



CABINET
Thursday, 1st February, 2018

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

Council Chamber, Civic Offices, High Street, Epping
on Thursday, 1st February, 2018
at 7.00 pm .

Glen Chipp
Chief Executive

Democratic Services
Officer

Gary Woodhall
(Governance Directorate)
Tel: (01992) 564470
Email: democraticservices@eppingforestdc.gov.uk

Members:

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

PLEASE NOTE THAT THIS MEETING IS OPEN TO ALL MEMBERS TO ATTEND

1. WEBCASTING INTRODUCTION

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

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

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

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

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

2. APOLOGIES FOR ABSENCE

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

3. DECLARATIONS OF INTEREST

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

4. MINUTES

To confirm the minutes of the last meeting of the Cabinet held on 7 December 2018 (previously circulated).

[Click here for Cabinet minutes 7 December 2017](#)

5. REPORTS OF PORTFOLIO HOLDERS

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

6. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

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

(a) Public Questions

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

(b) Requests to Address the Cabinet

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

7. OVERVIEW AND SCRUTINY

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

(b) To consider any matters that the Cabinet would like the Overview and Scrutiny Committee to examine as part of its work programme.

8. REVIEW OF HOUSING ALLOCATIONS SCHEME (Pages 5 - 68)

(Housing Portfolio Holder) To consider the attached report (C-039-2017/18).

9. TRANSFORMATION PROGRAMME MONITORING REPORT - NOVEMBER 2017 (Pages 69 - 82)

(Leader of Council) To consider the attached report (C-040-2017/18).

10. OPTIONS AND IMPLICATIONS OF THE COUNCIL FUNDING THE EMPLOYMENT OF POLICE OFFICERS IN THE EPPING FOREST DISTRICT (Pages 83 - 100)

(Safer, Greener & Transport Portfolio Holder) To consider the attached report (C-041-2017/18).

11. RATIONALISATION OF SHELTERED HOUSING ASSETS - INITIAL SCOPING REPORT (Pages 101 - 118)

(Housing Portfolio Holder) To consider the attached report (C-042-2017/18).

12. PAY POLICY STATEMENT 2018/19 (Pages 119 - 130)

(Technology & Support Services Portfolio Holder) To consider the attached report (C-043-2017/18).

13. CALENDAR OF COUNCIL MEETINGS 2018/19 (Pages 131 - 138)

(Planning & Governance Portfolio Holder) To consider the attached report (C-044-2017/18).

14. TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19 (Pages 139 - 172)

(Finance Portfolio Holder) To consider the attached report (C-045-2017/18).

15. COUNCIL BUDGETS 2018/19 (Pages 173 - 216)

(Director of Finance) To consider the attached report (C-046-2017/18).

16. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 24 of the Council Procedure Rules contained in the Constitution requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

17. EXCLUSION OF PUBLIC AND PRESSExclusion

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

Agenda Item No	Subject	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 one copy of each of the documents on the list of background papers for four years after the date of the meeting. Inspection of background papers can be arranged by contacting either the Responsible Officer or the Democratic Services Officer for the particular item.

Report to the Cabinet

Report reference: C-039-2017/18
Date of meeting: 1 February 2018



Portfolio: Housing
Subject: Review of the Housing Allocations Scheme
Responsible Officer: Roger Wilson (01992 564419).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That the Cabinet accepts the recommendations of the Communities Select Committee in its report attached at Appendix A;**
- (2) That the Cabinet agrees one change to the draft Scheme (in response to comments made by Nazeing Parish Council) following the outcome of the consultation exercise with the Tenants and Leaseholders Panel, local residents, partner agencies, Parish and Town Councils and Housing Association partners as set out at Appendix B;**
- (3) That the Cabinet agrees the four changes made to the Housing Allocations Scheme (subsequent to consideration by the Communities Select Committee) in accordance with the advice received from the external legal advisor which are set out at Appendix C;**
- (4) That under the penalties for refusals of offers of accommodation (Paragraph 18.9 of the Scheme refers) the numbers of offers within any period before penalty applies, be increased from three to four for existing tenants of the Council who are under-occupying accommodation and wishing to move to smaller Council accommodation with their application being deferred for a period of twelve months; and**
- (5) That the Housing Allocations Scheme be reviewed again by the Communities Select Committee after 3 years of operation.**

Executive Summary:

The Cabinet is being asked by the Communities Select Committee to accept its recommendations set out in their report attached at Appendix A and adopt the Council's revised Housing Allocations Scheme. The target date for the revised Scheme to come into force is 1 July 2018.

The Council has consulted on the draft revised Scheme, and sought external legal advice. The table attached at Appendix B to the report sets out the responses to the consultation. A further table at Appendix C sets out four further changes made in accordance with the advice of the external legal advisor. The Cabinet are further asked to consider the level of penalties to be applied to Council tenants who are downsizing to smaller Council accommodation.

Reasons for Proposed Decision:

To ask the Cabinet to accept the recommendations of the Communities Select Committee and adopt the revised Housing Allocations Scheme, subject to four further changes made in accordance with the advice of the external legal advisor at Appendix C. To ask the Cabinet to consider the level of penalties to be applied to tenants of the Council who are downsizing to smaller Council accommodation.

Other Options for Action:

- (i) Not to agree the recommendations of the Communities Select Committee.
- (ii) To make alternative changes to the draft Housing Allocations Scheme.

Report:

1. The Cabinet is being asked by the Communities Select Committee to accept its recommendations set out in their report which, they have presented to the Cabinet and is attached at Appendix A and adopt the Council's revised Housing Allocations Scheme.
2. Since the revised Scheme was considered by the Committee, there have been some issues which have arisen which the Cabinet needs to be aware of which are set out in this report.

Penalties for Refusals of Offers of Accommodation

Background

3. Under the current Scheme (Paragraph 18.8 to 18.9 refers), any home seeker who refuses **two** offers of suitable accommodation for which they have expressed an interest within any period will have their application deferred for a period of twelve months.
4. Any tenant of the Council who is under-occupying and is wishing to move to smaller Council accommodation, who refuses **three** offers of suitable accommodation for which they have expressed an interest within any period, will also have their application deferred for a period of twelve months. Under the current Scheme, in 2016/2017, 130 applicants refused one offer of accommodation with 15 being penalised for refusing two offers of accommodation.
5. The initial views of Cabinet Members was that under the revised Scheme any applicant who refuses **two** suitable offers of accommodation in any period will have their application deferred for an increased period of 2 years which the Committee has recommended.
6. The Committee further recommended that any tenant of the Council who is under-occupying accommodation and is wishing to move to smaller Council accommodation, who refuses **three** offers of suitable accommodation for which they have expressed an interest within any period, should have their application deferred for a period of **twelve months** as with the current Scheme. This is in order to continue to encourage tenants to downsize. Furthermore, it would enable a Secure (fixed-term) Tenant who is under-occupying and nearing the end of their tenancy term to downsize more easily and remove the need to take enforcement action at the end of their tenancy. It was also recommended that any refusals prior to when the revised Scheme comes into force on 1 July 2018 be disregarded.

7. However, some Cabinet Members who attended the Committee's meeting asked that the Cabinet further considered whether more opportunity for choice should be given to existing tenants of the Council who are under-occupying and wishing to move to smaller Council accommodation. The Housing Portfolio Holder is therefore recommending that, the number of refusals before any penalties are imposed for applicants downsizing in these circumstances be increased from three to four with the deferment period remaining at 12 months. It is considered that increasing to five in accordance with the views of the Tenants and Leaseholders Panel (set out at Appendix B) would have a detrimental effect on void re-let times and void rental loss.

8. It recommended to the Cabinet that target date for the revised Scheme coming into force is 1 July 2018, subject to any delays due to the necessary implementation arrangements which includes:

- Writing to around 1,400 home seekers on the Housing Register, explaining that they must re-register on-line giving a final deadline for re-registering after which they will be removed from the list;
- Re-designing the on-line application form to ensure it complies with the new policies;
- Working with the Council's Choice Based Lettings system administrator Locata Housing Services (LHS) to ensure the system meets with the requirements of the revised Scheme; and
- Monitoring all qualifying home seekers, contacting those who fail to re-register to ensure that the following advice/assistance is given to either vulnerable applicants or those who do not have access to a computer:
 - (a) Assistance from staff for home seekers to re-register on line; and
 - (b) Carefully monitoring all qualifying homeseekers who fail to register, with particular attention to those homeseekers on the Council's "Vulnerable List" (where staff already assist with placing bids on their behalf), to ensure they have re-registered, carrying out home visits where needed.

