to the personal characteristics protected by equality law. Due regard must be paid at formative stages of policy or service development, changes, or withdrawal.

To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:

- Factsheet 1: Equality Profile of the Epping Forest District
- Factsheet 2: Sources of information about equality protected characteristics
- Factsheet 3: Glossary of equality related terms
- Factsheet 4: Common misunderstandings about the Equality Duty
- Factsheet 5: Frequently asked questions
- Factsheet 6: Reporting equality analysis to a committee or other decision making body

If you require further help, please contact the Performance Improvement Unit.

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	<p>Housing Repairs and Maintenance (incorporating Council house-building programme and work to Void Properties).</p> <p>EFDC undertakes responsive repairs to all of its 6,500 Council homes, undertakes works to around 300 void properties per annum making properties ready for re-letting and has a planned maintenance programme over a 30-year business plan cycle that aims to renew around 3,300 key components per annum. EFDC also plans to build 315 new homes over the next 10 years.</p>
Revised / new / withdrawal:	New
Intended aims / outcomes/ changes:	<p>That all Council homes meet the “Modern Homes Standard”, which is a higher standard than the Governments’ “Decent Homes Standard.</p> <p>The Council house-building (CHB) programme aims to provide well-designed, quality homes that are affordable, sustainable and suitable for people’s needs.</p> <p>This assessment intends to fully evaluate the effect the programme could have on protected groups, and therefore aims to give an overview of the actual and potential impacts of actions set out within the programme.</p> <p>This assessment will continually evolve as the programmes of work progress.</p>
Relationship with other policies / projects:	<p>1. Repairs and Maintenance Business Plan 2016 – Sets the Council’s standards, Policies, strategies and targets for all</p>

	<p>Responsive Repairs, Voids and Planned Maintenance programmes.</p> <ol style="list-style-type: none"> 2. EFDC Housing Allocations Scheme – the Council’s policy for assessing need and priority for council housing accommodation. 3. EFDC Development Strategy Final 2013-19 – sets out how the Council consults. 4. EFDC Procurement Rules 2016 – dictates the procedures the Council needs to follow governing the award of contracts. <ol style="list-style-type: none"> a. EFDC Procurement Strategy 2015-20 5. EFDC Street numbering and naming policy – Agreed process and requirements for the numbering and naming of streets. 6. EFDC Combined Policies Local Plan 1998 alterations 2006 – plans for EFDC community infrastructure and future development to meet the needs of the local population and improve resources. Epping Forest Draft Local Plan 2016 7. EFDC – HRA Business Plan 2016 - the housing register is assessed and housing need is reflected in the new build plans. <p>Pg 11 Para 19 - EFDC Council Housing Services compares the protected characteristics of those people who we have housed with those people on the Housing Register. This exercise showed that generally the ‘protected characteristics’ of housing applicants and those that have been given council accommodation are similar. No amendments to the Housing Allocations Scheme have been necessary to avoid discrimination.</p> <ol style="list-style-type: none"> 8. KPIs COM002, COM003, COM004, COM005, COM006, COM007, COM 008 and COM009 and suite of local performance indicators (Repairs and Assets) factor in how we consider our equality duty. 9. EFDC Tenant Census 2014 10. Strategic approach to the prioritisation of potential developments – council housebuilding programme
Name of senior manager for the policy /	Paul Pledger, Assistant Director (Housing

project:	Property & Development)
Name of policy / project manager:	Haydn Thorpe, Housing Assets Manager Darren Barlow, Housing Repairs Manager Peter Chivral, Repairs Operations Manager Stuart Waller, Customer Repairs Manager

Step 2. Decide if the policy, service change or withdrawal is equality relevant

Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.	If yes, state which protected groups: Yes, for all protected characteristics.
If no, state your reasons for this decision. Go to step 7. <i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i>	If no, state reasons for your decision:

Step 3. Gather evidence to inform the equality analysis

What evidence have you gathered to help you understand the impact of your policy or service change or withdrawal on people? What does your evidence say about the people with the protected characteristics? If there is no evidence available for any of the characteristics, please explain why this is the case, and your plans to obtain relevant evidence. Please refer to Factsheet 2 'Sources of evidence for the protected characteristics'

Characteristic	Evidence (name of research, report, guidance, data source etc)	What does this evidence tell you about people with the protected characteristics?
Age	<p>Census information 2011 for EFDC area</p> <p>ONS Censuses 2011 EFDC data – version I created</p> <p>Epping Forest Draft Local Plan 2016.</p> <p>Housing Background paper – Draft Plan 2016 Consultation</p> <p>Residents consultations – EFDC Planning EFDC Statement of Community Involvement</p> <ol style="list-style-type: none"> EFDC Neighbour Consult Template letter EFDC Making your views known leaflet <p>EFDC Tenant Census 2014</p> <p>SLAA Population forecasting – (ONS 2012 Sub-national population projections).</p> <p>EFDC ER's Vol 1-5 JCT DB11</p>	<p>The evidence outlines the living arrangements for all age groups, including the ageing population.</p> <p>Ageing population – will require dwellings that are adaptable and accessible</p> <p>Neighbour consultation letters are sent out once a planning application is registered. Where any comments are invited to be returned within 21 days. Site notices are erected and more consultations are carried out if development was on a major scale (dwellings over 10). This enables members of the local community to contact the planning department raise an issue if there is one.</p> <p>Over half of the tenants responded:</p> <ul style="list-style-type: none"> just under half of tenants (47%) were 65 or over, and 26.9% were 75 and over. <p>Council considers all new homes should be built to category 2 'accessible and adaptable dwellings' – dependent on site specific viability testing ensuring no compromise to delivery of development.</p> <p>Contractors are required to produce a plan to target employment for the existing estate and local labour and discuss opportunities that will be available on any project to enable the placement of apprentices and</p>

trainees.

Also, contractors are required to recruit new apprentices and trainees from approved sources - 'The Contractor shall employ apprentices and trainees for supervised waged work experience, throughout the duration of this contract.

Contractor will agree numbers of apprentices. Trainees or waged trainees weeks on site with the Employed based on the thresholds contained within the Framework Agreement.

[Strategic Housing Market Assessment for West Essex & East Herts 2015 Pg101 & 108](#)

This evidence shows that EFDC needs to provide approximately 11,300 (market housing & affordable) new homes over the Local Plan period (up to 2033), and also the specific split of houses vs. flats, numbers of bedrooms etc. that the data shows we need.

It was noted that older people are living longer, healthier lives and specialist housing offered today may not be appropriate for the future years and the government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This report supports the need for all dwellings to meet category 2 requirements (dependent on viability).

EFDC Employers Requirements [EFDC ER's Vol 1-5 JCT DB11](#)

Adopted by EFDC – Based on a combination of the East Thames Design Standards and the HCA Design Standards.

[Gracelands CMS Equality and Diversity Policy](#)

Gracelands CMS Ltd has embedded equality into its service provision, targeting resources where they are needed and in ways that ensure tenants have equal access to services. Their Policy extends to monitoring its suppliers. Their tender submission sets out how the company positively reflects the mix of the team delivering the Service with the community in which the Service is provided.

[Mears PLC Equality and Diversity Policy](#)

Mears operates an ethos of respect for all and are fully committed to ensuring accessible service and opportunities to all. This extends

from the Board and includes all staff, supply chain partners they work with, residents and customers across all of its contracts. Their Policy is reviewed and updated bi-annually or sooner if required. Their tender submission sets out how the company positively reflects the mix of the team delivering the Service with the community in which the Service is provided.

[East Thames Priority Needs Policy](#)

East Thames Single Equality Scheme which included their equality and diversity statement, aims and action plan. The document includes the Equality Act 2010 and due to the nature of the document it goes further than promoting equalities internally. The action plan sets out clear equalities responsibilities for meeting the aims of the Scheme including a range of tasks working with residents/community/service users.

[Pellings Equality Diversity Policy](#)

Pellings is committed to upholding and developing the principles of equality and diversity throughout the organisation and in the preservation of an individual's dignity at work. They recognise the need to encourage a positive attitude towards diversity amongst their employees as part of their culture. This commitment extends to the Contractors and other Consultants that they contract with.

[Secure by Design](#) – Designing out crime of new developments

Consideration is given to designing safe places to live (vulnerable older people).

[Handyperson Scheme](#)

This recognises that some aspects of the Tenancy Agreement falling under the responsibility of tenants that some may not be able to undertake or place them at risk of harming themselves i.e. fall from a height when changing lightbulbs. This is a free of charge service provided to all Council residents living in Sheltered Accommodation or in General Needs housing if over 60-years of age or registered disabled.

[Internal Decorating Service for the elderly](#)

This recognises that decorating, which falls under the responsibility of tenants, may place older tenants at risk of harming themselves i.e. fall from a height when hanging wallpaper or painting ceilings. This

		is a free of charge service that aims to help residents that are over the age of 60-years to decorate a room of their choice every 4-years.
Dependents / caring responsibilities	<p>‘Considerate constructors’ reports & site scoring explained</p> <p>Example:(Roundhills 08/07/15)</p> <p>Residents consultations – EFDC Planning EFDC Statement of Community Involvement</p> <p>Approach to assisting Vulnerable Tenants</p>	<p>The Monitor’s Site report lists the following headings in the checklist which must be addressed in order for the site to achieve compliance and the scores (1/10) indicate that a site has reached a standard beyond statutory requirements.</p> <ol style="list-style-type: none"> 1. Care about Appearance 2. Respect the Community 3. Protect the Environment 4. Secure everyone’s Safety 5. Value their Workforce <p>Sites are not only assessed for compliance, but also to identify measures taken which are above and beyond these requirements, and addressing the non-bolded questions on the checklist may result in a higher score.</p> <p>The score awarded reflects the Monitor’s opinion on how the site is performing based on what they see at the time of the visit and their discussion with the Site Manager.</p> <p>As above category – the local community has a chance to raise any issues.</p> <p>Identification is worn at all times The Council employs a Tenant Liaison Officer, who can attend whenever a resident feels uneasy or threatened. The Council can arrange for a female Officer to attend in conjunction with a tradesman if needed.</p>
Disability	<p>Profile of applicants on the housing register</p> <p>Residents consultations – EFDC Planning EFDC Statement of Community Involvement</p>	<p>Numbers of tenants who will require dwellings that are adaptable.</p> <p>As above category – the local community has a chance to raise any issues.</p>

[JCT D&B contract](#) and JCT Measured Term Contract, 2011 are the industry standard contracts signed by both parties to agree scope cost of works.

[‘Considerate constructors’ reports & site scoring explained](#)

[ECC Development Management Policies \(to be read in conjunction with,](#)

- [The Urban Place Supplement](#); and,
- [The Essex Design Guide](#),
- [Parking Standards Design](#)

Equal Opp Para states Pg 10: -
In all its activities carried out pursuant to this agreement the Contractor shall comply and ensure that its agents and employees comply with: -

- i. the Human Rights Act 1998 as if the Contractor are a public body (as defined in the Human Rights Act)
- ii. all Laws relating to equal opportunity including but without limitation to discrimination on the basis of age, disability, sex or sexual orientation, race, religion or belief; and,
- iii. the Employer’s equal opportunities policies and procedures as may be adopted and amended from time to time as notified to the Contractor.

As above category.

The reports reflect the required balance between the need for new housing, protecting the transport network for the safe movement of people.

Lists design standards, accessibility and transport sustainability policies along with Impact and mitigation policies such as safety audits, congestion, air quality and HGV movement.

Provides guidance on the layout of densities below 20 dwellings per hectare/ over 20 dwellings. Provides guidance for accessibility for disabled people to dwellings. Good practice to design new dwellings to be able to be visited unassisted by disabled people as far as the entry to the dwelling. There will need to be a flat area 900mm x 900mm minimum on the same level as the threshold outside the entrance to each dwelling. (pg80)

Provides guidance on parking

[and Good Practice.](#)

- [ECC Development and Public Rights of Way](#)

[Feasibility Studies](#)

[Strategic Housing Market Assessment for West Essex & East Herts 2015 Pg108](#)

[Epping Forest Draft Local Plan 2016](#)

EFDC E-Learning Module – Disability Awareness

standards. 1 car parking space for every 4sqm of GFA. (Gross Floor Area. If a development has a GFA of 17sqm, a calculation 17 divided by 4 gives 4.25 spaces, rounded up to the nearest whole number giving a total number of 5 spaces.

Bus routes within the residential developments will require a min clear passage of 6 metres.

Considers access issues.

The project team undertakes a desktop analysis of each site enabling the team to rule out any sites that are not suitable for development, due to legal, financial or technical reasons. Suitable sites will then have initial feasibility plans produced, where initial views are sought from planners. An investment appraisal will be conducted. This requires rents to be agreed with the officer of the council. The contractor will work closely with the council Legal Team to identify any issues that need to be resolved and determine the best route to proceed. It is certain that issues regarding rights of way, access etc. will have to be dealt with. In these cases the necessary use of appropriation, under the planning act, will be used. The Contractor and council legal team will liaise to ensure the legal risks are fully explored and mitigated.

Report supports the need for 15% of affordable housing to meet Category 3 requirement to aid accessibility for wheelchair users. Currently, 1-30 households in England (3.3%) have at least one wheelchair user. These proportions are likely to increase over the period to 2033.

Will require dwellings that are adaptable & accessible.

All EFDC staff undertakes this learning course to improve disability awareness.

[EFDC – HRA Business Plan 2016](#)

R&M Business Plan 2016-17

[EFDC Tenant Census 2014](#)

[EFDC Customer Impact Assessment – Repairs](#)

[East Thames Priority Needs Policy](#)

[Gracelands CMS Ltd Policy on Equal Opportunities and Diversity](#)

Around 10% of the EFDC Housing Service staff have a disability

The Council endeavours to carry out adaptations to properties to meet the reasonable needs of disabled tenants. This is based on assessments and recommendations from Social Services Occupational Therapists.

Over half of all tenants responded:

-
- 30.2%% stated they had a disability
- 34% of households contained at least one person who had a disability
- North Weald Bassett ward contained the highest proportion of tenants with a disability (39%), followed by Waltham Abbey North East (38%). These wards had a higher than average number of elderly residents.
- 1.4% of tenants needed assistance in communicating due to hearing difficulties, with 14 of these tenants understanding British Sign Language.
 - 45 of the tenants that responded could lip read.
- 6% of tenants preferred to receive information in other formats due to sight problems, and 7 of these preferred information on audio tape. Braille was preferred by 2 tenants, but the vast majority (240).

The 2011 CIA showed that the working procedure could give rise to difficulty when reporting repairs dependent on the disability. Or residents with a visual disability cannot identify tradesmen.

Staff undertake the necessary training to ensure they have 'disability awareness'.

