



NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the **EPPING FOREST DISTRICT COUNCIL** to be held in the **COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING** at 7.30 pm on **Tuesday, 21 February 2017** for the purpose of transacting the business set out in the agenda.

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

Glen Chipp
Chief Executive

**Democratic Services
Officer:**

Council Secretary: Simon Hill
Tel: 01992 564249 Email:
democraticservices@eppingforestdc.gov.uk

WEBCASTING/FILMING NOTICE

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

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

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

If you have any queries regarding this, please contact the Public Relations Manager on 01992 564039.

BUSINESS

1. WEBCASTING INTRODUCTION

This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking. The Assistant Director of Governance and Performance Management will read the following announcement:

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

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

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

2. FORMER COUNCILLOR RON BARNES OBE

The Council is invited to stand for a minute’s silence in tribute to the memory of former Councillor and past Chairman of the Council, Ron Barnes OBE, who passed away on 20 December 2016.

Ron Barnes represented the Shelley Ward of the District as a Labour Councillor, from 1979 until 2003. He served on many of the Council’s various member bodies during this time, including:

Benefits Review Board;
Finance and General Purposes Sub-Committee
Grant Aid Panel;
Housing Committee;
Joint Staff and Joint Works Committees
North Weald Airfield Sub-Committee;
Personnel Sub-Committee;
Plans Sub-Committee ‘B’
Policy and Co-ordinating Committee;
Public Health Committee;
Recreation and Amenities (later Leisure Services) Committee
Resources Sub-Committee; and
Transportation Committee.

Ron Barnes was Chairman of Epping Forest District Council for the 1995/96 municipal year.

3. MINUTES (Pages 9 - 22)

To approve as a correct record and sign the minutes of the meeting held on 20 December 2016 (attached).

4. DECLARATIONS OF INTEREST

To declare interests in any item on the agenda.

5. ANNOUNCEMENTS

- (a) Apologies for Absence
- (b) Chairman's Announcements

6. COUNCILLOR L WAGLAND - RESIGNATION**Recommendation:**

To note that Councillor L Wagland resigned as a Councillor on 22 December 2016.

(Returning Officer) Councillor L Wagland formally resigned on 22 December 2016. Following notification and public notice of the vacancy, a request for an election to fill the vacancy was received, nominations were made, and an election will take place 23 February 2017.

7. PUBLIC QUESTIONS (IF ANY)

To answer questions asked after notice in accordance with the provisions contained within Part 4 of the Council Rules of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

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

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

8. QUESTIONS BY MEMBERS UNDER NOTICE

To answer questions asked after notice in accordance with the provisions contained within the Council Rules in Part 4 of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

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

The Council Rules provide that answers to questions under notice may take the form of:

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

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

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

9. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 23 - 52)

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

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

10. QUESTIONS BY MEMBERS WITHOUT NOTICE

The Council Rules provide for questions by any member of the Council to the Leader or any Portfolio Holder, without notice on:

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

Council Rules provide that answers to questions without notice may take the form of:

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

(d) where the question relates to an operational matter, the Leader or a member of the Cabinet will request that a response be given direct to the questioner by the relevant Chief Officer.

In accordance with the Council Rules, a time limit of thirty minutes is set for questions. Any question not dealt with within the time available will receive a written reply. The Chairman may extend this period by up to a further 10 minutes at their discretion.

11. MOTIONS

To consider any motions, notice of which has been given under Council Rules.

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

Reports of the Cabinet

12. PAY POLICY STATEMENT (Pages 53 - 64)

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

13. LEASE OF LAND BROOKER/CARTERSFIELD ROAD, WALTHAM ABBEY (Pages 65 - 72)

(Assets and Economic Development Portfolio Holder) To consider the attached report.

14. TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18 (Pages 73 - 108)

(Finance Portfolio Holder) To consider the attached report.

15. BUDGET 2017/18 (Pages 109 - 162)

(a) (Finance Portfolio Holder) To consider the attached report; and

(b) To hold a recorded vote on the recommendations contained within the report, in accordance with the Council Procedure Rules V3 'Voting on Budget/Council Tax' which directs Members to comply with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, immediately after any vote is taken at a budget decision meeting there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

"Budget decision" means a meeting at which:

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

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

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

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

16. COUNCILLOR T BOYCE - RESOLUTION TO EXTEND 6 MONTH RULE - SECTION 85 LOCAL GOVERNMENT ACT 1972

Recommended:

That Council approves an extension of the 6 month rule for Councillor Boyce on ill-health grounds until the end of August 2017.

(Leader) To consider an extension of the 6 month rule for Councillor T Boyce, having regard to the circumstances of his absence from meetings.

Section 85 of the Local Government Act 1972 requires a Member to attend a meeting no longer than six consecutive months from the date of their last attendance, failure to do so unless approved by the authority before the expiry of that period, means that the member ceases to be a member of the authority.

Councillor T Boyce has been unable to attend meetings since October 2016 on ill health grounds and has requested an extension for absence until August 2017. This would not prevent Councillor Boyce from returning to meetings at any time, if his health allowed, but would give flexibility and prevent further recourse to Council.

17. OVERVIEW AND SCRUTINY COMMITTEE (Pages 163 - 164)

To receive the report of the Chairman of the Overview and Scrutiny Committee and to answer any questions without notice asked in accordance with Council Rules.

18. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS (Pages 165 - 166)

(a) To receive the attached report from Councillor H. Kane, as the Council representative on Waltham Abbey Royal Gunpowder Mills Ltd;

(b) To receive from Council representatives any other reports on the business of joint arrangements and external organisations and to receive answers to any questions on those bodies which may be put without notice; and

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

19. EXCLUSION OF PUBLIC AND PRESS

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

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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

hours prior to the meeting.

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 for four years after the date of the meeting one copy of each of the documents on the list of background papers.

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EPHING FOREST DISTRICT COUNCIL COUNCIL MINUTES

- Committee:** Council **Date:** 20 December 2016
- Place:** Council Chamber, Civic Offices, High Street, Epping **Time:** 7.30 - 10.55 pm
- Members Present:** Councillors J Lea (Chairman), D Stallan (Vice-Chairman), N Avey, R Baldwin, R Bassett, A Beales, H Brady, W Breare-Hall, R Brookes, R Butler, G Chambers, K Chana, D Dorrell, L Girling, A Grigg, S Heap, L Hughes, R Jennings, J Jennings, S Jones, H Kane, S Kane, H Kauffman, P Keska, J Knapman, Y Knight, A Lion, L Mead, G Mohindra, R Morgan, S Murray, S Neville, A Patel, J Philip, C P Pond, C C Pond, C Roberts, D Roberts, B Rolfe, B Sandler, M Sartin, S Stavrou, B Surtees, G Waller, E Webster, C Whitbread, H Whitbread, J H Whitehouse, J M Whitehouse and D Wixley
- Apologies:** Councillors N Bedford, A Boyce, R Gadsby, A Mitchell, G Shiell and L Wagland
- Officers Present:** G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), C O'Boyle (Director of Governance), A Hall (Director of Communities), R Palmer (Director of Resources), S Hill (Assistant Director (Governance & Performance Management)), R Perrin (Democratic Services Officer), T Carne (Public Relations and Marketing Officer), A Hendry (Senior Democratic Services Officer) and A Rose (Marketing & Digital Content Officer)

67. WEBCASTING INTRODUCTION

The Assistant Director of Governance and Performance Management reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

68. MINUTES

RESOLVED:

That the minutes of the Extraordinary Council meeting held on 18 October 2016 and the Council meeting 1 November 2016 be taken as read and signed by the Chairman as a correct record subject to the transposing of the word 'for' and 'against' in the recorded vote amendment within the Extraordinary Council meeting on 18 October 2016, item 53 Draft Epping Forest District Local Plan for Consultation.

69. DECLARATIONS OF INTEREST

Pursuant to the Council's Code of Member Conduct, Councillor S Murray declared an interest by virtue of being employed by the school mentioned within item 9 - Motions on the agenda and that he considered it was an indirect pecuniary interest and would therefore remain in the meeting and vote.

Pursuant to the Council's Code of Member Conduct, Councillor B Jennings declared a non pecuniary interest in item 16 – Appointment of External Auditor by virtue of being a member of the Local Government Association. The Councillor had

determined that his interest was prejudicial and would leave the meeting for the consideration of the item and voting thereon.

70. ANNOUNCEMENTS

(a) Announcements by the Chairman of Council

(i) Councillor T Boyce

The Chairman advised that Councillor T Boyce had now been moved to St Margaret's Hospital, Epping.

(ii) Chairman's Events

The Chairman advised that she had attended several Nativity plays within the District and that the Civic Carol Service held at Waltham Abbey Church had been well attended.

The Chairman also wished to send thoughts and well wishes to the families recently involved in the terrorist attacks in Europe.

(iii) Floral Display

The Chairman announced that she proposed to send the flowers from this evenings meeting to Forest Place Nursing Home, Buckhurst Hill.

(iv) Former District Councillor Joy Wainwright

It was with much sadness that the Chairman informed the Council of the death of former Councillor Joy Wainwright.

Joy Wainwright had represented the Theydon Bois Ward as a Conservative District Councillor, from the inception of Epping Forest District Council in 1974, until 1990. She had served on various member bodies during this time, including the Development Committee, the Environment Health and Control Committee, the Housing Committee, the Policy and Co-ordinating Committee and the Joint Staff Committee. Joy Wainwright had been also Vice-Chairman of the former Plans Sub-Committee 'A', from 1979 to 1989.

Members paid tribute to the memory of former District Councillor Joy Wainwright and stood for a minute's silence in her memory.

71. PUBLIC QUESTIONS (IF ANY)

The Council noted that there were no public questions under notice for the meeting.

72. QUESTIONS BY MEMBERS UNDER NOTICE

The Council noted that there were no questions by Members under notice for the meeting.

73. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET

(a) The Leader of Council

The Leader advised that he had attended a variety of meetings with various organisations around the District and specifically with Councillor J Philip with regards

to the Draft Local Plan Consultation. He advised that an extraordinary amount of effort had been put into the communication of which he thanked both the Planning Policy Portfolio Holder and Officers.

The Leader informed the Council that he had recently had the opportunity to explore new ideas for the District, which had included looking at modular units with the Housing Portfolio Holder and Housing Officers. He advised that the modular units were manufactured at North Weald Airfield and could also help with the Districts' homelessness provision and tackling the bed and breakfast problems.

In addition, he had hosted a visit from the new Chairman of South East Local Enterprise Partnership (SELEP) Christian Brodie, where he had been able to showcase the District and demonstrate the Council's future economic visions including Langston Road Development and North Weald Airfield. Furthermore, he had recently walked around the whole St John's site in Epping, which had been finally acquired with the help of Officers, Essex County Councillor A Jackson and the Chief Executive. Finally, the Leader advised that the Council had hosted the Locality Board with Local MP's, Essex County Councillors and the Police and Crime Commissioner, where he explained his visions and plans for the future of Policing in the District.

(b) Safer, Greener & Transport Portfolio Holder

Councillor G Waller advised that following the recent murder trial involving a Theydon Bois resident concluding at Chelmsford Crown Court, the victim's husband had been convicted of murder and arson and sentenced to life imprisonment with a minimum term of 24 years. He advised that the Domestic Homicide Review would resume, establishing any relevant lessons to be learnt and learn how comparable occurrences maybe avoided. It would restart on Friday 6 January 2017.

(c) Planning Policy Portfolio Holder

Councillor J Philip updated Members on the draft consultation for the Local Plan. He advised that 12,000 unique visitors had accessed the website, 15,000 social media accounts had been reached with 1,000 impressions given and 6 events held with 1200 attendees. There had been 3,400 responses to the draft plan received with 1670 responses online, 200 hard copies, 710 letters and 747 emails. Officers would now check for duplicates and begin data analysis of the responses with a report being brought to Cabinet in March 2017. He thanked everyone who had completed a consultation and all the Councillors that assisted residents.

(d) Assets and Economic Development Portfolio Holder

Councillor A Grigg made a correction to her report regarding the name of new Chairman of SELEP's name being Mr Brodie, not Mr Keiffer who had also been present but the previous Chairman of SELEP.

(e) Housing Portfolio Holder

Councillor S Stavrou advised that the Communities Select Committee on 17 January 2017, had been asked to consider a comprehensive report regarding the current homelessness situation in the District; increasing pressures on the Council's Housing Service and residents; and how some of the pressures could be reduced and mitigated. The suggestions within the report offered a variety of options and the Select Committees views were welcomed. Any Members concerned about the effects of homelessness on the District residents were invited to attend the Select Committee to find out more.

(f) Finance Portfolio Holder

Councillor G Mohindra advised that further details on the Local Government Financial settlement information for the New Homes Bonus had been received and instead of the Council receiving £300,000, it was significantly lower at £16,000. Some of the reduction had been taken into account within the Medium Term Financial Strategy (MTFS); consequently the short fall for the budget in 2017/18 was £184,000 and not the potential £284,000. He advised that the budget had been progressing well for 2017/18 and had been on target to achieve the required level of savings and consequently would not affect the 2017/18 budget, however it would require significant changes to the MTFS and adjustments to the savings targets for 2018/19 and beyond. The details of these adjustments would be presented to the Finance Performance Management Cabinet Committee on 19 January 2017 and he urged as many Members to attend as possible.

74. QUESTIONS BY MEMBERS WITHOUT NOTICE

(a) St John's Site

Councillor H Whitbread asked the Asset & Economic Development Portfolio Holder whether following the completion of the St John's site, she had any ideas on the planning application timescales and if this would provide an opportunity for consultation with Epping Residents on the proposed design.

Councillor A Grigg advised that she was delighted that the St John's site was now in the Council's ownership. The mixed use scheme would provide a cinema, food store, flats, shops and a public realm (open space), via a tri-part agreement and was subject to planning consent. There would be an opportunity for Epping Residents to shape this, which would be through the planning process.

(b) Local Plan

Councillor S Neville advised that some residents within his Buckhurst Hill East Ward had not received any correspondence regarding to the Draft Local Plan Consultation and asked whether the Planning Policy Portfolio Holder would apologize for this error.

Councillor J Philip advised that he would not apologise because he had indicated to Members several times, that if they had been made aware of any areas within their Wards that had not received information on the consultation to notify him and he had received no communication. He also stated that every Member had been supplied with a tool kit to help assist residents. Furthermore he had not been aware of any systematic errors with delivery and that leaflets delivered to all residents in the District had not been wholly relied upon, with a huge amount of publicity completed through other means.

Councillor J Philip advised that he was glad to hear that the residents involved had responded to the consultation.

(c) Langston Road Retail Park

Councillor J Knapman asked the Asset & Economic Development Portfolio Holder for an update on the leasing of the retail units at Langston Road Retail Park.

Councillor A Grigg advised that the negotiations were going well, although no further information was currently available because the interested companies preferred no

publicity until agreements had been signed. The consultants had advised that there was still strong interest and they were confident that the units would be filled.

(d) Food Bank

Councillor S Murray asked the Leader whether he shared his concerns regarding the increasing number of families and individuals requiring the services of the Epping Forest Foodbank and the great appreciation the Council has for the service.

Councillor C Whitbread advised that he agreed that the Foodbank provided an exceptional service, which had been needed in the community and that the Council was happy support any organisation that had the best interests of the District at heart.

(e) Pre application income

Councillor C C Pond asked the Governance and Development Management Portfolio Holder in what manner the Development Control Officers expressed the acceptability of a scheme in Pre-Application discussion and whether Officers should advise that the advice was always subject to the judgement of Members, should it go to a planning sub-committee.

Councillor R Bassett advised that Pre-Application advice was for applicants to come into the Council to show their plans to the Development Control Officers and for the obvious development control and policy issues to be pointed out, giving the applicant an opportunity to talk around other possible options for the application.

(f) Local Plan

Councillor L Girling asked the Planning Policy Portfolio Holder whether there were any other points in the Local Plan Consultation, where the public could get involved in the process and whether the transport modelling would involve other organisations other than just Essex County Council.

Councillor J Philip advised that there would be at least one other opportunity for residents to get involved. He explained that by the summer 2017 the Council would be submitting the Local Plan for Regulation 19, which would evaluate the soundness of the plan and the next step would be a report to Cabinet in March 2017. In addition the Council was looking at two types of transport modelling and would be working with Transport for London (TfL) with regard to the Central Line and making use of Essex County Council Highways roads model that had been approved by the Highway Agency. Once the transport modelling had been completed, it would be available for developers to make use of along with the consultation, indicating where the sites would be considered within the District.

(g) Complaints Procedure

Councillor H Kauffman asked the Governance and Development Management Portfolio Holder if Members could have a copy of the revised complaints procedure.

Councillor R Bassett advised that changes had been made to the complaints procedure through the removal of one of the tiers and a change in the responsible officer. He would make sure the updated version of the complaints procedure was made available to Members and updated on the website.

(h) Youth Crime Rate

Councillor B Surtees asked the Safer, Greener, Transport Portfolio Holder whether he welcomed the national reduction in child arrests that had dropped from 246,000 in 2010 to 102,000 in 2015 and Essex Police and other agencies efforts which had resulted in a much better than average reduction in Essex.

Councillor G Waller advised that it was very welcomed that the national figures for child arrests had dropped by 59% in that period, which in turn had prevented the likelihood of young people entering the Criminal Justice System and having a greater chance of a life of crime. He advised that there were a number of reasons involved in the drop which included better training and the abolition of targets for the Police.

(i) St John's Site

Councillor J M Whitehouse asked the Asset & Economic Development Portfolio Holder, whether the consultation on the St John's site would be better prior to the submission of the planning application; and in relation to the whole site when was she hoping to bring a report about the future of Lindsay House to Cabinet.

Councillor A Grigg advised that a report regarding Lindsay House would be coming to the next Cabinet meeting. In addition she advised that the St John's site, especially the public realm area would be an important feature and so she expected publicity to be distributed beforehand but it would not be through the District Council and that the planning process would be the right way for it to progress.

(j) Domestic Violence

Councillor D Wixley asked the Safer, Greener, Transport Portfolio Holder about the changes to the Multi Agency Risk Assessment Conferences and that the Council would not be involved in local high risk cases of domestic abuse, in light of the recent case in Theydon Bois.

Councillor G Waller advised that it appeared to be a backward step and the Council's Community Safety Team had been well placed in the community with the knowledge and help, should people seek help. He advised that this would be something the Council would look to reverse and would be pressing for action.

(k) Leisure

Councillor R Butler asked the Leisure and Community Services Portfolio Holder whether when the new Leisure contract was issued in March 2017, would the sport clubs using the councils leisure centres be able to remain with their current timetables and schedules and that the staff's jobs within the leisure centre were assured.

Councillor H Kane advised that there had been a lot of discussions held with the new contractor about the staff and local schemes and clubs within the leisure centres and these arrangements would continue.

75. MOTIONS

(a) Area Plans Sub-Committee South – Location of Meetings

Moved by Councillor G Chambers and seconded by Councillor A Lion

“That, with effect from the 2017/18 municipal year and notwithstanding Rule T1(2) of the Council Rules of the Constitution, meetings of Area Plans Sub-Committee South be held at the Civic Offices in Epping”

Amendment moved by Councillor C C Pond and Seconded by Councillor H Kauffman

“That given the lack of consultation with Members and the public, under the Council Constitution, Council Rules, M6 Motions – Rules of Debate the Council proceeds to the next business on the agenda.”

Lost

Following further debate Councillor G Chambers moved the motion on the agenda which was carried.

Councillor S Murray requested that his vote against the motion be recorded within the minutes under the Council Constitution Rule - V1 Voting - Right to Require Individual Vote to be Recorded.

Motion as first Moved **ADOPTED**

RESOLVED:

That, with effect from the 2017/18 municipal year and notwithstanding Rule T1(2) of the Council Rules of the Constitution, meetings of Area Plans Sub-Committee South would be held at the Civic Offices in Epping.

76. MEMBERS' ALLOWANCES SCHEME - ANNUAL REVIEW 2017/18

The Director of Governance, C O'Boyle presented a report on behalf of the Chairman of the Remuneration Panel following a review of the following aspects of the Members' Allowances Scheme:

- (a) Basic Allowance;
- (b) Special Responsibility Allowances; and
- (d) Travel, subsistence and certain other allowances.

Report as first moved **ADOPTED**

RESOLVED:

Basic Allowance

(1) That no change be made to the implementation of the full amount of Basic Allowance of £4,300.00 per member per annum, currently included in the Council's Members' Allowances Scheme;

Special Responsibility Allowance

(2) That, with effect from the commencement of the 2017/18 municipal year, the Special Responsibility Allowance applicable to the position of the Chairman of the Epping Forest Standards Committee, be applied at the rate of £110.00 per meeting; and

Revised Scheme and Guidance

(3) That, subject to the above recommendations and other administrative matters set out in the report, the Members' Allowances Scheme and Guidance for 2017/18, be adopted and implemented with effect from 26 May 2017.

77. LOCAL COUNCIL TAX SUPPORT SCHEME 2017/18

Mover: Councillor G Mohindra, Finance Portfolio Holder

Councillor G Mohindra submitted a report regarding the Local Council Tax Support Scheme for 2017/18.

Report as first moved ADOPTED

RESOLVED:

That the revised Local Council Tax Support Scheme 2017/18 be approved.

78. CAPITAL REVIEW 2016/17 - 2020/21

Mover Councillor G Mohindra, Finance Portfolio Holder

Councillor G Mohindra submitted a report seeking Capital supplementary funding for three areas including the St John's Road development, Grounds Maintenance Vehicles and Disabled Facility Grants.

Report as first moved **ADOPTED**

RESOLVED:

(1) That a Capital supplementary of £346,000 in 2016/17 for the St John's Road development be approved;

(2) That a Capital supplementary of £28,000 for Grounds Maintenance Vehicles be approved; and

(3) That a Capital supplementary of £130,000 for Disabled Facility Grants be approved.