Consultation on the Housing Allocations Scheme

9. The table attached at Appendix B to the report sets out the responses to the consultation.

10. The Communities Select Committee was advised that, following its consideration, the draft Housing Allocations Scheme will be considered by an external Legal Advisor, Stephen Knafler QC who recommended four changes be made to the Scheme which were incorporated in the draft document, he stated that otherwise in his opinion the Housing Allocations Scheme is lawful. The four changes are set out at Appendix C.

Resource Implications:

Within existing resources.

Legal and Governance Implications:

As set out at Paragraph 1.2 on Page 2 of the draft Housing Allocations Scheme.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

As set out in the report.

Background Papers:

Legal Advisor's report
Report to the Communities Select Committee – Annual Review of Protected Characteristics –
Home seekers and Lettings

Risk Management:

No risks have been identified particularly as the draft Scheme has been found to be lawful in the opinion of Stephen Knafler QC subject to his four suggested changes. Should any be identified in the future normally due to the outcome of any possible legal challenges, these will be reported to the Housing Portfolio Holder or the Cabinet depending on their importance or will be taken into account as part of the review after 3 years of operation of the Scheme.

Equality Analysis:

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

Report of the Communities Select Committee

Report to the Cabinet

Report reference: C-nnn-2017/18

Date of meeting: 1 February 2018



Portfolio: Housing - Councillor Syd Stavrou

Report of: Communities Select Committee
(Chairman – Councillor Yolanda Knight)

Subject: Review of the Housing Allocations Scheme

Responsible Officer: Roger Wilson (01992 564419).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That, subject to any subsequent decision of the Cabinet following consideration of the matters set out at (a) to (c) below, the proposed revised Housing Allocations Scheme (attached at Appendix 4) be adopted with effect from the target date of 1 July 2018, which includes the proposed changes set out in Appendices 1,2,& 3 of the report;

- (a) The outcome of the consultation with the Tenants and Leaseholders Panel, local residents, partner agencies, Parish and Town Councils and Housing Association Partners;
- (b) The advice of the external Legal Advisor; and
- (c) The Cabinet's decision on the numbers of offers made within any period before a penalty applies to existing Council tenants downsizing to smaller Council accommodation.

Executive Summary:

1. At our meeting on 5 September 2017, we considered a report on the review of the Housing Allocations Scheme. The current Scheme came into force on 27 July 2015.

2. We were asked to give detailed consideration to the revised Scheme having regard to the initial informal views of Cabinet Members, which we have now done. We are therefore submitting this report and a copy of the draft Scheme to the Cabinet for consideration.

Reasons for Proposed Decision:

To adopt the proposed revised Housing Allocations Scheme as recommended by our Select Committee, subject to any further decisions of the Cabinet following consideration of the Housing Portfolio Holder's report prior to the adoption of the final Scheme.

Other Options for Action:

1. Not to agree the changes to the Council's Housing Allocations Scheme recommended by our Committee.
2. To agree different changes to those recommended by our Committee, following consideration of the Housing Portfolio Holder's report.

Report:

1. At our meeting on 5 September 2017, our Committee considered a report on the review of the Housing Allocations Scheme. The current Scheme came into force on 27 July 2015.
2. We were advised that the Council is legally required to have a Housing Allocations Scheme for determining priorities and the procedure to be followed in selecting a person for Council accommodation, or nominating a person to be a tenant for accommodation held by another Registered Provider of social housing (e.g. housing association).
3. Under Government Guidance, authorities are given powers to decide locally how accommodation should be allocated based upon local priorities. We therefore noted that authorities are empowered to allocate their accommodation in any way they see fit, provided schemes are both legal and rational.
4. The Housing Portfolio Holder advised us that she had held informal discussions with Cabinet colleagues to seek their initial views on the review. She considered this essential, as it gave guidance on how Cabinet Members felt the Scheme should be drafted, potentially saving a great deal of officer and Member time. The background on each of the issues, the initial views of Cabinet Members and the recommendations of our Panel are set out at Appendix 1.
5. Having given detailed consideration to the draft Scheme presented to us by officers, we are submitting this report to the Cabinet for consideration. A copy of our proposed draft Scheme which incorporates the proposed changes set out at Appendices 1, 2 & 3 is attached at Appendix 4. The current Scheme and a copy of Government Guidance, *Allocation of accommodation: guidance for local authorities in England (DCLG June 2012)* and *Providing Social Housing for Local People (DCLG December 2013)* has been circulated to Cabinet Members separately for the Cabinet meeting.
6. We understand that a consultation exercise will be undertaken on the draft Scheme, the outcome of which will be reported to the Cabinet for consideration at the same time as considering this report. In addition, Cabinet Members who attended our meeting requested that the Cabinet gave consideration to reducing further the penalties to be applied to existing Council tenants downsizing to smaller Council accommodation. Furthermore, the draft revised Scheme has been referred to an external Legal Advisor Stephen Knafler QC. The Housing Portfolio Holder will be reporting on these matters which the Cabinet should take into account, and consider any possible subsequent decisions prior to adopting the final Scheme.
7. We recommend that the revised Scheme be introduced with effect from a target date of 1 July 2018.

8. Finally, we are suggesting to the Cabinet that an item be included in our Work Programme for 2021/2022, to review the Scheme again after 3 years of operation, and to submit a report to the Cabinet on the outcome of its review and any recommended changes.

Resource Implications:

Within existing resources

Legal and Governance Implications:

As set out at Paragraph 1.2 on Page 2 of the draft Housing Allocations Scheme at Appendix 4 of the report

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

A consultation exercise has been undertaken with the Tenants and Leaseholders Panel, local residents (invited on the Council's website), partner agencies, Parish and Town Councils and Housing Association Partners, The comments received to the consultation exercise will be reported to the Cabinet by the Housing Portfolio Holder.

Background Papers:

None

Impact Assessments:

Risk Management

No risks have been identified. Should any be identified in the future normally due to the outcome of any possible legal challenges, these will be reported to the Housing Portfolio Holder or the Cabinet depending on their importance or will be taken into account as part of the review after 3 years of operation of the Scheme.

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. The Housing Portfolio Holder will be reporting on other matters regarding this report asking the Cabinet to take these into account prior to adopting the final Scheme. The equality information is provided at Appendix D to the Housing Portfolio Holder's report. The equality information provided is essential reading for all members involved in the consideration of the report.

The following paragraphs set out under each issue the background, the initial views of Cabinet Members' and the suggested recommendations of our Committee.

Residency Criteria

Background

1. Under one aspect of the current Local Eligibility Criteria of the Scheme (Paragraph 14.3 refers), in order to join the Council's Housing Register an applicant must have been resident in the District for **five** continuous years.

The initial views of Cabinet Members

2. That the Residency Criteria be increased, with any new applicant who has lived in the District for less than **seven** continuous years immediately prior to their date of registration, not qualifying for inclusion on the Council's Housing Register.

Statistical information

3. The residency criteria of some other councils in Essex are set out in the table below:

Council	Residency Criteria
Brentwood Borough Council	6 out of the last 12 months or 3 out of the last 5 years; or Close family connection with a person in the area for more than 5 years
Broxbourne Borough Council	5 Years
Chelmsford City Council	6 out of the last 12 months or 3 out of the last 5 years; or Close family connection with a person in the area for more than 5 years
East Herts District Council	No residency criteria, however, points based system in operation with any person having no residency scoring low

Council	Residency Criteria
Harlow District Council	5 years; or Have immediate family who have lived in the District for 5 years
Uttlesford District Council	3 years; or Receiving support from family members in District Been employed in the District for last 3 years

4. In addition, Cabinet Members' initial views are that all applicants already on the Council's Housing Register as at the date of the new Scheme coming into operation (proposed as 1 July 2018) should be protected from the changes to the Residency Criteria and remain on the Housing Register.

5. There are currently 1,377 applicants on the Council's Housing Register who under the current Scheme already have 5 years residency. Of these 968 applicants (at the time of writing) declared over 10 years, 332 between 5 and 10 years with the remaining 77 confirming over 5 years residency. However, when the revised Scheme comes into force on 1 July 2018, additional applicants who have joined the Register in the meantime with less than 7 years residency would also benefit from the protection.

Recommendation of the our Committee

6. Our Committee recommends the initial views of Cabinet Members to the Cabinet.

Financial Criteria aspect of the Local Eligibility Criteria

Background

7. Under the current Scheme (Paragraphs 14.7 to 14.10 refers), any applicant/s who, in the opinion of the Council, has sufficient funds including; annual income, residential property equity, savings, shares or other assets to enable them to meet his or her housing costs will be ineligible. The thresholds at which this criterion applies is where the annual gross household taxable income added to any; residential property, equity, savings, shares or any other assets, exceeds £76,000 Applicants are required to provide evidence of income and savings.