All employees receive training in Equal Opportunities and Diversity at induction and throughout their employment. Their tender

	Mears PLC Equality and Diversity Policy	<p>submission sets out how the company positively reflects the mix of the team delivering the Service with the community in which the Service is provided.</p> <p>Mears operates an ethos of respect for all and are fully committed to ensuring accessible service and opportunities to all. This extends from the Board and includes all staff, supply chain partners they work with, residents and customers across all of its contracts. Their tender submission sets out how the company positively reflects the mix of the team delivering the Service with the community in which the Service is provided.</p>
Gender reassignment	There is no evidence related directly to this. The CHB programme will not be applying policies that are bias to any groups in terms of the provision and maintenance of housing.	
Marriage and civil partnership	Census 2011 – EFDC	<p>Of the Epping Forest District population:</p> <ul style="list-style-type: none"> • 49.9% are married • 0.2% are in a same-sex civil partnership
Pregnancy and maternity	ONS Census 2011 EFDC data	Birth rate is falling. Essex under 16 conceptions fell from 4 per 1000 women 2009-11 to 3.8 in 2010-2012
Race / ethnicity	<p>EFDC Street numbering and naming policy - Para 4.7 (4)</p> <p>EFDC – HRA Business Plan 2016</p>	<p>No street or property names considered or construed as racist, obscene, or contravene any aspect of the council's equal opportunities policies will not be acceptable.</p> <ul style="list-style-type: none"> • Over 90% of the EFDC Housing service staff is white. • Pg 11 Para 19 - EFDC Council Housing Services compares the protected characteristics of those people who we have housed with those people on the Housing Register. This exercise showed that generally the 'protected characteristics' of housing applicants and

	<p>EFDC Tenant Census 2014</p>	<p>those that have been given council accommodation are similar. No amendments to the Housing Allocations Scheme have been necessary to avoid discrimination.</p> <p>Just over half of all tenants responded: -</p> <ul style="list-style-type: none"> • 36% White Irish • 87% White – Other • 23% Black – African • 11% - Black – Caribbean • 4% - Black – Other • 7% - Indian • 3% - Pakistani • 5% - Bangladeshi • 9% - Asian – Other • 3% - Mixed – White and Black African • 16% - Mixed – Other • 1% - Chinese • 9% - Other ethnic group • 3% - Gypsy / Roma / Traveller background
	<p>Updating Overall Housing Need 2014</p>	<p>Migrant trends. We have housed two Syrian families in the district so far. Some introductory information has been translated into Arabic.</p> <p>The Council has access to translation services</p>
	<p>JCT D&B contract and JCT Measured Term Contract, 2011</p>	<p>Equal Opp Para states Pg 10: -</p> <p>In all its activities carried out pursuant to this agreement the Contractor shall comply and ensure that its agents and employees comply with: -</p> <ol style="list-style-type: none"> i. the Human Rights Act 1998 as if the Contractor are a public body (as defined in the Human Rights Act) ii. all Laws relating to equal opportunity including but without limitation to discrimination on the basis of age, disability, sex or sexual orientation, race, religion or belief; and, iii. the Employer's equal opportunities policies and

	<p>EFDC Customer Impact Assessment – Repairs</p>	<p>procedures as may be adopted and amended from time to time as notified to the Contractor.</p> <p>The 2011 CIA showed low impact that working procedure can give rise to possible language problems. The Council has access to translation services</p>
Religion or belief	<p>Residents consultations – EFDC Planning EFDC Statement of Community Involvement</p> <p>EFDC Street numbering and naming policy - Para 4.7</p> <p>ONS Censes 2011 EFDC data</p> <p>EFDC – HRA Business Plan 2016</p> <p>EFDC Tenant Census 2014</p>	<p>Neighbour consultation letters are sent out once a planning application is registered. Any comments are invited to be returned within 21 days. Site notices are erected and more consultations are carried out if development was on a major scale (dwellings over 10).</p> <p>No street or property names considered or construed as racist, obscene, or contravene any aspect of the council's equal opportunities policies will not be acceptable.</p> <p>Of the EFDC Population</p> <ul style="list-style-type: none"> • Christian 77053 - 61.8% • Buddhist 416 – 03% • Hindu 1745 – 1.4% • Jewish 3972 – 3.2% • Muslim 2377 – 1.9% • Sikh 1253 – 1% • Other religion – 432 – 0.3% • No religion – 28061 – 22.5% <p>Pg 11 Para 19 - EFDC Council Housing Services compares the protected characteristics of those people who we have housed with those people on the Housing Register. This exercise showed that generally the 'protected characteristics' of housing applicants and those that have been given council accommodation are similar. No amendments to the Housing Allocations Scheme have been necessary to avoid discrimination.</p> <p>Just over half of all tenants responded: -</p>

	<p>EFDC Customer Impact Assessment – Repairs</p>	<ul style="list-style-type: none"> • 61% stated they were Christian • 21% said they had no faith or religious beliefs <p>The 2011 CIA showed low impact for religious groups. In that residents may be reluctant to report repairs because of a perception of discrimination. The Repairs Service addresses the dwelling rather than the occupants.</p>
Sex	<p>‘Considerate constructors’ reports & site scoring explained Example:(Roundhills 08/07/15)</p> <p>ONS Censes 2011 EFDC data</p> <p>EFDC – HRA Business Plan 2016</p> <p>EFDC Customer Impact Assessment – Repairs</p> <p>EFDC Tenant Census 2014</p> <p>Approach taken to vulnerable women</p>	<p>As above category, and: Predominately male workforce in the building industry. The number of female workers is increasing across the building industry.</p> <p>Epping Forest district population: - 64219 – 51.5% - female 60440 – 48.5% - male</p> <p>Within the Housing Service the ratio of staff is: -</p> <ul style="list-style-type: none"> • Around 60% are women • Over 70% are over 45 years of age • 10% are under 35 years of age <p>The CIA in 2011 showed a low impact and that residents may feel at risk when strangers are in their property.</p> <p>Just over half of all tenants responded:-</p> <ul style="list-style-type: none"> • 60.3% of tenants are female <p>Identification is worn at all times The Council employs a Tenant Liaison Officer, who can attend whenever a resident feels uneasy or threatened. The Council can arrange for a female Officer to attend in conjunction with a tradesman if needed.</p>
Sexual orientation	<p>EFDC Tenant Census 2014</p>	<p>57%of all tenants responded stating -</p> <ul style="list-style-type: none"> • 62.2% were heterosexual • 0.6% were gay or bisexual • 26% did not state their

		sexuality <ul style="list-style-type: none"> • 10% did not specify.
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Steps 4 & 5 Analyse the activity, policy or change (*The duty to eliminate unlawful discrimination*)

Based on the evidence you have analysed, describe any actual or likely adverse impacts that may arise as a result of the policy decision. Where actual or likely adverse impacts have been identified, you should also state what actions will be taken to mitigate that negative impact, ie what can the Council do to minimise the negative consequences of its decision or action.

<i>Characteristic</i>	<i>Actual or likely adverse impacts identified</i>	<i>Actions that are already or will be taken to reduce the negative effects identified</i>
Age	<p>Accessibility</p> <p>Access rights (temporary during building works)</p> <p>Build to lifetime standards</p>	<ul style="list-style-type: none"> • All accessible (ground floor flats and Sheltered accommodation flats) without level access showers and are in need of a replacement bathroom will be fitted with a graded floor shower as standard. • All existing adaptations that are fit for purpose will remain in place. • Light fittings in bathrooms (when replaced) are LED type that requires no bulb replacement. • Blending valves are installed to all taps to avoid scalding. • Adaptations will be undertaken to properties to meet the reasonable needs of disabled tenants, based on assessments and recommendations from Social Services Occupational Therapists. <p>Generic consultation notification letters are sent to all neighbours/ residents and business as well as to Parish Council. Giving the opportunity for issues to be raised.</p> <p>All new homes should be built to Cat 2 'accessible and adaptable dwellings' – dependent on site specific viability testing ensuring no compromise to delivery of</p>

	<p>Older or younger residents may have difficulty in reporting repairs or issues to do with a new build</p> <p>Actual building works deliveries may impact on school journeys</p> <p>Assessment of works needed</p>	<p>development.</p> <p>Training provided to Customer Repairs Assistants to assist residents to identify a repair. Identification carried.</p> <p>Enable repairs or issues with a build to be reported at Reception. These can be notified in writing or via email.</p> <p>This is temporary.</p> <p>Since the Repairs and Assets Team deal with property matters, works are undertaken based on property attributes</p>
Dependents / caring responsibilities	<p>Working hours</p> <p>Additional noise from drilling or insertion of pilings for the erection of new buildings</p> <p>Interruption of water/electricity or gas supplied due to building works.</p> <p>Accessibility to residents property impaired (young children – prams)</p>	<p>Only work core working hours. Notify residents well in advance of any possible issues with pavement or road closures so alternative plans can be made. Keep disruption to a minimum.</p> <p>Communication to residents /neighbours well in advance and keep additional noise to core working day hours</p> <p>Communication to residents /neighbours well in advance. If interruption for a longer period of time then alternative measures considered</p> <p>Ensure awareness</p>
Disability	<p>Access rights. Include mental health issues.</p> <p>Hearing impairment – cannot report repairs by phone.</p> <p>Visual impairment – cannot identify tradesperson</p> <p>Speech difficulties –could be problematic when reporting repairs</p>	<p>Ensure disabled neighbours can access their properties.</p> <p>Repairs can be reported via email or a mobile phone App. Appointments confirmed in writing or by SMS text messaging. Council looking at implementing phone text messages to non-smart phones.</p> <p>Could add braille to EDFC staff or contractor identity card. Telephone passwords to check the identity of the visitor.</p> <p>Report repairs via email Communicate in writing</p>

	<p>or understanding neighbours.</p> <p>Mobility difficulties -</p> <p>Mental health issues</p> <p>Learning difficulties -</p> <p>Assessment of adaptation need</p>	<p>Communication to residents /neighbours well in advance (i.e. if temporary road or pavement closure, so alternative route can be planned.)</p> <p>Use of third party to act on residents behalf if considered appropriate (i.e. Advocate or Mental Health Worker)</p> <p>All assessments for disabled adaptations are undertaken by ECC Social Care Occupational Therapists and recommendations received require the Council to act upon in priority order set by ECC.</p>
Gender reassignment	Possible feeling of vulnerability.	<p>EFDC staff members attend diversity training ensuring awareness. EFDC Staff carry identification at all times.</p> <p>External contractors to wear identification at all times.</p>
Marriage and civil partnership	N/A	
Pregnancy and maternity	N/A	
Race / ethnicity	<p>If working near a religious site – could cause sensitivities if working noise impacts on religious service. This would be identified at an early stage when the local area is examined.</p>	
Religion or belief	N/A	
Sex	<p>Predominately male build workers, possible tensions/ intimidating behaviour towards opposite sex.</p>	<p>CCS reports undertaken regularly.</p> <p>The Council employs a Tenant Liaison Officer, who can attend whenever a resident feels uneasy or threatened. The Council can arrange for a female Officer to attend in conjunction with a tradesman if needed.</p>
Sexual orientation	N/A	

Step 6.

The duty to advance equality of opportunity

Can the policy, service or project help to advance equality of opportunity in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

* Cannot specifically advance equality of opportunity in the categories below. The programme is based on objectively assessed evidence and intends to provide and maintain housing that meets the varying needs of tenants of the district.

<i>Characteristic</i>	<i>Ways that this policy, service or project can advance equality of opportunity</i>	<i>Why this policy, service or project cannot help to advance equality of opportunity:</i>
Age	As above in Step 3, information has been collated throughout the programme including the consultations and evidence that have provided information necessary to make the appropriate provisions for people of all ages. All third parties (Contractors and Consultants) working for the Council are expected to positively reflect the mix of the team delivering the Service with the community in which the Service is provided.	
Dependents / caring responsibilities	As above in Step 3, information has been collated throughout the programme that has provided information necessary to make the appropriate provisions for people of all types of housing need.	
Disability	As above in Step 3, information has been collated throughout the programme that has provided information necessary to cater for any disability needs. Tradesperson ID cards with braille writing – to assist the visually impaired.	
Gender reassignment	Explained above *	
Pregnancy and maternity	By fulfilling the need for more family homes.	
Race / ethnicity	Documentation can be made available in other languages to reduce language/cultural barriers. Translation services are available.	
Religion or belief	Explained above *	
Sex	For households who cannot allow male workers - as restricted by their religion or belief the Council employs a	

	Tenant Liaison Officer, who can attend whenever a resident feels uneasy or threatened. The Council can arrange for a female Officer to attend in conjunction with a tradesman if needed.	
Sexual orientation	Explained above*	

The duty to foster good relations

Can the policy, service or project help to foster good relations in any way? If yes, provide details. If no, provide reasons. (Note: not relevant to marriage and civil partnership)

<i>Characteristic</i>	<i>How this policy, service or project can foster good relations:</i>	<i>Why this policy, service or project cannot help to foster good relations:</i>
Age	By providing housing for all age groups and needs. By providing work experience (through the Council's agreement with contractors) for younger groups – strengthening relationships with younger groups and local schools, colleges.	
Dependents / caring responsibilities	By considering all types of housing needs.	
Disability	By applying relevant housing standards, and providing information on adaptations and lifetime homes standards	
Gender reassignment	N/A	
Pregnancy and maternity	By considering all types of housing needs.	
Race / ethnicity	By promoting inclusion via community centres/ resident groups/ places of worship.	
Religion or belief	By taking into consideration all faiths.	
Sex	N/A	
Sexual orientation	N/A	

Step 7. Documentation and Authorisation

Summary of actions to be taken as a result of this analysis (add additional rows as required):	Name and job title of responsible officer	How and when progress against this action will be reported
1. Obtain Equality Policies from East Thames (to become London and Quadrant).	Senior Development Officer	ASAP

2. To review consultation feedback at each house-building phase and update this document accordingly	Housing Development Manager	Ongoing
3. To review any consultation feedback from the tenant satisfaction surveys and update this document accordingly	Housing Assets Manager and Housing Repairs Manager	Ongoing
4. To continue to evaluate Equality & Diversity Policies from all Consultants and Contractors working with the Council.	Housing Assets Manager and Housing Repairs Manager	Ongoing

Name and job title of officer completing this analysis:	Mary Masterson Performance and Information Officer
Date of completion:	11/01/2017
Name & job title of responsible officer: (If you have any doubts about the completeness or sufficiency of this equality analysis, advice and support are available from the Performance Improvement Unit)	Paul Pledger Assistant Director - Property
Date of authorisation:	11/01/2017
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	11/01/2017

Step 8. Report your equality analysis to decision makers:

Your findings from this analysis (and any previous analysis) must be made available to a decision making body when it is considering the relevant service or policy. Therefore you must:

- reflect the findings from this analysis in a 'Due Regard Record' (template available), and attach it as an appendix to your report. The Record can be updated as your policy or service changes develop, and it exists as a log of evidence of due regard;
- Include this equality information in your verbal report to agenda planning groups or directly to portfolio holders and other decision making groups.

Your summary of equality analysis must include the following information:

- if this policy, service change or withdrawal is relevant to equality, and if not, why not;
- the evidence base (information / data / research / feedback / consultation) you used to help you understand the impact of what you are doing or are proposing to do on people with protected characteristics;
- what the evidence base (information / data / research / feedback / consultation) told you about people with protected characteristics;
- what you found when you used that evidence base to assess the impact on people with the protected characteristics;
- whether or not your policy or service changes could help to advance quality of opportunity for people with any of the protected characteristics;
- whether or not your policy or service changes could help to foster good relations between communities.

Appendix

Background evidence

1. [ETG Contractors Framework Agreement Pg13 1.2 Contractors Specific Framework KPIs](#) – (also pg 15) states that the engagement with East Thames approach to Equality & Diversity will be assessed bi-Annually 2.1 Contractors to actively support ETG to continue commitment to support unemployed into employment & training. ...normal labour hours enhanced with targeted employment of apprentices/trainees. (also states ratio of trainees on site or paid trainee works etc. for contract value.
2. [EFDC Strategic Housing Market Assessment –Final Report Jun2010](#) – highlighting the identified needs for 1 –to 5 bedroom properties in the district
3. [EFDC Strategic Housing Market Assessment Update](#) - Equality Analysis
4. [Sustainability Appraisal of Strategic Spatial Options for the West Essex and East Hertfordshire Housing Market Area](#)
5. [DRAFT MoU Distribution of Objectively Assessed Housing Need across the West Essex/East Hertfordshire Housing Market Area – Sept 2016](#)
6. [Practice Guide 52: Easements claimed by prescription Appropriation Guidance - S.19 of the Acquisition of Land Act 1981 - common land](#)
7. [EFDC ER's Vol 1-5 JCT DB11](#)
8. [EFDC Housing Allocations Scheme](#)
9. [EFDC Procurement Rules 2016](#)
10. [EFDC Street numbering and naming policy](#)
11. [EFDC Development Strategy Final 2013-19](#)
12. [EFDC Combined Policies Local Plan 1998 alterations 2006](#)
13. [KPIs COM002, COM003, COM004, COM005, COM006, COM007, COM 008 and COM009](#)
14. [EFDC Tenant Census 2014](#)
15. [Strategic approach to the prioritisation of potential developments – council housebuilding programme](#)
16. Census information 2011 for EFDC area
17. Epping Forest Draft Local Plan 2016.
18. EFDC Planning EFDC Statement of Community Involvement
19. EFDC ER's Vol 1-5 JCT DB11
20. [EFDC – HRA Business Plan 2016](#)
21. R&M Business Plan 2016-17
22. [EFDC Customer Impact Assessment – Repairs](#)
23. [Gracelands CMS Equality and Diversity Policy](#)
24. [Mears PLC Equality and Diversity Policy](#)
25. [East Thames Priority Needs Policy](#)
26. [Pellings Equality Diversity Policy](#)
27. [Secure by Design](#)
28. Handyperson Scheme
29. Internal Decorating Service for the elderly
30. 'Considerate constructors' reports & site scoring explained
31. [JCT D&B contract](#) and JCT Measured Term Contract, 2011
32. [ECC Development Management Policies](#)
33. [The Urban Place Supplement](#)
34. [The Essex Design Guide](#)
35. [Parking Standards Design and Good Practice](#)
36. [ECC Development and Public Rights of Way](#)
37. [Updating Overall Housing Need 2014](#)

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Report to the Cabinet

Report reference: C-054-2016/17
Date of meeting: 2 February 2017



**Epping Forest
District Council**

Portfolio: Environment
Subject: Waste Management Policies
Responsible Officer: Qasim (Kim) Durrani (01992 564055).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the Waste Management Policy Statements, numbered 1 to 12 as attached, be adopted.