79. WASTE MANAGEMENT SERVICE - REVISED FUNDING

Mover: Councillor W Breare-Hall, Environment Portfolio Holder

Councillor W Breare-Hall submitted a report regarding the revised funding for the Waste Management Services. He advised that the sum of £202,654 from the District Development Fund for the costs of a change in the composition of the dry recyclable materials collected for the period November 2015 to March 2016 had been revised to £59,600.

Report as first moved **ADOPTED**

RESOLVED:

(1) That the following District Development Fund supplementary for 2016/17 regarding the cost pressures on the Council's Waste Management service be approved;

(a) a sum of £90,640 from the District Development Fund for the costs of additional dry recycling sacks for the period July 2015 to March 2016;

(b) a sum of £59,600 from the District Development Fund for the costs of a change in the composition of the dry recyclable materials collected for the period November 2015 to March 2016; and

(c) a sum of £64,000 from the District Development Fund for the costs of the increased number of properties within the District for the period November 2014 to March 2016.

80. CALENDAR OF COUNCIL MEETINGS 2017/18

Mover: Councillor R Bassett, Governance and Development Management Portfolio Holder.

Councillor R Bassett submitted a report regarding the Calendar of Council meetings for 2017/18.

Report as first moved **ADOPTED**

RESOLVED:

That, as attached at Appendix 1, the draft Calendar of Council Meetings for 2017/18 be adopted.

81. OVERVIEW AND SCRUTINY PROGRESS REPORT

The Council received a written report from Councillor M Sartin, the Chairman of the Overview and Scrutiny Committee which was noted.

82. APPOINTMENT OF EXTERNAL AUDITOR

Mover: Councillor J Knapman, the Chairman of the Audit and Governance Committee

Councillor J Knapman submitted a report regarding the option of opting into the Appointing Person arrangements that had been made available by the Public Sector Audit Appointments (PSAA) for the appointment of an External Auditor.

Report as first moved **ADOPTED**

RESOLVED:

That the Appointing Person arrangements made by the Public Sector Audit Appointments for the appointment of an External Auditor be approved.

83. HACKNEY CARRIAGE & PRIVATE HIRE LICENSING CONDITIONS & GUIDANCE**Mover: Councillor B Surtees, the Chairman of the Licensing Committee**

Councillor B Surtees submitted a report regarding revised Hackney Carriage and Public Hire Licensing Conditions and Guidance. He advised that a minor change was required to the title page of the Private Carriage Driver's Licence Guidance from 'Hackney' to 'Private Hire' within the title.

Report as first moved **ADOPTED**

RESOLVED:

That the Hackney Carriage and Public Hire Licensing Conditions and Guidance be adopted.

84. GAMBLING ACT 2005 - PERIODIC REVISION OF STATEMENT OF PRINCIPLES**Mover: Councillor B Surtees, the Chairman of the Licensing Committee**

Councillor B Surtees submitted a report regarding revisions of the Statement of Principles Gambling Act 2005, Statement of Principles.

Report as first moved **ADOPTED**

RESOLVED:

That the statement of principles made under the Gambling Act 2005 be adopted.

85. OVERVIEW AND SCRUTINY RULE 53 (CALL-IN AND URGENCY) - TRANSFORMATION PROGRAMME - ACCOMMODATION REVIEW AND THE DRAFT CHIGWELL NEIGHBOURHOOD PLAN - EPPING FOREST DISTRICT COUNCIL RESPONSE

The Council noted that the Chairman of the Council had agreed that the following decisions be treated as a matter of urgency and not subject to call in:

1. Transformation Programme – Accommodation Review

That the quotation of £18,500 received from PricewaterhouseCoopers (PwC) for the extension of the scope of the current accommodation review, be accepted.

2. Draft Chigwell Neighbourhood Plan - Epping Forest District Council Response

That the Council's response to the Chigwell Neighbourhood 2015-2030 Pre-Submission Plan, be confirmed.

86. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS

- (a) Royal Gunpowder Mills

The Council received a written report regarding the Royal Gunpowder Mills from Councillor H Kane, the Council's representative.

(b) There were no further updates from Council representatives on any other business on joint arrangements and external organisations and no requests were made for the next meeting.

87. EXCLUSION OF PUBLIC AND PRESS

The Council noted that the Management of the Council's Leisure Facilities – Award of Contract no longer necessitated the exclusion of public and press. The Council therefore agreed to continue in public session.

88. MANAGEMENT OF THE COUNCIL'S LEISURE FACILITIES - AWARD OF CONTRACT

Mover: Councillor H Kane, Leisure and Community Services Portfolio Holder

Councillor H Kane submitted a report regarding the award of the contract for the Management of the Council's Leisure Facilities.

Report as first moved **ADOPTED**













RESOLVED:

That, on the basis of the Final Evaluation of the Tender Submissions and Financial Implications for the Council, the award of the contract for the management of the Council's Leisure Facilities to Places for People Leisure Management Limited be approved as the preferred bidder, with SLM Everyone Active as reserve.

CHAIRMAN

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Epping Forest District Council Calendar of Meetings 2017/18

		2017								2018				
Meeting		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Executive														
Council		25th		25th		26th		2nd	21st		22nd		24th	24th
Cabinet			15th	11th		7th	12th	9th	7th		1st	8th	10th	
FPM Cab Comm			22nd	20th		14th		16th		18th		22nd		
AM & ED Cab Comm				6th			19th			11th			19th	
Scrutiny														
OS Committee			6th	18th			31st			9th	27th		17th	
Communities Sel. Comm			20th			5th		7th		16th		13th		
Governance Sel. Comm				4th			3rd		5th		6th	27th		
Neighbourhoods Sel. Comm			27th			19th		21st		30th		20th		
Resources Sel. Comm				13th			17th		19th		13th		3rd	
Constitution Working Grp						28th					20th			
Planning														
District Development			7th		2nd		4th	29th		31st		28th		
Plans East		10th	14th	12th	9th	6th	11th	8th	6th	10th	7th	7th	4th	9th
Plans West		17th	21st	19th	16th	13th	18th	15th	13th	17th	14th	14th	11th	16th
Plans South		31st	28th	26th	23rd	27th	25th	22nd	20th	24th	21st	21st	18th	30th
Licensing														
Licensing Committee							18th						18th	
Licensing Sub-Comm			6th	4th	1st	5th	3rd	7th	5th	9th	6th	6th	3rd	
Miscellaneous														
Member Briefings			12th	5th	8th	4th	5th	1st	12th	4th	12th	15th	12th	
Audit & Governance			26th			18th		27th			5th	26th		
Joint Consultative Comm				24th			16th			15th			9th	
Local Councils Liaison						11th						12th		
Appointments Panel		11th-18th												14th-21st
Dev Control Chairs/Officers						25th						19th		
OS Chairs/Officers						12th						6th		
Webcast meeting:		<u>Easter 2018</u>			Fri 30-Mar-18 to Mon 2-Apr-18									
		<u>Rosh Hashanah</u>			Thu 21-Sep-17 to Fri 22-Sep-17 (Sundown Wed 20-Sep-17)									
		<u>Yom Kippur</u>			Sat 30-Sep-17 (Sundown Fri 29-Sep-17)									
		<u>Pesach</u>			Sat 31-Mar-18 (Sundown Fri 30-Mar-18)									
		<u>District Council Elections</u>			Thu 3-May-18									

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Report to the Council

Committee: Cabinet

Date 21 February 2017

Subject: Assets & Economic Development

Portfolio Holder: Councillor A Grigg

Recommending:

That the report of the Assets & Economic Development Portfolio Holder be noted.

1. Visitor Economy

Tourism Website

Work is well advanced on the new district tourism website with a launch planned to coincide with Tourism Week 2017 in late March.

Accommodation Study

Economic Development is working with selected consultants, Hotel Solutions, on phase 2 of the Visitor Accommodation Needs work. The 2nd phase of work is more substantial than the first and will provide a clearer picture of how existing visitor accommodation providers are performing, seek to ascertain if proposed developments are likely to be progressed and gauge wider developer interest in the district. It will also progress liaison with bodies such as Lee Valley Regional Park around any potential future visitor accommodation development and further consider how it might be possible to meet the market need for additional budget hotel provision in some of the district's larger town centres. This work is scheduled for completion in March 2017.

2. Town Centres

Waltham Abbey Wayfinding Project

Economic Development has appointed Mödel Signage Solutions to design, manufacture and install a new pedestrian wayfinding system in Waltham Abbey Town Centre. Mödel has already undertaken a stakeholder presentation and consultation event in the town and has subsequently set up an online survey to enable those stakeholders, including businesses, unable to attend the meeting to have their say. It is intended that a proposed design for the scheme be presented to the key stakeholders in February in order that the finalised design can be agreed before the end of the current financial year.

3. Business Support

Eastern Plateau/ European Agricultural Fund for Rural Development (EAFRD)

As reported at the last meeting, it is now business as usual for the Eastern Plateau programme which is part of the Rural Development Plan for England. Economic Development Officers are therefore working to identify the best routes to publicise the programme and maximise the impact within our district (recognising though that it only extends into certain areas of the district). Added to this, SELEP launched a call for applications under the EAFRD programme at the beginning of February 2017 with support

for rural tourism, food processing and business development for micro businesses and SMEs. As with Eastern Plateau, the Team is working to ensure the effective dissemination of this information locally.

4. Broadband

Smart Places

With the ongoing rollout of ultrafast and superfast broadband infrastructure throughout the district continuing to deliver greater levels of connectivity, attention has turned to the wide range of applications that can be applied through this infrastructure and the opportunities for transformed service provision that the networks offer. The Economic Development Team is supporting the exploration of such initiatives and opportunities and an initial meeting has been held of the Epping Forest Smart Places Project Steering Group. This EFDC lead group will work closely with Essex County Council in the first instance and then appropriate additional external partners to explore the potential for Smart Place projects and to position the district as a forward thinking and innovative place to live, study, work and do business.

Ultrafast Network

The Rural Challenge Project to deliver ultrafast broadband to rural parts of the district continues to make progress. Almost 200km of network has now been built with in excess of 2,800 connection pots installed at the property edges in readiness for live connection. A recent press event was held at the Animal Country Club in the rural village of Moreton recognising the connection of the 2000th premise to the live Gigaclear network.

3. Major Projects

Good progress continues to be made with the main construction contract for the Epping Forest Shopping Park. McLaughlin and Harvey are on programme with the steel frame erected, the roofing largely complete and significant progress on the external wall cladding and glazing. Delays have been experienced on the S278 Highways Works in relation to utilities, however, the programme has picked up. As much care as possible is being taken to minimise disturbance to road users. Final details are being agreed with the main anchor tenants and the Shopping Park is still on schedule to open in September 2017.

The Cabinet recently agreed a marketing strategy for the sale of Lindsay House, which is now proceeding for disposal as no operation requirement was identified for the building by either the District or County Councils. Now that the District Council secured the ownership of the former school site at St John's Road, the partners are working towards the submission of the planning application. At this point, the timing of the application is yet to be determined but I will endeavour to keep Members advised.

Elsewhere on the agenda is a report on a commercial transaction regarding a car dealership site in Waltham Abbey. This is a good example of our continued efforts to implement the Council's agreed policy of investing capital to deliver ongoing revenue benefits.

Report to the Council

Committee: Cabinet

Date: 21 February 2017

Subject: Environment

Portfolio Holder: Councillor W Breare-Hall

Recommending:

That the report of the Environment Portfolio Holder be noted.

Waste Management

Recycling scheme for the Civic Offices:

In my last report I updated Members about the new recycling scheme for the Civic Offices. I am pleased to say that the scheme is now operating successfully across the Civic Offices, and Members are enjoying working out which items go in which bins.

DCLG funded recycling scheme for flats:

I am pleased to report that good progress has been made in the project funded by the Department of Communities and Local Government (DCLG). Following a survey of all blocks of flats in the District, officers have identified 100 blocks, containing 1400 individual flats, that could benefit from a Recycling Rewards scheme. The scheme will assist in reducing contamination and increasing recycling.

Promotional publicity packs are being developed for the Reward scheme and officers have reviewed similar schemes and publicity material from Braintree District Council and the London Borough of Camden. Their experiences will aid the development of the Epping Forest Scheme. We are currently liaising with the Chamber of Commerce who have shown great support for the project and we have looked at the "One Shops Local" organisation with a view to them forming part of the delivery method for the Recycling Rewards.

Review of recycling collection service:

At the December Cabinet meeting it was agreed that a review would be undertaken to mitigate the increased costs of the waste collection service, especially the costs relating to recycling sacks. I have instructed that an Innovation Forum be established, under the terms of reference of the Waste Management Partnership Board, consisting of officers from the Council and staff from Biffa. The Forum will look at the options available for mitigating increased costs and will produce a full business case with cost benefit analysis. I shall then report back to Members and make recommendations for changes to the recycling collection service as appropriate.

Recycling of furniture and small electrical items:

I am pleased to report that Biffa have now created a covered area at their depot in Waltham Cross for the temporary storage of reusable furniture and small electrical items collected

under the bulky waste collection service. These can subsequently be collected by Epping Forest Reuse.

In conjunction with Essex County Council, we are funding a publicity campaign to highlight the work of Epping Forest Reuse.

Abandoned vehicles:

Since September last year we have removed 67 abandoned vehicles from the road network across the District.

Fly-tipping prosecutions

Bee Services (UK) Limited of Woodside, Epping, has been given a £5,000 fine after waste from the company was fly-tipped on Weald Hall Lane, Thornwood, and Old House Lane, Roydon, in November 2015. The Director, Mr Bill Johal, paid £732.44 in court costs along with a victim surcharge of £170.

Mr Sam Russell, 24, was sentenced to a 12-month community order for 150 hours unpaid work after pleading guilty to fly-tipping 3 vanloads of waste in Hastingwood and 15 black sacks of rubbish in Wickham Bishops Road, Hatfield Peverel.

Report to the Council

Committee: Cabinet

Date: 21 February 2017

Subject: Finance

Portfolio Holder: Councillor G Mohindra

Recommending:

That the report of the Finance Portfolio Holder be noted.

Accountancy

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

The quarter three position on the key performance indicators will be considered at the March meeting of the Finance and Performance Management Cabinet Committee, but I will take this opportunity to give a brief update on the various indicators for Finance.

The key performance indicator for Accountancy is concerned with how quickly we pay undisputed invoices. Currently 97% of undisputed invoices are paid within 30 days, this is in line with the target and an improvement on the position at the end of the third quarter last year. A tighter target is in place for local suppliers who we try to pay within 20 days, performance on this target improved by 3% in quarter 3 to 84%.

Benefits

For Benefits there are key performance indicators covering the processing of both new claims and changes of circumstance. At the end of the third quarter new claim processing is just ahead of the target of 22 days with performance at 21.98 days. This is an improvement on the second quarter figure of 22.72 days. The other processing indicator for changes of circumstance is currently at 7.69 days, compared to a target of 6 days. However, performance on this indicator always improves significantly in the fourth quarter so I am confident that the target will be achieved by the year end.

On 7 February the Resources Select Committee received an update on the work done on housing benefit and local council tax support fraud and compliance. Members may recall that our Benefit Fraud Investigators were required to transfer to the Department for Work and Pensions (DWP) to join the Single Fraud Investigation Service in October 2015. This necessitated a restructure of the Benefits Division to create a Compliance Team and a change in the way suspected frauds are dealt with. The report set out the ongoing difficulties in dealing with the Single Fraud Investigation Service. However, the steps taken by the Compliance Team have been so effective that additional income has been earned from the DWP under the Fraud and Error Reduction Incentive Scheme.

Revenues

The key performance indicators for Revenues cover the in-year collection rates for Council Tax and Non-Domestic Rates. At the end of December the collection rate for Council Tax was 78% which was ahead of both the target of 77.09% and last year's collection rate for the third quarter of 77.91%. Non-Domestic Rates is behind the target of 78.67% with 78.02% having been collected. This is primarily because a large number of businesses have now moved to paying over 12 months instead of 10 and going forward we will need to consider amending the quarterly targets to take account of this trend. As this is a timing issue, I still anticipate this indicator achieving its target by the year end.

Report to the Council

Committee: Cabinet

Date 21 February 2017

Subject: Governance and Development Management

Portfolio Holder: Councillor R. Bassett

Recommending:

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

1. Development Management

Development Control

Income for Development Control for December 2016 (period 9) was £107,295 which is £27,495 over budget.

Development Control's income from April to December 2016 was £777,632 and this constitutes 97% of the 2016/17 budget.

Projecting the budget forward it is considered that DC will be able to reach £950,000 for the 2016/17 year and to achieve this they will need an average income of £58,000 per month from January to March 2017 (January/February and March 2016 averaged £69,000).

It is also likely that DC will be able to exceed a combined income of over £1,000,000 for the 2016/17 year, inclusive of paid Pre-Application Fees.

Building Control

Building Control's income for December 2016 was £22,760 slightly exceeding the £22,450 budget requirement.

December has traditionally been a lower income month for Building Control and the average December income for three years prior to 2016/17 has been £22,247.

BC remains on track to not only exceed the 2016/17 budget of £425,000 but to also match or come very close to the previous year's successful turnover of £473,000 (2015/16). To do this BC will need an average turnover each month of £36,000 for January/February and March 2017.

This continuing impressive performance is clearly reflective of the property market and demand. However the response of the teams to the increased demands has been consistently commendable.

Building Control of course operate in a commercial environment where private sector companies compete for work. To ensure that the team continues to be competitive and to address the need for succession planning I have recently agreed to apply some of the excess resource in the ring fenced account to improve turn round times for plan vetting and to train our existing staff in a more formal way.

2. Internal audit

Audit and Governance Committee received a report at its meeting on the 6 February of the result of our internal audit shared service performance against the Public Sector Internal Audit Standards (PSIAS) which came into effect in April 2013. The overall conclusion of the external assessor was that Internal Audit complies with the PSIAS and continues to provide an effective and efficient service to each Council (Epping Forest, Harlow and Broxbourne).

There are some suggested actions identified by the external assessor which would enhance service provision but these do not affect the overall level of compliance with the PSIAS, but do ensure Internal Audit continues to develop and demonstrate best practice. The team is considering these and working on an action plan to address them but I wanted to highlight this example of a genuine shared service which has saved money and improved standards. I congratulate all involved in the achievement.

3. Corporate Fraud team

Since my last report on this area of Governance a further six Right to Buy applications have been stopped or withdrawn following Corporate Fraud Team intervention. The total discount saved as a result of this is approximately £467,400 and the value of retained rent revenue streams is around £275,184.

In addition, another four properties have been recovered as a result of fraud intervention, involving suspected subletting and / or non-residency. This has resulted in a saving of approximately £72,000.

The Corporate Fraud Team has stopped a housing application due to the discovery of false/misleading information.

The Team is currently engaged in a number of criminal investigations including active money laundering investigations. Three criminal prosecutions are being heard early in 2017, each involving Proceeds of Crime Act (POCA) proceedings, currently estimated to be around £287,000 if successful.

The Corporate Fraud Team is conducting a money laundering case on behalf of Broxbourne Borough Council, involving planning fraud.

The Team hosted their third Eastern Corporate Fraud Group (ECFG) on 26 January 2017. The aim of the group, which is open to corporate fraud investigators from all Eastern region councils, is to promote professional standards and share learning.

4. Legal Services

On the theme of working together with others the Legal Team at this Council undertook the prosecution of fly-tipping prosecutions on behalf of Braintree District Council as well as this Council. Evidence was gathered by this Council's Environment & Neighbourhood team and Braintree District Council Environmental Enforcement Officers which led to prosecutions in Chelmsford Magistrates Court on 19th January 2017 against Mr. Sam Russell. He pleaded guilty to offences in relation to waste deposited by him on a public right of way in Hastingwood and on land in Wickham Bishops Road Hatfield Peverel. Mr Russell admitted to the fly tipping of 3 loads of waste from his Vauxhall Combo van at Hastingwood and between 10 and 15 black sacks of rubbish in Wickham Bishops Road Hatfield Peverel which is with the Braintree District Council area.

I am grateful that the Magistrates when convicting him publicly stated the flytipping was 'morally and environmentally wrong.'

Mr Russell was sentenced to a 12 month community order with 150 hours unpaid work to be completed in that time. He was also ordered to pay the combined costs of Epping Forest District Council and Braintree District Council totalling £1983.72 together with a Victim Surcharge of £85.

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Report to the Council

Committee: Cabinet

Date: 21 February 2017

Subject: Housing

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Housing Portfolio Holder be noted.

Review of the future delivery of the Housing Repairs Service at the end of the current Repairs Management Contract with Mears plc

Around six years ago, following a competitive exercise, we pioneered an innovative Repairs Management Contract with Mears plc to “insource” expertise and support from the private sector to improve our Housing Repairs Service. Under the arrangements for the contract, Mears plc is responsible for the delivery of the Repairs Service, through the management of officers and operatives employed by the Council.

This approach is becoming a much more common one adopted by landlords now, compared to the main alternatives of either “outsourcing” the service fully to a private contractor or providing the service fully in-house. The main advantage is considered to be the fact that private sector expertise and resources are levered in, at a much lower cost and with far less risk.

Prior to the Council’s Repairs Management Contract being introduced, the target time for undertaking routine repairs was 6 weeks (with only 85% - 95% of repairs achieving the target), repairs to void properties were taking up to 19 days and very limited restrictive appointments were given. Under the Repairs Management Contract, the current average time to undertake all repairs is under 6 days, 99% of emergency repairs are completed within 4 hours, appointments are given for all repairs, and tenant satisfaction is at its highest ever - at 99.9%.

However, the Repairs Management Contract was initially for a 3-year period, with an option to extend for two further 3-year periods - and the final 3-year period with Mears is about to commence, with the contract expiring in March 2020. Although this sounds a long way off, if the Council wanted to adopt a new approach to the delivery of the Repairs Service, it could take up to 18 months to implement. I have therefore asked the Director of Communities to undertake a review, over the next few months, of the options available for the delivery of the Housing Repairs Service from 2020. He will be arranging for the review to be undertaken by an independent consultant, following a competitive fee exercise, and I will, of course, keep members informed with the review’s progress.