8. The figure was calculated when the Scheme was reviewed in 2015 based upon Government Guidance on Rents for Social Tenants with High Incomes (commonly referred to as the "Pay to Stay" Scheme) where such tenants were defined as those households with a taxable income of at least £60,000 per year. Added to this was the £16,000 savings limit for a person to be eligible for housing benefit making a total of £76,000. A household's annual taxable income is based upon an average over the three years immediately prior to the date of application.

9. Any lump sums received, as compensation for an injury or disability sustained on active service by either: members of the Armed Forces, former Service personnel, bereaved spouses and civil partners of members of the Regular Forces, or serving or former members of the Reserve Forces, is disregarded from this criterion in accordance with Government Regulations.

The initial views of Cabinet Members

10. The initial views of Cabinet Members are that the Financial Criteria should remain the same.

Statistical information

11. The financial criteria of some other councils in Essex are set out in the table below:

Council	Financial Criteria
Brentwood Borough Council	Income must be less than £60,000 with less than £16,000 in savings, investments or assets
Broxbourne Borough Council	Income must be less than £60,000 with less than £16,000 in savings, investments or assets
Chelmsford City Council	Must not be able to fund owner occupied or private rented sector accommodation
East Herts District Council	£48,000
Harlow District Council	£50,000 in income, savings or equity. Policy does not apply to existing Council tenants
Uttlesford District Council	Must not be able to fund owner occupied or private rented sector accommodation

Recommendation of our Committee

12. The initial views of Cabinet Members are recommended by our Committee to the Cabinet. Our Committee further recommends that any applicant who, in the view of the Director of Communities, has deliberately disposed of assets by means of wilful deprivation within the last 6 years will be non-qualifying.

Serious unacceptable behaviour

13. Under the current Scheme (Paragraph 14.11 refers), any person (or a member of their household) who, within the previous 3 years, has been guilty of serious unacceptable behaviour sufficient in the opinion of the relevant Area Housing Manager to make them unsuitable as a tenant of the Council will be ineligible. Such behaviour is behaviour that would give sufficient grounds to issue possession proceedings if they were a Secure, Assured or Flexible (fixed-term) Tenant and includes:

- Serious rent arrears (including housing benefit and Court cost arrears);
- Other breaches of tenancy conditions including damage and neighbour nuisance amongst others;
- Previous proven social housing fraud; or
- Proven offences under the Anti-Social Behaviour; Crime and Policing Act 2014 or any other relevant legislation in force at any time

The initial views of Cabinet Members

14. That any person who has been guilty of serious unacceptable behaviour be ineligible for an increased period of 7 years being the same period as the suggested revised Residency Criteria.

Recommendation of our Committee

15. In accordance with Cabinet Members' initial views, the Committee recommends to the Cabinet that the period of ineligibility for any person found to be guilty of serious unacceptable behaviour as set out under the Scheme be increased from 3 to 7 years.

Penalties for refusals of offers of accommodation

Background

16. Under the current Scheme (Paragraph 18.9 to 18.10 refers), any home seeker who refuses **two** offers of suitable accommodation for which they have expressed an interest within any period will have their application deferred for a period of twelve months.

17. Any tenant of the Council who is under-occupying and is wishing to move to smaller Council accommodation, who refuses **three** offers of suitable accommodation for which they have expressed an interest within any period, will also have their application deferred for a period of twelve months.

The initial views of Cabinet Members

18. That any applicant who refuses **two** suitable offers of accommodation in any period will have their application deferred for 2 years. However, further consideration should be given at the Cabinet meeting to any lesser penalties to be applied to those under-occupying accommodation owned by the Council who are wishing to move to smaller accommodation owned by the Council.

Statistical Information

19. Under the current Scheme, in 2016/2017, 130 applicants refused one offer of accommodation with 15 being penalised for refusing two offers of accommodation.

Recommendation of our Committee

20. Our Committee recommends that any home seeker who refuses **two** offers of suitable accommodation for which they have expressed an interest within any period have their application deferred for a period of 2 years.

21. However, we further recommend that any tenant of the Council who is under-occupying and is wishing to move to smaller Council accommodation, who refuses **three** offers of suitable accommodation for which they have expressed an interest within any period, should have their application deferred for a period of **twelve months** with no change being made. This is in order to continue to encourage tenants to downsize. Furthermore, it would enable a Secure (fixed-term) Tenant who is under-occupying and nearing the end of their tenancy term to downsize more easily and remove the need to take enforcement action at the end of their tenancy.

22. Our Committee also recommends that any refusals prior to when the revised Scheme comes into force on 1 July 2018 be disregarded.

Homeless Applicants

The initial views of Cabinet Members

23. That homeless applicants continue to be made one offer of suitable accommodation after receiving their S.184 decision letter, generally in flatted accommodation (including maisonettes). However, in order to discharge its main homelessness duty, the Council will offer homeless applicants a 2 year Secure Fixed-Term Tenancy to give some temporary stability in order to prepare them to make their own arrangements thereafter. The Council will retain its duty to help [provide Housing Advice and Assistance to] the applicant if under the Assessment Criteria applied at the end of the fixed-term it is established that they have become unintentionally homeless.

24. The Council has sought Legal Advice from Stephen Knafler QC on this suggested change who advised the Council on the lawfulness of its Schemes under the last two Reviews. He advises that the Council can discharge its duty by offering an applicant a fixed-term tenancy as this would be an offer of accommodation under the Housing Act 1996 as amended by the Homelessness Act 2002, provided the offer is suitable. He further points out the issues around any applicant who is housed in this way that may become unintentionally homeless, hence the statement that the Council will retain its duty to help [provide Housing Advice and Assistance to] the applicant if they become unintentionally homeless at the end of the period.

Recommendation of our Committee

25. The initial views of Cabinet Members are recommended to the Cabinet by our Committee.

Applicants living in supported housing

Background

26. Under the current Scheme (Paragraphs 1.4 to 1.5 at Appendix 4 refer), vulnerable homeless applicants to whom the Council does not owe the full homelessness duty, who have been placed under the Council's Homelessness Prevention regime at either the:

- S.A.F.E. (Single Accommodation for Epping Forest "NACRO") Project;
- Young Parent Scheme at Railway Meadow, Ongar
- Supported housing scheme for vulnerable adults at Tolpuddle House, Ongar
- Supported housing scheme at Elm Court, Theydon Bois
- NACRO scheme for those with mental health issues
- Young parent and child scheme at Bartletts, Chelmsford

have a lesser Residency Criteria than other Housing Register applicants of three years. Such homeless applicants are made one offer of suitable accommodation at the end of their stay in supported housing, generally in flatted accommodation. If the offer is refused, the Council makes no further offers of accommodation.

The initial views of Cabinet Members

27. That the current Residency Criteria for vulnerable people who are placed in supported housing schemes within the District be reduced from three years to two years in order to recognise the needs of vulnerable groups.

Recommendation of our Committee

28. The initial views of Cabinet Members are recommended to the Cabinet by our Committee which will assist the Council in meeting its homelessness duties.

Future Review of the Housing Allocations Scheme

The initial views of Cabinet Members

29. That the Housing Allocations Scheme be reviewed again following 3 years of operation.

Recommendation of our Committee

30. The initial views of Cabinet Members are recommended to the Cabinet by our Committee.

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers

Paragraph No. and Heading	Change to the Scheme	Reason
1.2 Introduction	Additional bullet point: Homelessness Reduction Act 2017	New legislation that, from the implementation date of April 2018, requires the Council to meet a number of additional duties. Although this mainly affects the Council's Homelessness Strategy, both documents are linked
1.2 Introduction	Additional bullet point: Housing and Planning Act 2016	Under the Act, there will be major changes to the rules around Flexible (fixed-term) Tenancies. Statutory Guidance is expected in the coming months. When the Guidance is received, a further report will be submitted on changes to both the Council's Tenancy Policy and the West Essex Tenancy Strategy which are linked to the Scheme
1.3 Introduction	Amend to: "For the purposes of this Housing Allocations Scheme the definition and interpretation of "tenant" shall have the meaning of either: <ul style="list-style-type: none">• Secure Pre-Localism Act Lifetime Tenant (tenancy granted prior to 1 April 2012)• Secure Post Act Lifetime Tenant (tenancy granted after 1 April 2012)• Secure (fixed-term) Tenant• Any other tenancy arrangements set out in the Council's Tenancy Policy" And any reference to....."	Under the Housing and Planning Act Flexible (fixed-term) Tenancies will be known as Secure (fixed-term) Tenancies. Our Committee recommends that all references to Flexible (fixed-term) Tenancies are amended throughout to Secure (fixed-term) Tenancies Also, as existing Secure Lifetime Tenants are either Pre-Localism Act Tenancies or Post-Localism Act Tenancies and therefore have different rights (particularly around Succession for family members) it is important to clarify both types of tenancy
4.1 Council's policy on offering choice	Amend references to a two-weekly bidding cycle to a weekly bidding cycle Delete: "The most popular method of doing this	The Council has already moved from a two-weekly to a weekly bidding cycle Considered no longer to be relevant as this

	is by the Internet”	is now the main method of “bidding”
--	---------------------	-------------------------------------