Executive Summary:

The Council has in place a number of waste management policies previously introduced at the time of implementation of the original wheelie bin service, substantively updated in September 2009 when the food and garden waste collection was introduced. These policies provide clarity to the Councils' contractor Biffa, residents and Council officers.

It is considered necessary to update and amend these policies and introduce new ones, where necessary, to reflect the comprehensive household collection service that the Council offers.

Reasons for Proposed Decision:

It is necessary to update some policies and introduce new ones to ensure efficient waste management services.

Other Options for Action:

The alternative options are:

- (a) retain existing policies and not approve any changes,
- (b) manage the service with no new policies,
- (c) rescind all policies and manage the service with no policies

None of the above can be recommended as this would be contrary to the already adopted Essex Joint Municipal Waste Management Strategy, would present operational difficulties, hinder achievement of Council's Key Performance Indicators and adversely impact waste reduction and recycling targets that the Council aspires to achieve.

Report:

1. The Council has already in place a number of policies which deal with matters such as:

- containers;
 - which materials should go in a particular container;
 - assisted collections;
 - collection times and placement of containers;
 - contamination of containers;
 - container capacity;
 - suitability of property for wheelie bin;
 - exception; and
 - exemption.
2. It is recommended to adopt three new policies. These cover the following issues:
- collections from flats and communal buildings;
 - provision of waste and recycling services only to those properties that are on the Local Land Property Gazetteer (LLPG); and
 - provision of replacement containers.
3. The policy documents are appended to the agenda. They are in some cases more restrictive than the predecessors and reflects the needs for the residents to:
- be more particular about the separation of recyclable materials from non-recycling waste; and
 - reuse and recycle as much as possible.
4. There are four Key Performance Indicators within the Neighbourhoods Directorate that relate to refuse and recycling service. It is anticipated that performance against these will be improved if the recommended policies are adopted. By diverting recycling materials from the residual waste stream the waste processing costs will be reduced for the Disposal Authority and will result in more sustainable and environmentally efficient waste and recycling collection services.
5. If adopted these policies will be implemented with due care and regard. Publicity and warning message will be delivered to residents, to ensure that residents who make innocent mistakes are not penalised, educational and promotional literature will be made available as well as direct advice from Council officers. Enforcement action will only be taken as a measure of last resort. Every effort will first be made to educate and inform residents so that they could make the best use of the waste and recycling collection services offered by the Council.
6. All the policies are attached to the report. Some of the changes are minor amendments to bring the policies in line with current Biffa contract and clarify, especially since the Council now offers an enhanced service compared to when some of these policies were first written. Any changes or additions are shown in underlined text, for ease of reference major changes are noted below:
- Policy 1 – Container: no change.
 - Policy 2 – Wheelie bin capacity: no change.
 - Policy 3 – Suitability of property for wheelie bin: no change.
 - Policy 4 – Contamination: the policy is now clearer and includes a list of what is classed as contamination and what are unacceptable materials in the wheelie bin. As a result any recycling material found in the residual wheelie bin will be classed as contamination. This will mean that residual wheelie bin which contains recycling materials will not be collected by Biffa. The resident will have to make alternative

arrangements or remove the recycling and present the residual waste for collection. A full list of materials that can be recycled is available on the Council website as well in the publicity material published from time to time. The Council offers weekly recycling of small electrical equipment, textiles and batteries and there is no reason why these should be put in the residual wheelie bin.

- Policy 5 – Side waste: no change.
- Policy 6 – Exemption from wheelie bin: no change.
- Policy 7 – Exception: the standard size of residual wheelie bin is 180 litres. A larger, maximum 240 litres, wheelie bin for residual waste can be issued following a positive assessment under these policies. Elsewhere in the policy clarification is provided in respect of criteria for the issue of additional food and garden wheelie bins and if clinical waste collection is required, which cannot be collected under normal residual waste collection, this can be provided at a cost to the resident.
- Policy 8 – Flats and Communal buildings: this is an entirely new policy and addresses the waste and recycling collection arrangements in multi occupancy dwellings. A draft Waste Planning Guidelines Booklet, attached as background paper, has been prepared to assist developers with the requirements for waste and recycling provisions in new buildings. The Council will provide, free of charge, recycling containers to flats and multi occupancy dwellings, however residual containers have to be paid for.
- Policy 9 – Use of Council issued containers: changes are made to clarify that the wheelie bins and containers remain the Council's property and will only collect in Council issued containers.
- Policy 10 – Supply of waste and recycling services: this is a new policy and clarifies that only those properties will benefit from the Council's waste and recycling services that are registered on the Local Land Property Gazetteer (LLPG). This is because the Council's contractor Biffa uses the LLPG data to configure and manage the waste collection services across the District. This will mean that a property that is attracting a Council Tax charge, by subletting a section of the property, in the absence of a formal planning approval, will not be able to receive separate waste and recycling collection service. This is because the Biffa contract uses LLPG as the bases data for contract management.
- Policy 11 – Replacement containers: this is a new policy: the policy clarifies the responsibility of the residents in relation to the wheelie bin and other containers. If a container is damaged by the misuse or neglect of a resident then the cost of replacement, including delivery, will be borne by the resident, the exception is normal wear and tear and when the container has reached the end of its useful life. However if the container is damaged by the actions of the contractor then there will be no charge to the resident. Officers will take due care and be pragmatic when implementing this policy and will only seek costs when there is strong evidence of wilful damage.
- Policy 12 – Location of a litter bin: this is a new policy and clarifies the criteria for the installation of a new litter bin. As the Principle Litter Authority the Council has the necessary powers to install and empty litter bins on the public highway. The policy clarifies the types of areas where the Council would consider installing a litter bin.

Resource Implications:

There is no additional resource implications arising from this report and its recommendations, there is adequate existing budget to deal with the recommendations in this report.

The current cost to the Council, including delivery, of a new standard 180 litres wheelie bin is £21.57. On average the Council delivers circa 500 containers, including blue boxes and kitchen caddies, per month. There are significant costs associated with this, approximately £4,300 per month, and while there is every reason to continue to provide this service when it is no fault of the resident, charging residents who wilfully damage bins and ignore Council policies will result in reduced costs.

Recycling is a resource and every tonne of material recycled by residents results in an income for the Council. The level of income varies according to the material collected, for example, aluminium can generate an income of £600 per tonne and paper £50 per tonne.

Under the contract with Biffa any income from the sale of recycling material is passed onto the Council, this helps with the processing cost of the Material Recycling Facility where all the recycling material is sorted for sale in the market. If the recommendations in the report are agreed then it is likely that recycling will increase resulting in additional income for the Council.

Essex County Council pays the Council Recycling Credit of £64.39 per Tonne of material recycled. In the last financial year the total value of Recycling Credit Income was £823,595.

Legal and Governance Implications:

The delivery of waste management services is predominantly under the auspices of the Environmental Protection Act 1990 and its subsidiary regulations and guidance. The collection of household waste (as defined by the Controlled Waste Regulations 1992) is a statutory duty placed upon the Council. Schedule 2 of these regulations prescribe that garden waste is, household waste, for which the Council can levy a charge.

Safer, Cleaner and Greener Implications:

The increase in recycling performance is a Performance Indicator as is the reduction of non-recyclable waste generated per household. The aims of the Council's adopted Essex Joint Municipal Waste Management Strategy will be supported by the recommendation in this report.

Consultation Undertaken:

The Council's waste management contractor Biffa has been consulted on the policies.

Background Papers:

Cabinet report September and December 2009

Risk Management:

For the waste management service to operate effectively and provide high level of recycling it is critical that adequate policies are in place to support the operation. In the absence of updated policies there is a risk that the recycling material will become contaminated resulting in rejection of refuse freighters at the processing facilities. This will, besides a loss in recycling income, result in the entire load to be declared a non-recycling and will attract

higher disposal, landfill, costs.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix to the report.

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Equality analysis report

Use this report template to record your equality analysis. This report is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination, advance equality of opportunity and foster good relations** with respect to the personal characteristics protected by equality law. Due regard must be paid at formative stages of policy or service development, changes, or withdrawal.

To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:

- Factsheet 1: Equality Profile of the Epping Forest District
- Factsheet 2: Sources of information about equality protected characteristics
- Factsheet 3: Glossary of equality related terms
- Factsheet 4: Common misunderstandings about the Equality Duty
- Factsheet 5: Frequently asked questions
- Factsheet 6: Reporting equality analysis to a committee or other decision making body

If you require further help, please contact the Performance Improvement Unit.

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	Amendment of existing and creation of some new waste and recycling policies. These policies enable the delivery of an efficient and cost effective waste management service. The changes proposed are aimed at increasing recycling, reducing contamination of recycling materials.
Revised / new / withdrawal:	Revised and New
Intended aims / outcomes/ changes:	Revision of existing policies to bring them upto date and creation of new policies where a need has been identified
Relationship with other policies / projects:	Existing policies, Local Performance Indicators in relation to waste minimisation and recycling,
Name of senior manager for the policy / project:	Qasim (Kim) Durrani
Name of policy / project manager:	David Marsh

Step 2. Decide if the policy, service change or withdrawal is equality relevant

Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.	Yes, state which protected groups: Council officers will monitor and implement policies, Residents will be affected
If no, state your reasons for this decision. Go to step 7.	If no, state reasons for your decision:
<i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i>	

Step 3. Gather evidence to inform the equality analysis

What evidence have you gathered to help you understand the impact of your policy or service change or withdrawal on people? What does your evidence say about the people with the protected characteristics? If there is no evidence available for any of the characteristics, please explain why this is the case, and your plans to obtain relevant evidence. Please refer to Factsheet 2 ‘Sources of evidence for the protected characteristics’

<i>Characteristic</i>	<i>Evidence (name of research, report, guidance, data source etc)</i>	<i>What does this evidence tell you about people with the protected characteristics?</i>
Age	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. Themes: Sustainable, Aspiring The Council’s commitment to Equality and aspiration to make the District a great place to live, work, study and do business in	Some elderly residents might suffer from reduced cognitive abilities and could be easily overwhelmed by the waste and recycling schemes and/or the number of containers being made available.
Dependents / caring responsibilities	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. The overarching theme to make the District a great place to live, work, study and do business in	Those with caring responsibilities may find the waste and recycling collection systems complex to follow.
Disability	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. Themes: Safe, Sustainable, Health The overarching theme to make the District a great place to live, work, study and do business in	Residents with disabilities are more likely to experience issues with managing the waste and recycling containers or collection services.
Gender reassignment	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. Corporate commitment to Equality	In the case of gender reassignment it may be that they feel uncomfortable to speak with an officer to seek further information or clarification on the service.
Marriage and civil partnership	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. The overarching theme to make the District a great place to live, work, study and do business in	There is limited information available to enable an assessment of the impact on this Characteristic.
Pregnancy and maternity	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. The overarching theme to make the District a great place to live, work, study and do business in	There is limited information available to enable an assessment of the impact on this Characteristic

Race / ethnicity	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. Corporate commitment to Equality The overarching theme to make the District a great place to live, work, study and do business in	In the case of Race/Ethnicity some groups may feel uncomfortable to speak with an officer to seek further information or clarification on the service. Information is available on the Council Website and can also be requested by email.
Religion or belief	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. Corporate commitment to Equality The overarching theme to make the District a great place to live, work, study and do business in	In the case of Religion some groups may feel uncomfortable to speak with an officer to seek further information or clarification on the service.
Sex	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. Corporate commitment to Equality The overarching theme to make the District a great place to live, work, study and do business in	There is limited information available to enable an assessment of the impact on this Characteristic.
Sexual orientation	EFDC Equality Scheme 2012-16 Corporate Plan 2011 -15. Corporate commitment to Equality The overarching theme to make the District a great place to live, work, study and do business in	There is limited information available to enable an assessment of the impact on this Characteristic.

Steps 4 & 5 Analyse the activity, policy or change (*The duty to eliminate unlawful discrimination*)

Based on the evidence you have analysed, describe any actual or likely adverse impacts that may arise as a result of the policy decision. Where actual or likely adverse impacts have been identified, you should also state what actions will be taken to mitigate that negative impact, ie what can the Council do to minimise the negative consequences of its decision or action.

<i>Characteristic</i>	<i>Actual or likely adverse impacts identified</i>	<i>Actions that are already or will be taken to reduce the negative effects identified</i>
Age	Difficulty in assessing the waste and recycling service by some elderly if they find the publicity information too complex to follow or if they are unable to safely move the wheelie bins and containers	There are mechanisms in place to accommodate such issues, for example adaptation of collections to needs, assisted collections,
Dependents / caring	Those with caring responsibilities may find it difficult to spare the time	To assist there are opportunities to speak with officers of the

responsibilities	to follow the waste and recycling systems or access information.	Council who can make home visits and explain the system.
Disability	Those with disabilities are more likely to experience issues with the waste and recycling system. Wheelie bins and other containers can be difficult to manage/handle.	Medical exemption and assisted collections are offered, in the case of partially sighted or blind special adjustments are made to wheelie bins,
Gender reassignment	Some may feel uncomfortable to speak directly with an officer to seek further information or clarification on the service.	Information is available on the Council Website and can also be requested by email.
Marriage and civil partnership	There is limited information available to suggest the impact on this Characteristic	The Council offers advice and information via the Customer Contact Centre and Area Waste Management Officers.
Pregnancy and maternity	More waste may be generated if there are medical complications or in the case of home care/birth.	If there is the requirement for additional capacity for waste disposal then this can be assessed under existing Exception policy.
Race / ethnicity	Some may feel uncomfortable to speak directly with an officer to seek further information or clarification on the service.	Information is available on the Council Website and can also be requested by email.
Religion or belief	Some may feel uncomfortable to speak directly with an officer to seek further information or clarification on the service.	Information is available on the Council Website and can also be requested by email.
Sex	Some may feel uncomfortable to speak with an officer to seek further information or clarification on the service.	Information is available on the Council Website and can also be requested by email.
Sexual orientation	Some may feel uncomfortable to speak with an officer to seek further information or clarification on the service.	Information is available on the Council Website and can also be requested by email.

Step 6.

The duty to advance equality of opportunity

Can the policy, service or project help to advance equality of opportunity in any way?

If yes, provide details. If no, provide reasons. (Note: not relevant to marriage and civil partnership)

<i>Characteristic</i>	<i>Ways that this policy, service or project can advance equality of opportunity</i>	<i>Why this policy, service or project cannot help to advance equality of opportunity:</i>
Age	The provision of Exception policy will enable the elderly and infirm to benefit from an Assisted Collection service, where the Biffa operatives will collect the containers from a designated place within the property.	

Dependents / caring responsibilities		Policies already in place to provide one to one advice and site visits to assist in explaining the service.
Disability	The provision of Exception policy will enable the disabled to benefit from an Assisted Collection service, where the Biffa operatives will collect the containers from a designated place within the property.	
Gender reassignment		Policies already in place to provide one to one advice and site visits to assist in explaining the service.
Pregnancy and maternity	Additional refuse bin capacity can be provided to assist with additional waste generated during the pregnancy.	
Race / ethnicity		Policies already in place to provide one to one advice and site visits to assist in explaining the service.
Religion or belief		Policies already in place to provide one to one advice and site visits to assist in explaining the service.
Sex		Policies already in place to provide one to one advice and site visits to assist in explaining the service.
Sexual orientation		Policies already in place to provide one to one advice and site visits to assist in explaining the service.