Homelessness initiatives

At its meeting on 17 January 2017, the Communities Select Committee responded to my request to consider the current homelessness situation in the district and a range of mitigation strategies suggested by officers in order to deal with the current and future increasing pressures as a result of the rise in homelessness.

The Finance and Performance Management Cabinet Committee then considered the resultant recommendations of the Select Committee that involved finance at its meeting on 19 January 2017.

As a result, I was pleased that the Cabinet Committee agreed funding for the following initiative recommended by the Select Committee:

- The appointment of an additional Homelessness Prevention Officer, in order to deal with the requirements of the anticipated Homelessness Reduction Act and the additional workload generally due to increasing homelessness pressures
- The use of the existing £90,000 Invest to Save Funding to provide applicants with a rental loan of 4 weeks' rent to meet the costs of rent in advance and/or a landlord deposit when securing accommodation in the private rented sector, with applicants being required to repay loans on an interest-free basis over 36 months (thereby recycling the budget to enable others to benefit from the scheme in the future)
- The appointment of an experienced external company to undertake statutory homelessness reviews, to free-up senior officer time
- The appointment of an external organisation to provide specialist services to rough sleepers in the District, following the withdrawal of similar funding from the DCLG.

Proposed Pilot Scheme for the provision of modular accommodation for single homeless people

The Leader and I, together with the Chief Executive and senior housing officers, recently visited a local company, based in our District, that provides modular temporary accommodation for homeless people (often referred to as homelessness pods), which a number of other councils are using (the closest to us being Chelmsford CC).

Although they look and have a similar size to shipping containers, they are of a different construction, provide good level of insulation that meets current Building Regulations, have flexible internal configuration arrangements with the provision of carpets and white goods and, of course, have doors and double glazed windows. All of us who visited the company's Show Pod were impressed with the quality and flexibility of the accommodation, which is not unlike the chalets provided at Norway House, the Council's Homeless Persons Hostel in North Weald.

I have therefore asked officers to investigate the feasibility of undertaking, in the first instance, a small Pilot Scheme in the grounds of Norway House to provide around 3 pods and a storage unit, stacked two-storied, to provide temporary accommodation for 6 single homeless people who would otherwise be accommodated in bed and breakfast accommodation, at a cost to the General Fund of around £8,280 per year per person (which is the reduction in housing benefit subsidy that we receive from the Government as a result of accommodating housing benefit recipients in bed and breakfast accommodation).

There are a number of issues to consider for the proposed Pilot Scheme, but I know that officers are making good progress and I intend to come forward with a report on the Pilot Scheme to an early meeting of the Cabinet.

Careline Monitoring Service

Also at its meeting on 21 November 2016 the Communities Select Committee considered a detailed report from the Director of Communities on the following options for the future delivery of the Council's Careline Alarm Monitoring Service.

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

The Review followed the expansion of the Careline Monitoring Service over a number of years, with an increasing number of private sector connections and advances in technology, which are starting to cause complex management and operational issues. There have also been difficulties experienced with recruiting staff, which has led to additional pressures on existing staff that have had to cover. The costs 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, were also considered.

Following detailed consideration, the Committee concluded that the best option to recommend to the Cabinet for the future delivery of the service and for benefit of service users would be for the Monitoring Service to be outsourced to an external provider following a competitive tendering exercise.

At its meeting on 2nd February 2017, the Cabinet agreed with the Select Committee's recommendations and arrangements are now being made to undertake a tender exercise to outsource the Service.

Stage 1 Further HRA Financial Options Review

As I explained in my report to the last Council Meeting, following the Financial Options Review for the Council's Housing Revenue Account (HRA) undertaken by the Finance and Performance Management Committee in 2015, and as a result of the ongoing delays in receiving any guidance from the Government on the proposed arrangements for the required sale of higher value empty council properties to fund the proposed payment of a levy to the Government, I have asked the Director of Communities to arrange for Simon Smith, our HRA Business Planning Consultant, to provide members with HRA Financial Option Review Reports in two stages, as follows:

Stage 1 – To be based on what we know now and, in particular, to make decisions on the future approach to our Council Housebuilding Programme; and

Stage 2 – When the CLG 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.

The Draft Stage 1 Report has now been received, which is currently being reviewed by officers for accuracy. Once finalised and I am happy with the report, as previously requested by the Cabinet, the Communities Select Committee and the Tenants and Leaseholders Federation will be consulted on the Options Report, prior to it being considered by the Finance Cabinet Committee at its meeting on 30th March 2017 - for decisions to be made for the long-term.

Responding to the funding cut by Essex County Council for the Council's Caring and Repairing in Epping Forest (C.A.R.E) Service

In November 2016, Essex County Council announced that it no longer intends to provide funding for Housing Related Support (HRS) services. As well as affecting the Council's Careline and Scheme Management Services, this announcement also affects C.A.R.E. (Caring and Repairing in Epping Forest), our in-house home improvement service.

ECC has been part-funding C.A.R.E. since 1991 and currently provides £51,000 per annum towards the service.

The majority of C.A.R.E.'s work is to provide services to residents in our District with care and support needs to enable them to live independently - such as helping them with applications for Disabled Facilities Grants (DFGs) to adapt their homes for family members with disabilities. Last year, C.A.R.E. provided a service to support 900 residents of the District that own their homes or are private tenants.

One option of meeting the County Council's funding withdrawal would have been to fund the shortfall from the General Fund. However, I was not prepared to consider this option, since it would increase the burden on all council taxpayers. Another option would have been to increase the fees charged to C.A.R.E service users. However, I felt that the increase in fees that would have been necessary to fund the shortfall, which would have more than doubled in the case of DFGs (from 15% to 32%), would have been unreasonable.

Therefore, the recommendation I made to the Finance and Performance Management Cabinet Committee at its last meeting in January, which I am pleased to report was agreed by the Cabinet Committee, was that the funding shortfall should be "top-sliced" from the Better Care Fund, which all local authorities receive to help fund DFGs, and cannot be used for any other purpose than to support the delivery of DFGs.

The DFG element of the Council's Better Care Fund allocation is £665,000 for the current year and we have been advised to expect a similar amount for 2017/18. As this amount should be more than sufficient to meet the demand for DFGs next year, the agreed approach will enable C.A.R.E. to continue to provide their valuable services to local older residents, at no additional cost to them or council taxpayers.

Housing Strategy 2017 - 2022

The Council's current Housing Strategy was adopted by the Council in 2009. The purpose of the Housing Strategy is to assess the District's current and future housing needs and set out the Council's approach to meeting those needs.

It was originally anticipated that the Housing Strategy would cover a three-year period, and would therefore be updated during 2012 to cover the following three years. However, much of the Housing Strategy relates to the provisions within the Local Plan which, until recently, has been delayed for a number of years.

Now that the Draft Local Plan was approved by Council towards the end of last year, it is now necessary for a new Housing Strategy to be produced to cover the next few years - which I am proposing should cover the 5-year period 2017-2022 - with the continuation of the production and monitoring of Annual Key Action Plans.

The Director of Communities has therefore set up a small Housing Strategy Project Team of officers to produce a new Draft Housing Strategy. In accordance with its Work Programme, it is my intention, in the first instance, to ask the Communities Select Committee to consider the Draft Housing Strategy at its meeting in March 2017, prior to undertaking a consultation exercise with a range of partners, key stakeholders and the public.

Following this consultation exercise, the final version of the new Housing Strategy will be considered by the Cabinet, prior to adoption by the Full Council, as required by our Constitution.

Although much has changed since the current Housing Strategy was originally produced, I think the basic approach and format has worked well - which I am therefore proposing to generally adopt for the new Housing Strategy.

Report to the Council

Subject: Leisure & Community Services

Date: February 2017

Portfolio Holder: Cllr Mrs Helen Kane

Item:

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

Community Services

I am pleased to report on a very wide range of activities, projects and initiatives delivered by our Community Services Team in recent months.

Community Health and Wellbeing

MiLife

I was delighted to attend the pilot of this exciting new emotional and mental health and wellbeing project that was developed by our Youth Councillors, with the support of our staff and colleagues from the voluntary sector and Health. The project has now been delivered in St John's, Epping and Davenant School and the remaining five secondary schools are all now on board for the project to be delivered to their pupils.

I am delighted to advise Council that, following her attendance at a recent Youth Council meeting, the High Sheriff of Essex has recommended the MiLife project for a National Crimebeat Award, based on the success that the initiative is having on building confidence and resilience amongst our young people. In addition, the Council's clinical partner, the North East London NHS Foundation Trust (NELFT) has been so impressed with the project that they are in the process of creating a digital platform for the resources to be profiled universally. NELFT will arrange and produce the filming and development of the MiLife roadshow in digital format and host the associated videos on their 'My Mind' website.

These are both fantastic accolades for this innovative model of best practice, which was an initial idea from our last cohort of Youth Councillors.

Dementia Friends Awareness Programme

As part of our plans to address the needs of an ageing population following the study that we conducted in 2016, our teams are working hard to deliver Dementia Friends awareness events across the district, to a variety of groups and individuals. We now have a small cohort of staff within our Community, Health & Wellbeing Team that are trained in delivering 'Dementia Friends' and they have recently delivered sessions in Braeside School, Buckhurst Hill, at the Reuse Centre in Epping and at the Epping Forest District Museum in Waltham Abbey, signing up 176 new Dementia Friends. This work also forms part of the work linked to the District's Dementia Action Alliance.

Food in School Holidays (FISH)

To meet the increasing needs of some of our local families, we have been working in partnership with Loughton Food Bank and Spurgeons (Children's Centre operators) to facilitate the Food in School Holidays (FISH for short) initiative. This included provision of a hot Christmas lunch on 22nd December, for families identified as being in need, on the Limes Farm Estate. We prepared the lunch at The Limes Centre and each family also received a Christmas food parcel funded via the Winter Warmer Fund and a wrapped Christmas

present. Our Epping Forest project was one of only three FISH projects that took place nationally.

Epping Forest Digital Inclusion Project

Following local community needs assessments, a Digital Inclusion programme is currently being piloted in three areas across the district; Chigwell, Ongar and Waltham Abbey. Funded via the Epping Forest Housing Providers Fund, the project offers residents free computer training, facilitating further access to services, jobs opportunities and money saving solutions. With many organisations and agencies now requiring residents to apply on line for their services, the project aims to up-skill families in order to enable them to complete online forms.

Museum Heritage and Culture

Arts Council England (ACE) Resilience ‘No Borders 1’ Project: Work is well underway with the ACE Funded project to improve sustainability of our Museum, Heritage and Culture Services, with the £272,000 investment from ACE. No Borders, which is consortium project with Broxbourne and Chelmsford Councils, has two key priorities and these are to develop and improve commercial operations across the areas, and to establish two Development Trusts, which will operate in parallel to the operational management of the Museum facilities, in order to secure external funding that is not accessible by local authorities.

Winckworth Sherwood (WS), specialist Legal Consultants, have been appointed to undertake all of the preparation and legal work associated with the Trusts, and a Commercial Manager has been recruited, to produce and implement a five year commercial strategy for the Museums Services. Recruitment of a fundraising Manager, who will work with WS in setting up the trusts and developing a five year fundraising strategy, has now been commissioned to a specialist agency The Charity People, following difficulties in attracting candidates with the required level of knowledge and expertise.

The ACE funding has also enabled the appointment of an Engagement Officer, whose main focus will be to introduce new audiences to the Museums’ services and particularly people who are currently under-represented.

No Borders 2: At the same of rolling out the ACE Resilience Project, the Museum, Heritage and Culture team has been extremely busy with colleagues from Chelmsford, in collating information and ideas for another Arts Council England funding opportunity, to become a National Portfolio Organisation. If successful, this will see the tripartite partnership awarded National Portfolio status, with an investment of around £250,000 in each of the four years from 2018 – 2022. The Business Plan that has been developed for the application contains work to build on the Resilience project which finishes at the end of March 2018 and a range of new initiatives to develop models of best practice in arts and museum services across the partnership and further afield. The final application was submitted in the first week of February and we will find out if we have been successful, in June. If so, we will need to submit our Business Plan in December.

Pulham Exhibition: Through our management of Lowewood Museum on behalf of Broxbourne Borough Council, we were successful in securing around £85,000 funding for a special exhibition on the Pulham’s of Broxbourne ‘Brox Rocks’, which was launched on 3rd February. The exhibition displays some of the excellent stone work produced by this famous company and is very well worth visiting, along with the restored Pulham Monument in Broxbourne.

Dance programme: Over the last year, our Dance Engagement Officer has developed a fantastic schools assembly and after school programme, through delivering and training other staff to provide health and wellbeing dance sessions across our local schools and communities. Over 13,500 children have taken part in this exciting programme during the last 12 months, which has encouraged them to be more active and has helped to build confidence and self-esteem. We have also piloted a range of seated dance classes for older people and this has led to a demand for regular sessions, which will be held in Loughton and Waltham Abbey. It is planned to develop the programme even further if successful in attaining NPO status.

Leisure Management Contract

Members will be aware that the new Leisure Management Contract to Places for People Leisure Management Ltd was awarded by Full Council in December 2016. The contract will deliver considerable revenue savings to the Council over the 20 year period and see the construction of a new Leisure Centre at Hillhouse, Waltham Abbey (subject to Planning) and refurbishments to the other Centres. The handover arrangements are underway with the outgoing contractor SLM, and Council Officers are working with the two Contractors to ensure that the transfer of management responsibilities is as smooth as possible.

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Report to the Council

Committee: Cabinet

Date: 21 February 2017

Subject: Planning Policy

Portfolio Holder: Councillor J Philip

Recommending:

That the report of the Planning Policy Portfolio Holder be noted

Local Plan consultation and next steps

The Council received approximately 3,300 individual responses to the consultation on the Draft Local Plan. Of these approximately half were received via the online questionnaire, about 200 via hard copy questionnaire, and the remainder a mixture of letters and emails. These have all been inputted into the system and are being classified and analysed. A summary report setting out high level findings from the consultation (including key issues raised) will be on the agenda for the 9 March Cabinet meeting. Further more detailed analysis on an area basis will then be undertaken and will form the basis of a further report.

Following consideration of the comments received in response to the Draft Local Plan consultation, the next stage will be to prepare a plan for publication and to publish it under Regulation 19. As part of this process officers have established a Developer Forum alongside the progression of the Draft Local Plan to provide a basis for ongoing discussions with relevant landowners, site promoters and stakeholders. It is important that the Council liaises closely on an ongoing basis with relevant landowners and promoters of the sites proposed for allocation within the Draft Local Plan, and with other stakeholders as required in order to demonstrate that the Local Plan is 'effective' and that the allocations in the Local Plan will be viable and deliverable, and therefore meet the 'tests of soundness' at Examination-in-Public. Consideration will be given to the use of planning performance agreements on the larger sites to help support the process as a project management tool to set a framework and timetable for masterplanning and other work which will need to be undertaken before the examination of the plan. The next meeting of the Developer Forums is scheduled for 24 February 2017.

Evidence to support the Local Plan

Other evidence base work to support the development of the Pre-Submission Publication Plan is underway as follows:

1. Playing pitch, open space and indoor facilities study – this work is being undertaken by 4 Global to ensure that the Council has up to date information to inform the Infrastructure Delivery Plan
2. Transport modelling work – Essex County Council as Highways Authority will be appointing Ringway Jacobs to undertake further transport assessment work to undertake detailed modelling on all the sites proposed for allocation in the Draft Local Plan and to determine any necessary mitigation measures

3. Employment land supply update – this is in order to update the baseline supply information for B class uses which was last assessed across the District in 2010 in order to understand whether existing employment sites should continue to be allocated. Alongside this we will also be undertaking work to understand the need for further allocations in order to inform future site selection work.
4. Site selection work – further site selection work will be undertaken to assess the employment sites, new residential sites and take account of comments made during the consultation
5. Development of a detailed Infrastructure Delivery Plan to identify the infrastructure requirements and funding arrangements to support the proposed site allocations across the District

Local Plan Programme

Officers are currently reviewing the Local Plan programme in conjunction with the timelines for the completion of the above work and if necessary the Local Development Scheme will be updated.

Garden town bid

Members will be aware that the Council was successful (together with East Herts and Harlow Councils) in securing £500,000 Garden Towns funding from DCLG for the Harlow and Gilston Garden Town to support the delivery of strategic sites in and around Harlow. This includes the four strategic sites to the South, West and East of Harlow in this District. A joint delivery team is being established with EFDC as the lead authority and the post of Project Director is currently being recruited.

Report to the Council

Committee: Cabinet

Date: 21 February 2017

Subject: Safer, Greener & Transport

Portfolio Holder: Councillor G Waller

Recommending:

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

Community Safety

CCTV at Limes Farm

CCTV has now been installed within the Green Block accommodation at Limes Farm, including cameras in each of the lifts and a number plate reading camera positioned in the central car parking area of the block. In total, there are 32 cameras, with remote access from the Civic Offices in Epping for viewing. The CCTV team is now in the process of planning the separate ANPR (automatic number plate recognition) system that will capture registration plates of all cars coming on to the Limes Farm Estate, with information held on a database for a period of six months. Planning permission has already been granted for the column to be installed, and it is hoped that this work will be completed by the end of March.

North Weald Play Park

As part of ongoing work to assist local Town and Parish Councils, the CCTV team have responded to a request for CCTV coverage at a play area in North Weald. A local parents' group raised £10,000 to provide funding for camera coverage of the park and immediate location, which is a rural site that is not overlooked. The system will include three cameras which can record in very dark environments, thus providing security for both people and property. A Service Level Agreement is currently being drawn up with North Weald Parish Council for the management of the CCTV system, and groundworks will then commence.

CCTV and fly-tipping

There have been several successful actions against fly-tipping perpetrators, where the footage from the Council's CCTV cameras has been used in evidence. These include a £200 Fixed Penalty Notice for tipping of green waste at the rear of the factory shop in Debden, a £150 fine and costs for fly-tipping in the Broadway area near a charity shop and a fine of £140 plus £375 costs for fly-tipping on the Springfields estate in Waltham Abbey.

CCTV secures convictions

There are two further instances where the Council's CCTV systems have provided evidence to secure criminal convictions. In one case an individual was given a suspended prison sentence for Actual Bodily Harm and in another, a male was given a sentence of five years in prison and a further five year disqualification for dangerous driving and a number of burglaries.

CCTV decommissioning

Following consideration of the views of Waltham Abbey and Loughton Town Councils and those of members of the Communities Select Committee, whom I consulted in advance, I decided that CCTV systems at the Upshire shops and Oakwood Hill estate should be decommissioned and removed. This was based on the Council's CCTV Strategy agreed by Cabinet in December 2015 and the CCTV Code of Practice.

Social Media & CCTV

The CCTV team is proposing to stream its own Twitter account for the Council's CCTV, a project that is currently being investigated with the intention of linking with the Essex Police Twitter page.

Crime Prevention

As a result of recent police re-structuring, the local Crime Prevention Tactical Advisor (CPTA) will now be based in the Council's Community Safety office at least one day per week. This has come about following a change in responsibility for areas responsible for crime prevention, which has seen a reduction from three officers to two in our Local Policing Area, with the CPTA now covering Epping Forest and Harlow. To assist with this geographical change, the CPTA will hot-desk on a more regular basis from Epping, and a bid for additional resources and equipment is being submitted to the Office of the Police and Crime Commissioner.

This re-structure has already had a positive outcome for the district, with police recently requesting an urgent Safe House / Sanctuary assessment for a very high risk domestic abuse victim. The CPTA, working with Community Safety, housing repairs and Essex County Fire & Rescue Service, were able to undertake this at very short notice and, with an excellent response from the Council's repairs team, were able to assess and install a safe room and additional security measures within two days. All services worked together in a professional and co-ordinated way, providing a first rate level of service delivery. The success of this work has been recognised by Essex Police, who want to promote it as an example of 'best practice' across the rest of the county.

Crime Analysis

Essex Police have now recognised the need for greater analytical support for Community Safety Partnerships, as previously provided by the analyst hosted and managed by the Council's Community Safety team on behalf of the West LPA. As a result, the police have created three new analyst posts and have now taken charge of their management, although we still continue to be provided with excellent support from our analyst who, despite being transferred in September, still hot desks in the Council's Community Safety office. The Council's ICT team have full wi-fi access to the police systems from the Civic Offices and any other Council buildings.

Airwave Radio

There is now a police Airwave radio base station located in the CCTV office. This enables direct communication with the Essex Police control room in times of emergency or urgency. The system is hardwired into the office, and the licence was only granted because of the office's robust security and the vetting status of all staff. The CCTV team have been fully trained in its use, and the system has now gone live.

Anti-social Behaviour

The Community Safety office is the point of contact for the Council in nominating anti-social behaviour (ASB) cases that may benefit from mediation offered by the Restorative Justice Team funded by the Police and Crime Commissioner. To date, four cases have been assessed by the team and all referred successfully. In each case that has been dealt with, mediation has had a positive effect in either resolving ASB issues or reducing the level of reporting of low level nuisance.

Essex Police Award

I am delighted to advise members that the Council's Community Safety Manager and volunteer Crime Prevention Assistant were formally recognised for their efforts in a ceremony held at Essex Police Headquarters on 31 January. Presentations were made by Lorna Rolfe, the High Sheriff of Essex, Jane Gardner, Deputy Police and Crime Commissioner, and Maurice Mason, Essex Police Assistant Chief Constable. ACC Mason presented the certificates acknowledging the commitment of both officers to working in partnership with Essex Police.



Community Safety Manager Caroline Wiggins (on behalf of Tony Ellis) and officer Paul Gardener with Assistant Chief Constable Maurice Mason

Senior Safety Day

A date has been set for our special Senior Safety Day, which will be held on Wednesday 22 March at the Loughton Club, Station Road, Loughton. This public event will enable some of the district's senior residents to access information relating to safety in and around the home. It will include informative talks from agencies such as Trading Standards, Essex Police and Essex County Fire & Rescue Service. There will be a wide variety of information stands, and the day will conclude with a musical called 'Scam Busters' which raises awareness of postal and phone scams and how to avoid falling prey to these.