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
4.3 Council's policy on offering choice	Delete reference to the Choice Based Lettings Scheme User Guide and replace with: "Details on how the Scheme operates are set out in the applicant's confirmation of registration letter"	To clarify the change in the way home seekers are advised of how to participate in the Choice Based Lettings scheme
7.4 Housing Allocations Scheme	"The provisions of this Scheme will apply to home seekers on the Council's Housing Register at the effective date of the Housing Allocations Scheme (subject to 14.3 (g))....."	This is to clarify that, if agreed, under Paragraph 14.3 (g) (referred to later) all those already registered will be protected from the change to the increased Residency Criteria
9.1 Flexible (fixed-term) Tenancies	Amend to: "The Council will generally grant Secure (fixed-term) Tenancies to all new tenants who sign up to a tenancy of any Council property. Any other tenancy types will be granted in accordance with either the Council's Tenancy Policy or any subsequent legislation"	References to Tenancies needs to be a general statement as there is likely to be major changes when the Statutory Guidance referred to under 1.2 above is in force. The amended Paragraph will result in the Council's Tenancy Policy setting out the policy on granting tenancies avoiding the need to amend the Scheme further should there be any further changes in tenancy law in the future
14.3 Residency Criteria	Amend to: "Any new applicant/s that has lived in the Epping Forest District for less than seven continuous years....."	This change is in accordance with the initial views of Cabinet Members.
14.3 (g) Residency Criteria	Amend to: "Were registered on the Housing Register on 30 June 2018"	This change is in accordance with the initial views of Cabinet Members that any applicant already on the Housing Register will be protected from the change to the increased Residency Criteria.

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
<p align="center">14.4</p> <p>Residency Criteria</p>	<p>Amend to:</p> <p>“A lesser Residency Criteria of 2 years will apply to applicants leaving Supported Housing Schemes.....”</p>	<p>This change is in accordance with the initial views of Cabinet Members who considered that vulnerable applicants should only need to meet a lesser residency criteria of 2 years.</p>
<p align="center">14.5</p> <p>Residency Criteria</p>	<p>Amend to:</p> <p>“Any resident who moves out of the Epping Forest District for less than 2 years, but has lived within the District for at least 7 continuous years immediately prior to moving out of the District, will be treated as an applicant who has lived in the District for more than 7 continuous years prior to application”</p>	<p>Our Committee recommends that the period of time for a person to live out of the District and still qualify, be reduced from 3 years to 2 years. This is in line with the homelessness legislation whereby a duty is discharged for any private sector placement (in or out of District) after 2 years. It therefore follows that if a person lives out of the area for 2 years they would sever their links with the District</p> <p>If the increase in Residency Criteria from the current 5 years is increased to 7 years this Paragraph needs to be amended accordingly</p> <p>If this Paragraph was removed and no protection was afforded it could result in an increase in homelessness as residents threatened with homelessness would be discouraged from seeking more affordable accommodation out of District</p>

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
<p style="text-align: center;">14.7</p> <p>Financial Criteria</p>	<p>Delete Paragraph 14.8</p> <p>Add new Paragraph 14.8</p> <p>“Any applicant who in the view of the Director of Communities is found to have disposed of assets by means of wilful deprivation within the last six years will be non-qualifying”</p>	<p>Our Committee agrees with the initial views of the Cabinet that the Financial Criteria is unchanged</p> <p>Our Committee recommends that Paragraph 14.8 is deleted. The calculation is no longer relevant particularly due to the Government abandoning its plans to introduce Guidance on Rents for Social tenants with High Incomes (“Pay to Stay”)</p> <p>It is suggested that any applicant who has deliberately disposed of assets to qualify for inclusion in the Scheme be non-qualifying</p>
<p style="text-align: center;">14.11</p> <p>Serious Unacceptable Behaviour</p>	<p>Any person (or a member of their household) who has committed acts of unacceptable behaviour as defined under Scheme within the previous 7 years will be ineligible”</p>	<p>Our Committee agrees with the initial views of Cabinet Members that the period of ineligibility for serious unacceptable behaviour be increased from 3 years to 7 years in line with the proposed Residency Criteria</p>
<p style="text-align: center;">16.3</p> <p>Definition of a Household</p>	<p>Amend to:</p> <p>“A household is either one person or two persons or more who are intending to live together at the same property offered. Applicants should only include persons on their application who have been part of their household for at least a two year period and who will occupy the accommodation.....”</p>	<p>The first sentence of the current wording is not relevant and therefore can be deleted. The amended Paragraph makes it clear that one person is also defined as a household and clarifies that the requirements of the Scheme relates to a single applicant.</p> <p>Our Committee also recommends that the current period for a person to be considered being part of a household is increased from</p>

		twelve months to two years in order to establish permanency of living arrangements and prevent applicants "manufacturing" households in order to gain additional priority
--	--	---

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
18.4 Rent Arrears	Amend to: An offer of accommodation will not be made to any home seeker who has rent arrears in excess of 4 weeks rent	To make the criteria clearer and easier to apply.
18.9 & 18.10 Penalties for Refusal of Offers	Amend to: “That subject to the circumstances in the Paragraph below, any home seeker who refuses two offers of suitable accommodation for which they have expressed an interest within any period will be non-qualifying for a period of two years . “Any tenant of the Council who is under-occupying and is wishing to move to smaller Council accommodation, who refuses three offers of suitable accommodation for which they have expressed an interest within any period, will be non-qualifying for a period of twelve months	Our Committee agrees with the initial views of Cabinet Members that the length of deferral of an application for any home seeker who refuses two offers of accommodation within any period should be increased from 12 months to two years However, our Committee further recommends that the current penalties for those downsizing accommodation remains. This is in order to continue to encourage tenants to downsize. Furthermore, it would enable a Secure Fixed-Term Tenant who is under-occupying and nearing the end of their tenancy term to downsize more easily and remove the need to take enforcement action at the end of their tenancy. We noted that the Cabinet may want to reconsider and reduce the penalties further for downsizers Our Committee also recommended that any refusals prior to when the revised Scheme comes into force on 1 July 2018 be disregarded
19 Redecoration Vouchers Scheme	Amend heading to: “Redecoration Vouchers Scheme for Council Properties” Amend second sentence to: “However, if a property owned by the	In order to clarify that redecoration allowance vouchers will only be paid to redecorate Council properties and not Housing Association properties

	Council is offered and is, in the view of the inspecting officer, in need of redecoration.....”	
--	---	--

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
<p align="center">21</p> <p>Incentive Payments for Downsizing</p>	<p>Paragraphs in this Section will be re-numbered</p> <p>Add 21.2 and delete 9.2</p> <p>“If a Secure (fixed-term) Tenant wishes to transfer to smaller accommodation, the financial incentives to downsize set out under Section 21 of the Scheme will apply, but only if they have more than 5 years remaining on their fixed-term”</p> <p>Move Paragraph 14.10 into Section 21</p> <p>Move Paragraph 12.2 into section 21</p>	<p>Our Committee recommends that:</p> <p>All references to the rules on downsizing payments are consolidated into this Section of the Scheme to make it clearer and remove the need for cross-referencing.</p> <p>Under the current Scheme, incentive payments are only made within the first 7 years of the fixed-term. When Statutory Guidance comes into force, it is likely that a 5 year Secure (fixed-term) Tenancy will be the norm. Therefore, any person who has a tenancy term of five years or less should not be eligible for a downsizing incentive payment due to them being required to move anyway at the end of their fixed-term if they are under-occupying. If agreed delete Paragraph 9.2</p> <p>To make all reference to the rules for downsizing payments in one Section of the Scheme</p> <p>To make all reference to the rules for downsizing payments in one Section of the Scheme</p>
<p align="center">23.2</p> <p>Reviews</p>	<p>Delete “in writing” first line</p>	<p>Not able to insist that applicants seek a review only in writing</p>
<p align="center">24.1</p> <p>Equal Opportunities</p>	<p>Amend to:</p> <p>“The Council has undertaken an Equality Analysis Report....”</p>	<p>No longer referred to as a Customer (Equality) Impact Assessment</p>