The duty to foster good relations

Can the policy, service or project help to foster good relations in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

<i>Characteristic</i>	<i>How this policy, service or project can foster good relations:</i>	<i>Why this policy, service or project cannot help to foster good relations:</i>
Age	Ability to ask for assisted collections if elderly unable to handle wheelie bins and other containers.	
Dependents / caring responsibilities	Ability to seek advice from the Customer Contact Centre as well as Area Waste Management Officers on any specific issue within the service	
Disability	Ability to ask for assisted collections if disabled person unable to handle wheelie bins and other containers.	
Gender reassignment	Information to be available on the Council Website and can also be	

	requested by email.	
Pregnancy and maternity	Additional waste capacity to be provided if more waste is generated	
Race / ethnicity	By providing more information via officers, website and email more may be able to access information about Council services.	
Religion or belief	By providing more information via officers, website and email more may be able to access information about Council services.	
Sex	By providing more information via officers, website and email more may be able to access information about Council services.	
Sexual orientation	By providing more information via officers, website and email more may be able to access information about Council services.	

Step 7. Documentation and Authorisation

Summary of actions to be taken as a result of this analysis (add additional rows as required):	Name and job title of responsible officer	How and when progress against this action will be reported
<p>1. The subject has potential to affect or discriminate against Disabled or Elderly. The service relates to provision of larger recycling containers, additional wheelie bins for food and garden waste, chargeable collection of contaminated waste at the householders cost.</p> <p>2. Measures taken to address impact on the groups identified above include:</p> <ul style="list-style-type: none"> • Special Assisted Collection service will be offered, subsequent to an officer assessment, for Disabled, elderly or infirm residents who are unable to handle wheelie bins. Such a service will enable the waste containers to be collected from designated locations inside the property, • Exemption policy will enable residents to present waste and recycling in sacks if the property is unable to receive wheelie bin or other containers, <p>1. Larger or multiple containers will be made available, subject to an assessment, to residents where additional</p>	David Marsh	Regular reviews and on going monitoring updates to be provided to Assistant Director

waste is generated due to medical reasons		
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Name and job title of officer completing this analysis:	David Marsh Waste and Recycling Manager
Date of completion:	03/01/2017
Name & job title of responsible officer: (If you have any doubts about the completeness or sufficiency of this equality analysis, advice and support are available from the Performance Improvement Unit)	Qasim (Kim) Durrani Assistant Director (Technical) Neighbourhoods
Date of authorisation:	
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	

Step 8. Report your equality analysis to decision makers:

Your findings from this analysis (and any previous analysis) must be made available to a decision making body when it is considering the relevant service or policy.

Therefore you must:

- reflect the findings from this analysis in a 'Due Regard Record' (template available), and attach it as an appendix to your report. The Record can be updated as your policy or service changes develop, and it exists as a log of evidence of due regard;
- Include this equality information in your verbal report to agenda planning groups or directly to portfolio holders and other decision making groups.

Your summary of equality analysis must include the following information:

- if this policy, service change or withdrawal is relevant to equality, and if not, why not;
- the evidence base (information / data / research / feedback / consultation) you used to help you understand the impact of what you are doing or are proposing to do on people with protected characteristics;
- what the evidence base (information / data / research / feedback / consultation) told you about people with protected characteristics;
- what you found when you used that evidence base to assess the impact on people with the protected characteristics;
- whether or not your policy or service changes could help to advance quality of opportunity for people with any of the protected characteristics;
- whether or not your policy or service changes could help to foster good relations between communities.

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1. Container policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through the provision of containers fit for purpose and by constraining the household waste stream and to comply with the requirements of sections 46(3)(a) and 46(4) of the Environmental Protection Act 1990.

The council's waste contractor will only collect the official containers issued by Epping Forest District Council to that individual address for the collection of household waste.

The official containers for the residual waste and food and garden recycling services are:

- A wheelie bin of 180 litre capacity supplied by the Council.
- Manufactured by the supplier OTTO UK.
- For the Residual service black/charcoal grey in colour for the bin body and lid.
- For the Food and Garden service black/charcoal grey in colour for the bin body with a green lid.
- Embossed with an individual serial number registered to that individual address.
- Embossed with the Epping Forest District Council logo and website address.
- The correct registered capacity for that address.

The official kitchen caddy and kerbside caddy for the Food and Garden service are:

- Manufactured by the supplier Straight PLC and supplied by the Council.
- Green in colour.
- Embossed with the Epping Forest District Council logo, website address and information.
- Of 5 litre capacity for the kitchen caddy, 23 litre capacity for kerbside caddy (where a wheelie bin is not provided or required).
- Correctly registered to that address.

The official container for glass collection service is:

- A blue box of 55 litres capacity.
- Embossed with the Epping Forest District Council logo and website address.
- Any other container other than a wheeled bin.

The official containers for the dry recycling collection service (paper, cardboard, plastics etc.) are:

- The clear plastic sack as supplied by the Council at various outlets.

Flats and similar communal buildings:

For flats and similar communal buildings please see policy number 8 (flats and similar communal buildings).

Exemptions and Exceptions:

For exemptions and exceptions please see policies 6 and 7.

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2. Wheelie Bin Capacity Policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through constraining the amount of household waste entering the waste stream and to comply with the requirements of sections 46(3)(a) and 46(4) of the Environmental Protection Act 1990.

Residual waste wheelie bin:

All properties other than flats and exempt properties will be issued a standard 180-litre wheelie bin with charcoal/grey lid irrespective of the number of residents living at the property.

Food and Garden recycling service wheelie bin:

All properties other than flats and exempt properties will be issued with a standard 180-litre wheelie bin with green lid irrespective of the number of residents living at the property or size of the garden.

Resident requests for larger or smaller wheelie bin for residual waste:

All requests for a larger or smaller wheelie bin will be considered in accordance with the Council's policies on exceptions (see policy number 7).

Resident requests for a second wheelie bin for garden and food recycling:

All requests for a second or smaller wheelie bin will be considered in accordance with the Council's policies on exceptions (see policy number 7).

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3. Suitability of Property for Wheelie Bin Policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through ensuring that as many households as possible within the District participate in the full waste management service using the approved containers and to comply with the requirements of sections 46(3) (a) and 46(4) of the Environmental Protection Act 1990.

- (1) All properties within the District, other than flats and exempt properties will be deemed suitable for a standard 180 litre wheelie bin irrespective of the number of residents living at the property or size of the garden(s).
- (2) All properties within the District, other than flats and exempt properties will be deemed suitable for the kerbside and a kitchen caddy.
- (3) All requests from residents for exemption from this policy will be considered in accordance with the Council's policies on exemptions (see policy number 6).

For flats and similar communal buildings please see policy number 8 (flats and similar communal buildings).

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4. Contamination Policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through ensuring that smaller containers are made available to residents who request them and that larger or additional containers are only provided subject to strict qualification criteria and to comply with the requirements of sections 46(3)(a) and 46(4) of the Environmental Protection Act 1990. ~~Such contamination may result in a collection vehicle having its whole load rejected by the recycling re-processor. The Council will then have to meet the costs of the re-collection and removal of all the waste and transporting and disposing to landfill.~~

This policy is intended to ensure that only the correct materials are placed in the containers provided for collection. If a container is contaminated it may lead to the collection vehicle having its whole vehicle load rejected by the recycling reprocessor. The Council will then have to meet the costs of the re-collection and removal of all the waste and transporting and disposing to landfill. Residents will therefore be required to comply with the following requirements:

Residual waste:

- (1) The residual wheelie bin shall only contain those items that cannot be recycled using the Council's kerbside recycling services or the County Council's civic amenity sites (household waste recycling centres). Those materials suitable for recycling can be found in the Council's waste service leaflets, calendars and on the Council's website.
- (2) The residual wheelie bin will be classed as contaminated if it contains significant quantities of any of the following materials:

Food waste.

Paper and cardboard.

All metal tins.

All Glass and Plastic Bottles.

Food and garden recycling service:

- (1) The food & garden recycling service wheelie bin shall only contain food and garden waste. The list of acceptable garden waste can be found in the Council's waste service leaflets, calendars and on the Council's website.
- (2) The kitchen caddy is for the storage of food waste only. When full the food waste should be transferred to the food and garden recycling wheelie bin or the kerbside caddy where provided. The list of acceptable food material is available in the Council's waste service leaflets, calendars and on the Council's website.
- (3) If a kerbside caddy is provided instead of the food and garden recycling wheelie bin, it shall only be used for food waste collection.

Dry recycling service (clear sack and blue box):

- (4) Containers used for dry recycling should not contain any residual waste or food and garden waste. Glass shall be kept, in the blue box provided, separate from all other dry recyclable materials to avoid broken glass causing contamination

Contaminated containers:

- (5) If any container is found at the point of collection to be contaminated the waste contractor will not collect the container and it will be left at the kerbside with a sticker identifying the problem. If a container is left because of contamination the resident may:
- (i) remove the contamination and represent the uncontaminated container on the next due collection day; or
 - (ii) make their own arrangements for the proper & legal disposal of the wheelie bin's waste.

Other options for residents are:

- (iii) If they do not want to wait until their next scheduled collection, remove the contamination and pay the relevant collection charge for a special wheeled bin/container collection; or:
- (iv) Pay the higher relevant collection charge for a special Wheelie bin/container collection through the Council without removing the contamination.

5. Side Waste Policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through constraining the amount of household waste entering the waste stream and ensuring that only approved containers are used for the collection of residual waste and recyclable materials and to comply with the requirements of sections 46(3) (a) and 46(4) of the Environmental Protection Act 1990.

“Side Waste” is residual or food and garden waste put out for collection which is **not contained within the official wheelie bin or kerbside caddy** issued to that residence for that service, **or**:

Where a sack based residual collection service is provided, any sacks exceeding 4 in number put out for a single collection.

- (1) **No side waste will be collected** by the residual collection service **except** for polystyrene packaging or **following** designated holiday and religious festivals such as Christmas, Passover and Ramadan. Details of designated festivals and the dates of permitted additional collections can be found on the Council’s website.
- (2) **No side waste will be collected** by the food and garden recycling service.
- (3) All other recycling (glass, paper, plastic, cans etc.,) collection services will take any correct material that is placed out for collection in suitable containers, other than black plastic sacks.
- (4) To ensure what wheelie bins and lids are not damaged during the collection and lifting process wheelie bin lids of all wheeled bins presented for collection should be fully closed.

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6. Exemptions Policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy by ensuring that as many households as possible have access to and use the full range of waste management services and to comply with the requirements of sections 46(3)(a) and 46(4) of the Environmental Protection Act 1990.

It is recognised that there may be circumstances where a premises is not suitable for a wheelie bin or bins or inclusion in all of the available Council provided recycling services.

Residual waste:

A property may be exempt from using a wheelie bin, if:

- (1) The front door opens directly onto the pavement; **or**
- (2) The front garden does not have available space of at least 1.00 square metre (10.7 square feet) **including** any space taken up by plants, pots, furniture, etc.: **or**:
- (3) There are more than 2 steps to gain access to the public highway **and** there is no space to store it at the boundary of the property;

AND:

- (4) There is no alternative means of bringing the bin to the boundary for collection; and:
- (5) There is no rear access to the property from an access road or the public highway.

Where this exemption applies a fortnightly residual waste collection service using black sacks shall be provided. The number of sacks put out for collection shall not exceed 4 that being the equivalent of the capacity of a 180 litre wheelie bin. Any sacks above 4 will be treated as side waste and not collected (see Policy number 5 – Side Waste).

Food and garden waste recycling service:

- (6) A property will be exempt from using the wheelie bin for the food and garden waste recycling service if it is already exempt from the use of the residual wheelie bin as set out above. In those circumstances the property will be provided with a kitchen and kerbside caddy for the storage and collection of food waste. A garden waste collection service **will not** be provided.
- (7) Where a property receives the residual wheelie bin service but where the front garden does not have an additional 1.00 square metre (10.7 square feet) **including** any space taken up by plants, pots, furniture, etc., it shall be exempted from the food and garden waste recycling wheelie bin but will instead be provided with a kitchen and kerbside caddy for the storage and collection of food waste. A garden waste collection service **will not** be provided.
- (8) Where the garden waste collection service cannot be provided the householder will be offered a home composter at no charge.

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7. Exception Policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through ensuring that smaller containers are made available to residents who request them and that larger or additional containers are only provided subject to strict qualification criteria and to comply with the requirements of sections 46(3)(a) and 46(4) of the Environmental Protection Act 1990.

The previous policies set out the core arrangements for the waste service and the exemptions to those policies. However, it is recognised that there may be circumstances where special arrangements or changes to the core collection arrangements are required.

General:

Assisted collections will be made available to residents who, upon assessment, are deemed to be unable to use the core waste collection services without assistance from the Council or its contractor. Each case will be treated on its merits. Examples of issues requiring assisted collections include:

- Disability.
- Age.
- Illness or infirmity (may require temporary arrangements).

All requests for a smaller wheelie bin will be granted.

Residual waste collection – larger bins for individual properties:

The standard size of residual wheelie bin is 180 litres. A larger, maximum 240 litres, wheelie bin for residual waste can be issued following a positive assessment under these policies. Elsewhere in the policy clarification is provided in respect of criteria for the issue of additional food and garden wheelie bins and if clinical waste collection is required, which cannot be collected under normal residual waste collection, then this can be done at a cost to the resident.

- (1) Any applications received for a larger wheelie bin will be assessed against the following criteria:
 - The size of the household.
 - The ages of any children in the household and whether any are in nappies (any allowance will automatically end when the child is three years old), if a child is still wearing nappies then this can be assessed and if successful a larger bin provided.
 - That **full** recycling of all materials collected by the Council's recycling services is being made and is continued to be made during the issue of the larger bin.
- (2) The Council reserves the right to review any grant at any time of a larger wheelie bin and to replace it with the next lowest size or the standard 180 litre wheelie bin should it be considered that household circumstances have changed.

Exception Policy (Continued):

Food and garden waste recycling service – additional bins:

- (3) The collection of garden waste is a chargeable service. There is no legal right to a free garden collection service. The Council will collect, **free of charge**, any garden waste contained within the standard 180 litre wheelie bin provided for the food and garden recycling service.

Any additional bins that are issued and collected free of charge is solely at the Councils discretion and may be withdrawn at any time.

- (4) Following a positive assessment by officers a second 180 litre food and garden waste wheelie bin will be provided upon request. The assessment will take into account factors including the following (this list is not exhaustive).
- Whether the resident is making full use of all available options to compost or otherwise manage the amount of garden waste being produced. This will be by the use of compost heap/s and compost bins.
 - Whether the amount of food waste being recycled is such as to compromise the capacity available for garden waste.
 - Whether, in all cases other than where an assisted collection is being provided in accordance with this policy, the garden waste is being produced by the activities of the resident and that no garden waste is being produced wholly through the resident employing a commercial gardening contractor
- (5) The collection of the second food & garden wheelie bin will **initially** be **free of charge** but the Council reserves the right to review this position at any time and further reserves the right to introduce a charge for this additional collection service.
- (6) If a resident chooses to opt out of the garden waste collection service, they will be able to do so but a second wheelie bin **will not** be provided.
- (7) Where a resident has opted out of the garden waste element of the service, they **will be required** to participate in the food waste recycling service and will be provided with a kitchen and kerbside caddy.

Medical Assistance bins for residual waste:

- (8) Additional capacity for residual waste collection is available for medical reasons and will be assessed against the following criteria.
- (i) Applicants must provide medical evidence to be included in their application.
 - (ii) That the size of the bin or additional capacity will be related to the actual amount of waste generated by that particular illness.
 - (iii) That if there are other residents within the household or home help that full recycling of all materials collected by the council's recycling services is being made and is continued to be made during the issue of the larger bin.
 - (iv) That all applications of three years or older are reviewed by sending of an update questionnaire form and applicants that fail to meet the criteria for that size bin have their bin changed to the next lower size (providing the criteria are met) or a standard 180 litre bin. Clinical waste which cannot be collected within the normal residual waste stream can be collected, subject to a charge.