Safeguarding

Our team continues to receive a very high number of safeguarding referrals, relating to people of all ages and family relationships. In the last month, numerous adult cases have arisen, many of which are complex and take considerable time to work through. One of the main issues that can hinder intervention in adult cases is difficulty in engaging the local Mental Health Team to undertake Mental Health Assessments. Recently, this has resulted in our staff needing to challenge decisions taken by colleagues in Health and Social Care,

and in all cases to date agreement has been reached that professional intervention is needed.

<i>Total no. of concerns received by the Safeguarding Team for this period:</i>	33
No. of children-only concerns (where children were victims):	4
No. of adult-only concerns (where adults were victims):	22
No. of concerns that involved both (adult and children were victims):	7
Total no. of children involved:	23
Total no. of adults involved:	35

Most of the referrals in January have related to mental health and self-neglect and hoarding. As this has been a trend over the last year, the Council's housing teams are piloting new work to address these issues in conjunction with a charity specialising in this work.

Countrycare

Since my last report, Countrycare have laid hedges at Swaines Green and Norton Heath, and in addition to the usual volunteer tasks, the team has undertaken paid-for tasks at Sheering Copse and Lambourne Woods. Countrycare last worked in Lambourne Woods in 2012 but stopped due to lack of funding from Essex County Council. ECC has since found a budget to renew the relationship with Countrycare, who hope to work there more frequently in the future.

The regular volunteer tasks took place in Abbots Wood, Waltham Abbey, Home Mead, Loughton, Bobbingworth Nature Reserve, and three days in Chigwell Row Wood where Countrycare have been 'haloing' around the veteran oaks to reduce competition from other flora and to give them a better chance of survival.

In January I joined a group of seven people from the Green Infrastructure team, tree planting at Roding Recreation Ground. We planted a hedgerow next to the garages near Cranleigh Gardens to help prevent the garages being covered in graffiti. The work was commissioned and paid for by Loughton Town Council.

Before Christmas, a copse was vandalised at Thornwood Common Local Nature Reserve. This was an excellent bird nesting habitat and the damage constituted a major loss. Despite best efforts, it could not be determined who had taken this action. It is hoped that the stumps left will regenerate, but to help boost the area 150 young trees have been purchased by Land Drainage and will be planted in February by Countrycare volunteers.

To help boost Countrycare's profile in the district and to aid in advertising events, a new Facebook page has been launched. Photos, environmental information and events will be posted on the page, and it is hoped that it will gain a good following.

Trees and Landscape

Officers have been seeking ways to bring increased funding into the district to help secure the future of the countryside as a resource to enjoy, while not losing its essential nature as productive farmland. We will take one of the key ideas in the draft Local Plan - a connected and accessible green infrastructure network across the district - and engage with a wide group of partners to seek ways of bringing it about. Under my chairmanship, we are now

establishing a Green Taskforce with that objective, working under the banner of One Epping Forest. A range of potential projects will be explored, including boosting economic activity across the district by increasing tourism, using the district's wealth of green infrastructure as our unique selling point.

Parking

Off Street enforcement

Mobilisation of the NSL Limited contract for enforcement and associated activities in the Council car parks is progressing well. The new arrangements will commence on 1 April 2017, and I shall be presenting a report at the March Cabinet seeking approval of the various policies required to manage the new arrangement.

Loughton Broadway Parking Review

The first phase of the review consists of addressing the parking issues at eight locations that are experiencing severe parking problems, often due to inconsiderate commuter parking. Traffic Regulation Orders for the following will be advertised shortly: Oakwood Hill Road, Oakwood Hill Industrial Estate, Honeycroft, Lenthall Road, Rectory Lane, Chigwell Lane, Colson Road and Torrington Drive.

Nomination of parking schemes for restrictions at NEPP

Each member of NEPP can nominate three minor parking restriction schemes twice a year, in addition to an unlimited number of resident parking schemes, subject to their having majority resident support.

At the next meeting of the North Essex Parking Partnership (NEPP) in March, and subject to favourable outcomes resulting from current consultations with members and town and parish councils, I shall nominate three of the following schemes: Abridge Road, Theydon Bois, Stradbroke Grove/The Meadway, Buckhurst Hill, Tidys Lane, Epping, Stonnards Hill, Epping and Lower Swains, Epping, dependent on which of them receive support.

A consultation is also being carried out for resident parking schemes at: Milton Street, Waltham Abbey, Ivy Chimneys Road and Lincolnsfield, Epping.

I would urge members to respond to the consultation being carried out by the Car Parking team.

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Report to the Council

Committee: Cabinet

Date: 21 February 2017

Subject: Technology and Support Services

Portfolio Holder: Councillor A Lion

Recommending:

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

Support Services

Apprenticeship Scheme

I am delighted to report that all the Council's Business Administration Apprentices have now completed and successfully passed their qualifications. This means we have a 100% success rate for this cohort of our Business Administration Apprenticeship Programme, something we should be extremely proud of. Members may be interested to note that the national average success rate for apprenticeship passes is around 68% and falling. Additionally, it means that those in the cohort who left school without either a Mathematics or an English Grade C GCSE (or both) have had the opportunity to work towards this.

I can also inform Members that a number of apprentices have been successful finding employment with the Council which include a 6 month contract on the ICT Service Desk and hopefully a position leading to a permanent role, a Finance Assistant in Accounts Payable and a Council Tax Assistant following a recent placement within this service area.

Officers will be looking at recruiting 9 Business Administration and 1 Construction apprentices for the new cohort in the Spring, with a view to starting in September 2017. We already have a list of names to contact following the success of the Careersfest evening organised by the apprentices.

The Careersfest is an annual event organised by Epping Forest College, who invite local and national employers, other colleges and apprenticeship providers to provide information to students from the six secondary schools in Epping Forest together with the College's students.

Members may be aware that, unfortunately Epping Forest College received a Grade 4 which is classed as 'inadequate' during their recent Ofsted Inspection and are not able to provide apprenticeships under the new Levy changes starting this April 2017. We will be working with Havering College to provide training and support for our new cohort.

HR/Payroll System

Officers of the Payroll section have now successfully produced two months staff payroll runs from the new I-Trent system. The changeover has been made with minimum disruption and has operated very smoothly. This has been achieved with significant investment in planning the implementation, they have worked extremely hard to put this part of the system together and I would personally like to thank them for their contribution.

Work is on-going to ensure that all necessary data is on the system before implementing Phase 3 which will involve self-service for staff, managers and Members.

Facilities

Redecoration of common and public areas is currently ongoing around the Civic Offices by the Works Unit decorators.

A programme of planned maintenance on underground drainage systems is now well underway which includes jetting pipes, emptying road gullies, catch pits and petrol interceptors. This work has been completed at the Civic Offices and is taking place around various other operational and commercial assets over the next couple of months.

FM services engineers have written and issued tender documents for a range of essential maintenance contracts including water hygiene, lift servicing and heating and hot water installations at sheltered housing complexes. These works were included in the updated maintenance programme approved by Cabinet in November 2016.

Technology

The rollout of Multi-Function Devices Printers (MFD) to remote sites is now complete except for the Broadway, which is subject to a further site survey. Usage of the MFDs to date is in excess of 100,000 printed sides and they have proven to be reliable and very capable already. Member training on the use of MFDs for copying will be offered shortly.

ICT have ordered a Corporate Project, Program and Performance Management system. This system will streamline how we manage projects and performance and support the Transformation team. Implementation of the prototype is planned for February for a prospective April go live.

Orders have also been placed for a new Corporate Bookings system, initially supporting Community Services, but for later extension to other areas of the Council. The rollout of the system is proposed to begin in March to allow bookings to be taken for Children's Easter Holiday activities, however the full capability of the system will not be realised until the autumn dependent on an upgrade of the Council's Cash receipting system.

Work is in progress on the Prototype corporate Customer Relationship Management system and also on the migration of our corporate online forms solution (Achieve Forms) to the latest version to integrate fully into this platform. Handover of the prototype to the Customer Service Manager is planned for early March.

The Geographical Information System (GIS) team are currently completing the final steps of the Council's migration from MapInfo to the ESRI ArcGIS Platform. MapInfo and ArcGIS are GIS software solutions for editing, viewing, printing and sharing maps. From the 1 April all GIS systems in the Council will be viewed, edited and shared in the ArcGIS platform. This move will allow them to utilize the full potential of the ESRI Platform to support the gazetteer, data analysis, automation, mobile working and sharing with contractors/partners. Savings will be made on licensing MapInfo and reduced hardware requirements for light users.

In November 2016 our GIS Officer became the Council's first Civil Aviation Authority (CAA) qualified Unmanned Aerial Vehicle (UAV) pilot. Following this qualification we were able to apply for a CAA Permission for Commercial Operations licence, which we received in January 2017. They have been in discussions with major stakeholders in Planning Enforcement and Housing and flights are due to begin week commencing 6 February, weather permitting.

Advice has been published on the Councils website for residents regarding the UAV. <http://www.eppingforestdc.gov.uk/index.php/residents/crime-and-safety/unmanned-aerial-vehicle-uav>

Internal information regarding the booking process, will be published on the Council intranet this week.

Superfast Broadband High Speed Internet

The Rural Challenge Project to deliver ultrafast broadband to rural parts of the district continues to make progress. Over 195km of network has now been built with in excess of 2,800 connection pots installed at the property edges, of which approximately 2,000 are live and ready for service. Five cabinet areas in the district are now completely built out and live with a further five cabinet areas in the process of being built. This will leave two further cabinet areas to be built and the entire network is due to be completed by October 2017.

Smart Place Agenda

An inaugural meeting of the Epping Forest Smart Places steering group has recently taken place involving Officers from Epping Forest District Council and Essex County Council. A number of potential smart initiatives addressing new ways of delivering services, and opportunities to exploit existing infrastructure were discussed. Applications included intelligent streets using lamppost technology, older people living well and independently in their homes, facilities for our own staff and businesses. It is planned that these and other initiatives, potentially involving both private and public sector partner will be explored at an Epping Forest District Smart Places Summit early in 2017. I am pleased to report that Economic Development and Partnership Manager (Interim) one of our key Officers has been asked to jointly lead a session with Microsoft at the forthcoming Essex County Council, Smart Essex Summit at the BT Tower in London.

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Report to the Council

Committee: Cabinet **Date:** 21 February 2017
Subject: Pay Policy Statement 2017/18
Portfolio Holder: Councillor A Lion (Technology & Support Services)

Recommending:

(1) That the attached Pay Policy Statement for 2017/18 be approved.

1. The Localism Act 2011 requires the Council to publish a Pay Policy Statement setting out details of its remuneration policy, and specifically including the Council's approach to its highest and lowest paid employees. The Council's Pay Policy Statement was first published on the Council's website in March 2012, and is updated on an annual basis.

2. 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.

3. The Act defines remuneration in broad terms and guidance suggests that it is to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments. The Council's Pay Policy Statement for 2017/18 has also been amended to reflect the Returning Officer fees paid in 2016/17.

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

5. 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.

6. We recommend as set out at the commencement of this 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>	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
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)	Paula Maginnis, Assistant Director - HR
Date of authorisation:	20/01/2017
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	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.

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

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

Returning Officer – 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.

Report to the Council

Committee: Cabinet **Date:** 2 February 2017

Subject: Surrender of Lease and Renewal – Glyn Hopkin, Brooker Road/Cartersfield Road, Waltham Abbey

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

Recommending:

That a supplementary Capital Estimate in the sum of £990,000 be approved for the payment to Glyn Hopkin for the surrender of their existing lease at Brooker Road and Cartersfield Road in Waltham Abbey and funded from the premium for landlords consent from development at the former Golden Lion Public House, Loughton.

1. Glyn Hopkin Ltd (GHL) operates a motor car dealership located on the corner of Brooker Road/Cartersfield Road in Waltham Abbey. Negotiations have been underway with their representatives for the surrender of their existing lease and the terms of a renewal. The current lease expires on 29 April 2068.
2. Glyn Hopkin Limited is to surrender to the Council the current lease dated 30 April 1969 in consideration of a payment of £990,000 (Nine hundred and ninety thousand pounds), to be paid by the Council to Glyn Hopkin on completion of the surrender.
3. Immediately following completion of the surrender, the Council is to grant to Glyn Hopkin a new Lease of the whole of the premises demised by the existing Lease dated 30 April 1969. The principal terms of the new Lease were reported to, and agreed by, the Cabinet at its meeting on 2 February 2016. However, it should be noted that the new lease would be for a term of 25 years, and the initial ground rent would be £201,000 per annum for the first five years with upwards-only rent reviews every five years thereafter.
4. There is no existing provision within the Council's Capital Programme for the proposed payment of £990,000 to Glyn Hopkin and therefore a supplementary estimate is required and requested. The Council has recently benefitted from a capital receipt as a result of negotiations last year to grant landlord consent for the change of use on the former Golden Lion Public House in Loughton. This payment was conditional on planning permission being granted for residential development on the site, which has now been obtained. Therefore, it is recommended that the £990,000 sought to achieve the surrender of the current lease with Glyn Hopkin is funded from this other asset management generated capital receipt.
5. We recommend as set out at the commencement of this 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>	Asset Management and Economic Development – Surrender of Lease and Renewal – Glyn Hopkins, Brooker Road/Cartersfield, Waltham Abbey
Revised / new / withdrawal:	Revised
Intended aims / outcomes/ changes:	Achieve Best Value
Relationship with other policies / projects:	Asset Management Rationalisation
Name of senior manager for the policy / project:	Derek Macnab
Name of policy / project manager:	Director of Neighbourhoods

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>	Purely a financial transaction with no service implications for the Community.

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.		
2.		
3.		

Name and job title of officer completing this analysis:	
Date of completion:	
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)	
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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Report to the Council

Committee: Cabinet **Date:** 21 February 2017
Subject: Treasury Management Strategy Statement 2017/18
Portfolio Holder: Councillor G Mohindra (Finance)

Recommending:

(1) That, after amendment where necessary, the Council approves and adopts the following:

- (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.**
-

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 matters.

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:**

(1.) 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:**

(1.) 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

The View of the Audit & Governance Committee

10. The Audit & Governance Committee considered the Treasury Management Strategy Statement for 2017/18 at its meeting held on 6 February 2017. The Committee noted the Council's arrangements for the management of the risks associated with its Treasury Management activity.

11. The Committee also noted that the Council was a relatively risk adverse local authority, and no problems were currently foreseen with the degree of borrowing that was proposed to finance the Capital Programme in future years. It was the intention for future borrowing to only be undertaken on revenue generating schemes, which would ultimately strengthen both the balance sheet and revenue position of the Council, and this would offset the risk of future reductions in the Council's Revenue Support from Government.

12. Overall, the Committee was content with the Strategy as presented, as it represented a continuation of the prudent approach which had been a consistent theme for the Council's Treasury Management function for a number of years.

Conclusion

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

Equality analysis report

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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:

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- 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 Council

Committee: Cabinet

Date: 21 February 2017

Subject: Budgets and Council Tax Declarations 2017/18

Portfolio Holder: Councillor G Mohindra (Finance)

BUDGETS AND COUNCIL TAX DECLARATION 2017/18

Recommending:

- (1) That the list of CSB growth and savings for the 2017/18 budget (set out in Annex 1) be approved;**
- (2) That the list of District Development Fund and Invest to Save items for the 2017/18 budget (set out in Annexes 2 and 3) be approved;**
- (3) That the revenue estimates for 2017/18 and the draft Capital Programme for 2017/18 be approved as set out in Annexes 4, 5 (a-f) and 6 including all contributions to and from reserves as set out in the attached Annexes;**
- (4) That the medium term financial strategy be approved as set out in Annexes 9 a and 9 b;**
- (5) That the 2017/18 HRA budget be approved on the basis that the contribution to the self-financing reserve continues to be suspended, and that the application of rent decreases resulting in an average decrease of 1% from £97.14 to £96.17, be approved;**
- (6) That the Council's policy of retaining revenue balances at no lower than £4.0M or 25% of the net budget requirement whichever is the higher for the four year period to 2019/20 be amended to no lower than £4.0M or 25% of the net budget requirement whichever is the higher during the four year period up to and including 2020/21;**
- (7) That the report of the Chief Financial Officer on the robustness of the estimates for the purposes of the Council's 2017/18 budgets and the adequacy of the reserves (see Annex 10) be noted.**

Declaration of Council Tax

- (8) That it be noted that under delegated authority the Director of Resources, in consultation with the Finance Portfolio Holder, calculated the Council Tax Base 2017/18:**
 - (a) for the whole Council area as 53,029.2 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended); and**
 - (b) for dwellings in those parts of its area to which a Parish precept relates as set out below and in Annex 7.**

	Tax Base
Abbess, Beauchamp & Berners Roding	217.0
Buckhurst Hill	5,174.3
Chigwell	6,035.6
Epping Town	5,218.1
Epping Upland	405.9
Fyfield	421.0
High Ongar	555.1
Lambourne	870.8
Loughton Town	12,294.8
Matching	428.9
Moreton, Bobbingworth and The Lavers	577.6
Nazeing	2,042.7
North Weald Bassett	2,524.8
Ongar	2,695.6
Roydon	1,307.1
Sheering	1,330.8
Stanford Rivers	356.4
Stapleford Abbotts	519.3
Stapleford Tawney	78.7
Theydon Bois	1,983.9
Theydon Garnon	79.6
Theydon Mount	115.8
Waltham Abbey Town	7,559.2
Willingale	236.2

(9) That the following amounts be calculated for the year 2017/18 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:

- (a) £134,772,924 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;**
- (b) £123,522,590 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;**
- (c) £11,250,334 being the amount by which the aggregate at 9 (a) above exceeds the aggregate at 9 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);**
- (d) £212.15 being the amount at 9 (c) above (Item R), all divided by Item T (the amount at 8 (a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);**
- (e) £3,361,180 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Annex 7);**
- (f) £148.77 being the amount at 9 (d) above less the result given by dividing the amount at 9 (e) above by Item T (8 (a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount**

of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

(10) That it be noted that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the category of dwellings in the Council's area as shown in Annex 8 (to be tabled);

(11) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts in Annex 8 Part B (tabled) as the amounts of Council Tax for 2017/18 for each part of its area and for each of the categories of dwellings.

(12) That in accordance with section 52ZB of the Local Government Finance Act 1992, Council determines that the amount of Council Tax shown at (9) (f) of £148.77 for 2017/18, being unchanged from 2016/17 is not excessive and therefore there is no need to hold a local referendum.

General Fund Budget Guidelines

1. The annual budget process commenced with the Financial Issues Paper (FIP) being presented to the Finance & Performance Management Cabinet Committee on 14 July 2016. This continued the earlier start to the process and reflected concerns over the reform of financing for local authorities and highlighted the uncertainties associated with:
 - a) Central Government Funding
 - b) Business Rates Retention
 - c) Welfare Reform
 - d) New Homes Bonus
 - e) Development Opportunities
 - f) Transformation
 - g) Waste and Leisure Contracts; and
 - h) Miscellaneous, including recession/income streams and pension valuation
2. There is now greater clarity on some issues, but several are subject to consultations and will not be resolved for some time. The key areas are revisited in subsequent paragraphs.
3. In setting the budget for the current year Members had anticipated using £36,000 from the General Fund reserves. This was possible as the MTFs approved in February 2016 showed a combination of net savings targets and limited use of reserves which still adhered to the policy on reserves over the medium term. The limited use of reserves in 2016/17 was not significant as the MTFs at that time was predicting the use of just over £0.38m of reserves to support spending in the following three years.
4. The revised MTFs presented with the FIP took into account all the changes known at that point and highlighted the potential reductions in New Homes Bonus. This projection showed a need to achieve additional net savings of £250,000 on the 2017/18 estimates, followed by £150,000 in 2018/19 and £100,000 in 2019/20 to keep revenue balances comfortably above the target level at the end of 2019/20.
5. Members adopted this measured approach to reduce expenditure in a progressive and controlled manner. The budget guidelines for 2017/18 were therefore established as:
 - i. The ceiling for CSB net expenditure be no more than £13.11m including net growth/savings.

- ii. The ceiling for DDF net expenditure be no more than £0.26m.
- iii. The District Council Tax to continue to be frozen.