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
<p align="center">27.1</p> <p>Review of the Scheme</p>	<p>Amend to:</p> <p>“It is anticipated that the Housing Allocations Scheme will be reviewed by the Council’s Communities Select Committee following 3 years of operation in consultation with the Tenants and Leaseholders Panel, partner agencies and local residents which shall recommend any changes to the Council’s Cabinet</p>	<p>Our Committee recommends that Cabinet Members initial views on the timescale for the future Review of the Scheme is agreed</p>
<p>Band B (i)</p> <p>Priority Bands</p>	<p>Amend second line to 2 years</p>	<p>Under Paragraph 16.3 (referred to earlier) our Committee recommends that the current period for a person to be considered being part of a household is increased from 12 months to 2 years in order to establish permanency of living arrangements and prevent applicants “manufacturing” households in order to gain additional priority. If agreed it follows that in order to be defined as a household and sharing with another household the minimum period for an applicants to qualify for this criterion should also be increased to 2 years.</p>
<p>Appendix 4 Paragraph 1.2</p> <p>Homeless Applicants</p>	<p>Amend first bullet point to:</p> <p>“bed and breakfast accommodation (or similar temporary accommodation) secured by the Council.....”</p>	<p>To cover the use of alternative accommodation similar to B&B, for example Zinc Arts and in the future Modular Units.</p>

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
<p>Appendix 4 Paragraph 1.3</p> <p>Homeless Applicants</p>	<p>Amend to:</p> <p>“In respect of 1.2 above, homeless applicants will be made one offer of suitable accommodation after receiving their S.184 decision letter, generally in flatted accommodation (including maisonettes). In order to discharge its main homelessness duty the Council will offer homeless applicants a 2 year Secure Fixed-Term Tenancy to give some temporary stability in order to prepare them to make their own arrangements thereafter. The Council will retain its duty to help [provide Housing Advice and Assistance to] the applicant if under the Assessment Criteria applied at the end of the fixed-term establishes that they have become unintentionally homeless.</p>	<p>The Council sought Legal Advice from Stephen Knafler QC on this suggested change who advised the Council on the lawfulness of its Schemes under the last two Reviews. He advises that the Council can discharge its duty by offering an applicant a fixed-term tenancy as this would be an offer of accommodation under the Housing Act 1996 as amended by the Homelessness Act 2002, provided the offer is suitable. He further points out the issues around any applicant who is housed in this way that may become unintentionally homeless, hence the statement that the Council will retain its duty to help [provide Housing Advice and Assistance to] the applicant if they become unintentionally homeless during or at the end of the period</p>
<p>Appendix 4 Paragraph 1.5</p> <p>Homeless Applicants</p>	<p>Amend to:</p> <p>“In respect of 1.4 above, a lesser Residency Criteria of 2 years will apply. Such applicants will be made one offer of suitable accommodation at the end of their stay in supported housing, generally in flatted accommodation (including maisonettes). The Council will offer such applicants a 2 year Secure Fixed-Term Tenancy to give some temporary stability in order to prepare them to make their own arrangements thereafter. If the offer is refused, the Council will make no further offers of accommodation.</p>	<p>Our Committee recommends that applicants leaving supported housing are treated in the same way as applicants to whom the Council owes a full homelessness duty</p>

APPENDIX TWO – Changes to the Scheme recommended by our Committee incorporating the initial views of Cabinet Members including further changes suggested by officers (continued)

Paragraph No. and Heading	Change to the Scheme	Reason
Appendix 4 Paragraph 1.6 l) Public Sector Key Workers	Delete Paragraph	Our Committee recommends that no exceptions are made under the Scheme in the future for public sector key workers. No properties have been allocated in this way to this client group for many years.
Appendix 4 Paragraph 1.6 m)	Delete Paragraph	Our Committee recommends that no exceptions are made under the Scheme in the future for Epping Forest District Council employees. No properties have been allocated in this way for many years.
Appendix 4 Paragraphs 2.1 to 2.3 Allocation Quotas	Delete Paragraphs	No such arrangements are made for new developments.
Appendix 4 Paragraph 3.1 Local Lettings Plans	Delete Paragraph	The Council no longer operates Local Lettings Policies.

APPENDIX THREE

1. The following paragraphs set out the options and our Committee's recommendations for adopting other qualification criteria alongside a residency requirement, which under the Government's Statutory Guidance housing authorities are asked to consider:

Option

Family association

2. For example, where an applicant has close family who live in the district and who have done so for a minimum period of time.

Recommendation of our Committee

3. Our Committee suggests that adopting such an exception to the Residency Criteria would be unclear and difficult to administer and is therefore not recommended. It would involve gathering evidence to prove that any applicant who does not meet the Residency Criteria has close family in the District. The term "close family" would also be difficult to define.

Employment in the District

4. For example where the applicant or member of their household is currently employed in the district and has worked there for a certain number of years.

Recommendation of our Committee

5. In accordance with the Government's Statutory Guidance, the Council's current Housing Allocations Scheme (Paragraph 14.3 f) refers) already makes an exception to the residency criteria for existing local authority or housing association tenants who are seeking to transfer from another district in England to take up an offer of work in the District - which our Committee considers already meets with the requirement to make such a provision. We recommend that no further provision is made under the Scheme.

People who are needing to move to escape violence or harm

6. The Guidance emphasises the need for residency requirements to be flexible enough to allow for special circumstances. Another example is where people need to move to another area to escape violence or harm. The Guidance further states "it is for local authorities to develop their own exceptions to a residency requirement in the light of local circumstances."

Recommendation of our Committee

7. Under the Council's current Housing Allocations Scheme (Paragraph 1.6 k) Appendix 4 refers) provision is made for people who are high risk victims of domestic abuse which appears to be sufficient. However, our Committee were advised by officers that due to recent case law around this issue, prior to our meeting, the Council's external Legal Advisor was specifically asked to provide advice on this aspect of the revised draft Scheme. On the advice of the legal advisor, an additional Criterion has been added at Band C (vii) of the draft Scheme to ensure that all those with a reasonable preference under the Housing Act 1996 who can demonstrate an exceptional need to either leave their current local authority area or move to the Epping Forest District, will qualify to join the Housing Register.

People who are working or making a “Community Contribution”

8. For example, where some low income families with a family member is in work or those deemed to be making a “community contribution” through voluntary work. Or setting aside specific properties or a specific portion of properties to be allocated to people for certain types of employment where skills are in short supply.

Recommendation of our Committee

9. Our Committee considers that adopting such an exception to the residency criteria would be unclear and difficult to administer. It would involve gathering evidence to prove that any applicant who does not meet the residency criteria has made a “community contribution”. The term “community contribution” would also be difficult to define and be open to challenge, misinterpretation and even abuse. Our Committee therefore recommend that no provision is made for those who make a “Community Contribution”.

Appendix 4
Draft Housing Allocations Scheme



1 July 2018



Epping Forest District Council

Housing Allocations Scheme

1 July 2018

1. Introduction

- 1.1 The Council is required, under Section 167 of the Housing Act 1996, to have a Housing Allocations Scheme for determining priorities and the procedure to be followed in selecting a person for accommodation, or nominating a person to be a tenant for accommodation held by another Registered Provider of Social Housing (a housing association). This includes all aspects of the allocations process including descriptions of persons by whom decisions are made.
- 1.2 This Housing Allocations Scheme has been formulated in accordance with the provisions of:
- The Housing Act 1996, as amended by the Homelessness Act 2002;
 - The Localism Act 2011;
 - The Allocation of accommodation: Statutory Guidance for local housing authorities in England (DCLG June 2012);
 - Providing social housing for local people: Statutory Guidance on social housing allocations for local authorities in England (December 2013);
 - Right to Move – Statutory Guidance on social housing allocations for local housing authorities in England (March 2015);
 - Housing and Planning Act 2016;
 - Homelessness Reduction Act 2017; and
 - Other relevant legislation and Guidance.
- 1.3 For the purposes of this Housing Allocations Scheme, the definition and interpretation of “tenant” shall have the meaning of either:
- Secure Pre-Localism Act Lifetime Tenant (tenancy granted prior to 1 April 2012)
 - Secure Post Act Lifetime Tenant (tenancy granted after 1 April 2012)
 - Secure (fixed-term) Tenant
 - Any other tenancy arrangements set out in subsequent legislation or the Council’s “Tenancy Policy”

Any references to “home seeker” means any applicant on the Council’s Housing Register.