8. Flats & similar Communal Buildings Policy

The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through ensuring that smaller containers are made available to residents who request them and that larger or additional containers are only provided subject to strict qualification criteria and to comply with the requirements of sections 46(3)(a) and 46(4) of the Environmental Protection Act 1990.

It is recognised that the collection of residual waste and recyclable materials from flats and similar communal buildings will require different arrangements from the policies for individual single properties.

1. All new developments of flats must provide adequate wheelie bin collection by use of communal wheeled bins only – separate sack collections will not be allowed.
2. Only wheelie bins are acceptable containers – no paladins or other types of container are allowed.
3. Any developer will be supplied recycling containers free of charge; however residual waste with communal wheelie bins must be paid for. Developers may purchase 660 litres wheelie bins and larger from the Council or from other suppliers. Smaller size residual waste wheelie bins must be obtained from the Council.
4. All new developments must ensure there is sufficient space for both Recycling and residual wheelie bins in all planning applications including access and egress requirements as outlined in the Waste Planning Guidelines booklet.
5. The Council will restrict the available capacity of residual wheelie bins at all flats and will not collect above that capacity unless **full** recycling is and continues to take place.
6. Any flats with recycling containers that continually contaminate their recycling wheelie bins may have the bins removed and the service terminated. This will not lead to an increase in residual capacity or in service frequency.
7. Developers are advised to adhere to the Waste Planning Guidelines booklet available from wastemanagement@eppingforestdc.gov.uk and any other planning permission requirements as it may affect our ability to supply services.

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9. Use of Council issued Containers

This policy outlines the Council's response on resident's use of wheelie bins, clear sacks, blue boxes, kitchen and kerbside caddy's (collectively referred to as the "container") and unauthorised containers.

Containers remain the property of Epping Forest District Council (EFDC).

Containers are issued for the use of residents to dispose of their waste and recycling according to the requirements of the various waste and recycling schemes operated by the Council and should not be used for any other purpose.

The containers must not be removed from the property to which they were issued.

The containers and the approved materials for each container are shown on the Council's website and printed information such as the six monthly calendars.

If a resident uses any container for a non authorised use the Council will not be liable for any loss or damage howsoever caused and the resident shall be held liable for the costs of any repair or replacement of any container.

Residents are responsible for the safekeeping and security of their containers. The Council advises that residents should ensure that costs of replacement of containers are included in household insurance policies.

The Council issues containers in line with policies 1 and 7. The Council will not collect any containers not issued to that property by EFDC. This includes unauthorised EFDC bins & containers.

The Council reserves the right to reclaim any EFDC containers that are not authorised and residents are required to return to the Council such unauthorised containers no matter how obtained.

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11. Replacement containers



The purpose of this policy is to ensure compliance with Essex Joint Municipal Waste Management Strategy through ensuring that the correct containers are used and through residents being aware of their and the Council's differing responsibilities for replacing lost, damaged or stolen containers.

This policy applies to individual properties only and not flats or where communal waste facilities exist. For flats & similar policies see policy 8.

- (1) All containers (wheelie bins, blue boxes, and kitchen and kerbside caddies) remain the property of Epping Forest District Council and may not be removed from the property. Residents are entrusted to keep and maintain the containers in a safe, clean and tidy condition.
- (2) With respect to the replacement of containers, whilst each individual case will be considered on its merits, the following general criteria will be applied:
 - (a) Where a container has been damaged or lost by the actions or inactions of the householder, excluding normal wear and tear, the Council will provide a replacement container subject to the householder meeting the replacement cost of the container and its delivery to the householder.
 - (b) Where a container has been damaged or lost as a result of mishandling or misuse by the collection operatives or through the collection vehicle itself, the Council will provide a replacement container free of charge to the householder, other than where the damage or loss arises through the householder having placed prohibited waste in the container where (a) above will apply.
 - (c) Containers which require replacement in any other circumstances shall be the responsibility of the householder and be replaced by the Council as set out in (a) above.
- (3) All containers must be purchased from the Council in line with 1 Container Policy.

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12. General criteria for the location of a litter bin.

This policy outlines the main criteria used for the location of a new litter bin or a review of a location where there is an existing litter bin.

- 1 Litter bins are part of a strategy to reduce litter on pavements and verges. This has to be balanced against the high cost of establishing and servicing a litter bin and is contingent on the budget being available for the initial purchase.
- 2 Areas that will have priority are:
 - High Streets and areas of high public usage (known as z zones).
 - Fast food outlets, sweet shops and similar “take away” outlets and the main pedestrian routes from these shops.
 - Main pedestrian routes to schools from local shops especially for high schools or community centres.
 - Areas where people congregate e.g. Tube stations, bus stops, benches, grassed areas.
 - Recreational parks and play areas under a service level agreement with Waste Management.
- 3 The type of litter bin will be chosen from a standard range and where possible, in high streets and areas classed as z zones a recycling litter bin will be chosen that will have two compartments – one for recycling and one for general waste.
- 4 The positioning of a litter bin will take into account:
 - The amount of pedestrian footfall or related traffic, with preference to areas with significant footfall.
 - The width of the pavement/area which must be wide enough to accommodate both a litter bin and a double children’s buggy.
 - Possible effects on adjacent properties.
 - Proximity to other litter bins.
 - Litter or fly tipping issues.
- 5 Continuous damage to a litter bin or other street furniture may result in EFDC withdrawing or changing the facility offered.
- 6 We will normally not install litter bins on any public bridleway or any unmade public footpath, however on some hard surfaced public footpaths it may be possible after an assessment.

- 7 When we are asked to install litter bins on private land (non public highway land), the full cost of installation will be required in advance including costs for emptying if required.

Report to the Cabinet

Report reference: C-055-2016/17
Date of meeting: 2 February 2017



Portfolio: Leader of Council

Subject: Transformation Programme – November and December 2016
Highlight Report

Responsible Officer: David Bailey (01992 564105).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the Cabinet note the progress of Projects and Programmes for November and December 2016.

Executive Summary:

Regular highlight reports on the progress of the Transformation Programme are presented to the Cabinet. This is the highlight report for November and December 2016 and covers progress for all chartered projects of Medium and High Risk Potential, as well as key aspects of the Transformation Programme.

Overall, progress indicators for 'time' 'cost', 'delivery / outcomes / outputs' and 'benefits' are Green for this period, for a total of 268 actions.

Reasons for Proposed Decisions:

To inform Cabinet of progress on the Transformation Programme, including workstreams, programmes and projects.

Other Options for Action:

No other options are available. Failure to monitor and review progress of the Transformation Programme and to consider corrective action where necessary, could have negative implications for the Council's reputation, and may mean the opportunities for improvement were lost.

Report:

1. This is the November and December 2016 Highlight Report for the Transformation Programme. The format of the report has evolved in order to remain an effective tool for highlighting progress, slippage and remedial actions being taken.
2. The report covers progress for the 36 chartered 'live' projects with Medium or High Risk Potential, as well as progress on key aspects of the Transformation Programme.
3. The Cabinet is requested to review progress for November and December 2016,

alongside actions scheduled for the next period and any remedial actions being undertaken.

4. The highlight report uses the RAG rating, based on Red, Amber and Green colours used in a traffic light system. The definitions of the RAG ratings are:

<i>Light</i>	<i>Definition</i>	<i>Action</i>
Red	<p>There are significant issues with the project, programme or workstream.</p> <p>The project requires corrective action to meet business objectives. The issue cannot be handled solely by the project manager or project team.</p> <p>One or more aspects of project viability – time, cost, scope – exceed tolerances set by the Transformation Programme Board.</p>	<p>The matter should be escalated to the project sponsor and Transformation Programme Board immediately.</p>
Amber	<p>A problem has a negative effect on project performance but can be dealt with by the project manager or project delivery team.</p> <p>Action is taken to resolve the problem or a decision made to watch the situation.</p> <p>One or more aspect of project viability – time, cost, scope – is at risk. However, the deviation from plan is within tolerances assigned to the project manager.</p>	<p>The Transformation Programme Board should be notified using a progress report or scheduled briefing with the sponsor.</p>
Green	<p>The project is performing to plan.</p> <p>All aspects of project viability are within tolerance. However, the project may be late or forecast to overspend (within tolerance).</p>	<p>No action needed.</p>

5. Overall, progress indicators for ‘time’ ‘cost’, ‘delivery / outcomes / outputs’ and ‘benefits’ are Green for this period, from a total of 268 actions. Progress will be kept under review and it is anticipated that the status of the majority of these items will remain Green in the next report.

6. Appendix 1 contains the highlight report for November and December 2016.

Resource Implications:

Resource requirements for actions to achieve specific outcomes or benefits will have been identified by the Transformation Programme Board and reflected in the budget for the year.

Legal and Governance Implications:

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific outcomes or benefits will have been identified by the Transformation Programme Board.

Safer, Cleaner and Greener Implications:

There are no implications arising from the recommendations of this report in respect of the

Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner and Greener initiative, or any crime and disorder issues within the district. Relevant implications arising from actions to achieve specific projects will have been identified by the Transformation Programme Board.

Consultation Undertaken:

Progress has been reviewed by the Transformation Programme Board.

Background Papers:

Progress submissions and relevant supporting documentation is held by the Programme Management Office (PMO).

Risk Management:

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific projects will have been identified by the Transformation Programme Board.

Transformation Programme Highlight Report

<i>Report</i>	<i>Period</i>
11-12	November and December 2016

Approval

<i>Approved for submission to the Cabinet (Sponsoring Group), given by</i>	Cabinet Agenda Planning Group	<i>Date</i>	10.01.2017
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Distribution list

<i>Name</i>	<i>Job title</i>	<i>Directorate / Department</i>	<i>Organisation</i>
Membership	Transformation Programme Board	-	EFDC

Overall transformation programme progress and status

	<i>RAG status</i>		<i>Comment on overall progress and status and recommended actions</i>
	<i>This period</i>	<i>Last period</i>	
Time	Green	Amber	Total of 268 actions in progress
Cost	Green	Green	
Delivery / outcome / output	Green	Green	
Benefits	Green	Green	

Accountabilities and information flow: Project closures

<i>Workstream / Project</i>	<i>Progress to report</i>	<i>Actions for next period</i>	<i>Due</i>	<i>Owner</i>
Workstreams	TPB agreed project closures: P111 Council Housebuilding Programme Team (December) P128 Mobile Phone Contract (August)	TPB consider project closures: P006 Ageing Population Needs Assessment P045 Customer Self-Service Payment Kiosks P046 Propman Property Management System P118 Oakwood Hill Depot	Mar 2017	Chief Executive

Document control

<i>Version</i>	<i>Date</i>	<i>Status (draft, approved)</i>	<i>Author</i>	<i>Change description</i>
1.0	21.12.2016	December draft	David Bailey, Head of Transformation	Draft
2.0	10.01.2017	December draft	Cabinet Agenda Planning Group	Draft

*** End of Report ***

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Equality analysis report

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	Transformation Programme – November and December 2016 Highlight Report
Revised / new / withdrawal:	New
Intended aims / outcomes/ changes:	That the Cabinet note the progress of Projects and Programmes for November and December 2016
Relationship with other policies / projects:	All
Name of senior manager for the policy / project:	Glen Chipp, Chief Executive
Name of policy / project manager:	David Bailey, Head of Transformation

Step 2. Decide if the policy, service change or withdrawal is equality relevant

<p>Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.</p> <p>If no, state your reasons for this decision. Go to step 7.</p> <p><i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i></p>	If yes, state which protected groups:
	<p>If no, state reasons for your decision:</p> <p>No. This is a 'Green' status highlight report. Any equalities impact assessment for individual projects or programmes is detailed on the respective reports.</p>

Name and job title of officer completing this analysis:	David Bailey, Head of Transformation
Date of completion:	11/01/2017
Name & job title of responsible officer: (If you have any doubts about the completeness or sufficiency of this equality analysis, advice and support are available from the Performance Improvement Unit)	David Bailey, Head of Transformation
Date of authorisation:	11/01/2017
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	11/01/2017

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Report to the Cabinet

Report reference: C-060-2016/17
Date of meeting: 2 February 2017



**Epping Forest
District Council**

Portfolio: Housing

Subject: Agreement to pay grant to East Thames for development at Knollys Nursery, Waltham Abbey and the purchase of market properties for the Council

Responsible Officer: Alan Hall (01992 564004)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations:

(1) That the Council enters into a legal agreement with East Thames by 31st March 2017 to pay the following levels of grant to them, in order to assist them with their development costs in providing the 38 affordable rented homes at the Knolly's Nursery, Waltham Abbey development and to purchase properties from the open market:

(a) £1.14 million by 31 March 2017; and

(b) A further £760,000 once East Thames has spent a total of £6.34million in development costs for the rented housing at Knolly's Nursery, in tranches to be agreed between the Director of Communities and East Thames;

(2) That the Council's grant be funded by a combination of:

(a) The unspent "one-for-one replacement" Right to Buy capital receipts ("141 Receipts") that must be spent by 31 March 2017 (estimated at £350,000); and

(b) The majority or all of the 141 Receipts that were previously paid "temporarily" to the DCLG from Quarters 1 and 2 of 2016/17 providing the balance;

(3) That, as part of the same agreement, East Thames be required to:

(a) purchase 3 properties in the District, from the open market, by 31 December 2017;

(b) purchase a further 2 properties in the District, from the open market, no later than 9 months after receiving the last tranche of grant funding;

(c) convey the purchased properties to the Council as soon as practicable after their purchase, free of charge, for the Council to own, manage and let at affordable rents; and

(d) obtain prior agreement from the Council to the 5 properties to be purchased;

(4) That the Director of Communities be authorised to agree the actual amount of grant to be provided to East Thames and the number of properties to be purchased and conveyed by

East Thames, in consultation with the Housing Portfolio Holder, based on the maximum grant payable under the provisions of the Council's agreement with the DCLG;

(5) That East Thames' separate bid for grant funding from the Homes and Communities Agency be noted and that, if their bid is successful, a Supplementary Report be provided to this Cabinet meeting on the outcome and implications; and

(6) That a request be made to the Chairman of Council to waive the usual call-in arrangements for the Cabinet's decisions on the grounds that, since the Cabinet's decisions would need to be actioned by 31 March 2017, it would leave insufficient time for any call-in of the decision to be considered by the Overview and Scrutiny Committee and any subsequent disagreement with the decision by the Committee to be considered by the Cabinet.

Executive Summary

At its meeting in November 2016, the Cabinet considered a detailed report on the utilisation of "one-for-one replacement" Right to Buy (RTB) capital receipts ("141 Receipts"), and the difficulties being experienced in spending them within the 3-year deadline required by the DCLG. As a result, the Cabinet agreed to introduce a temporary moratorium on the Council Housebuilding Programme with immediate effect and to "temporarily" pay over to the DCLG the £1.676million unallocated 141 Receipts that had accrued in Quarters 1 and 2 of 2016/17.

Since then, DCLG officials appear to have changed the advice they gave to the Assistant Director (Accountancy) at the time - that 141 Receipts "temporarily" paid over to the DCLG could be recovered from the DCLG up to the end of July 2017 - and that if the DCLG wants/needs to spend or re-allocate the money already paid to them by the Council for other housing purposes or programmes in the meantime, then it will - and the Council will then not be able to recover these 141 Receipts.

Moreover, at its meeting on 12 December 2016, the Council Housebuilding Cabinet Committee asked officers to pursue a proposal that the 141 Receipts that need to be spent by 31 March 2017, but are unlikely to be spent by this date (estimated at £350,000), be paid as a grant to one of the Council's housing association partners currently undertaking an affordable rented housing development in the District, to avoid the 141 Receipts and the associated interest having to be paid to the DCLG.

The Director of Communities has therefore been working with East Thames, the only housing association currently on site with an affordable rented housing development in the District (at Knollys Nursery, Waltham Abbey) to work up a proposal whereby not only would the estimated £350,000 unspent 141 Receipts be paid to East Thames in grant, but some or all of the £1.67million already temporarily paid to the DCLG would also be paid in grant - whilst, at the same time, enabling the Council to receive a benefit from the arrangement as well. This has resulted in the above recommendations, which result in a number of benefits for the Council, East Thames and Housing Register applicants.