The Current Position

6. The overall revenue budget summary is included as Annex 4. The main year on year resource movements are highlighted in the CSB and DDF lists, which are attached as Annexes 1 and 2. In terms of the guidelines, the position is set out below, after an update on each of the key areas highlighted in the FIP.

a) Central Government Funding

7. At the July meeting of the Finance and Performance Management Cabinet Committee Members decided that the offer from DCLG of a four-year settlement should be accepted. There are very few authorities that made a different decision as DCLG has announced an acceptance rate of 97%. Given the existence of the four-year settlement and the previously announced figures it would have been a considerable surprise if the RSG or retained business rates had moved much from the numbers reported in July. There were no surprises on these numbers and the figures in the table below for the Settlement Funding Assessment are consistent with those previously announced.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue Support Grant	2.45	1.53	0.74	0.26	-0.28
Retained Business Rates	3.02	3.05	3.11	3.21	3.32
SFA	5.47	4.58	3.85	3.47	3.04
Decrease £		0.89	0.73	0.38	0.43
Decrease %		16.3%	15.9%	9.9%	12.4%

8. This confirms the bleak picture for the next four years with the SFA reducing over the period by £2.43m or nearly 45%. There has been a lot of talk about full retention of business rates but the reality in the draft figures is disappointing. The table above shows our retained business rate funding increasing from £3.02m in 2015/16 to £3.32m in 2019/20, an increase of £0.3m or 9.9%. During this time the tariff we pay to the Treasury increases by a similar percentage from £10.23m to £11.17m. This lack of any relative improvement in the balance between retention and tariff is disappointing. However, on top of this because our retained business rates exceeds our SFA in 2019/20 we are penalised with an additional tariff that I have shown in the table above as negative Revenue Support Grant. This is a worrying new addition and a disincentive to local authorities to devote resources to economic development.
9. The concept of Core Spending Power was an interesting addition to the draft settlement which set out DCLG predictions on Council Tax and the New Homes Bonus. In doing this some rather brave numbers were used to try and demonstrate that the funding reductions were not as dramatic as the changes in SFA implied. As these are purely theoretical figures and the Financial Issues Paper in July demonstrated how unrealistic they were there seems little point in spending any more time on them here.
10. The Council has not increased the Council Tax since 2010/11 and the Finance and Performance Management Cabinet Committee was very clear in July that the Council Tax will not be increased while the General Fund balance remains comfortably above the minimum requirement.
11. The settlement confirmed the referendum limit for increases in the Council Tax would again be 2%, although, as set out above, this was of little interest to us. A more significant decision was the one not to impose referendum limits on parishes, although this position remains under review for subsequent years. This means if parishes are

- unable to match the reductions in their Local Council Tax Support (LCTS) funding with efficiencies they are still free to increase their precepts.
12. In July the Finance and Performance Management Cabinet Committee decided that, in view of Revenue Support Grant disappearing by 2019/20, the LCTS grant to parishes should also be phased out over this period. It was decided to implement this change in equal steps and the parishes have been informed of the funding they will receive for 2017/18 and 2018/19 before the grants stopping in 2019/20.
 13. The draft settlement included a consultation with 8 detailed questions and, following consultation with the Portfolio Holder, the Director of Resources submitted a response. Unfortunately, as the consultation closed on 13 January, it was not possible to put the draft responses to a Member meeting.

b) Business Rates Retention

14. The figures produced by DCLG are generally rather optimistic, as evidenced by the projections for Core Spending Power. However, one area where we have seen the DCLG consistently under estimate our income is business rates. This is illustrated in the table below.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m	£m	£m
DCLG	2.91	2.97	3.02	3.05	3.11	3.21	3.32
Actual/Est.	2.97	3.64	4.40	4.63	4.50	4.60	4.40
Surplus	0.06	0.67	1.38	1.58	1.39	1.39	1.08
Levy	0.03	0.34	0.24	tbc	tbc	tbc	tbc

15. For both 2013/14 and 2014/15 as the Council was not in a business rates pool we had to pay over half of the income above the DCLG estimate as a levy, in addition to the tariff that had already been paid. This meant payments for these years of £28,000 and £335,000 in addition to the tariff payments of £9.85m and £10.04m. As the Council is in a business rates pool for 2015/16 and 2016/17 no levy should be payable to the Treasury. However, for 2015/16 two of the pool members required safety net funding and so £238,000 was lost to the internal pool levy to support these authorities. Despite this levy the Council was still better off for pooling by £118,000.
16. The table above illustrates that the rate of growth in business rate income has been far higher than DCLG estimated. Part of this divergence may have been caused by the number of adjustments to the scheme after it was constructed. These include the extension of small business rate relief, the capping of inflationary increases and the introduction of retail rate relief. As all of these adjustments reduce the bills that Councils would have issued compensation is paid under what is known as Section 31 grant. This has become so significant now that for 2015/16 revised and 2016/17 it was shown separately in the MTFS. In 2014/15 the Council received over £0.75m in Section 31 grant, this was anticipated to reduce to £0.7m in 2015/16 and £0.4m in 2016/17 due to retail relief coming to an end.
17. Whilst the amounts included in the MTFS exceed those calculated by DCLG they are still felt to be prudent. There is very little growth anticipated after 2015/16 despite the building of the retail park and other known likely developments within the district. Particular caution is needed over the estimates for 2017/18 as this is the first year which will be billed using the new rating list. DCLG have stated that they intend the introduction of the new list, and the associated adjustments to tariff and top ups, should leave authorities no better or worse off. This would be quite an achievement and will inevitably require adjustments in 2018/19 to correct for where estimates have been

wrong in 2017/18.

18. The complexity around the introduction of the new list has been made worse by changes to transitional relief and the appeals system. There are currently two levels of transitional relief but for reasons best known to the DCLG the new list will have three levels. This would have been a challenge even if the change had been highlighted in advance and regulations issued in a timely manner to assist the detailed calculations. The reality was much worse as the change came out of the blue and very late in the day. This has created a situation where the return (called a NNDR1) to DCLG of our business rates figures that we are supposed to submit by the end of January may not be produced in time as the software is still in test. This is the case for all three of the large suppliers of business rates software.
19. This has then been compounded by the introduction of a new system of “Check, Challenge, Appeal” for businesses to use in challenging their bills. It is hoped that in the long term this system will be better for all parties and help reduce the very lengthy delays that are currently experienced. However, the introduction of a new system means we have no past data that can be used to estimate the number of appeals and how they will arise and be dealt with through the life of the valuation list. So 2017/18 is a particularly challenging year for estimating business rates and it is likely that the figures will need to be updated in the summer when the next Financial Issues Paper is considered.
20. Having mentioned the difficulty with new appeals we should not lose sight of the hundreds of appeals that are still outstanding on the current list. Calculating an appropriate provision for appeals remains extremely difficult as there are several hundred appeals still outstanding with the Valuation Office. Each appeal will have arisen from different circumstances and it is difficult to produce a uniform percentage to apply. This is a particular concern as there is one property in the south of the district which has a rateable value approaching £6 million and is currently being appealed. If a full provision was included in our calculations for the owners of this property being completely successful in their appeal there would be a significant shortfall.
21. Based on previous experience and discussions with the Valuation Office a provision has been calculated that is felt to be prudent, but given the size of the financial risk here it is worth mentioning the potential problem. The total provision against appeals is currently close to £5m.
22. The announcement of 100% local retention of business rates was widely welcomed but there are a couple of popular misconceptions to correct. Firstly, 100% retention will not mean an increase in the business rate income we have to spend from £3.3m to £33m. What it actually means is that 100% will be retained within local government and no amounts of either base funding or growth will be paid over to the Treasury. The second myth is that 100% retention will solve funding problems for the local government sector. It has been made clear by the Government that the policy will be fiscally neutral, which means any additional funding will be matched by a transfer of additional responsibilities that have previously been centrally funded. This may not be a good thing as any new responsibilities are likely to be demand led and so will increase if we find ourselves in a recession, which will be the time when business rates funding is reducing. This means that through the reform process local government as a whole will need to try and limit the amount of risk that is transferred and that some form of safety net is maintained.
23. The new system is meant to be in place by 2020/21 at the latest, DCLG had indicated a desire to achieve implementation by 2019/20 but this now looks unlikely. This process is being managed by a Steering Group and five working groups covering needs and redistribution, systems design, responsibilities, accounting and accountabilities and business interests. These groups are a mixture of people from local authorities, DCLG the Local Government Association and various business representative groups. Another consultation is expected early in 2017/18 and when it is issued it will be shared

with Members.

24. It has been mentioned above that the Council is in a business rates pool for 2016/17. Monitoring so far indicates that this should still prove beneficial but we are reliant on the outcomes from the other pool members. The authorities comprising the pool for 2016/17 have indicated they want to remain in the pool for 2017/18. If it becomes evident either through the subsequent outturns for 2016/17 or monitoring for 2017/18 that this Council will not benefit financially from pooling a recommendation will be made not to pool in 2018/19.

c) Welfare Reform

25. When considering the scheme of Local Council Tax Support (LCTS) for 2016/17 it had been feared that reductions in tax credits would increase demand for LCTS. This was a particular concern as it was already predicted that the LCTS scheme would fall short of being self-financing in 2016/17. In order to try and limit the shortfall the scheme was changed significantly for the first time since its introduction with the maximum level of support being reduced from 80% to 75%. Now with no major reduction in tax credits and the introduction of the National Living Wage the trend of reductions in the LCTS caseload may continue and bring the scheme back closer to self-financing. No significant change is being made for 2017/18 to allow sufficient time to understand the consequences of the change for 2016/17.
26. It is worth taking this opportunity to mention one of the other welfare reforms. The Benefits Cap was introduced to limit the total amount of benefits a household could receive in a year to £26,000. The introduction of this cap did not have a dramatic impact across the district. However, the reduction by £6,000 to £20,000 is likely to cause greater changes in people's behavior and working patterns. The lower cap has been phased in across the country during 2016/17 and so far 150 cases in this district have been affected, somewhat lower than the 220 expected. As this has been implemented late in the year, the effects of this change will be more evident in 2017/18.
27. The other major change that has received considerable media coverage is the replacement of a collection of different benefits with a single Universal Credit (UC). Despite delays, confusion and critical reports from the National Audit Office the scheme still continues to progress (slowly). One of the main architects of the scheme was Lord Freud and he surprisingly retired from Government in December after six years as the Minister for Welfare Reform. Inevitably this has led to renewed speculation about the future of UC. The roll out of UC now has a timetable and this district is scheduled for "full service" in September 2018, although there is still no clarity over the process for the migration of our existing housing benefit claims to UC or the role local authorities will perform under the new system.
28. One other aspect of welfare reform that continues is the DWP & DCLG achieving their savings through reducing the grant paid to local authorities to administer housing benefit and LCTS. Following a substantial reduction of £59,000 in 2016/17 we have been advised that the reduction for 2017/18 will be £42,000, which is a cut of over 8%.

d) New Homes Bonus

29. The consultation on the proposed changes to NHB closed on 10 March 2016 and DCLG then kept us all waiting for nine months before announcing the proposed changes as part of the draft settlement. Given the savage nature of the cuts to NHB it would have been helpful to have been told about them more than a month before we are attempting to set a budget.
30. The size of the reductions is best illustrated with the use of tables, so the first table below shows what we had allowed for in the MTFS and the second one shows what we

will now be amending the figures to.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
CSB	2.1	2.1	1.6	1.6
DDF	0.6	0.1	-0.2	0
NHB in old MTFS	2.7	2.2	1.4	1.6
Change in CSB	0	0	0.5	0

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
CSB	2.1	2.0	0.9	0.7	0.2
DDF	0.6	0.0	0.0	0	0
NHB in new MTFS	2.7	2.0	0.9	0.7	0.2
Change in CSB	0	0.1	1.1	0.2	0.5

31. In anticipation of the changes to NHB only £2.1m of the £2.7m received in 2016/17 was included in the CSB and a further reduction of £0.5m had been allowed for in 2018/19. It had seemed quite prudent to allow for a reduction of £1.1m in NHB, however what we now see is a reduction of £2.5m over the period from 2016/17 to 2020/21.
32. The reason for this much larger reduction is the introduction of a baseline of 0.4% for 2017/18. This means that only growth above 0.4% of the taxbase qualifies for NHB, in practical terms this reduces the number of qualifying properties from 241 to 11 or in cash terms the additional NHB for 2017/18 will be £16,000 instead of £320,000. The consultation included the possibility of a baseline at 0.25% so the imposition of this much higher baseline was a nasty surprise. Having a baseline at 0.4% eliminates most of our growth and this is likely to be the case going forward as well, hence the reduction to £0.2m by 2020/21.
33. This larger than anticipated cut seems to have been triggered by the urgent need to provide funds for social care. But it is dangerous to make policy up as you go and figures from the Local Government Association show that 57 (1 in 3) adult social care authorities will be worse off because of the switch in funding from NHB to Social Care Grant. So whilst county councils, who only get 20% of the NHB for their area, will have benefitted from the change most unitary authorities, who get 100% of the NHB for their area, will be worse off.
34. The consultation included a range of other proposals to reduce NHB, the first of which was to reduce the number of years that the bonus is payable for from 6 to 4. This is being implemented with a reduction to 5 years in 2017/18 followed by the full reduction to 4 years in 2018/19. The proposals to withhold NHB from authorities that have not got a Local Plan in place or to reduce payments where planning approval has been granted on appeal have not been introduced for 2017/18 but will be considered again for 2018/19.
35. The consultation included the possibility of protection for authorities that are particularly adversely impacted by changes to NHB, but the settlement did not allow for any transitional funding. It is still possible that the final settlement may provide some relief but to be prudent no additional support has been anticipated in the MTFS.

e) Development Opportunities

36. The construction of the retail park is now progressing well, although there are still

issues with the highways department at Essex County Council (ECC) causing delays. These issues are being addressed with ECC by the project managers (Whyte, Young & Green) and the external solicitors (Beechcrofts). Negotiations are also continuing with potential tenants and indications are that the projected rent levels should be achieved and the budgeted allowance for tenant incentives will not be exceeded.

37. Our professional advisers have stated that an annual rental income of £2.7m is achievable. The MTFs includes a prudent view, reducing this to £2.2m to allow for any shortfall, management costs and interest. No change in assumptions has been made at this stage as any changes now would inevitably require further amendment later for the better information on rent levels and the opening date.
38. Progress has finally been made with the mixed use re-development of the St Johns area in Epping. The land acquisition from ECC took much longer than anticipated but was concluded in December. It is also worth mentioning the former Winston Churchill pub site which is progressing well and in which we have retained an interest in the ground floor retail element. The income from this interest is anticipated to be approximately £350,000 and should commence in 2018/19. Other possibilities are being evaluated as part of the Local Plan process.
39. Delays in the new housebuilding programme and the development schemes should mean that it is possible to finance the capital programme in 2016/17 without any additional borrowing. However, this will not be possible for 2017/18 and going forward we will need a different way of thinking as capital will no longer be freely available and borrowing costs will be a key part of any options appraisals.

f) Transformation

40. The target of £100,000 of savings has been achieved but as the savings have been generated across the Council they are reflected in the estimates for the relevant area and not grouped together in one place. There are many transformation projects underway that will continue on into 2017/18 and beyond. To keep Members informed an updating report is made to every meeting of the Cabinet. The key accommodation review is well underway and a report is scheduled for Cabinet in March to determine the future of the current civic office site. Strong progress has also been made with the work on customer contact and this has the potential to significantly change the structure and working practices of the Council.
41. As part of the revised estimates for 2014/15 Members created an Invest to Save budget of £0.5m. This fund is intended to finance schemes which can produce reductions to the net CSB requirement in future years. This fund has proved popular with Members and officers and the number of ideas generated means it is necessary to allocate additional funding of £0.2m in the 2016/17 revised estimates. An update on how the various schemes are progressing was made to the November meeting of the Finance and Performance Management Cabinet Committee.

g) Waste and Leisure Contracts

42. Two of the Council's high profile and high cost services are provided by external contractors, Biffa for waste and SLM for leisure. Following an extensive competitive dialogue procedure Biffa took over the waste contract in November 2014. The contract hand over and the first six months of the new service went well. But in May 2015 the service was re-organised on a four day week basis and considerable difficulties were encountered.
43. The service was procured at a lower cost and the savings were included in the MTFs. However, issues with recycling and service delivery mean that CSB growth of nearly £0.5m has been included in the revised estimates for 2016/17 together with £0.2m of DDF expenditure. These costs are not sustainable in the long term and various options

are already being discussed with Biffa at the Waste Management Partnership Board to examine how overall costs can be reduced.

44. The leisure management contract was due to expire in January 2013 but an option was exercised that extended the contract for three years. The new contract will start on 1 April 2017 with a new provider for a period of 20 years. Over the lifetime of the contract the average CSB savings will be more than £1m per year. The payments under the contract vary considerably between years and so the CSB savings are phased in over the first four years of the contract. If the whole CSB saving was included at the start of the contract there would need to be substantial transfers to the DDF for the first few years so it is better within the MTFS to match the economic reality of the contract.
45. The contract assumes investment in both new and existing leisure facilities and outline planning permission has already been obtained for a replacement facility in Waltham Abbey. Given the length and value of the contract it may be necessary to amend some of the assumptions and amounts as time progresses but the figures currently included in the MTFS are prudent.

h) Miscellaneous

46. In addition to the significant items mentioned above there are a number of other issues that need to be borne in mind. Firstly, the position in terms of the general economic cycle and the potential for a recession. The economy goes in cycles and, regardless of our position relative to the European Union, many economic commentators have been predicting that the current period of low but sustained growth was due to finish and that a recession is somewhat overdue. There is no point in speculating on the length and depth of a recession but we do need to be wary of the consequences of a slowdown in the economy. In any economic downturn property related income streams such as development control and rent from our commercial estate suffer. This reduction in income in a downturn will be magnified as the proportion of our income coming from retained business rates increases. Added to the reduction in income will be increased pressure on services with greater spending on benefits and homelessness. Clearly it is in no one's interests to talk down the economy and talk up a recession but in considering the MTFS this subject should not be ignored.
47. We are now in the last year of making pension contributions based on the March 2013 fund valuation, which showed the scheme to be 77% funded. This has improved strongly over the last three years and the March 2016 valuation shows that the scheme is now 85% funded. The options for payments over the next three years were considered by the November meeting of the Finance and Performance Management Cabinet Committee. It was decided to reduce the period of deficit funding to 19 years and this has created a small amount of CSB growth in 2018/19 and 2019/20.
48. The other area normally considered here is the current state of the Council's significant income streams. There are some concerns with local land charges and fleet operations but these are more than outweighed with the positive positions on off-street car parking and development control. There are rumours that DCLG may allow more freedom in the future on setting planning fees and this would be welcomed as it is not always the case that the current fees cover the amount of work necessary to deal with a planning application.

The ceiling for CSB net expenditure be no more than £13.11m including net growth

49. Annex 1 lists all the CSB changes for next year. The MTFS in July included net CSB savings of £706,000 for 2017/18 and the revised 2016/17 budget had net growth of £538,000. The most significant item not already covered above is the new apprenticeship levy. This requires a significant expansion of the existing apprenticeship programme with CSB growth of £129,000 in 2017/18. As overall supervision and monitoring of the apprentices is through HR the growth is shown within the Resources

Directorate although the apprentices will be employed across the Council.

50. Overall with the combined savings, and with inflation being lower than predicted, the CSB position for 2017/18 is very close to that targeted in July. In July the MTFs had a CSB target for 2017/18 of £13.107m and the MTFs at Annex 9 (a) shows that the CSB total is very close to this at £13.109m. Therefore it is proposed to leave the CSB target at £13.11m.

The ceiling for DDF net expenditure be no more than £0.26m

51. The DDF net movement for 2017/18 is £1.89m, Annex 2 lists all the DDF items in detail. The largest cost item is £1.028m for work on the Local Plan. The Local Plan is a substantial and unavoidable project and from 2016/17 to 2018/19 DDF funding of £2.443m is allocated to it. The Director of Neighbourhoods has been asked to provide regular updates to Cabinet to monitor this project and the expenditure incurred on it. Other significant items of expenditure include £218,000 for recycling schemes (this is spending funds provided by DCLG in 2015/16) and £104,000 for the planned building maintenance programme.
52. At £1.89m the DDF programme is substantially above the target for 2017/18. Although this is partly off-set by the reduction in 2016/17 as the predicted spend in the previous MTFs of £1.473m has been reduced by £0.377m to £1.096m. It is proposed to increase the DDF ceiling for 2017/18 from £0.26m to £1.89m to deliver the schemes Members have supported. The DDF is predicted to require a transfer from the General Fund Reserve of £0.5m in 2018/19 to ensure that it continues to have funds available through to the end of the period covered by the MTFs.

The District Council Tax be frozen

53. Members have indicated that they want to continue to freeze the Council Tax over the life of the MTFs.

That longer term guidelines covering the period to March 2021 provide for

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

54. Current projections show this rule will not be breached by 2020/21, by which time reserves will have reduced to £5.5m and 25% of net budget requirement will be £3.2m.

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

55. The outturn for 2015/16 used £2.021m (including the use of £3m to fund capital projects) from reserves and the revised estimates for 2016/17 anticipate a further reduction of £0.777m. This would leave the opening revenue reserve for 2017/18 at £6.495m and with the estimates for 2017/18 showing a use of £100,000, reserves at the end of 2017/18 would be just under £6.4m. The Medium Term Financial Strategy at Annex 9 shows deficit budgets throughout the period. The level of deficit peaks at £143,000 in 2019/20 and reduces to £113,000 in 2020/21, although this is achieved through additional CSB savings of £300,000 in 2018/19, £250,000 in 2019/20 and a further saving of £150,000 in 2020/21.

The Local Government Finance Settlement

56. This has already been covered in some detail above and whilst the figures are currently subject to consultation it is not anticipated that they will change significantly.

The 2017/18 General Fund Budget

57. Whilst the position on some issues is clearer now than it was when the FIP was written there are still significant risks and uncertainties. The largest risk is now around the new valuation list for 2017 together with the changes to transitional relief and the amendments to the appeals process. This makes it extremely difficult to predict the level of income from retained business rates for 2017/18 and subsequent years.
58. The other area of concern highlighted in the section on Business Rates Retention is the large number of appeals that are still outstanding against previous rating assessments and the difficulty in calculating an appropriate provision. The backlog of appeals with the Valuation Office is reducing but the single largest appeal against us, on the property with the £6m rateable value, is still to be settled and so remains a significant financial risk.
59. It is clear that the Government now wants local authorities to be reliant on income from their activities and local taxation rather than central grants. This is a direction that we had seen coming and the work done to move the Council towards self-sufficiency means we are in a better position now than many other authorities.
60. The starting point for the budget is the attached Medium Term Financial Strategy, Annex 9. Annexes 9a and 9b are based on the current draft budget with no Council Tax increase (£148.77 Band D) throughout the period of the strategy.
61. Members are reminded that this strategy is based on a number of important assumptions, including the following:
- Future Government funding will reduce as set out in the draft settlement, with Revenue Support Grant turning negative in 2019/20.
 - CSB growth has been restricted with the target for 2017/18 of £13.11m achieved. Known changes beyond 2017/18 have been included but if the new leisure contract fails to yield the predicted savings other efficiencies will be necessary.
 - It has been assumed that the retail park will achieve its revised opening date in 2017 and that income will be in line with the consultant's projections.
 - It has been assumed that no transitional relief will be provided to reduce the impact of the reduction in new homes bonus.
 - All known DDF items are budgeted for, and because of the size of the Local Plan programme a transfer of £0.5m from the General Fund Reserve will be required in 2018/19 to ensure funds are available through to the end of 2020/21.
 - Maintaining revenue balances of at least 25% of NBR. The forecast shows that the deficit budgets during the period will reduce the closing balances at the end of 2020/21 to £5.5m or 43% of NBR for 2020/21, although this can only be done with further savings in 2018/19 and subsequent years.