2. Tenancy Strategy and Tenancy Policy

- 2.1 As with all Registered Providers, the Council is required to publish and be responsible for its Tenancy Policy. The Tenancy Policy has regard to the expectations of the West Essex Tenancy Strategy. A copy of the Council’s Tenancy Policy will be made available on request free of charge and contains the following information:
- The types of tenancies granted;
 - Circumstances where, a tenancy of a particular type will be granted and the length of the term;
 - Circumstances where a Secure (fixed-term) Tenancy for a term of less than 5 years will be granted;
 - Circumstances where on the expiry of a Secure (fixed-term) Tenancy, another tenancy will be granted on the same or another property;

- How applicants/tenants can appeal against the length of a Secure (fixed-term) Tenancy or a decision made under the Council's assessment criteria not to grant a further tenancy;
- How and when the Council will take account of the needs of vulnerable people;
- How advice and assistance will be provided if another tenancy is not granted at the end of the Secure (fixed-term) Tenancy term; and
- Details of discretionary succession rights

3. Homelessness Strategy

3.1 Under Section 1 (4) of the Homelessness Act 2002, local authorities have a duty to review and publish their Homelessness Strategy on at least a 5 yearly basis. As this area of work regularly changes, the Council's Strategy is reviewed every three years. The Strategy links with the Council's Housing Strategy, and has been taken into account when framing this Housing Allocations Scheme. The Strategy sets out achievements over the previous three years and incorporates the needs and demands on the service and actions that need to be undertaken over the coming three years. A copy will be provided free of charge on request.

4. The Council's Policy on Offering Choice

4.1 The Council operates a Choice Based Lettings Scheme where vacant properties are advertised to applicants on the Council's Housing Register on a website and a weekly Property List, giving details of location, type, rent, service charge, and landlord of the available accommodation. Applicants can apply for a property by "expressing an interest" (or "bidding") either on the website or by telephone or text.

4.2 Applicants are restricted to "bidding" for properties for which their household has an assessed need. At the end of the weekly "bidding" cycle, the Council analyses the "bids" received and the Housing Allocations Team within the Housing Options Section allocates each property following a prioritisation and selection process in accordance with this Housing Allocations Scheme. In general terms, the property is offered to the applicant in the highest band, who has been registered on the Housing Register the longest, who had "bid" for the specific vacancy. The results of the "bidding" on each property advertised is then published on the Website and in a future Property List, setting out the number of "bids" received on each property, as well as the Band and registration date of the successful applicant.

4.3 This helps to see how long the successful home seeker had been waiting for housing and gives greater transparency in the allocation of accommodation, as each applicant is able to clearly understand the type and location of properties for which they would be most likely to "bid" successfully. The process is also an indication to home seekers on whether housing accommodation appropriate to a person's needs is likely to become available and the possible waiting time. Details on how the Scheme operates are set out in the applicant's confirmation of registration letter.

4.4 Any home seeker who may have difficulty in participating in the Choice Based Lettings Scheme can contact the Housing Options Team at the Civic Offices, Epping where staff are available to provide assistance, including the submission of "bids" on their behalf, where they have no-one else to help. Computer kiosks are available at all housing office reception areas where bids can be submitted on the internet.

5. Advice and Information

5.1 The Council will provide advice and information free of charge on request to any person about their right to make an application for an allocation of housing accommodation and will also assist anyone who may have difficulty in doing so without assistance.

6. The Housing Register

- 6.1 The Housing Register will be maintained by the Communities Directorate at the Civic Offices in Epping. The Housing Register will be open to all qualifying persons.
- 6.2 The fact that a person is an applicant for the allocation of housing accommodation will not be divulged by the Council to any other member of the public without the applicant's consent.
- 6.3 The Housing Register will be open to applicants of 18 years of age and over.

7. The Housing Allocations Scheme

- 7.1 This Housing Allocations Scheme is framed so as to secure that the categories of applicants set out in Section 167 of the Housing Act 1996 are given reasonable preference.
- 7.2 The Council recognises that there may be some exceptional circumstances concerning qualifying persons which are not covered by the Scheme. In such instances, the Director of Communities will have delegated authority to make decisions, as he considers appropriate. The Director of Communities (with the exception of the provision under Paragraph 14.4 of this Scheme) does **not** have delegated authority to decide whether there are exceptional circumstances for allowing any non-qualifying applicant to join the Housing Register.
- 7.3 This Scheme will apply to vacancies in the Council's own housing stock and to vacancies in accommodation in the District belonging to other Registered Providers for which the Council is entitled to make nominations.
- 7.4 The provisions of this Scheme will apply to home seekers on the Council's Housing Register at the effective date of the Housing Allocations Scheme, as well as those who apply after the effective date (subject to Paragraph 14.3 (g)).

8. Introductory Tenancies

- 8.1 The Council operates an Introductory Tenancy Scheme whereby all new potentially Secure lifetime and Secure (fixed-term) Tenants are "on trial" for a period of 12 months in order that the Council can satisfy itself that the introductory tenant can sustain a tenancy and meet all of the conditions of the Council's Standard Tenancy Agreement. Should any conditions be breached, the Council will be able to seek possession of the property through the County Court with the judge having to grant possession, provided all of the procedures are followed correctly. In circumstances where the Council has concerns about an introductory tenant, but not serious enough to apply to the County Court for possession, the introductory period can be extended by a further 6 months. Introductory periods and the fixed-terms of tenancies are set on in the Declaration Section of the Tenancy Agreement.
- 8.2 The Council will grant introductory tenancies to all new tenants allocated accommodation under this Housing Allocations Scheme. Existing Council tenants will not be allocated introductory tenancies unless they are already an introductory tenant, in which case they will be required to fulfil their introductory tenancy period in their new property.

9. Secure (fixed-term) Tenancies

- 9.1 The Council will generally grant Secure (fixed-term) Tenancies to all new tenants who sign up to a tenancy of any Council property. Any other tenancy types will be granted in accordance with either the Council's Tenancy Policy or any other subsequent legislation.

10. Joint and Single Introductory Tenancies

- 10.1 A tenancy can be held by one person or by up to four joint tenants, all of whom must be qualifying persons. However many tenants there are, there is still only one tenancy and the rights and duties relating to the tenancy apply jointly and severally to all joint tenants. When a joint tenant dies, the remaining tenant/s will continue to hold the tenancy by "survivorship". The names of any joint tenants cannot be removed from the tenancy unless by an Order of the Court. If one joint tenant surrenders the tenancy then the tenancy comes to an end.

- 10.2 Joint Introductory Tenancies will be offered to:

- a) married couples or civil partners provided that both home seekers are named on the application
- b) unmarried couples, or those living as civil partners who can demonstrate a relationship similar to marriage or a civil partnership, providing that both request it and the partner of the lead home seeker is registered on the application
- c) home seekers and their live-in carers provided that both are named on the application, where the live in carer has occupied the property as their only or principal home for over 12 months and the Council considers it to be justified.

- 10.3 When an existing tenant applies to change their sole tenancy to a joint tenancy, this will be subject to any new joint applicant meeting with the Local Eligibility Criteria of this Scheme at Paragraph 14 (apart from the Housing Need element).

- 10.4 In all other circumstances, single Secure (fixed-term) Tenancies will be offered to the lead home seeker.

11. Tenancy Start Dates

- 11.1 All home seekers will be given an opportunity to view the property they are being offered prior to giving the Council their decision. When properties become available for letting, the tenancy start date will, in all cases, be the following Monday. However, where a property becomes available for letting on a Thursday or Friday, the first week of the tenancy will be rent free in order to allow the home seeker reasonable time to move into the accommodation.

12. Mutual Exchanges

- 12.1 The Council offers "HomeSwapper"; an internet based mutual exchange service, free of charge to assist qualifying tenants who are wanting to enter into a mutual exchange. Information on the service can be found at www.HomeSwapper.co.uk. Any tenant who does not have access to the Internet will be provided with support on request.

13. Persons from Abroad

- 13.1 The Council will not allocate housing accommodation to a person from abroad who is ineligible for housing accommodation, including two or more persons jointly if any of them is a person subject to immigration control within the meaning of the Asylum and Immigration Act 1996 (except those in classes prescribed by the Secretary of State as being eligible for an allocation of housing). Furthermore, it must be noted that the Secretary of State may by regulations prescribe other classes of persons from abroad who are ineligible to be allocated housing accommodation by local authorities in England.
- 13.2 Any part of a household who are not qualifying persons from abroad will not be counted as part of the assessment of need and size of accommodation.

14. Local Eligibility Criteria

- 14.1 The Council has a Local Eligibility Criteria which is in place to prevent applicants joining the Housing Register who have no realistic prospect of being housed, in order to remove any expectations. Within this Housing Allocations Scheme, those who do not meet all aspects of the criteria are classed as persons not qualifying.
- 14.2 The following classes of persons will **not** qualify for inclusion on the Council's Housing Register.