Separately, the decision on a bid for grant funding from the Homes and Communities Agency (HCA) by East Thames is expected to be made on 23 January 2017. If their HCA bid is successful, East Thames has said that they would not be able to enter into the proposed legal agreement with the Council, since it is not permissible to fund affordable housing with both HCA grant and grant funded from 141 receipts. In such an event, a Supplementary Report will be provided to the Cabinet.

Reasons for Proposed Decision

The Council needs to spend otherwise unspent and unallocated 141 Receipts, including those already temporarily paid to the DCLG, otherwise they may become irrecoverable or must be paid to

the DCLG permanently, without any benefit to the Council or local residents – and the latest indication from DCLG officials is that the 141 Receipts already temporarily paid to the DCLG may be spent or re-allocated by them earlier than they had previously advised.

Other Options for Action:

The main options appear to be:

(i) To provide grant to East Thames, with no requirement for East Thames to purchase and convey to the Council any market properties (or, alternatively, to purchase and convey a lesser number of properties) – however, the only benefit to the Council would be that it would not have to pay interest on the estimated £350,000 unspent 141 Receipts that would otherwise have to be paid to the DCLG by 31 March 2017.

(ii) To not provide any grant to East Thames, pay the estimated £350,000 unspent 141 Receipts to the DCLG with interest, and hope that the DCLG does not decide to utilise the 141 Receipts that have already been “temporarily” paid to the DCLG before the Council decides whether or not it wants to recover them to fund Phases 4-6 of the Council Housebuilding Programme (on which the Cabinet has placed a temporary moratorium).

Report:

1. At its meeting in November 2016, the Cabinet considered a detailed report on the utilisation of “one-for-one replacement” Right to Buy (RTB) capital receipts (“141 Receipts”) and the difficulties being experienced in spending them within the 3-year deadline required by the DCLG, for the reasons that were set out in detail in that report.

2. As a brief reminder, in April 2012, the Government “reinvigorated” its RTB policy by reducing the eligibility period for the RTB and increasing the maximum levels of discount to, currently, around £77,000. At the same time, the Government introduced a new mechanism that allows local authorities to retain 100% of RTB receipts (after some deductions) from RTB sales above a specified number of RTB sales set by Government each year for each council. These are referred to as 141 Receipts, based on the notion that, at the national level, one new affordable home will be built for every RTB sale above the Government’s RTB thresholds for each local authority.

3. There are two core principles for using 141 Receipts:

- They can only be used to fund no more than 30% of eligible expenditure for the provision of new affordable rented homes; and
- They must be utilised within 3 years of them occurring.

4. “Eligible expenditure” can include:

- Council housebuilding;
- Grants to housing associations to build new affordable homes;
- Acquisition of properties on the open market; or
- Acquisition of affordable homes built by developers to meet Section 106 Agreement obligations.

5. In order for the Government to enforce the time period in which expenditure must be accounted for, the standard agreement signed by the Council and the majority of other councils nationally requires any 141 Receipts not utilised within the 3 year timeframe to be paid over to the Government, plus a punitive interest charge of 4% above base rate (i.e. 4.25% / 4.5% over the

previous 3 years), compounded every 3 months. However, local authorities can voluntarily pass over to the Government the 141 Receipts it has accrued in any Quarter, by the end of the following month, without paying any interest. They can also voluntarily pay over accumulated 141 Receipts at any time during the three year period, but must pay interest from the end of the month after the Quarter they were received.

6. The report explained that, for a number of reasons, there is currently uncertainty around:

- The amount of resources available to the Council in the future to continue with its Housebuilding Programme; and
- Whether or not the Council will want to refinance the first PWLB loan for the HRA, that is due to mature in 2022, and therefore continue with its existing Housebuilding Programme for Phases 4 – 6.

7. The report further explained that this has therefore caused a problem because, despite being able to utilise all the 141 Receipts that had accrued over the previous 3 years (up to the middle of Quarter 1 of 2016/17) on the Housebuilding Programme if, after undertaking its planned further HRA Financial Options Review, the Cabinet decides not to continue with the Housebuilding Programme beyond Phase 3, the unallocated 141 Receipts that had already accrued from Quarters 1 and 2 of 2016/17 would need to be paid to the Government, plus interest, since there would be no eligible expenditure for which the 141 Receipts could be utilised.

8. However, the Assistant Director (Accountancy) has been advised by DCLG officials that if the unallocated 141 Receipts for Quarters 1 and 2 were “temporarily” paid over to the DCLG, through the quarterly financial return, by 31 October 2016:

- No interest would be payable on these 141 Receipts; and
- The Council could recover these 141 Receipts from Quarters 1 and 2 back from the DCLG, up to the end of July 2017, if it intends to use them on new housebuilding.

9. Accordingly, at the November meeting, the Cabinet decided to:

(a) Introduce a temporary moratorium on work to progress Phases 4–6 of the Housebuilding Programme with immediate effect;

(b) “Temporarily” pay over to the DCLG the £1.676million unallocated 141 Receipts that accrued in Quarters 1 and 2 of 2016/17;

(c) Undertake the planned further HRA Financial Options Review as soon as possible after the Government has provided the details of its proposal to require councils to sell their higher value empty properties to fund the new levy being introduced by the Government, and after the financial effects on the Council can be assessed, in order for the Cabinet to make early long term decisions on the future of the Housebuilding Programme and the funding of the HRA; and

(d) “Temporarily” pay any further 141 Receipts that accrue in future Quarters to the CLG when they arise, until the further HRA Financial Options Review has been completed.

Current Position

HRA Financial Options Review

10. Later in November 2016, the Government announced that its proposed requirement for stock-retained councils to pay a levy to the Government, based on the value of councils selling their higher value void properties, would not be implemented until 2018/19 at the earliest. For this reason, the Housing Portfolio Holder has agreed that the planned further HRA Financial Options Review should be undertaken in two stages:

- Stage 1 – To be based on what the Council knows now and, in particular, to make decisions on the future approach to the Council’s Housebuilding Programme; and
- Stage 2 – When the DCLG decides to implement its High Value Voids Levy and announces the arrangements, to consider the implications for the Council and any required action to mitigate the financial effects of having to pay the Levy at that time.

11. The Council’s HRA Business Planning Consultant is therefore already producing the Stage 1 HRA Financial Options Review, which will be reported to the Finance and Performance Management Cabinet Committee, following consultation with the Communities Select Committee and the Tenants and Leaseholders Federation as previously agreed.

“Temporary” payment of 141 Receipts to the DCLG

12. Despite DCLG officials previously advising the Assistant Director (Accountancy) that 141 Receipts “temporarily” paid over to the DCLG could be recovered from the DCLG up to the end of July 2017 if the Council intends to use them on new Council housebuilding, DCLG officials have now advised him that this may not be the case and that, if the DCLG wants/needs to use or re-allocate the returned money for other housing purposes or programmes in the meantime, it will do - and the Council will not be able to recover its 141 Receipts. Furthermore, the DCLG has not been prepared to provide any deadlines for utilisation. Moreover, despite numerous requests, the DCLG has not confirmed or provided any guidance or advice on this issue in writing.

13. Therefore, the £1.67million “temporarily” paid over to the DCLG appears to be now at risk, unless it is spent relatively quickly.

Utilisation of 141 Receipts

14. At the Council Housebuilding Cabinet Committee held on 12 December 2016, a detailed report was provided on progress with Phases 1-3 of the Housebuilding Programme. It was reported orally at the meeting that, primarily due to delays with Phase 2 (as a result of the need for the contractor to assess and undertake unforeseen decontamination works), anticipated expenditure on Phase 2 had slipped. The resultant effect of this slippage is that some 141 Receipts that need to be spent by 31 March 2017 (estimated at £350,000 at the time of the Cabinet Committee meeting) will not be spent and, unless this can be spent in another way, would need to be paid over to the DCLG, with three years’ interest.

15. On discussion at the Cabinet Committee meeting, members asked officers to consider and pursue a proposal that this money instead be paid as a grant (allowed by the DCLG Agreement) by 31 March 2017 to one of the Council’s housing association partners who are currently undertaking an affordable rented development in the District, to avoid the money – and in particular the interest - having to be paid to the DCLG.

Proposed Approach to the Utilisation of Unspent and Unallocated 141 Receipts

16. There is currently only one housing association on site with an affordable rented development at present, which is East Thames at their Knollys Nursery development, Waltham Abbey - where they are building 38 affordable rented homes (and a further 25 shared ownership homes).

17. The Director of Communities has therefore been working with East Thames, within a short timescale, to work up a proposal whereby not only the estimated £350,000 unspent 141 Receipts are paid to East Thames in grant, but some or all of the £1.67million already temporarily paid to the DCLG is also paid in grant - whilst, at the same time, enabling the Council to also receive a benefit from the arrangement as well.

18. Under the Council's agreement with the DCLG, grant can only be provided to East Thames if their development costs on the affordable rented housing (for which the grant is provided) are incurred within 3 years of the 141 Receipts (that are funding the grant) being received by the Council.

19. East Thames has advised that:

- As at January 2017, they had already spent around £3.3million on the development of rented housing at Knollys Nursery; and
- They estimate they will spend a further £0.5million on the rented housing by 31 March 2017, totalling an estimated £3.8million by this date.

20. Therefore, the maximum grant that the Council can provide to East Thames by 31 March 2017 is 30% of this sum, totalling an estimated £1.14million. However, East Thames expects to spend a further £4million beyond March 2017, to complete the development, for which the Council could, potentially provide an additional £1.2million (30%).

21. As a result, it is proposed that the Council enters into a legal agreement with East Thames, by 31 March 2017, to pay them grant of:

- £1.14 million by 31 March 2017; and
- £760,000 once East Thames has spent a total of £6.34million in development costs (in tranches to be agreed between the Director of Communities and East Thames);

funded by a combination of:

- The unspent 141 Receipts that must be spent by 31 March 2017 (previously estimated at £350,000); and
- The majority or all of the unallocated 141 Receipts that were previously paid "temporarily" to the DCLG from Quarters 1 and 2 of 2016/17 providing the balance;

22. As part of the same agreement, it is proposed that East Thames be required to:

- Purchase 3 properties in the District, from the open market, by 31 December 2017;
- Purchase a further 2 properties in the District, from the open market, no later than 9 months after receiving the last tranche of grant funding; and

- Then convey the purchased properties to the Council as soon as practicable, free of charge, for the Council to own, manage and let at affordable rents.

23. To safeguard the Council's interest, East Thames would also be required to obtain prior agreement from the Council to the 5 properties to be purchased.

24. The difference in the costs to East Thames of purchasing and conveying the market properties to the Council (including all fees and expenses) and the grant paid to them will:

- Assist East Thames with their shortfall in funding for the development costs for their development at Knolly's Nursery; and
- Provide East Thames with a development fee for sourcing, purchasing and conveying the open market properties to the Council and for assisting the Council with the proposed arrangement.

25. The benefits of this proposed approach are as follows:

- The Council spends all of its unspent 141 Receipts, without having to pay them to the DCLG with 3 years' interest;
- The Council spends the majority or all of the £1.676million unallocated 141 Receipts that it has previously paid temporarily to the DCLG (which now appears to be at risk);
- The Council receives 5 properties for free, from which it will receive affordable rental income of around £46,000 per annum per property indefinitely;
- An additional 5 affordable rented Council properties will be provided in the District, that can be let to applicants on the Council's Housing Register; and
- East Thames receives financial support towards their development costs for Knolly's Nursery and a development fee.

26. Since the maximum grant payable to East Thames under the provisions of the Council's agreement with the DCLG will not be able to be confirmed until close to the 31 March 2017 (since it depends on the actual development expenditure incurred by East Thames on their affordable rented properties at Knolly's Nursery), it is proposed that the Director of Communities be authorised to agree the actual amount of grant to be provided to East Thames, and the number of properties to be purchased and conveyed by East Thames, in consultation with the Housing Portfolio Holder.

East Thames' Bid to the HCA

27. However, a potential problem for the Council with this proposal is that, some time ago, East Thames made a bid to the Homes and Communities Agency (HCA) for grant of £1.062million towards the development costs for Knolly's Nursery, on which they have been advised that a decision will be made by the HCA on 23 January 2017. If their HCA bid is successful, unlike the proposal outlined above, the grant would be free of any costs or requirements for East Thames and would therefore be financially more beneficial to them. Understandably, since it is not permissible to fund affordable housing with both HCA grant and 141 receipts, East Thames has said that if their HCA grant bid is successful they would not be able to enter into the proposed legal agreement with the Council.

28. In such an event, it is proposed that a Supplementary Report is provided to the Cabinet on the outcome and the implications.

Waiver of Call-In

29. Since the Cabinet's decisions would need to be actioned by 31 March 2017, leaving insufficient time for any call-in of the decision to be considered by the Overview and Scrutiny Committee and any subsequent disagreement with the decision by the Committee to be considered by the Cabinet, it is recommended that a request be made to the Chairman of Council to waive the usual call-in arrangement for the Cabinet's decisions.

Resource Implications:

There are a number of major financial implications, which are set out in the main report.

Legal and Governance Implications:

The Council has entered into a legal agreement with the DCLG to retain and utilise all 141 Receipts that have arisen every Quarter since 2012, and will continue to arise in future, subject to the conditions set out in the main report.

The Cabinet has established the Council Housebuilding Cabinet Committee to oversee all matters relating to the Housebuilding Programme that are covered in the Cabinet Committee's Terms of Reference. However, the matters covered in this report do not form a part of those Terms of Reference.

Safer, Cleaner and Greener Implications:

None identified.

Consultation Undertaken:

East Thames has been consulted on the contents of this report.

Background Papers:

None

Risk Management:

The main identified risks are as follows:

- 1) East Thames' bid for grant funding from the HCA could be successful, which would likely result in the Council being unable to enter into the proposed agreement with East Thames, and would probably result in the Council having to pay the estimated unspent £350,000 in 141 Receipts to the CLG, with interest.
- 2) The amount of unspent 141 Receipts may be more (or could be less) than the estimated £350,000, dependent on the actual payments made by the Council to contractors and consultants for the Housebuilding Programme by 31 March 2017, which will not be known until this date. Officers will ensure that as much payment legitimately due to contractors and consultants is paid before 31 March 2017.
- 3) The DCLG could spend or re-allocate some or all of the £1.676million 141 Receipts already paid "temporarily" to the DCLG, before the Council pays the proposed grant to East Thames or before the Council decides whether or not to spend them on Phases 4-6 of the Council Housebuilding Programme.

4) The proposed legal agreement may not be drafted, agreed and signed by the required deadline of 31 March 2017. However, in view of the importance, officers will do everything possible to avoid this happening, and the Council's Legal Team has already been notified of the potential requirement, so that they can prepare and commit the required amount of staffing resource.

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to the report.

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Equality analysis report

Use this report template to record your equality analysis. This report is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination, advance equality of opportunity and foster good relations** with respect to the personal characteristics protected by equality law. Due regard must be paid at formative stages of policy or service development, changes, or withdrawal.

To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:

- Factsheet 1: Equality Profile of the Epping Forest District
- Factsheet 2: Sources of information about equality protected characteristics
- Factsheet 3: Glossary of equality related terms
- Factsheet 4: Common misunderstandings about the Equality Duty
- Factsheet 5: Frequently asked questions
- Factsheet 6: Reporting equality analysis to a committee or other decision making body

If you require further help, please contact the Performance Improvement Unit.