The Housing Revenue Account

62. The balance on the HRA at 31 March 2018 is expected to be £2.022m, after a surplus of £494,000 in 2016/17 and a deficit of £1.674m in 2017/18. The estimates for 2017/18 have been compiled on the self-financing basis and so the negative subsidy payments have been replaced with borrowing costs.
63. The process of Rent Restructuring to bring Council rents and Housing Association rents more in line with each other is no longer with us. What we have for the next three years is a requirement to reduce rents by 1%. This change was one of several that have impacted on the HRA Business Plan and a review will be undertaken during 2017/18 to determine the necessary measures to respond to these changes.
64. Members are recommended to agree the budgets for 2017/18 and 2016/17 revised and to note that although there is a deficit in 2017/18 the HRA has adequate ongoing balances.

The Capital Programme

65. The Capital Programme at Annex 6 shows the expenditure previously agreed by Cabinet. Members have stated that priority will be given to capital schemes that will generate revenue in subsequent periods and this has been emphasised by stating that new borrowing should only be taken out to finance schemes with positive revenue consequences. This position has been included in previous Capital Strategies and has been reinforced by the new position that capital spending will require borrowing and thus impacts on the general fund revenue balance through interest payments.
66. Annex 9b sets out the estimated position on capital receipts for the next four years. Members will note that even with a substantial capital programme, which totals nearly £125m over five years, it is anticipated that the Council will still have £1.7m of capital receipt balances at the end of the period (although these are one-four-one amounts to be used in the house building programme). It should be noted that a number of schemes are currently being considered and that these could involve additional expenditure to fund developments.

Risk Assessment and the Level of Balances

67. The Local Government Act 2003 (s 25) introduced a specific personal duty on the "Chief Financial Officer" (CFO) to report to the Authority on the robustness of the estimates for the purposes of the budget and the adequacy of reserves. The Act requires Members to have regard to the report when determining the Council's budget requirement for 2017/18. If this advice is not accepted, this should be formally recorded within the minutes of the Council meeting. The report of the CFO is attached as Annex 10, Members will note the following conclusions:
 - (i) the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2017/18; and
 - (ii) the reserves of the Council are adequate to cope with the financial risks the Council faces in 2017/18 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term.

The Prudential Indicators and Treasury Management Strategy 2017/18

68. Since 2004/05 it has been necessary to set affordable borrowing limits, limits for the

prudential indicators and a Treasury Management Strategy. These elements of the budget requirements were set out in a separate report to Cabinet on 2 February.

69. Due to the £185m of debt for the HRA self-financing the Council is no longer debt free and the Prudential Indicators and Treasury Management Strategy have been amended for this. Ongoing difficulties persist in financial markets but higher capital requirements have eased concerns about some banks, Arlingclose still advise a very restricted counter party list but have allowed some increase in suggested investment periods.
70. The size of the Capital Programme means additional borrowing will be required during 2017/18. Members have indicated that borrowing should only be undertaken to finance schemes that produce net savings overall and this principle will be included in the updated Treasury Management Strategy.

Council Tax

71. The revenue and capital budgets of the various spending portfolios are set out in Annexes 5(a)-(f). Annex 4 summarises the overall budget for the Council for the General Fund and the HRA and is grossed up for the effects of local parish and town council precepts. Annex 6 summarises the Council's Capital Programme. The budget as submitted produces a District Council Tax (Band D) of £148.77 for 2017/18 (£148.77 for 2016/17), which represents a 0% increase. The average (Band D) Council Tax including local Parish/Town Council precepts will be £212.15 (£211.42 in 2016/17), which represents an increase of less than 1%.

Council Tax Declaration

72. Under Recommendations (1) – (5) which include Annexes 1, 2, 3, 4, 5(a)-(f) the Council will agree its budget for the next year. The Authority must then proceed to declare a Council Tax. The appropriate technical recommendations are set out in Recommendations (8) onwards. These have been revised following changes to the Local Government Finance Act 1992 brought in as part of the Localism Act 2011. Under these changes the billing authority is now required to calculate a Council Tax requirement for the year, not its budget requirement as previously. The standard form of declaration recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) has been used as it is designed to avoid the possibility of legal challenge to the declaration of the Council Tax.
73. The Council Tax bases for each band in each area of the District were calculated by the Director of Resources in consultation with the Finance Portfolio Holder. These are reproduced in Recommendations (8) (a) and (b) and form part of the ensuing calculations. The amounts to be levied within the District in respect of Essex County Council, Essex Police Authority, Essex Fire Authority and Parish and Town Councils are notified to this Authority and are matters on which the District Council has no discretion.
74. However, the precepts of Parish and Town Councils are levied on the District Council and then taken into account in the General Fund. Details relating to the District Council precept together with the precepts in respect of Parish and Town Councils are set out in the recommendations and analysis in Annex 7.

Guide to the Council Tax Calculation

75. The figures in Recommendation (9) draw on calculations contained within the report as follows:

9(a) is the total of the revenue expenditure items shown in Annex 4 summary of revenue including the total of the Parish/Town Council precepts;

9(b) is the total of the revenue income items shown in Annex 4;

9(c) is the difference between the revenue expenditure and income as shown in Annex 4 (in simple terms it represents the net budget requirement of the District Council plus Parish and Town Council precepts);

9(d) is obtained by dividing 9(c) by the Council Tax Base; this represents the average Band 'D' Council Tax for the District and Parish/Town Councils only;

9(e) as shown in Annex 4 is the total of Parish/Town Council precepts; and

9(f) represents the equivalent of dividing 9(e) by the Council Tax Base, the resulting figure being deducted from the figure shown in 9(d); this provides the average Band 'D' Council Tax for the District Council only.

76. This process culminates in the figures shown in Annex 7, which are the Council Tax amounts for the District Council and the Parish/Town Councils for each valuation band for 2017/18. To these amounts are added Council Tax figures supplied by the major precepting authorities and which are further summarised as the total Council Tax due for each valuation band in Part B of Annex 8.
77. Annex 8 relating to the precepts of various parts of the District will be tabled at the meeting.

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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: be specific	Budget for 2017/18 and Medium Term Financial Strategy
Revised / new / withdrawal:	Revised/New
Intended aims / outcomes/ changes:	The aim is to set a financial framework for 2017/18 and revise the medium term financial strategy. The outcome is a budget that provides services at the level determined by Members within the funding agreed by Members. Any changes in the level or nature of service provision will have been considered separately by Cabinet as savings/growth items before inclusion in the budget.
Relationship with other policies / projects:	As stated above, other projects involving changes to services will have been considered by Cabinet before being included on the savings/growth lists.
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:</p> <p>The budget includes all services provided by the Council so it has consequences for all employees and all residents. However, the budget itself represents the financial aggregation of the Council's services and it is the services that have the primary consequences for employees and residents not the budget.</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	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011 – 15 Theme 2 - Sustainable. Theme 4 - Aspiring. Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	The elderly and the very young would normally experience difficulties in travelling to Epping to access services provided only from the Civic offices. However, an increasing range of services can be accessed via the Council's website.
Dependents / caring responsibilities	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011 – 15 Overarching Theme - Making our district a great place to live, work, study and do business	Those who due to caring responsibilities may experience difficulties in visiting the Civic offices to access services. However, an increasing range of services can be accessed via the Council's website.
Disability	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011 – 15 Theme 1 - Safe Theme 2 - Sustainable Theme 3 – Health Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	Persons with disabilities may have difficulties in travelling to Epping to access services. However, an increasing range of services can be accessed via the Council's website.
Gender reassignment	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14	In the case of Gender reassignment they may feel uncomfortable in travelling to Epping to access services and again should utilise the website to access the service or make alternative arrangements.
Marriage and civil partnership	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Overarching Theme - Making our district a great place to live, work, study and do business	There is limited data available for this.
Pregnancy and maternity	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	While there is limited data available for this, it is likely that persons within this sector may experience difficulties in traveling to Epping to access services.
Race / ethnicity	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	In the case of Race/Ethnicity some groups may be reluctant or feel uncomfortable in travelling to Epping to access services.
Religion or belief	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Overarching Theme - Making our	In the case of Religion/Belief some groups may feel uncomfortable in travelling to Epping to access services.

Characteristic	Evidence (name of research, report, guidance, data source etc)	What does this evidence tell you about people with the protected characteristics?
	district a great place to live, work, study and do business	
Sex	Draft EFDC Equality Scheme 2012 – 16 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	There is limited information available, but from this there is no significant evidence suggesting that general service provision favours either sex.
Sexual orientation	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	There is no evidence to suggest that persons of different sexual orientation experience difficulties accessing services. However the provision of accurate and timely information via the Council's website may be helpful to disadvantaged groups.

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	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of their age.	Where a significant change to service provision has been proposed the service area making that proposal will have reported within their equality analysis any appropriate actions.
Dependents / caring responsibilities	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of caring responsibilities.	See above.
Disability	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of disability.	See above.
Gender reassignment	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of gender reassignment.	See above.
Marriage and civil partnership	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of marital status.	See above.
Pregnancy and maternity	There are no policies proposed as part of the budgetary framework that are likely to impact on	See above.

Characteristic	Actual or likely adverse impacts identified	Actions that are already or will be taken to reduce the negative effects identified
	residents because of pregnancy/maternity.	
Race / ethnicity	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of race/ethnicity.	See above.
Religion or belief	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of religion/belief.	See above.
Sex	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of their sex.	See above.
Sexual orientation	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of their sexual orientation.	See above.

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	Not applicable.	The policy is concerned with an overall financial framework for the provision of services in total. It is not concerned with the nature or level of provision of any individual service. So whilst the individual services within the directorate estimates can advance equality of opportunity the budget and medium term financial strategy cannot. Any significant changes to service provision will have been considered by Cabinet and this would have included an equality assessment.
Dependents / caring responsibilities	See above.	See above.
Disability	See above.	See above.
Gender reassignment	See above.	See above.
Pregnancy and maternity	See above.	See above.
Race / ethnicity	See above.	See above.
Religion or belief	See above.	See above.
Sex	See above.	See above.
Sexual orientation	See above.	See 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)

Characteristic	How this policy, service or project can foster good relations:	Why this policy, service or project cannot help to foster good relations:
Age	Not applicable.	This policy is concerned with the Council's overall financial position and as such is not directly service related.
Dependents / caring responsibilities	See above.	See above.
Disability	See above.	See above.
Gender reassignment	See above.	See above.
Pregnancy and maternity	See above.	See above.
Race / ethnicity	See above.	See above.
Religion or belief	See above.	See above.
Sex	See above.	See above.

Characteristic	How this policy, service or project can foster good relations:	Why this policy, service or project cannot help to foster good relations:
Sexual orientation	See above.	See above.

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
None, as the analysis above has determined that no actual or likely adverse impacts would arise as a result of this project.	Bob Palmer	N/A

Name and job title of officer completing this analysis:	Peter Maddock Assistant Director
Date of completion:	23 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
Date of authorisation:	23 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.

Council : 21 February 2017

List of Annexes:

Annex 1 CSB Growth/Savings List

Annex 2 DDF List

Annex 3 Invest to Save List

Annex 4 Revenue Expenditure, Income and Financing Summary

Annex 5 Directorate Budgets (a – f)

Annex 6 Capital Budgets and Financing

Annex 7 District & Parish Council Tax Rates

Annex 8 Major Precepting Authorities Analysis (Tabled)

Annex 9 Medium Term Financial Strategy (a & b)

Annex 10 Chief Finance Officers Report on the Robustness of the Estimates within the 2017/18 Budget

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Estimate	Revised	Estimate	Estimate	Estimate	Estimate
			2016/17 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
Chief Executive	Corporate Policy Making	Flexible Working and Accomodation Review	(100)					
	Total Chief Executive		(100)	0	0	0	0	0
Communitites	Affordable Housing	Legal fees B3Living	(5)	(5)				
	Community Arts Programme	Additional Income (Savings made in expenditure)	(4)	(4)				
	Safeguarding	Safeguarding Officers	50	51				
	Safeguarding	Recharge to HRA	(31)	(31)				
	Homelessness Advice	Additional post			30			
	Homelessness Advice	Homelessness Reviews/Rough Sleepers			12			
	Total Communities		10	11	42	0	0	0
Governance	Building Control	Fees & Charges		(25)				
	Building Control	Ring Fenced Account		25				
	Conservation Policy	Bring Listed Building Service in house		(5)				
	Development Control	Fees & Charges	(75)	(145)				
	Development Control	Pre Application Consultation Fees	(10)	(10)				
	Governance Admin	Training	9	10	5			
	Governance Admin	Equipment New		6				
	Internal Audit	Corporate Fraud Team	10	5	8			
	Internal Audit	Shared Service (GF element)		(29)				
	Legal Services	Fees & Charges		(6)				
	Local Land Charges	Reduction Re Fees & Charges		12				
	Members Allowances	Increase in Basic Allowances	50	43	7			
	Planning Appeals	Fees & Charges		(4)				
	Public Relations & Information	Committee Attendance		5				
	Total Governance		(16)	(118)	20	0	0	0

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Estimate	Revised	Estimate	Estimate	Estimate	Estimate	
			2016/17 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	
Neighbourhoods	Animal Welfare	Budget Savings	(16)	(16)					
	Countrycare	Additional Income	(12)	0					
	Engineering, Drainage & Water	New Post	27	37					
	Grounds Maintenance	Service Review (GF element)		(15)					
	Land and Property	Oakwood Hill Units	(8)	(8)					
	Land and Property	Brooker Road		(12)	(107)				
	Land and Property	Greenyards	(2)	(2)					
	Land and Property	Epping Forest Shopping Park			(490)	(1,450)	(220)		
	Land and Property	David Lloyd Centre		(69)					
	Land and Property	Broadway Gate development				(100)	(250)		
	Land and Property	Rental Income - Shops		(22)	(45)				
	Leisure Management	Savings from New Contract	(75)	0	(250)		(300)	(350)	
	North Weald Airfield	Additional Income		(22)					
	Off Street Parking	Parking Fee Increases	(31)	(72)					
	Off Street Parking	New Chargeable Parking Spaces (ITS)			(11)	(4)			
	Off Street Parking	Machine Maintenance and collections	5	5	8				
	Off Street Parking	Additional Staffing			32				
	Off Street Parking	New Management Contract (ITS)			(88)				
	Off Street Parking	Lea Valley Management Fee (ITS)			(2)	(1)			
	Off Street Parking	Vere Road Pay & Display (ITS)			(5)	(5)			
	Planning Policy Group	Increase in Staffing	75	75					
	Waste Management	Inter Authority Agreement, reduced ECC Income	19	19					
	Waste Management	Waste Contract		427					
	Waste Management	Additional Staffing	31	26					
	Neighbourhoods	Savings		(2)					
	Total Neighbourhoods			13	349	(958)	(1,560)	(770)	(350)

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service	Estimate	Revised	Estimate	Estimate	Estimate	Estimate				
		2016/17 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's				
Resources	Cashiers			Self Service Machines (ITS)	(15)	(14)	(8)				
	Civic Offices			Solar Panel Energy Saving	(3)	(5)					
	Civic Offices			Non-Domestic Rates			68				
	Civic Offices			Cleaning contract		3	14				
	Finance Miscellaneous			Car Leasing (excluding HRA)	(15)	(35)	(25)				
	Housing Benefits Administration			Admin Reductions	73	59	42				
	Housing Benefits			Non Hra Rent Rebates	7	29	25				
	Human Resources			Apprenticeship Levy (Net)			69				
	Human Resources			Apprentices			60				
	ICT			Printer Migration		(7)	(13)				
	Revenues			Restructure	(9)	(9)					
	Resources			Savings		(4)	(9)				
		Total Resources				38	17	223	0	0	0
	Other Items	Investment Interest			Reduction due to use of balances	100	157	93			
		New Homes Bonus						122	1,075	202	531
Council Tax Collection				Technical Agreement Contributions		(200)					
All Directorates				Additional Employers National Insurance	450	371					
Pensions				Deficit Payments	43	43		22	31		
	Total CSB				538	630	(458)	(463)	(537)	181	

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
			2016/17 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	
Chief Executive	Chief Executive Policy Group	Transformation Staffing	77	78	90		58		
		Transformation External Partnerships			100				
		Transformation Transformation Projects		20	80				
	Total Chief Executive		77	98	270		58	0	0
Communities	Communities	Externally Funded Projects	86	128	110				
	Communities	Externally Funded Projects	(86)	(128)	(110)				
	Communities	Museum Store License (Lease)	17	17					
	Homelessness	Legal Challenges	20	20	20				
	Private Sector Housing	Landlord Accreditation Scheme	1	1	1				
	Safer Communities	Analysts post	34	15					
	Safer Communities	Analysts post	(30)						
	Safer Communities	CCTV Trainee Assistant post	19	9	20	20	8		
	Youth Council	Enabling Fund	8	8					
	Grant - Citizens Advice Bureau	CAB Debt Advisors			4				
	Total Communities		69	70	45	20	8	0	0
Governance	Building Control	Fees & Charges		(40)					
	Conservation Policy	Consultant Fees & Grants		(5)					
	Development Control	Pre Application Consultation Fees	(10)	(30)	(13)				
	Development Control	Fees & Charges	(75)	(175)	(175)				
	Development Control Group	Trainee Contaminated Land Officer	22	15	23	10			
	Development Control Group	Trainee Planning Officer	45	24	45	27			
	Development Control Group	Agency Staff		30					
	Development Management	Administrative Assistant	10	9	13				
	Development Management	Additional Temporary staffing	27	27	28				
	Development Management	Planning Validation Officer			26				
	Development Management	Document Scanning	68	79	113	113			
	Elections	Savings no district elections			(41)				
	Electoral Registration	Individual Registration Costs		25	37	23			
	Electoral Registration	Individual Registration Grant		(23)					
	Enforcement / Trees & Lanscape	Technical Assistant - Conservation	11	7					
	Legal Services	Transformation Programme	27	17	10				
	Legal Services	Additional Income		(10)					
Local Land Charges	Government Grant - New Burdens		(8)						
Planning Appeals	Contingency for Appeals	45	10	41	36				
Standards Committee	Contribution from Other Local Authorities		(5)						
Total Governance		170	(53)	107	235	0	0	0	

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
			2016/17 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	
Neighbourhoods	Contaminated Land & Water Quality	Contaminated land investigations	64	35	79		50		
	Countrycare	BRIE - SLA	4	4	4				
	Economic Development	Economic Development Strategy	4		8				
	Economic Development	Tourism Task Force	35	35					
	Economic Development	Town Centres Support	50	40	52				
	Economic Development	Portas Funding	9	9					
	Asset Rationalisation	Council Asset Rationalisation	27	48	61				
	Asset Rationalisation	New Development Project Officer	16	22					
	Food Safety	Inspections		4					
	Forward Planning	Local Plan	552	1,178	1,028	237			
	Forward Planning	Neighbourhood Planning		6	3				
	Highways General Fund	Contribution to ECC	50	50					
	Land and Property	David Lloyd Centre		(107)					
	Land and Property	Oakwood Hill Ind Est		(15)					
	Land and Property	Epping Forest Shopping Park Security		12					
	Land and Property	Rental Income - Shops		(10)					
	Leisure Management	New Management Contract			65	268	9	12	
	Off street parking	Payment to NEPP for redundancies			20				
	Parks & Grounds	Open Spaces - Tree Planting	10		10				
	Parks & Grounds	Survey of River Roding erosion			15				
	Waste Management	Replacement Bins	53	10					
	Waste Management	DCLG recycling reward scheme		40	218				
	Waste Management	Additional Sacks and Recycling payment		147	(104)				
Neighbourhoods	Salary Savings to fund restructure		30						
Total Neighbourhoods			874	1,538	1,459	555	9	12	

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
			2016/17 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	
Resources	Accounts Payable	Implementation of E-Invoicing	2	7					
	Building Maintenance - Non HRA	Planned Building Maintenance Programme	110	103	104	99	152	122	
	Cashiers	Consultants fees		7					
	Cashiers	License fees		6					
	Council Tax Benefits	Previous Year Clawback	(15)	(17)					
	Council Tax Collection	Collection Investment	(47)	(57)	(57)				
	Council Tax Collection	Local Council Tax New Burdens Expenditure - E-Services	108	101					
	Housing Benefits Administration	Hardship & Compliance	(82)	(71)	(71)				
	Housing Benefits Administration	Benefits Specific Grants - Online Forms	18	15					
	Housing Benefits Administration	Benefits Specific Grants - Data Matching	60	60					
	Housing Benefits Administration	Benefits Specific Grants - Unallocated		(51)	20				
	Housing Benefits Administration	Atlas upgrades		15					
	Housing Benefits Administration	Atlas upgrades		(15)					
	Housing Benefits	Hardship & Compliance - Benefits Officers	62	27	58	58	43		
	Housing Benefits	Benefits Specific Grants - Furniture		2					
	Revenues	Temporary Additional Staffing	234	149	207	104			
	Sundry Non Distributable Costs	Emergency Premises Works	8	4	9				
	Total Resources			459	285	270	261	195	122
Total Service Specific District Development Fund			1,649	1,938	2,151	1,129	212	134	
	Transitional Grant		(54)	(54)	(53)				
	New Homes Bonus		(581)	(588)					
	Council Tax Collection	Technical Agreement Contributions	(316)	(200)	(200)	(200)	(200)	(200)	
	Pensions	Deficit Payments			(8)				
			698	1,096	1,890	929	12	(66)	