Residency Criteria

- 14.3 Any new applicant/s who has lived in the Epping Forest District for less than **seven** continuous years immediately prior to their date of application, with the exception of persons who:
- a) are serving in the regular forces and are suffering from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service;
 - b) formerly served in the regular forces where the application is made within 5 years of discharge;
 - c) have recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner who has served in the regular forces and whose death was attributable (wholly or partly) to that service; or
 - d) are serving or have served in the reserve forces and is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service where the application is made within 5 years of discharge.

The "regular forces" and the "reserve forces" have the meanings given by section 374 of the Armed Forces Act 2006

- e) are owed a homelessness duty by the Council under Part 7 S193 of the Housing Act 1996 as amended who have already met the residency provisions in accordance with this legislation;
- f) are existing local authority or housing association tenants with a good tenancy record who are seeking to transfer from another local authority district in England. They must provide appropriate evidence that they are in long-term work in the District, or have a genuine intention of taking up an offer of work in the District (work does not including short-term, occasional, ancillary, voluntary, marginal or economically insignificant employment), comprising a minimum of 16 hours each week or an apprenticeship. They must also demonstrate that they are experiencing hardship as a result of the above due to one or more of the following factors:
 - (i) they live in excess of 50 miles from their current or intended place of work

- (ii) they have a return journey time on public transport which is generally in excess of 3 hours based upon Internet Journey Planners
 - (iii) the availability of transport is restrictive causing similar difficulties set out in (i) and (ii) above
 - (iv) transport is unaffordable when taking into account earnings
 - (v) there are medical and child care factors which would be affected if the tenant could not move
 - (vi) the failure to move would result in the loss of an opportunity to improve an applicant's job prospects or in the opinion of the Housing Options Manager some other hardship factor not covered by this Scheme
- g) were registered on the Housing Register on 30 June 2018.
- 14.4 Are an applicant who in the opinion of the Housing Options Manager is entitled to a reasonable preference under Part 6 of the Housing Act 1996 as amended and can demonstrate an exceptional need to either leave their current local authority's area or move to the Epping Forest District.
- 14.5 Are a person to whom the Council does not owe a full homelessness duty, where there is a requirement under Part 7 of the Housing Act 1996 as amended to afford reasonable preference **on the ground of homelessness**.
- 14.6 A lesser Residency Criteria of 2 years will apply to applicants leaving Supported Housing Schemes as set out at Paragraph 1.4 Appendix 4 of the Scheme.
- 14.7 Any resident who moves out of the Epping Forest District for less than 2 years, but has lived within the District for at least 7 continuous years immediately prior to moving out of the District, will be treated as an applicant or home seeker who has lived in the District for more than 7 continuous years prior to application.

Housing Need

- 14.8 Any applicant who does not have a housing need, as determined by at least one criterion of a priority band at Appendix 1 of this Housing Allocations Scheme, will not qualify.

Financial Criteria

- 14.9 Any applicant/s who, in the opinion of the Council, has sufficient funds including; annual income, residential property equity, savings, shares or other assets to enable them to meet his or her housing costs will not qualify. The thresholds at which this criterion will apply are where the annual gross household taxable income added to any; residential property equity, savings, shares or any other assets, exceeds £76,000 (household is defined at Paragraph 16.3 of this Scheme). Applicants will be required to provide evidence of income and savings.
- 14.10 Any applicant in the view of the Director of Communities is found to have disposed of assets by means of wilful deprivation within the last six years will not-qualify.
- 14.11 Any lump sums received, as compensation for an injury or disability sustained on active service by either, members of the Armed Forces, former Service personnel, bereaved spouses and civil partners of members of the Regular Forces, or serving or former members of the Reserve Forces, will be disregarded from this criterion.

Serious Unacceptable Behaviour

14.12 Any person (or a member of their household) who, within the previous **7 years**, have been guilty of serious unacceptable behaviour sufficient in the opinion of the relevant Area Housing Manager to make them unsuitable as a tenant of the Council will not qualify. Such behaviour is behaviour that would give sufficient grounds to issue possession proceedings if they were a Secure, Assured or Secure (fixed-term) Tenant and includes:

- Serious rent arrears (including housing benefit and Court cost arrears);
- Other breaches of tenancy conditions including damage and neighbour nuisance amongst others;
- Previous proven social housing fraud; or
- Proven offences under the Anti-Social Behaviour; Crime and Policing Act 2014 or any other relevant legislation in force at any time

Future Applications

14.13 If a non-qualifying applicant considers that he/she should be treated as a qualifying person in the future, they may make a fresh application at that time.

15. Supplementary Waiting List

15.1 The Council operates a separate Supplementary Waiting List for non-qualifying applicants over 60 years of age who do not meet certain aspects of the Local Eligibility Criteria. Applicants will generally only be able to bid on one bedroom Council or Housing Association properties in sheltered accommodation or grouped dwelling schemes (not bungalows) for older people under the HomeOption Scheme. However, qualifying persons on the Council's Housing Register who have submitted bids will be given priority.

15.2 Any offers of tenancies made to applicants on the Supplementary Waiting List will be prioritised in registration date order. Prior to any offer, the Council will undertake an in-depth assessment of the applicant to determine if the accommodation is suitable for the applicant. The following aspects of both the Local Eligibility Criteria set out within Section 14 above and the provisions under Section 25 of this Housing Allocations Scheme will still apply when determining if the applicant is eligible for inclusion on the Supplementary Waiting List:

- Financial Assessment
- Serious Unacceptable Behaviour
- False Statements and Withholding Information

16. Application to the Housing Register

16.1 The Council will ensure that advice, information and assistance is available free of charge to applicants in the District about the right to make an application for an allocation of housing accommodation. Applications must be made on-line at www.homeoption.org. Applicants will be required to, within their on-line applications, provide answers to such questions as the Council deems appropriate to allow an assessment of their entitlement to housing accommodation to be made. Assistance will be given to home seekers who do not have access to a computer or who need help generally with the application process. Each application received will be given careful consideration.

16.2 Advice and information will be provided by the Council, the Epping Forest Citizens Advice Bureau and any other source able to give appropriate advice free of charge.

Definition of Household

16.3 A Household is either one person or two persons or more who are intending to live together at the same property offered. Applicants should only include persons on their application who have been part of their household for at least a **two year** period and will occupy the accommodation offered as their only or principal home. In respect of the Financial Criteria set out at Paragraph 14.9 to 14.10 of this Scheme, Household is defined as any person/s intended to be either the tenant or joint tenants.

Proof of Identity

16.4 Applicants and other persons included on the application will, at the point of application, be required to provide documentary proof from two official sources of;

- a) their identity; and
- b) their residency.

16.5 Required documents in respect of 16.4 above will include an original Full Birth Certificate and current Passport and any other appropriate documents as determined by the Housing Options Manager.

16.6 If required documents cannot be provided, the Housing Options Manager may authorise the acceptance of other documents.

Proof of Residency

16.7 Any applicant will be required to provide evidence of residency to the satisfaction of the Council. In order to validate the residency of the home seeker and other persons included on the application, the Council will undertake checks with other Council Directorates and relevant bodies as appropriate.

16.8 When a home seeker is being considered for a property, they will be contacted by telephone and required to provide up-to-date evidence of their current situation in order to consider their eligibility again for any offer of accommodation. Such evidence will be more extensive than that requested at the point of joining the Housing Register. Under normal circumstances, any home seeker who fails to provide this evidence will not be offered the property. Additional documentary evidence to substantiate an application may be required as the Council considers appropriate.

16.9 When making an application on line, should any information not be submitted, or due to the information provided the applicant is deemed not to qualify; it will not be possible to complete the application process. In such circumstances the applicant should seek advice and assistance from the Council. Where supporting documents are not received within 14 calendar days of any application being completed on line the application will be cancelled.

17. Information about the Housing Allocations Scheme

17.1 Upon written request, home seekers will be able to;

- (a) receive a copy of their details entered on the Housing Register free of charge;
- (b) receive copies of documents provided by them;
- (c) have access to their file in accordance with the provisions of the Data Protection Act 1998;
- (d) have a copy of their full file, subject to payment of a £10 fee;

- (e) be informed in writing of any decision about the facts of their case and of their right to request a review of any such decision;
- (f) receive general information to enable them to assess;
 - (i) how their application is likely to be treated under the Scheme;
 - (ii) whether accommodation appropriate to their need is likely to be available and, if so, when; and
 - (iii) how any decision about the facts of their case has been taken into account.
- (g) receive a summary of the Housing Allocations Scheme free of charge.