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	Provision of grant to East Thames for development and Knolly's Nursery, funded from 141 Receipts
Revised / new / withdrawal:	New
Intended aims / outcomes/ changes:	Provision of grant and conveyance of a small number of properties to EFDC, purchased by East Thames on the Open Market
Relationship with other policies / projects:	(a) EFDC Housebuilding Development Strategy (b) EFDC HRA Financial Plan
Name of senior manager for the policy / project:	Alan Hall, Director of Communities
Name of policy / project manager:	Alan Hall, Director of Communities

Step 2. Decide if the policy, service change or withdrawal is equality relevant

Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.	If yes, state which protected groups:
If no, state your reasons for this decision. Go to step 7.	If no, state reasons for your decision:
<i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i>	No – the proposal is only to provide grant funding to a housing association

Step 3. Gather evidence to inform the equality analysis

What evidence have you gathered to help you understand the impact of your policy or service change or withdrawal on people? What does your evidence say about the people with the protected characteristics? If there is no evidence available for any of the characteristics, please explain why this is the case, and your plans to obtain relevant evidence. Please refer to Factsheet 2 ‘Sources of evidence for the protected characteristics’

<i>Characteristic</i>	<i>Evidence (name of research, report, guidance, data source etc)</i>	<i>What does this evidence tell you about people with the protected characteristics?</i>
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Marriage and civil partnership		
Pregnancy and maternity		
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

Steps 4 & 5 Analyse the activity, policy or change (*The duty to eliminate unlawful discrimination*)

Based on the evidence you have analysed, describe any actual or likely adverse impacts that may arise as a result of the policy decision. Where actual or likely adverse impacts have been identified, you should also state what actions will be taken to mitigate that negative impact, ie what can the Council do to minimise the negative consequences of its decision or action.

<i>Characteristic</i>	<i>Actual or likely adverse impacts identified</i>	<i>Actions that are already or will be taken to reduce the negative effects identified</i>
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Marriage and civil partnership		
Pregnancy and maternity		
Race / ethnicity		

Religion or belief		
Sex		
Sexual orientation		

Step 6.

The duty to advance equality of opportunity

Can the policy, service or project help to advance equality of opportunity in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

<i>Characteristic</i>	<i>Ways that this policy, service or project can advance equality of opportunity</i>	<i>Why this policy, service or project cannot help to advance equality of opportunity:</i>
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Pregnancy and maternity		
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

The duty to foster good relations

Can the policy, service or project help to foster good relations in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

<i>Characteristic</i>	<i>How this policy, service or project can foster good relations:</i>	<i>Why this policy, service or project cannot help to foster good relations:</i>
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Pregnancy and maternity		
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

Step 7. Documentation and Authorisation

Summary of actions to be taken as a result of this analysis (add additional rows as required):	Name and job title of responsible officer	How and when progress against this action will be reported
1. None		
2.		
3.		

Name and job title of officer completing this analysis:	Alan Hall, Director of Communities
Date of completion:	11 th January 2017
Name & job title of responsible officer: (If you have any doubts about the completeness or sufficiency of this equality analysis, advice and support are available from the Performance Improvement Unit)	Alan Hall, Director of Communities
Date of authorisation:	11 th January 2017
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	24 th January 2017

Step 8. Report your equality analysis to decision makers:

Your findings from this analysis (and any previous analysis) must be made available to a decision making body when it is considering the relevant service or policy.

Therefore you must:

- reflect the findings from this analysis in a 'Due Regard Record' (template available), and attach it as an appendix to your report. The Record can be updated as your policy or service changes develop, and it exists as a log of evidence of due regard;
- Include this equality information in your verbal report to agenda planning groups or directly to portfolio holders and other decision making groups.

Your summary of equality analysis must include the following information:

- if this policy, service change or withdrawal is relevant to equality, and if not, why not;
- the evidence base (information / data / research / feedback / consultation) you used to help you understand the impact of what you are doing or are proposing to do on people with protected characteristics;
- what the evidence base (information / data / research / feedback / consultation) told you about people with protected characteristics;
- what you found when you used that evidence base to assess the impact on people with the protected characteristics;

- whether or not your policy or service changes could help to advance quality of opportunity for people with any of the protected characteristics;
- whether or not your policy or service changes could help to foster good relations between communities.

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Report to the Cabinet

Report reference: C-056-2016/17
Date of meeting: 2 February 2017



**Epping Forest
District Council**

Portfolio: Finance
Subject: Treasury Management Strategy Statement 2017/18
Responsible Officer: Bob Palmer (01992 564279).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That Cabinet considers and, after amendment where necessary, recommend the following to Council for approval:

- (a) Treasury Management Strategy Statement 2017/18;
- (b) Minimum Revenue Provision (MRP) Strategy;
- (c) Treasury Management Prudential Indicators for 2017/18 to 2019/20;
- (d) The rate of interest to be applied to any inter-fund balances; and
- (e) The Treasury Management Policy Statement.

Executive Summary:

The Council is required to approve the Treasury Management Strategy and Prudential Indicators and a statement on the Minimum Revenue Provision (MRP) before the start of each financial year.

The strategies will be scrutinised by the Audit and Governance Committee on 6 February 2017 and an oral update will be provided on any suggestions or proposed amendments.

Reasons for Proposed Decision:

The proposed decision is necessary to ensure we comply with CIPFA Code of Practice on Treasury Management.

Other Options for Action:

Members could ask for additional information about the Treasury Management Strategy, or could decide that alternative indicators are required.

Report:

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 Council to approve its treasury and investment strategy and prudential indicators each year.
2. The Strategy was prepared in line with advice from our treasury advisors Arlingclose. The attached report at Appendix 1 shows the Treasury Management Strategy Statement 2017/18.
3. There have been no major changes to the strategy from the current strategy approved in February 2016. However, Members should be aware of the following:

Minimum Revenue Provision

4. Each year the Council has to approve at Full Council its statement on the Minimum Revenue Provision (MRP). In previous years the Council has been debt free and therefore, we did not have to provide MRP in our accounts. The Council took on debt of £185.5m in 2012 and this would normally require the local authority to charge MRP to the General Fund. CLG have produced regulations to mitigate this impact, whereby we can ignore the borrowing incurred in relation to the Housing Self-financing when calculating MRP and therefore, (for MRP purposes only) we are classed as debt free and do not have to make provision for MRP. However, the Council may undertake additional borrowing before or after additional capital spending. This will require a Minimum Revenue Provision in the year following, so if we borrow in 2017/18 MRP will be necessary in 2018/19.

Inter-Fund balances

5. The Council has inter-fund borrowed for many years between the General Fund and Housing Revenue Account and the interest charge made between the funds has been based on the average interest earned on investment for the year. Under draft regulations issued by CIPFA, it is now proposed that the interest rate applicable to any inter-fund borrowing should be approved by Full Council before the start of the financial year. As the Council has been undertaking inter-fund borrowing for many years, it is proposed 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 2016/17 Treasury Strategy. The Policy is attached at Appendix G for Cabinet to consider, no amendments are currently proposed.

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.

8. The latest information supplied is as follows:

UK Banks and building societies:

1. A maximum maturity limit of between 35 days and 13 months is now applicable;
2. A maximum maturity limit of 13 months to Bank of Scotland, Lloyds TSB, HSBC Bank plc;
3. A maximum maturity limit of 6 months to Santander UK, Nationwide Building Society, Coventry Building Society and Close Brothers;
4. A maximum maturity limit of 100 days applies to Barclays plc and most building societies;
5. A maximum maturity limit of 35 days applies to RBS and NatWest.

European Banks:

1. A maximum maturity limit of 100 days applies to Credit Suisse, Danske Bank and ING Bank;
2. A maximum maturity of 6 months applies to Op Corporate Bank and Landesbank Hessen-Thuringen;
3. A maximum maturity limit of 13 months applies to Nordea, Rabobank and Handelsbanken.

Non European Banks:

A maximum maturity limit of 6 months applies to Australian, 13 months to Canadian and US and other banks that are on our list.

Money Market Funds:

A maximum exposure limit of £5m of our total investment per MMF

9. As at 31 December the Council had an investment portfolio of £48.5m, 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	46.5
Sweden	2.0
Total	48.5

Current maturity profile of investments	£m
Overnight (Call / Money Market Fund)	15.5
Up to 7 days	1.0
7 days to 1 month	18.0
1 month to 3 months	14.0
3 months to 6 months	0.0
6 months to 9 months	0.0
9 months to 1 year	0.0
Greater than 1 year	0.0
Total	48.5

Resource Implications:

Continued low interest rates, restrictions on counterparties and the short durations of investments have lowered the estimated interest income for 2016/17. Interest earnings for 2017/18 will reduce further as balances are invested in capital projects rather than short term deposits. No significant change in interest rates is anticipated over the medium term.

Legal and Governance Implications:

The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2009/10 or since);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM (now DCLG) has issued Investment Guidance to structure and regulate the Council's investment activities.

Under section 21(1)AB of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8 November 2007.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council's external treasury advisors provided the framework for this report and have confirmed that the content satisfies all regulatory requirements.

Background Papers:

None.

Risk Management:

As detailed in the appendices, a risk aware position is adopted to minimise the chance of any loss of the capital invested by the Council.

Equality analysis report

Use this report template to record your equality analysis. This report is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination**, **advance equality of opportunity** and **foster good relations** with respect to the personal characteristics protected by equality law. Due regard must be paid at formative stages of policy or service development, changes, or withdrawal.

To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:

- Factsheet 1: Equality Profile of the Epping Forest District
- Factsheet 2: Sources of information about equality protected characteristics
- Factsheet 3: Glossary of equality related terms
- Factsheet 4: Common misunderstandings about the Equality Duty
- Factsheet 5: Frequently asked questions
- Factsheet 6: Reporting equality analysis to a committee or other decision making body

If you require further help, please contact the Performance Improvement Unit.

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: be specific	Business process improvement in Development Management
Revised / new / withdrawal:	Revised
Intended aims / outcomes/ changes:	Prudent and efficient management of the Council's treasury management activities.
Relationship with other policies / projects:	Required as part of the overall budget.
Name of senior manager for the policy / project:	Bob Palmer
Name of policy / project manager:	Peter Maddock

Step 2. Decide if the policy, service change or withdrawal is equality relevant

<p>Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.</p> <p>If no, state your reasons for this decision. Go to step 7.</p> <p><i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i></p>	<p>If yes, state which protected groups: n/a</p> <p>If no, state reasons for your decision: No as only covers the internal issue of managing the Council's treasury function and no impact on external service delivery or groups with protected characteristics.</p>
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Step 3. Gather evidence to inform the equality analysis

What evidence have you gathered to help you understand the impact of your policy or service change or withdrawal on people? What does your evidence say about the people with the protected characteristics? If there is no evidence available for any of the characteristics, please explain why this is the case, and your plans to obtain relevant evidence. Please refer to Factsheet 2 'Sources of evidence for the protected characteristics'

Characteristic	Evidence (name of research, report, guidance, data source etc)	What does this evidence tell you about people with the protected characteristics?
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Marriage and civil partnership		
Pregnancy and maternity		
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

Steps 4 & 5 Analyse the activity, policy or change (*The duty to eliminate unlawful discrimination*)

Based on the evidence you have analysed, describe any actual or likely adverse impacts that may arise as a result of the policy decision. Where actual or likely adverse impacts have been identified, you should also state what actions will be taken to mitigate that negative impact, ie what can the Council do to minimise the negative consequences of its decision or action.

Characteristic	Actual or likely adverse impacts identified	Actions that are already or will be taken to reduce the negative effects identified
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Marriage and civil partnership		
Pregnancy and maternity		
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

Step 6. - The duty to advance equality of opportunity

Can the policy, service or project help to advance equality of opportunity in any way? If yes, provide details. If no, provide reasons. (Note: not relevant to marriage and civil partnership)

Characteristic	Ways that this policy, service or project can advance equality of opportunity	Why this policy, service or project cannot help to advance equality of opportunity:
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Pregnancy and maternity		
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

The duty to foster good relations

Can the policy, service or project help to foster good relations in any way? If yes, provide details. If no, provide reasons. (Note: not relevant to marriage and civil partnership)

Characteristic	How this policy, service or project can foster good relations:	Why this policy, service or project cannot help to foster good relations:
Age		
Dependents / caring responsibilities		
Disability		
Gender reassignment		
Pregnancy and maternity		
Race / ethnicity		
Religion or belief		
Sex		
Sexual orientation		

Step 7. Documentation and Authorisation

Summary of actions to be taken as a result of this analysis (add additional rows as required):	Name and job title of responsible officer	How and when progress against this action will be reported
1. <i>None, as the analysis above has determined that no actual or likely adverse impacts would arise as a result of this project.</i>	Peter Maddock	N/A

Name and job title of officer completing this analysis:	Peter Maddock Assistant Director
Date of completion:	13 th January 2017
Name & job title of responsible officer: (If you have any doubts about the completeness or sufficiency of this equality analysis, advice and support are available from the Performance Improvement Unit)	Bob Palmer Director of Resources
Date of authorisation:	13 th January 2017
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	

Step 8. Report your equality analysis to decision makers:

Your findings from this analysis (and any previous analysis) must be made available to a decision making body when it is considering the relevant service or policy. Therefore you must:

- Reflect the findings from this analysis in a 'Due Regard Record' (template available), and attach it as an appendix to your report. The Record can be updated as your policy or service changes develop, and it exists as a log of evidence of due regard;
- Include this equality information in your verbal report to agenda planning groups or directly to portfolio holders and other decision making groups.

Your summary of equality analysis must include the following information:

- If this policy, service change or withdrawal is relevant to equality, and if not, why not;
- The evidence base (information / data / research / feedback / consultation) you used to help you understand the impact of what you are doing or are proposing to do on people with protected characteristics;
- What the evidence base (information / data / research / feedback / consultation) told you about people with protected characteristics;
- What you found when you used that evidence base to assess the impact on people with the protected characteristics;
- Whether or not your policy or service changes could help to advance quality of opportunity for people with any of the protected characteristics;
- Whether or not your policy or service changes could help to foster good relations between communities.

Treasury Management Strategy Statement 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 Council 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.

In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, or in the Council's capital programme or in the level of its investment balance.

External Context

Economic background: The major external influence on the Council's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of the French presidential and general elections (April - June 2017) and the German federal elections (August - October 2017) have the potential for upsets.

Credit outlook: Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however continue to fall.

Interest rate forecast: The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view, and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.

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 0.3%, and that new long-term loans will be borrowed at an average rate of 2.5%.

Local Context

On 31st December 2016, the Council held £185m of borrowing and £49m 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

	31.3.16 Actual £m	31.3.17 Estimate £m	31.3.18 Forecast £m	31.3.19 Forecast £m	31.3.20 Forecast £m
General Fund CFR	29.6	50.3	53.1	52.1	51.2
HRA CFR	155.1	155.1	155.1	155.1	155.1
Total CFR	184.7	205.4	208.2	207.2	206.3
Less: Other debt liabilities	0	0	0	0	0
Borrowing CFR	184.7	205.4	208.2	207.2	206.3
Less: External borrowing	-185.5	-203.8	-207.5	-206.5	-205.5
Internal (over) borrowing	-0.8	1.6	0.7	0.7	0.8
Less: Usable reserves	46.9	43.0	32.9	31.2	30.7
Less: Working capital	5.5	5.5	5.5	5.5	5.5
Investments	51.6	50.1	39.1	37.4	37.0

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 Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Council has an increasing CFR due to the capital programme, but reducing investments and will therefore be required to borrow up to £25m over the forecast period.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council'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 during 2017/18.

Borrowing Strategy

The Council currently holds £185 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 £25m over the forecast period. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £230 million.

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council'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 Council'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 either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term 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 modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2017/18, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

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

- Public Works Loan Board (PWLB) and any successor body
- 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
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- Other Local Authorities

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.

Municipal Bond Agency: UK Municipal Bonds Agency plc 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 two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

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 Authority's investment balance has ranged between £55.8m and £48.5m, and reduced levels are expected to be seen 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 of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative Interest Rates: If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and falling returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2017/18. Only just over 50% of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds. This diversification represents a continuation of the new strategy adopted in 2015/16.

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	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£5m 5 years	£5m 20 years	£5m 50 years	£5m 20 years	£1m 20 years
AA+	£5m 5 years	£5m 10 years	£5m 25 years	£5m 10 years	£1m 10 years
AA	£5m 4 years	£5m 5 years	£5m 15 years	£5m 5 years	£1m 10 years
AA-	£5m 3 years	£5m 4 years	£5m 10 years	£5m 4 years	£1m 10 years
A+	£2.5m 2 years	£5m 3 years	£5m 5 years	£2.5m 3 years	£1m 5 years
A	£2.5m 13 months	£5m 2 years	£5m 5 years	£2.5m 2 years	£1m 5 years
A-	£2.5m 6 months	£5m 13 months	£2.5m 5 years	£2.5m 13 months	£1m 5 years
BBB+	£2.5m 100 days	£2.5m 6 months	£1m 2 years	£1m 6 months	£1m 2 years
Pooled funds	£5m per fund				

This table must be read in conjunction with the notes below.