INVEST TO SAVE

				<i>Estimate</i>	<i>BJF from</i>	<i>Revised</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
				2016/17	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
				£000's	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive	Customer Services Civic Offices	Software prototype Accommodation review	Capital Revenue			6 83				
				0	0	89	0	0	0	0
Communities	Homelessness Museum Resilience	Rental Loans Scheme Contribution	Revenue Revenue	30		30 20	30	30		
				30	0	50	30	30	0	0
Neighbourhoods	Car Parking Car Parking Car Parking Car Parking Car Parking Car Parking Car Parking Car Parking Grounds Maintenance North Weald Airfield	Replacement LED lighting Termination of contract with NEPP New Car Parks ICT infrastructure Lea Valley pay & display Vere Road Pay & Display Vere Road Pay & Display Training Extension to Vehicle Compound	Capital Revenue Capital Capital Capital Capital Revenue Revenue Capital	50		20 26	70			
					11	75	15	51		
							4			
				2		2				
						12				
				52	11	135	180	0	0	0
Resources	Civic Offices Civic Offices Cashiers ICT	Alterations to cashiers hall Reception area structural survey Two payment kiosks Ariel Camera System	Revenue Capital Capital Revenue	10		10 15				
				20		20				
					1	1				
				30	1	46	0	0	0	0
				112	12	320	210	30	0	0

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REVENUE EXPENDITURE, INCOME AND FINANCING

2016/17 ORIGINAL ALL REVENUE ITEMS £	2016/17 REVISED ALL REVENUE ITEMS £		GENERAL FUND ACCOUNT £	2017/18 ORIGINAL HOUSING REVENUE ACCOUNT £	ALL REVENUE ITEMS £
Gross Expenditure					
1,174,360	1,335,720	Office of the Chief Executive	5(a) 1,458,820	0	1,458,820
4,858,260	4,901,890	Governance	5(b) 4,989,410	0	4,989,410
17,541,440	19,167,540	Neighbourhoods	5(c) 18,793,680	0	18,793,680
41,136,250	39,977,260	Resources	5(d) 38,857,260	0	38,857,260
33,279,900	36,463,860	Communities	5(e) 5,689,000	31,789,410	37,478,410
97,990,210	101,846,270	Total Expenditure on Services	69,788,170	31,789,410	101,577,580
5,656,150	5,574,000	Interest Payable (Inc HRA)	172,460	5,399,540	5,572,000
23,110,000	16,218,000	Revenue Contribution to Capital	176,000	23,952,000	24,128,000
201,252	201,252	Parish Support Grants	134,164		134,164
3,274,089	3,274,089	Precepts Paid to Parish Councils	3,361,180	0	3,361,180
130,231,701	127,113,611	Total Gross Expenditure	9a 73,631,974	61,140,950	134,772,924
Gross Income					
37,491,180	36,458,130	Government Subsidies	35,642,010	0	35,642,010
32,031,530	31,788,190	Rents from Dwellings	0	31,613,000	31,613,000
5,462,930	5,552,750	Miscellaneous Rents, Trading Operations etc.	5,283,140	892,810	6,175,950
6,068,090	6,461,680	Fees and Charges	4,744,380	1,751,550	6,495,930
378,250	375,030	Interest on Mortgages and Investments	196,000	0	196,000
6,333,710	6,992,490	Grants and Reimbursements by other Bodies	6,160,530	0	6,160,530
87,765,690	87,628,270	Total Operational Income	52,026,060	34,257,360	86,283,420
486,188	280,091	Contribution from/(to) Revenue Reserves	99,980	1,673,590	1,773,570
291,000	(51,000)	FRS 17 Adjustment	(51,000)	0	(51,000)
698,000	896,000	Contribution from/(to) District Development Fund	1,890,000	0	1,890,000
171,000	345,000	Contribution from/(to) Other Reserves	252,000	0	252,000
(269,336)	(269,336)	Contribution from/(to) Collection Fund	9,734		9,734
24,127,000	21,349,000	Contribution from/(to) Capital Reserves	2,911,000	25,210,000	28,121,000
5,913,677	5,887,104	Exchequer Support & Business Rates	5,243,866		5,243,866
119,183,219	116,065,129	Total Gross Income	9b 62,381,640	61,140,950	123,522,590
11,048,482	11,048,482	To be met from Council Tax	9c 11,250,334	0	11,250,334
Financed by:					
7,774,393	7,774,393	District Precept			7,889,154
3,274,089	3,274,089	Parish Council Precepts	9e		3,361,180
11,048,482	11,048,482	Total Financing			11,250,334

Office of the Chief Executive					
Programme 2017/18					
2016/17 Original		2016/17 Probable		2017/18 Original	
£	£	£	£	Revenue Expenditure	£
1,899,750		2,211,930		Corporate Activities	2,416,150
<hr/>	1,899,750	<hr/>	2,211,930	Total Expenditure	<hr/>
	725,390		876,210	Income from Internal Charges	957,330
	<hr/>		<hr/>	Net Expenditure (see Annex 4)	<hr/>
	1,174,360		1,335,720		1,458,820
	<hr/>		<hr/>	To be met from Government Grant and Local Taxation	<hr/>
	1,174,360		1,335,720		1,458,820
	<hr/> <hr/>		<hr/> <hr/>	Capital Expenditure (see Annex 6)	<hr/> <hr/>
	-		-		-
	<hr/> <hr/>		<hr/> <hr/>		<hr/> <hr/>

Governance

Programme 2017/18

2016/17 Original		2016/17 Probable			2017/18 Original	
£	£	£	£	Revenue Expenditure	£	£
570,570		585,740		Elections	607,860	
1,391,020		1,312,000		Member Activities	1,349,880	
3,113,610		3,198,450		Planning & Development	3,240,300	
3,813,570		3,869,340		Support Services	4,010,280	
	8,888,770		8,965,530	Total Expenditure		9,208,320
	4,030,510		4,063,640	Income from Internal Charges		4,218,910
	<u>4,858,260</u>		<u>4,901,890</u>	Net Expenditure (see Annex 4)		<u>4,989,410</u>
				Service Generated Income		
1,597,750		1,858,560		Fees and Charges	1,794,780	
145,000		192,380		Grants and Reimbursements by other Bodies	180,000	
	<u>1,742,750</u>		<u>2,050,940</u>	Total Income		<u>1,974,780</u>
	<u>3,115,510</u>		<u>2,850,950</u>	To be met from Government Grant and Local Taxation		<u>3,014,630</u>
	<u>-</u>		<u>-</u>	Capital Expenditure (see Annex 6)		<u>-</u>

Neighbourhoods

Programme 2017/18

2016/17 Original		2016/17 Probable		Revenue Expenditure	2017/18 Original	
£	£	£	£		£	£
1,379,990		1,390,650		Environmental Health	1,423,850	
390,830		397,900		Licensing	445,700	
1,918,520		2,039,610		Leisure Management	1,711,460	
1,072,690		1,025,490		North Weald	1,080,360	
124,660		103,840		Emergency Planning	120,470	
6,325,040		7,482,000		Waste Management	7,332,570	
740,200		812,210		Land and Property	793,390	
1,078,350		1,084,480		Parks and Grounds	1,138,040	
1,898,130		1,880,470		Technical Services	1,859,300	
1,908,000		2,228,870		Forward Planning & Economic Development	2,145,810	
4,486,340		4,783,810		Support Services	4,700,960	
	22,141,530		24,086,940	Total Expenditure		23,654,400
	4,600,090		4,919,400	Income from Internal Charges		4,860,720
	17,541,440		19,167,540	Net Expenditure (see Annex 4)		18,793,680
				Service Generated Income		
4,533,220		4,395,160		Miscellaneous Rents, Trading Operations etc	5,003,140	
1,701,880		2,078,400		Fees and Charges	2,093,420	
2,032,040		1,994,030		Grants and Reimbursements by other Bodies	2,017,590	
	8,267,140		8,467,590	Total Income		9,114,150
	9,274,300		10,699,950	To be met from Government Grant and Local Taxation		9,679,530
	16,511,000		20,036,000	Capital Expenditure (see Annex 6)		7,620,000

Resources

Programme 2017/18

2016/17 Original		2016/17 Probable			2017/18 Original	
£	£	£	£	Revenue Expenditure	£	£
38,772,290		37,414,270		Housing Benefits	36,703,670	
2,041,290		1,967,040		Local Taxation	1,987,780	
177,750		499,510		Other Activities	115,950	
2,942,730		2,944,600		Accommodation Services	2,971,250	
2,916,110		2,999,110		ICT Services	3,070,150	
2,875,790		2,923,410		Financial Services	2,848,660	
	51,318,110		50,407,240	Total Expenditure		49,472,260
	10,181,860		10,429,980	Income from Internal Charges		10,615,000
	41,136,250		39,977,260	Net Expenditure (see Annex 4)		38,857,260
				Service Generated Income		
37,491,180		36,458,130		Government Subsidies	35,642,010	
43,460				Miscellaneous Rents, Trading Operations etc		
322,750		364,870		Fees and Charges	350,420	
629,750		326,400		Grants and Reimbursements by other Bodies	300,000	
	38,487,140		37,149,400	Total Income		36,292,430
	2,649,110		2,827,860	To be met from Government Grant and Local Taxation		2,564,830
	1,024,000		964,000	Capital Expenditure (see Annex 6)		1,110,000

Communities

Programme 2017/18

General Fund £	2016/17 Original		General Fund £	2016/17 Probable		Revenue Expenditure	2017/18 Original		
	Housing Revenue £	Total £		Housing Revenue £	Total £		General Fund £	Housing Revenue £	Total £
	28,065,650	28,065,650		30,856,660	30,856,660	Council Housing		31,789,410	31,789,410
1,340,340		1,340,340	1,470,830		1,470,830	Private Sector Housing	1,500,000		1,500,000
595,510		595,510	698,050		698,050	Homelessness	759,570		759,570
414,420		414,420	422,990		422,990	Voluntary Sector Support	435,940		435,940
1,097,070		1,097,070	1,183,930		1,183,930	Community services	1,234,110		1,234,110
563,980	4,058,620	4,622,600	600,150		600,150	Support Services	570,510		570,510
5,575,390	32,124,270	37,699,660	5,947,280	30,856,660	36,803,940	Total Expenditure	6,059,470	31,789,410	37,848,880
361,140	4,058,620	4,419,760	340,080		340,080	Income from Internal Charges	370,470		370,470
5,214,250	28,065,650	33,279,900	5,607,200	30,856,660	36,463,860	Net Expenditure (see Annex 4)	5,689,000	31,789,410	37,478,410
						Service Generated Income			
	32,031,530	32,031,530		31,788,190	31,788,190	Rents from Dwellings		31,613,000	31,613,000
	886,250	886,250	280,000	877,590	1,157,590	Miscellaneous Rents, Trading Operations etc	280,000	892,810	1,172,810
784,420	1,661,290	2,445,710	548,590	1,611,260	2,159,850	Fees and Charges	505,760	1,751,550	2,257,310
	250	250		30	30	Interest on Mortgages		0	0
795,920		795,920	1,341,680		1,341,680	Grants and Reimbursements by other Bodies	1,235,940		1,235,940
	(6,964,150)	(6,964,150)		(2,923,780)	(2,923,780)	HRA Interest & Reversal of Depn		(4,141,540)	(4,141,540)
	450,480	450,480		(496,630)	(496,630)	Use of Balances		1,673,590	1,673,590
1,580,340	28,065,650	29,645,990	2,170,270	30,856,660	33,026,930	Total Income	2,021,700	31,789,410	33,811,110
3,633,910	-	3,633,910	3,436,930	0	3,436,930	To be met from Government Grant and Local Taxation	3,667,300	0	3,667,300
865,000	28,127,000	28,992,000	440,000	20,692,000	21,132,000	Capital Expenditure (see Annex 6)	688,000	28,064,000	28,752,000

Non Service Budgets

Programme 2017/18

General Fund £	2016/17 Original Housing Revenue £	Total £	General Fund £	2016/17 Probable Housing Revenue £	Total £	Revenue Expenditure	General Fund £	2017/18 Original Housing Revenue £	Total £
(378,000)		(378,000)	(375,000)		(375,000)	Interest & Investment Income	(196,000)		(196,000)
70,000	23,040,000	23,110,000	150,000	16,068,000	16,218,000	Revenue Contribution to Capital	176,000	23,952,000	24,128,000
(2,731,000)		(2,731,000)	(3,138,000)		(3,138,000)	Other Items	(2,427,000)		(2,427,000)
204,000	5,452,150	5,656,150	258,220	5,315,780	5,574,000	Interest Payable (Inc HRA)	172,460	5,399,540	5,572,000
(2,599,000)	(25,000)	(2,624,000)	(2,889,000)		(2,889,000)	Depreciation Reversals & Other Adjs.	(2,911,000)		(2,911,000)
(5,434,000)	28,467,150	23,033,150	(5,993,780)	21,383,780	15,390,000		(5,185,540)	29,351,540	24,166,000
-	21,528,000	21,528,000	-	18,460,000	18,460,000	Transferred to Housing Summary	-	25,210,000	25,210,000
(5,434,000)	49,995,150	44,561,150	(5,993,780)	39,843,780	33,850,000		(5,185,540)	54,561,540	49,376,000
		(35,708)			(776,721)	Contribution (from)/to Revenue Reserves			(99,980)
		(291,000)			51,000	FRS 17 Adjustment			51,000
		(171,000)			(345,000)	Contribution (from)/to Other Reserves			(252,000)
		269,336			269,336	Contribution (from)/to the Collection Fund			(9,734)
		(698,000)			(896,000)	Contribution from District Development Fund			(1,890,000)
		43,634,778			32,152,615	Reduction in Amount to be met from Government Grant and Local Taxation & other Housing Revenue Account items			47,175,286

Capital Programme

Programme 2017/18

General Fund £	Housing Revenue £	2016/17 Original	General Fund £	Housing Revenue £	2016/17 Probable	Gross Expenditure	General Fund £	2017/18 Original Housing Revenue	Total £
		Total £			Total £			£	
16,511,000		16,511,000	20,036,000		20,036,000	Neighbourhoods	7,620,000		7,620,000
1,024,000		1,024,000	964,000		964,000	Resources	1,110,000		1,110,000
865,000	28,127,000	28,992,000	440,000	20,692,000	21,132,000	Communities	688,000	28,064,000	28,752,000
18,400,000	28,127,000	46,527,000	21,440,000	20,692,000	42,132,000	Total Capital Expenditure	9,418,000	28,064,000	37,482,000
						Less:			
70,000	25,699,000	25,769,000	150,000	16,068,000	16,218,000	Revenue Contributions to Capital	180,000	23,952,000	24,132,000
18,330,000	2,428,000	20,758,000	21,290,000	4,624,000	25,914,000	To be met from Capital Resources	9,238,000	4,112,000	13,350,000
						Financed by:			
5,709,000	1,933,000	7,642,000	1,033,000	4,044,000	5,077,000	Capital Receipts	6,957,000	4,042,000	10,999,000
12,621,000		12,621,000	20,176,000		20,176,000	Borrowing	2,281,000		2,281,000
	450,000	450,000	5,000	70,000	75,000	Government Grants		70,000	70,000
	45,000	45,000	76,000	510,000	586,000	Other Grants			-
18,330,000	2,428,000	20,758,000	21,290,000	4,624,000	25,914,000	Total Financing	9,238,000	4,112,000	13,350,000

COUNCIL TAX RATES FOR DISTRICT & PARISH/TOWN COUNCILS 2017/18

ANNEX 7

Authorities	Tax Base No.'s	Precept 2017/18	Council Tax Band D	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£	£	£
District Expenses	53,029.2	7,889,154	148.77	99.18	115.71	132.24	148.77	181.83	214.89	247.95	297.54
Abbess, Berners and Beauchamp Roding	217.0	5,300	24.42	115.46	134.70	153.95	173.19	211.68	250.16	288.65	346.38
Buckhurst Hill	5,174.3	356,465	68.89	145.11	169.29	193.48	217.66	266.03	314.40	362.77	435.32
Chigwell	6,035.6	276,954	45.89	129.77	151.40	173.03	194.66	237.92	281.18	324.43	389.32
Epping Town	5,218.1	446,252	85.52	156.19	182.23	208.26	234.29	286.35	338.42	390.48	468.58
Epping Upland	405.9	14,954	36.84	123.74	144.36	164.99	185.61	226.86	268.10	309.35	371.22
Fyfield	421.0	11,067	26.29	116.71	136.16	155.61	175.06	213.96	252.86	291.77	350.12
High Ongar	555.1	12,939	23.31	114.72	133.84	152.96	172.08	210.32	248.56	286.80	344.16
Lambourne	870.8	33,000	37.90	124.45	145.19	165.93	186.67	228.15	269.63	311.12	373.34
Loughton Town	12,294.8	634,800	51.63	133.60	155.87	178.13	200.40	244.93	289.47	334.00	400.80
Matching	428.9	14,282	33.30	121.38	141.61	161.84	182.07	222.53	262.99	303.45	364.14
Moreton, Bobbingworth and the Lavers	577.6	14,481	25.07	115.89	135.21	154.52	173.84	212.47	251.10	289.73	347.68
Nazeing	2,042.7	71,964	35.23	122.67	143.11	163.56	184.00	224.89	265.78	306.67	368.00
North Weald Bassett	2,524.8	175,475	69.50	145.51	169.77	194.02	218.27	266.77	315.28	363.78	436.54
Ongar Town	2,695.6	287,485	106.65	170.28	198.66	227.04	255.42	312.18	368.94	425.70	510.84
Roydon	1,307.1	29,914	22.89	114.44	133.51	152.59	171.66	209.81	247.95	286.10	343.32
Sheering	1,330.8	33,958	25.52	116.19	135.56	154.92	174.29	213.02	251.75	290.48	348.58
Stanford Rivers	356.4	20,298	56.95	137.15	160.00	182.86	205.72	251.44	297.15	342.87	411.44
Stapleford Abbotts	519.3	5,716	11.01	106.52	124.27	142.03	159.78	195.29	230.79	266.30	319.56
Stapleford Tawney	78.7	1,537	19.53	112.20	130.90	149.60	168.30	205.70	243.10	280.50	336.60
Theydon Bois	1,983.9	106,615	53.74	135.01	157.51	180.01	202.51	247.51	292.51	337.52	405.02
Theydon Garnon	79.6	1,000	12.56	107.55	125.48	143.40	161.33	197.18	233.03	268.88	322.66
Theydon Mount	115.8	1,600	13.82	108.39	126.46	144.52	162.59	198.72	234.85	270.98	325.18
Waltham Abbey Town	7,559.2	800,400	105.88	169.77	198.06	226.36	254.65	311.24	367.83	424.42	509.30
Willingale	236.2	4,724	20.00	112.51	131.27	150.02	168.77	206.27	243.78	281.28	337.54
Town and Parish Total	53,029.2	3,361,180	63.38	42.25	49.30	56.34	63.38	77.46	91.55	105.63	126.76
District, Town and Parish Total	53,029.2	11,250,334	212.15	141.43	165.01	188.58	212.15	259.29	306.44	353.58	424.30

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Medium Term Financial Strategy

Introduction

1. For a number of years as part of the Council's sound financial planning arrangements a four-year financial strategy has been prepared. This document allows a considered view to be taken of spending and resources. Without a medium term financial strategy finances would be managed on an annual basis leading to sudden expansions and contractions in services. Clearly such volatility would lead to waste and be confusing for stakeholders.
2. Managing this Council's finances has been made easier by isolating one off fluctuations (District Development Fund or DDF) from the ongoing core services (Continuing Service Budgets or CSB). This distinction highlights the differing effects in the medium term of approving different types of initiative.
3. A key part of the strategy is future rises in Council Tax and the Council has a stated ambition to remain a low tax authority in the long term. To achieve this over the long term it is important to avoid the gimmick of one-off reductions. For 2017/18 it appears that most authorities across Essex will be increasing charges to just below the referendum limit.
4. At its 14 July 2016 meeting the Finance and Performance Management Cabinet Committee decided to recommend a 0% increase in the Council Tax. This recommendation was adopted by Cabinet on 1 September 2016.

Previous Medium Term Financial Strategy

5. The July meeting of the Cabinet Committee considered the annual Financial Issues Paper and an updated medium term financial strategy. At that time Members attention was drawn to a number of areas of significant uncertainty. Key amongst those were the structural reforms to the financing of local authorities through the local retention of NNDR and proposed changes to New Homes Bonus. The general state of domestic and European economies following the Brexit vote was a concern although most of the key income streams were now showing improvement. There were also questions over welfare reform, development opportunities and the Transformation Programme.
6. Against this background of risk and uncertainty a forecast was constructed that set a target of £13.11m for CSB expenditure for 2017/18 and maintained the requirement for annual CSB savings over the forecast period. At this time deficit budgets were anticipated for each year of the forecast, although these were reducing at the end of the forecast.
7. At that time the predicted General Fund balance at 1 April 2020 of £6.86m represented 55% of the anticipated Net Budget Requirement (NBR) for 2019/20 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be £1.3m left in the DDF at 1 April 2020.

Updated Medium Term Financial Strategy

8. In the period since the Financial Issues Paper the Government has provided the draft settlement figures for the period up to and including 2019/20. The reductions in grant are in line with what had been anticipated, with Revenue Support Grant going negative by the end of the period. However, the reductions in New Homes Bonus were surprisingly large and involved the imposition of a baseline that was significantly higher than the one that had been included as a possibility in the consultation. In constructing the forecast it has been necessary to make certain assumptions, these are set out below:
 - a) CSB Growth – the net savings required for 2017/18 have been found and the CSB figure is very close to the target established in July. Budgets will be re-visited during the course of 2017/18 to seek further reductions, particularly areas like waste management that have seen growth. In common with the earlier version of the strategy, target CSB savings are included for the period 2018/19 to 2020/21. Additional development control income, the new leisure management contract and the shopping park have helped achieve the savings required for 2017/18. However, on top of known predicted savings, net savings targets of £300,000 for 2018/19, £250,000 for 2019/20 and £150,000 for 2020/21 are needed.
 - b) DDF – all of the known items for the four-year period have been included and at the end of the period a balance of £0.38m is still available. This is only possible after the transfer in of £0.5m from the General Fund Reserve in 2018/19 due to the high level of expenditure on the Local Plan.
 - c) Grant Funding – the amounts included are those from the draft settlement, including the negative amount in 2019/20.
 - d) Other Funding – the amounts included for New Homes Bonus have been drastically reduced in line with the draft settlement. Only limited growth in funding has been anticipated from growth in the non-domestic rating list. It has been assumed that the allowance for losses on appeals will be adequate but there are hundreds of appeals still outstanding, including one against the largest item on our rating list. It has been assumed that the revised opening date for the retail park will be achieved.
 - e) Council Tax Increase – Members have indicated that they wish to freeze the charge for the length of the strategy.
9. This revised medium term financial strategy has deficits throughout the period, although these are reducing and the use of reserves in 2020/21 is only £113,000. The predicted revenue balance at the end of the period is £5.5m, which represents 43% of the NBR for 2020/21 and thus comfortably exceeds the target of 25%.
10. It is worth repeating that savings of £0.7m are still to be identified for the last three years of the strategy and that identified savings of £2.33m in 2018/19 and 2019/20 will have to be delivered. In approving the medium term financial strategy Members are asked to note these targets. The strategy will be monitored during the year and updated for the July 2017 meeting of the Finance and Performance Management Cabinet Committee.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2016/17 - 2020/21

ORIGINAL 2016/17	REVISED 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21
£'000 NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
12,714 Continuing Services Budget	13,138	13,567	13,683	13,458	12,831
949 CSB - Growth	1,408	595	1,097	233	531
-411 CSB - Savings	-778	-1,053	-1,560	-770	-350
0 Additional Savings Target	0	0	-300	-250	-150
13,252 Total C.S.B	13,768	13,109	12,920	12,671	12,862
810 One - off Expenditure	1,416	2,100	959	12	-66
14,062 Total Net Operating Expenditure	15,184	15,209	13,879	12,683	12,796
-112 Contribution to/from (-) Other Res	-320	-210	-30	0	0
-698 Contribution to/from (-) DDF Balances	-1,096	-1,890	-929	-12	66
-36 Contribution to/from (-) Balances	-577	-100	-119	-143	-113
13,216 Net Budget Requirement	13,191	13,009	12,801	12,528	12,749
FINANCING					
1,329 RSG-Parish Support Grant	1,380	610	193	0	0
3,982 District Non-Domestic Rates Precept	3,979	4,500	4,600	4,400	4,500
400 Section 31 Grant	650	0	0	0	0
7,774 District Council Tax Precept	7,774	7,889	8,008	8,128	8,249
-269 Collection Fund Adjustment	-592	10	0	0	0
To be met from Government 13,216 Grants and Local Tax Payers	13,191	13,009	12,801	12,528	12,749
Band D Council Tax	148.77	148.77	148.77	148.77	148.77
Percentage Increase %		0	0	0	0

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2016/17 - 2020/21

	REVISED 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21
REVENUE BALANCES	£'000	£'000	£'000	£'000	£'000
Balance B/forward	7,272	6,495	6,395	5,776	5,633
Transfer out	-200	0	-500	0	0
Surplus/Deficit(-) for year	-577	-100	-119	-143	-113
Balance C/Forward	6,495	6,395	5,776	5,633	5,520
DISTRICT DEVELOPMENT FUND					
Balance B/forward	3,742	2,646	756	327	315
Transfer in	0	0	500	0	66
Transfer Out	-1,096	-1,890	-929	-12	0
Balance C/Forward	2,646	756	327	315	381
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	3,788	4,136	198	299	1,368
New Usable Receipts	5,425	7,061	1,696	1,733	845
Use of Capital Receipts	-5,077	-10,999	-1,595	-664	-512
Balance C/Forward	4,136	198	299	1,368	1,701
TOTAL BALANCES	13,277	7,349	6,402	7,316	7,602

The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2017/18 budgets and the adequacy of the reserves.

Introduction

1. The Local Government Act 2003 section 25 introduced a specific personal duty on the "Chief Financial Officer" (CFO) to report to the Authority on the robustness of the estimates for the purposes of the budget and the adequacy of reserves. The Act requires Members to have regard to the report when determining the Council's budget requirement for 2017/18. If this advice is not accepted, the reasons must be formally recorded within the minutes of the Council meeting. Council will consider the recommendations of Cabinet on the budget for 2017/18 and determine the planned level of the Council's balances.
2. Sections 32 and 43 of the Local Government Finance Act 1992 also require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the net budget requirement.
3. There are a range of safeguards, which exist to ensure local authorities do not over-commit themselves financially. These include:
 - The CFO's s.114 powers, which require a report to the Cabinet and to all Members of the local authority if there is or is likely to be unlawful expenditure or an unbalanced budget
 - The Prudential Code, which applied to capital financing from 2004/05.

The Robustness of the Recommended Budget

4. A number of reports to the Cabinet in recent years have highlighted the difficulties inherent in setting budgets, not least because of significant changes in the level and complexity of Government funding and continuing pressure to protect and develop services. At the same time major changes have been introduced to the way the Council is structured and managed and the way services like waste and leisure are delivered. These changes and the extended period of low economic growth are still ongoing and represent significant risks to the Council's ability to evaluate all the financial pressures it faces.
5. However the Council's budget process, developed over a number of years, has many features that promote an assurance in its reliability:
 - The rolling four year forecast provides a yardstick against which annual budgets can be measured
 - The early commencement of the budget process and the clear annual timetable for both Members and officers including full integration with the business planning process promotes considered and reasoned decision making
 - The establishment of budget parameters in the summer is designed to create a clear focus before the budget process commences

- The analysis of the budget between the continuing services and one off District Development Fund items smoothes out peaks and troughs and enables CSB trends to be monitored
 - The adoption of a prudent view on the recognition of revenue income and capital receipts
 - The annual bid process whereby new or increased budgets should be reported to Cabinet before inclusion in the draft budget
 - Clear and reasoned assumptions made about unknowns, uncertainties or anticipated changes
6. With a Cabinet system the onus is on Portfolio Holders to work closely with Directors to deliver acceptable and accurate budgets. This role has been taken seriously and has helped enhance the detailed knowledge of the Cabinet. There is an established process that allows the Resources Select Committee to challenge and debate the detailed budgets with the Finance and Performance Management Cabinet Committee.
7. The budget is therefore based on strong and well-developed procedures and an integrated and systematic approach to the preparation of soundly based capital and revenue plans and accurate income and expenditure estimates. The risks or uncertainties inherent in the budget have been identified and managed, as far as is practicable, and assumptions about their impact have been made.
8. **The conclusion is that the estimates as presented to the Council are sufficiently robust for the purposes of the Council's overall budget for 2017/18.**

Factors to be taken into account when undertaking a Risk Assessment into the overall Level of Reserves and Balances

9. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) states that the following factors should be taken into account when the CFO considers the overall level of reserves and balances:
- Assumptions regarding inflation;
 - Estimates of the level and timing of capital receipts;
 - Treatment of demand led pressures;
 - Treatment of savings;
 - Risks inherent in any new partnerships etc;
 - Financial standing of the authority i.e. level of borrowing, debt outstanding etc;
 - The authority's track record in budget management;
 - The authority's capacity to manage in-year budget pressures;
 - The authority's virements and year-end procedures in relation to under and overspends;
 - The adequacy of insurance arrangements.
10. These issues have formed the basis for budget reports in the past and they remain relevant for the current budget.

Factor Assessment

a. Inflationary pressures

11. Every year base budget estimates are produced and then different inflation factors are applied to the resultant figures to take budgets to out-turn prices. It is inevitable that there will be either over or under provision for the full cost of inflation, as prices will vary against the estimates made. Efforts have been made to predict the level of inflation in the coming year, although the uncertainty around the overall economic position makes this more difficult. We have already seen some growth in inflation being caused by the weakness of the pound after the Brexit vote. How the Brexit negotiations proceed and the policy choices of the new president of the United States of America will have implications for the economy of the United Kingdom.
12. The Consumer Price Index (CPI) rose by 1.6% in the year to December 2016, up from 1.2% in November. This figure was above market expectations of 1.4% and represents the highest CPI rate since July 2014. It is likely that this increasing trend will continue through 2017 and the Bank of England's target rate of 2% will be breached. This is likely to result in reductions in real wage growth and restrain household spending. Pay increases for the year to November 2016 were running at 2.8%, inclusive of bonuses. However, pay rises in the public sector will not match those in the private sector so the Medium Term Financial Strategy (MTFS) includes an allowance of 1.5% for pay awards for 2017/18 and 1% for subsequent years. In the budgets the centrally held vacancy allowance has been maintained at 1.5%. This reflects the level of salary underspend currently being seen in 2016/17.

b. Estimates on the level and timing of capital receipts

13. The Council has always adopted a prudent view on the level and timing of capital receipts. Capital receipts are not recognised for budgetary purposes unless they have been received or their receipt is contractually confirmed prior to the budget being ratified. Currently, no significant disposals are anticipated in 2017/18.
14. The exception to this is receipts from council house sales. In this instance because sales occur throughout the year assumptions are made about their generation. Following the increase in Right to Buy discounts the number of sales increased significantly. During 2012/13 there were 13 sales but 2013/14 saw the number rise to 53, with a further 46 in 2014/15. This dipped back to 20 for 2015/16 but a higher level is evident again in 2016/17 with 44 sales estimated for the year. Going forward, it is anticipated that there will be 30 sales in 2017/18 and that this will then reduce to 24 per annum for subsequent years.
15. Even with the Authority's substantial capital programme, which exceeds £124m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2021 will be just under £1.7m. By this stage the amount in the reserve will consist entirely of one for one receipts to be re-invested in new housing stock. Priority will be given to capital schemes that create future revenue benefit, either through increased income or reduced costs. The Treasury Management Strategy was amended last year to state that new borrowing will only be undertaken for capital schemes with positive revenue consequences.

c. Treatment of demand led pressures and savings

16. Demand led pressures are increasing on the benefits and homelessness services and additional resources have been allocated to address this. Locally the economy is improving, with increases in key income streams like development control and parking. The income from both these areas will be greater in 2016/17 than 2015/16.
17. The net savings for the budget have arisen from two main areas. Firstly, the new leisure management contract is predicted to generate CSB savings in excess of £1m per annum on average over the 20 year life of the contract. Payments fluctuate over the first few years of the contract so the MTF5 matches this with savings of £250,000 in 2017/18, £300,000 in 2019/20 and £350,000 in 2020/21. Secondly, the income from the shopping park which, like the new leisure contract, is spread over the period of the MTF5. With the park scheduled to open in summer 2017 income of £490,000 has been included for 2017/18 followed by further amounts of £1.45m in 2018/19 and ££220,000 in 2019/20. A number of other smaller savings have also been identified and together these provide a sound base for the 2017/18 budget. However, there is still a need for further savings in 2018/19 and beyond and work is ongoing on a number of ideas to reduce net costs.

d. Risks inherent in partnership arrangements etc

18. There are several partnership arrangements, some of which carry risks of varying degrees in monetary terms. The risks have not been specifically identified in the budget but are underwritten through the Authority's balances.

e. Financial standing of the authority (i.e. level of borrowing, debt outstanding etc)

19. The only borrowing is due to self-financing for the Housing Revenue Account (HRA). This had not been a significant concern as the 30 year business plan for the HRA demonstrated that the Council would be considerably better off in the long term. However, the requirement to reduce rents and to contribute to the funding for the introduction of right to buy for housing association tenants mean the HRA business plan will need to be re-examined in 2017/18.
20. It is evident from the draft settlement that the future for local authorities is financial self-sufficiency, based on income from local taxation and service generated revenues. This Council has already moved a long way in that direction and the loss of Revenue Support Grant is not a major concern. The most worrying aspect of the draft settlement is what might happen to New Homes Bonus. The reductions in the draft settlement were substantially larger than had been anticipated in the MTF5. It is now predicted that our income from NHB will reduce the current £2.7m to just £0.2m in 2020/21.
21. Local retention of non-domestic rates has been helpful and has resulted in far higher levels of income to the Council than DCLG had predicted. The most significant concern now is the introduction of the new rates list from 2017 and changes to transitional relief and the appeals process. All of this change at one time makes it difficult to predict the amount of our income. There also remain several hundred appeals outstanding on the current rating list, including one against the largest item on our rating list, and it is difficult to robustly predict what the combined outcomes will be. It is also difficult to predict the outcome

from pooling and whilst this reduces the levy the Council pays there is additional risk in how other members of the pool perform.

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

22. The Authority has a proven track record in financial management as borne out by the Annual Audit Letters from the Authority's external auditors. A comparison of actual net expenditure with estimates over a number of year's shows that the Council rarely experiences over spends of any significance.
23. Most managers have received training on budget management. A course involving an external trainer, the CFO and the Chief Internal Auditor has now been supplemented with additional detailed training on a directorate basis being provided by accountancy staff.
24. The quarterly budget monitoring reports on key budgets to both the Finance and Performance Management Cabinet Committee and the Resources Select Committee will continue throughout 2017/18. The production of these reports during the year is essential in identifying emerging problems at the earliest opportunity. This allows maximum benefit to be accrued from any corrective action taken.

g. The authority's virement and year-end procedures in relation to under and overspends

25. The Council has recognised and embedded virement procedures that allow funds to be moved to areas of pressure. Although underspends and overspends are not automatically carried forward, the Council does have an approved carry forward scheme for capital and DDF which is actioned through the formal provisional outturn report to the Finance & Performance Management Cabinet Committee in the summer of each year.

h. The adequacy of insurance arrangements

26. The Council is in a five year agreement following an OJEU procurement exercise. This exercise attracted interest from several insurance companies but the best overall package of cover was offered by the Council's existing insurer, Zurich Municipal. Despite the general increases seen in the market for insurance, the new long term agreement was procured at a lower cost with some increases in indemnities. The Council still maintains an insurance fund, which as at 31 March 2016 had a balance of £1.02m.

i. Pension liabilities

27. The latest triennial valuation as at 31 March 2016 showed an increase in the funding level of the scheme to 85% (the value of the scheme's assets cover 85% of the liabilities). This has allowed the actuaries to reduce both the deficit payments and the projected recovery period. However, ongoing contributions have increased from 15.9% to 18% and this results in small amounts of CSB growth in 2018/19 and 2019/20.

Statement on the adequacy of the reserves and balances

28. The Use of Resources assessment previously conducted by the external auditors moved on from the formulaic approach of CPA to achieve the 'good' ranking for reserves. The old formula had suggested that the Council should maintain a General Fund balance of at least £0.89m but no more than £17.86m. The Council's current best estimate of the General Fund balance at 31 March 2018 is £6.4m as shown in the Annex 5 b. This is clearly within the range specified but as a benchmark is not particularly useful. Therefore a risk assessment related to the Authority's individual circumstances is provided as a more meaningful benchmark against which the adequacy of the balances can be determined.
29. The following table lists those developments and cost pressures within the four-year forecast that offer the greatest risk to financial stability.

Item of risk	Estimated value of financial risk £000	Level of risk %	Adjusted level of risk £000
Basic 5% of Net Operating Expenditure			700
Negative RSG earlier and larger than draft settlement	500	20	100
Loss of New Homes Bonus more quickly than anticipated	2,000	40	800
Pay award being settled 1% in excess of estimate for 18/19 and future years	800	25	200
Inflationary pressures between 1-4% higher than budget	600	40	240
Loss of North Weald Market Income	2,800	10	280
Unintended consequences of HRA reform impacting on General Fund	2,000	10	200
Localisation of Council Tax Benefit - Increase in caseload not covered by funding	1,000	20	200
Retention of non-domestic rates – losses on appeals	2,000	40	800
Failure to build retail park	4,000	10	400
Renegotiating External contracts and partnership arrangements	4,000	25	1,000
Emergency Contingency	800	20	160
Total	20,500		5,080

30. A number of contracts have been granted to outside bodies for the provision of Council services. The failure of any of these contracts would lead to the Council incurring costs, which may not be reimbursed. Other than certain bond arrangements there is no specific provision made in the estimates for this type of expenditure, which therefore would have to be covered by revenue balances.
31. The presentation in this table is not a scientific approach, but a crude attempt to put a broad order of scale on the main financial risks potentially facing the Council. It is meant to be thought provoking rather than definitive. It is certainly

not a complete list of all the financial risks the Council faces but it shows the potential scale of some of the risks and uncertainties and the impact they may have on the Council's balances if they were to come to fruition.

32. Based on the old CPA formula there is an expectation that an authority should carry a level of balance that equates to at least 5% of the net operating expenditure (NOE) of the Authority. During the period of the four-year plan NOE is expected to average out at £13.6m, which suggests a figure of £682,000.
33. The Council has always been conscious of its balances position as can be demonstrated by budget reports over many years. Fortunately for the Council the question had not been whether it had a sufficient level of balance but rather that it had too much. The General Fund balance reduced by £2.02m in 2015/16 (after use of £3m to fund the capital programme) to leave a balance of £7.27m at 31 March 2016.
34. Policies have been determined previously to bring about reductions and the current policy reflects that deficit budgets are necessary to support the structured reduction in spending. The current policy allows for balances to fall to no lower than 25% of Net Budget Requirement (NBR). This is slightly different from the NOE stated above, the average NBR figure for the next four years is expected to be £12.8m therefore 25% of that figure equates to £3.2m. The current four-year forecast shows balances still at £5.5m at the end of 2020/21.
35. The risk assessment undertaken above suggests that 20-25% of NBR is about the range that this authority should be maintaining its balances within. By 31 March 2021 balances will represent 43% of NBR, which is more than adequate. However, Members are aware that this situation can only be achieved with CSB savings and have stated a clear target of reducing expenditure throughout the period of the medium term financial strategy.
36. The only balances in the capital fund going forward will be receipts from the sale of Council houses that will need to be re-invested in the new build programme. Additional borrowing will be required to fund the capital programme in 2017/18. Further borrowing is affordable but Members have stated that new borrowing should only be for capital schemes with positive revenue consequences.
40. The main earmarked reserve is the District Development Fund (DDF) which is used to keep one off items separate from the base budget. At 31 March 2016 the balance on the DDF was £3.74m, which was an increase of £0.14m in the year. The DDF is predicted to have a balance of £0.38m at the end of 2020/21, although this requires a transfer in from the General Fund Reserve of £0.5m in 2018/19 to fund the Local Plan. The only other earmarked reserve with a significant balance is the Insurance Reserve, which stood at £1.02m at the end of 2015/16. There were no significant movements in the year on this fund.
41. The HRA revenue balance of £3.2m at 31 March 2016 is expected to increase by £494,000 in 2016/17 and then decrease by £1.67m in 2017/18 to remain above £2m. The balance on the Housing Repairs Fund is expected to reduce slightly over the next year, from £1.3m to £1.2m. The Housing Major Repairs Reserve is predicted to decrease significantly from £9.1m to £2.1m. The HRA business plan will be reviewed during 2017/18 to assess the steps necessary to respond to Government policies such as the requirement to reduce rent and dispose of high value voids.

- 42. The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2017/18 but that savings will be needed in subsequent years to bring the budget back into balance in the medium term. There are particular concerns about the new rating list which have been exacerbated by changes to transitional relief and the appeals system, also until all of the old business rates appeals are resolved these will continue to represent a significant risk.**

Report to Council

Date of meeting: 21 February 2017

Subject: Overview and Scrutiny Report to Council

**Contact for further information: Councillor M Sartin
(Chairman, Overview and Scrutiny Committee)**

Committee Secretary: Adrian Hendry, ext.4246



Recommendations/Decisions Required:

That the Overview and Scrutiny progress report from December 2016 to the present be noted.

Report:

Overview and Scrutiny Committee Meeting – 19 December 2016

1. At our meeting on Monday 19th December, we conducted a question and answer session with two officers from Transport for London. One was the General Manager of the Central Line and the other was the Stakeholder Engagement Manager for the Bakerloo, Central and Victoria Lines. The TfL officers had received advanced notice of the topics and questions, split into operational and strategic issues, that the Committee wanted to cover, and as a result had come with prepared answers; they went on to answer, as best they could, any questions that were generated on the night from the members present. This exercise proved very productive and provided interesting and informative answers to many members' questions. In concluding this portion of the meeting I asked that they come back to us at a future date to update us on progress made, and this they agreed to do.

2. Also at this meeting we considered the Cabinet's Key Decision List for October 2016 and the Council's Corporate Plan, setting out the council's priorities over a five year period from 2015/16 to 2019/20. We also scoped out the themes and possible questions we would like to ask the officers from the Princess Alexandra Hospital NHS Trust who were supposed to be coming to a special meeting we had arranged for the end of January 2017. Unfortunately at the last moment they cancelled and we are now trying to rearrange this for another time.

3. Members may like to know that we will have the new Principal of Epping Forest College, which has recently had an unfavourable second Ofsted report, attend our next Overview and Scrutiny Committee meeting which will be held on 28 February 2017.

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ROYAL GUNPOWDER MILLS – BOARD MEETING 21st of JANUARY 2017

Report by Cllr. Helen Kane

The Chairman, Mr John Bowles, thanked everyone present. As he had mentioned before Christmas his intention was to retire in January 2017. So, he requested that the Board should elect a new Chairman, to take over with immediate effect.

Dr. Jennifer Freeman was proposed and seconded and took the rest of the meeting. Each of the Board members gave thanks to the retired Chairman, Mr Bowles, for his dedication and long standing for the post and being such a critical friend of the Mills for a very long time.

The main topic of the agenda was the CEO's report on the site itself. Stella Morris had mentioned about the vast area of the site and how difficult it has proven to be able to keep an eye on everything, especially with so few members of staff.

De-contamination of the site and asbestos in old buildings were also two of the items the company was considering exploring with the help of external specialists.

The visitors' numbers have been very encouraging and all the events have been successful. The schools have cut down because of funding but SM will try to encourage schools to participate in lab events and educational events as children love the different experiences. She will try to achieve this by using the social media, dealing personally with a lot of enquiries and work towards walking tours.

The management company and the board are very aware about the sustainability of the site and were investigating alternative plans for the site.

PGL had lodged an appeal against the Council's decision for their planning application, the Operating company were trying very hard to come into negotiations with PGL. Further developments might be in the horizon.

The meeting went into private session.

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