For 2017/18 it has been decided to remove counterparties with a BBB rating.

Credit Rating: Investment limits are set 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. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

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. For the efficient management of the Council's cash flow it is necessary to allow a limit of £5 million to be held with the Council's banker, NatWest plc. This is restricted to overnight deposits and is always kept to a minimum.

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 higher 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. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

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 the likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the 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. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility 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 Council's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, 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 Authority 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 Authority 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	£15m
Total investments without credit ratings or rated below A-	£5m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£5m
Total non-specified investments	£25m

Investment Limits: The Authority’s revenue reserves available to cover investment losses are forecast to be £15 million on 31st March 2017. 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 £5 million. 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.

Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Local Authorities	£25m in total
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker’s nominee account	£15m per broker
Foreign countries	£5m per country
Registered Providers	£10m in total
Unsecured investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Money Market Funds	£20m in total

Liquidity Management: The Council uses its own cash flow forecasting techniques to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium term financial plan and cash flow 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. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit rating	A-

Liquidity: The Council 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	£15m

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:

	2017/18	2018/19	2019/20
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 will not change during the life of the transaction. All other instruments are classed as variable rate.

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:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

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 Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2017/18	2018/19	2019/20
Limit on principal invested beyond year end	£15m	£5m	£5m

Other Items

There are a number of additional items that the Council 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 and forward starting transactions, 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 Council notionally split each of its existing long-term loans into General Fund and HRA pools. 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 Council'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 three months as part of the staff appraisal and treasury planning processes, 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 the Director of Resources.

Investment of Money Borrowed in Advance of Need: The Council 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 Council 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 Council'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 2017/18 is £0.1m, based on an average investment portfolio of £34.6m at an interest rate of 0.3%. The budget for debt interest paid in 2017/18 is £5.6 million, based on an average debt portfolio of £185 million 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 may 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 may 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 may 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 may 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 may be less certain

Appendix A - Arlingclose Economic & Interest Rate Forecast

Underlying assumptions:

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely.

Forecast:

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.
- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.12
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside 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	0.50	0.40
3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.18
Arlingclose Central Case	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.34
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.60	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.85	0.90	0.90	0.90	0.65
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.24
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.40	0.45	0.50	0.55	0.60	0.65	0.45
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.15	0.95	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.10	1.15	0.96
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
20-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.70	1.50	1.40	1.40	1.40	1.40	1.40	1.45	1.50	1.55	1.60	1.65	1.70	1.75
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
50-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.60	1.40	1.30	1.30	1.30	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.41
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57

Appendix B - Existing Investment & Debt Portfolio Position

	31.12.16 Actual Portfolio £m	31.12.16 Average Rate %
External Borrowing:		
PWLB - Fixed Rate	153.656	3.000
PWLB - Variable Rate	31.800	0.78
Local Authorities	0	
LOBO Loans	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	38.5	0.40
Long-term investments	0	
<i>Managed externally</i>		
Fund Managers	0	
Pooled Funds	10	0.26
Total Investments	48.5	
Net Debt	136.956	

Appendix C -

Prudential Indicators 2017/18 to 2019/20

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 2016/17, 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	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Non-HRA	21.445	10.551	2.096	1.464	1.312
HRA*	20.567	28.164	14.989	11.668	11.668
Total	42.012	38.715	17.085	13.132	12.980

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	£m	£m	£m	£m	£m
Capital receipts	3.890	10.032	1.595	0.664	0.512
Grants	1.575	0.870	0.870	0.870	0.870
Borrowing	20.365	3.691	0	0	0
Revenue contributions	16.182	24.122	14.620	11.598	11.598
Total Financing	42.012	38.715	17.085	13.132	12.980

Table 1 shows that the capital expenditure plans of the Authority can be funded from a variety of sources, including 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	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	%	%	%	%	%
Non-HRA	0.51	-0.85	-0.25	0.90	0.95
HRA	16.64	15.47	16.08	17.43	16.61

5. Capital Financing Requirement:

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

Capital Financing Requirement	2015/16 Actual £m	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
HRA	155.1	155.1	155.1	155.1	155.1
Non-HRA	29.6	50.3	53.1	52.1	51.2
Total CFR	184.7	205.4	208.2	207.2	206.3

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. 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 rates were predicted to increase. In the meantime this has allowed 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. This results in no detrimental impact on the General Fund from self-financing and is 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	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £
Increase in Band D Council Tax	-1.03	1.90	0.06	0.60
Increase in Average Weekly Housing Rents	-4.73	-5.86	-12.96	-13.46

7. Authorised Limit and Operational Boundary for External Debt:

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

7.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. 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 Council'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 Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2016/17	2017/18	2018/19	2019/20
	Approved £m	Estimate £m	Estimate £m	Estimate £m
Authorised Limit for Borrowing	240.00	250.00	260.00	260.00
Authorised Limit for External Debt	240.00	250.00	260.00	260.00
Operational Boundary for Borrowing	230.00	240.00	250.00	250.00
Operational Boundary for External Debt	230.00	240.00	250.00	250.00

8. Adoption of the CIPFA Treasury Management Code:

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

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

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

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

9.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

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

	2016/17 Approved %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
<u>Fixed</u>				
Upper Limit for Fixed Interest Rate Exposure on Debt	100	100	100	100
Upper limit for Fixed Interest Rate Exposure on Investments	(100)	(100)	(100)	(100)
<u>Variable</u>				
Upper Limit for Variable Interest Rate Exposure on Debt	25	25	25	25
Upper Limit for Variable Interest Rate Exposure on Investments	(75)	(75)	(75)	(75)

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 Council's treasury management strategy.

10. Credit Risk:

10.1 The Council 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 Council's assessment of counterparty credit risk.

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

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

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 31/12/2016
(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)	5.0		6 months
UK	Bank of Scotland (Lloyds Banking Group)	5.0	5.0	13 months
UK	Lloyds TSB (Lloyds Banking Group)	5.0		13 months
UK	Barclays Bank Plc	5.0		100 days
UK	Close Brothers Ltd.	5.0		6 months
UK	Goldman Sachs	5.0		100 days
UK	HSBC Bank Plc	5.0		13 months
UK	Nationwide Building Society	5.0		6 months
UK	Coventry Building Society	5.0		6 months
UK	Leeds Building Society	5.0		100 days
UK	NatWest (RBS Group)	5.0	5.0	35 days
UK	Royal Bank of Scotland (RBS Group)	5.0		35 days
Australia	Australia and NZ Banking Group	5.0		6 months
Australia	Commonwealth Bank of Australia	5.0		6 months
Australia	National Australia Bank Ltd (National Australia Bank Group)	5.0		6 months
Australia	Westpac Banking Corp	5.0		6 months
Canada	Bank of Montreal	5.0		13 months
Canada	Bank of Nova Scotia	5.0		13 months
Canada	Canadian Imperial Bank of Commerce	5.0		13 months
Canada	Royal Bank of Canada	5.0		13 months
Canada	Toronto-Dominion Bank	5.0		13 months

Finland	Op Corporate Bank	5.0		6 months
Denmark	Danske Bank	5.0		100 days
France	Credit Agricole CIB (Credit Agricole Group)	Suspended		Suspended
France	Credit Agricole SA (Credit Agricole Group)	Suspended		Suspended
France	Société Générale	Suspended		Suspended
Germany	Landesbank Hessen-Thuringen	5.0		6 months
Netherlands	ING Bank NV	5.0		100 days
Netherlands	Rabobank	5.0		13 months
Sweden	Nordea Bank AB	5.0		13 months
Sweden	Svenska Handelsbanken	5.0		13 months
Switzerland	Credit Suisse	5.0		100 days
US	JP Morgan	5.0		13 months
UK	Building Societies	See below		See below

The following 12 building societies have limits of £1m and 100 days - Darlington, Furness, Hinckley & Rugby, Leek, Loughborough, Mansfield, Market Harbrough, Marsden, Melton Mowbray, National Counties, Newbury and Stafford.

***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.

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	10	No	
Deposits with registered providers	5 years	10	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 2017/18

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 2017/18: 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 2017/18 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 the Council at that time.

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

If, as is likely, the Council undertakes General Fund borrowing in 2017/18 then in the following financial year, 2018/19, there will be a requirement to charge MRP.

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TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

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

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

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

1.3 The Council 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 Council’s investments followed by the yield earned on investments remain important but are secondary considerations.

Report to the Cabinet

Report reference: C-059-2015/16
Date of meeting: 2 February 2017



Portfolio: Technology and Support Services

Subject: Pay Policy Statement

Responsible Officer: Paula Maginnis (01992 564536).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the attached Pay Policy Statement for 2017/18 be recommended to the Council for approval, subject to any amendments or suggestions.

Executive Summary:

Section 38 (1) of the Localism Act 2011 requires the Council to produce a Pay Policy Statement for each financial year setting out details of its remuneration policy. Specifically it should include the Council's approach to its highest and lowest paid employees.

It draws on the Review of Fair Pay in the Public Sector (Will Hutton 2011) and concerns over low pay.

Reasons for Proposed Decision:

To enable members of the Cabinet to comment on the Council's Pay Policy Statement before it is agreed by full Council.

Other Options for Action:

The content of the Statement could be amended.

Report:

1. The Localism Act 2011 requires the Council to publish a Pay Policy Statement setting out details of its remuneration policy. Specifically including the Council's approach to its highest and lowest paid employees.

2. The Council's Pay Policy Statement was first published on the Council's website in March 2012. This is updated on an annual basis.

3. The matters which must be included in the statutory Pay Policy Statement are as follows:

- The Council's policy on the level and elements of remuneration for each Chief Officer;
- 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);

- The Council's policy on the relationship between the remuneration of its Chief Officers and other Officers; and
- 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.

4. 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.

5. The Council's Pay Policy Statement for 2017/18 has been amended to reflect the Returning Officer fees paid in 2016/17.

6. The draft Pay Policy Statement for 2017/2018 sets out the Council's current practices and policies and is attached at Appendix 1 for comment. The amendments are highlighted bold.

7. Changes to the Policy Statement can be made through the year subject to full Council's agreement. Changes to the various policies and guidelines will continue to be agreed in accordance with current practices.

Resource Implications:

There are no resource implications as it is a statement of current practice and policies.

Legal and Governance Implications:

The Policy Statement ensures that the Council complies with its duty under the Localism Act 2011.

Safer, Cleaner and Greener Implications:

N/A.

Consultation Undertaken:

The Pay Policy Statement was considered by the Joint Consultative Committee (JCC) at their meeting on 16 January 2017. The Committee wished to make Cabinet aware of their comments including:

- I. Officers undertake a review of the Council's pay and job evaluation structures and processes, including proposals to implement the Living Wage and salary benchmarking with other authorities.
- II. Officers ensure that our salaries are competitive within the market so that the Council is able to recruit and retain high calibre staff.
- III. It understood that the Pay Policy Statement was not the appropriate mechanism to develop these suggestions and look forward to being consulted on the Workforce Planning/Organisational Development Strategy and Plan.

Background Papers:

Hutton Review of Fair Pay in the Public Sector: March 2011.

Risk Management:

The Council would not comply with the Localism Act 2011 if it did not produce and publish a Pay Policy Statement.

Due Regard Record:

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

The Pay Policy Statement is a statement of fact and is not used to determine Policy.

Decisions on pay (apart from those agreed Nationally) are agreed by Council.

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Equality analysis report

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	Pay Policy Statement
Revised / new / withdrawal:	Revised
Intended aims / outcomes/ changes:	That the Cabinet recommends the Pay Policy Statement to Council, subject to any amendments or suggestions.
Relationship with other policies / projects:	The Policy Statement is a retrospective account of the Council's pay, charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments policies.
Name of senior manager for the policy / project:	Bob Palmer, Director of Resources
Name of policy / project manager:	Paula Maginnis, Assistant Director - HR

Step 2. Decide if the policy, service change or withdrawal is equality relevant

Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.	If yes, state which protected groups:
If no, state your reasons for this decision. Go to step 7.	If no, state reasons for your decision:
<i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i>	No. This is a statement of fact and members are not required to make any policy decisions. Any equalities impact assessment for individual policies will be detailed on the respective reports as appropriate.

Name and job title of officer completing this analysis:	Paula Maginnis, Assistant Director - HR
Date of completion:	20/01/2017
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EPPING FOREST DISTRICT COUNCIL

PAY POLICY STATEMENT 2017/18

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. There are some long standing recruitment difficulties and retention issues 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

All leases under the Council's car leasing scheme will have terminated by the end of 2016/17. There is no scheme for 2017/18.

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 **20** employees on this Scheme an increase of 4 employees on last year.

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 since 1 April 2014;

Salary	Contribution
Up to £13,600	5.5%
£13,601 to £21,200	5.8%
£21,201 to £34,400	6.5%
£34,401 to £43,500	6.8%
£43,501 to £60,700	8.5%
£60,701 to £86,000	9.9%
£86,001 TO £101,200	10.5%
£100,201 to £151,800	11.4%
£150,801 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 2-12

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) 6 and ends at local SCP 58. This pay spine is divided into 11 pay grades; 2 – 10 contain five incremental points and grades 11 and 12 contain 4 incremental points. Grade 2 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 national pay award, with effect from 1 October 2015 scp 5 was deleted from the pay spine, therefore grade 1 was deleted.

The Council uses the NJC Job Evaluation Scheme to evaluate all posts on grades 2 – 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 2 – 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 **£832** 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 April 2016** are;

Grade	Scale Column Points	Salary Range
Grade 11	SCP 51 – 54	£47,867 - £51,560
Grade 12	SCP 55 - 58	£53,633 - £57,797

The salary shown is inclusive of the Inner Fringe Allowance of **£832** per annum.

Definition of Lowest Paid Employees

For the purpose of this Policy Statement, employees on grade 2 are defined as our lowest-paid employees. This is because no employee of the Council is paid lower than SCP 6 which is contained in grade 2. With effect from 1 October 2015 SCP 5 and grade 1 was deleted from the pay spine.

Employees on scp 5 automatically progressed 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 **April 2016**, the fte annual value of this SCP 6 is **£15,346** which includes an Inner Fringe Allowance of **£832** 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 2 – 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 **April 2016** covering the period 1 April 2016 to 31 March 2018 of 1% for each year.

An Inner Fringe Allowance of **£832** 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 2016 the salary for the Chief Executive role will be a spot salary of £113,120 per annum which includes the Inner Fringe Allowance of £832 per annum and evening meeting allowances. **The national pay award wef 1 April 2017 will apply an increase of 1% to the salary of the Chief Executive.** 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.

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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 – Chief Executive

May 2016

District and Parish local elections and the Crime Commissioner: £18,545.40 (gross)

June 2016

EU Referendum: £4607 (gross)

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 April 2016**, the annual FTE salary range for the four Director posts will be **£84,962 - £91,031** which includes the Inner Fringe Allowance of £832 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. **The last pay award was agreed for the period April 2016 to end of March 2018 for an increase of 1% per year.**

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.

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 7.4 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	2014/2015		2015/2016		2016/2017		2017/2018	
	Multiple	Salary	Multiple	Salary	Multiple	Salary	Multiple	Salary
Chief Executive compared to lowest salary	x8.5	£112,000	x7.8	£112,000	x7.8	£112,000	x7.4	£113,000
Directors compared to lowest salary	x6.8	£88,363	x6.3	£90,130	x6.3	£90,130	x5.9	£91,031
Assistant Directors compared to lowest salary	x4.2	£55,993	x4	£57,225	x4	£57,225	x3.8	£57,797
Average salary compared to Chief Executive	x4.2	£27,000	x4.1	£27,500	x4.1	£27,500	x4.1	£27,775
Average salary	x2	£27,000	x1.9	£27,500	x1.9	£27,500	x1.8	£27,775

compared to lowest salary								
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- 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 **£15,346**

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 2 – 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 **2018/19** and will be submitted to Council for approval as reasonably practical before 31 March **2018**.

If it should be necessary to amend this **2017/18** 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.

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