18. Allocation of Accommodation

- 18.1 Generally, the relative degree of priority to be awarded to home seekers on the Housing Register will be assessed by the Housing Allocations Team within the Housing Options Section with reference to the banding system set out at Appendix 1.
- 18.2 Band A represents the highest priority and Band C represents the lowest.
- 18.3 Home seekers will be expected to be maximising and not worsening the use of their existing accommodation. Applications will be assessed on the household composition and the size of the existing accommodation, rather than its current use by the household.
- 18.4 An offer of accommodation will not be made to any home seeker who has rent arrears in excess of 4 weeks rent.
- 18.5 Home seekers within each band will be prioritised in registration date order. For home seekers within Band B (v) the home seeker's tenancy commencement date will be the registration date.
- 18.6 Any vacancy will be offered generally to the home seeker identified by the Council who has the highest priority and has expressed an interest in that property. This is subject to sheltered accommodation and grouped dwelling schemes generally only being offered to home seekers over the age of 60 years; and bungalows only being offered to home seekers over the age of 60 years but in certain circumstances aged over 50 years.
- 18.7 The size of housing accommodation to be allocated to home seekers on the Housing Register is set out in Appendix 2.

Penalty for Refusals of Offers of Accommodation

- 18.8 Subject to the circumstances in Paragraph 18.10 below, any home seeker who refuses **two** offers of suitable accommodation for which they have expressed an interest within any period will have their application deferred for a period of **two** years.
- 18.9 Any tenant of the Council who is under-occupying and is wishing to move to smaller Council accommodation, who refuses **three** offers of suitable accommodation for which they have expressed an interest within any period, will have their application deferred for a period of **twelve** months.

Homeless Households

- 18.10 The Housing Allocations Scheme is framed to ensure that reasonable preference is given to people who are homeless within the meaning of Part 7 of the Homelessness Act 1996.
- 18.11 Homeless households will generally be initially placed in temporary accommodation. The Council reserves the right to move homeless households to alternative temporary accommodation in appropriate circumstances.
- 18.12 Applicants accepted by Epping Forest District Council as homeless, eligible for assistance, in priority need and not intentionally homeless under the Part 7 of the Housing Act 1996 as amended, will be made one offer of suitable accommodation after receiving their S.184 decision letter, in generally flatted accommodation (including maisonettes) as set out at Appendix 4. Homeless applicants will be made an offer accordingly, subject to the availability of accommodation. In order to discharge its main homeless duty the Council will offer homeless applicants a 2 year Secure (fixed-term) Tenancy to give some temporary stability in order to prepare them to make their own arrangements thereafter. The Council will retain its duty to help [provide advice to] the applicant if under the Assessment Criteria applied at the end of the fixed-term establishes that they have become unintentionally homeless. If the offer is refused, the applicant will have the right to seek a Review of the suitability of the accommodation. If not successful, the Council's duty under the Homelessness Act 1996 as amended to provide accommodation will be considered to be discharged.

19. Redecoration Vouchers Scheme for the Council's Properties

- 19.1 Internal decorations to a property are the tenant's responsibility. However, if a property owned by the Council is offered and is, in the view of the inspecting officer, in need of redecoration an allowance for decorating materials will be made. A redecoration voucher for use in a DIY store will be issued to the incoming tenant after they have signed the tenancy agreement, as a contribution towards costs. A re-decoration allowance will only be made to existing tenants if their previous Council property is found to have been left in reasonable repair.

20. Removal Expenses

- 20.1 The Council will not meet the cost of any removal expenses, except as set out in Paragraph 21.1 and 21.2 below.

21. Incentive Payments for Downsizing Accommodation

- 21.1 Where a lifetime tenant of the Council is under-occupying accommodation and is downsizing accommodation and moves or enters into a mutual exchange to any property with less bedrooms than their current property and both properties are owned by the Council, they will be offered £500 to cover removal costs a payment of £500 to meet decoration costs (in addition to the amount paid under the Council's decorations allowance scheme set out at Paragraph 19.1) and £1,000 for each bedroom "released", subject to the tenant having a housing need for the downsized property, and a maximum payment of £4,000 being made.
- 21.2 If a Secure (fixed-term) Tenant wishes to transfer (or mutual exchange) to smaller accommodation, the financial incentives to downsize set out under this section of the Scheme will apply, but only if they have more than 5 years remaining on their fixed-term tenancy.

- 21.3 The Council's incentive payments made to existing tenants who downsize accommodation will be made (subject to Paragraph 21.2 above) to any of the Council's tenants who downsize accommodation by way of mutual exchange, providing all parties to the mutual exchange are tenants of the Council and are adequately housed as a result, in accordance with this Scheme.
- 21.4 The Financial Criteria (in accordance with Paragraphs 14.9 to 14.11 of this Scheme) will be disregarded where a tenant of the Council is under-occupying accommodation and is downsizing accommodation and moves or enters into a mutual exchange to any property with less bedrooms than their current property and both properties are owned by the Council. The Council's incentive payments will not apply to all those downsizing in accordance with this Paragraph where the Financial Criteria has been disregarded for this reason.
- 21.5 Any tenant wishing to enter into this arrangement whose rent account is in arrears, must be prepared to accept that the arrears will be deducted from the amount paid.
- 21.6 Where a tenant of the Council is downsizing accommodation, they will be considered for a bungalow if they wish, normally allocated to persons over 60 years of age, but provided they are over 50 years of age.
- 21.7 No payments will be made to successor tenants who are required to move to smaller accommodation.

22. Decisions on the Allocations Process

- 22.1 The Council gives delegated authority to the Director of Communities to take decisions on the allocations process. In turn, the Director of Communities delegates such decisions to the Housing Allocations Team within the Housing Options Section, under the supervision of the Housing Options Manager.

23. Reviews

- 23.1 If any applicant or home seeker is found not to be a qualifying person, they will be notified in writing of the decision and the grounds for it. They will also be given the opportunity for the information to be explained to them verbally. If they consider they have been unfairly or unreasonably treated having regard to the provisions of this Housing Allocations Scheme, they have the right to request a review of the decision within 21 days of the date of the original decision letter.
- 23.2 In the first instance, applicants must seek a review by either writing to the Assistant Director (Housing Operations), or notifying the Housing Options Section by any convenient method, and will receive a written response within 8 weeks of the date the request is received. Upon request, the decision letter can be collected by the applicant within a reasonable period. Should an extension of the deadline be required the home seeker will be notified of this and the reasons.
- 23.3 The review will be undertaken either by the Assistant Director (Housing Operations), the Housing Options Manager or any other senior officer designated by the Director of Communities, who will advise the applicant or the home seeker of any further rights of appeal as appropriate.
- 23.4 The review will be undertaken by a person senior to the person making the original decision and who has not had a significant involvement in the original decision.
- 23.5 If the applicant considers that he/she should be treated as a qualifying person in the future, they may make a fresh application.

24. Equal Opportunities

- 24.1 The Council has undertaken an Equality Analysis Report on the Housing Allocations Scheme to determine how the Scheme will impact upon those classes of persons with Protected Characteristics and to ensure that it complies with the Equalities Act 2010. A copy of the Equality Analysis Report is available upon request free of charge.
- 24.2 The Council is committed to equal opportunities in the provision of its housing services. The Council has regard to, and implements, the provisions of the Race Relations Code of Practice in Rented Housing.
- 24.3 As an aid to ensuring that home seekers are not discriminated against on the grounds of their Protected Characteristics, through one of its Overview and Scrutiny Committees, the Council will monitor the Protected Characteristics of:
- a) home seekers on the Housing Register
 - b) home seekers allocated housing
 - c) home seekers on the Supplementary Waiting List seeking accommodation
 - d) home seekers allocated housing from the Supplementary Waiting List
- 24.4 The practices and procedures of the Communities Directorate will be monitored by the appropriate Assistant Director of Communities to ensure that they do not discriminate directly or indirectly. Changes will be made if it is established that any practices or procedures may be contravening the Equality Act 2010.

25. False and Withheld Information

- 25.1 Any persons who have knowingly or recklessly made a statement which is false in material or knowingly withholds information that the Council has reasonably required them to give in connection with the exercise of the Scheme will have their housing application cancelled.
- 25.2 The Council may seek possession of a property under Ground 5 of Schedule 2 of the Housing Act 1985 and take criminal proceedings if a tenant has induced the Council to grant a tenancy by knowingly or recklessly making a false statement when they applied for the accommodation.

26. Information on the Allocations Scheme

- 26.1 The Council will:
- a) publish a summary of its Housing Allocations Scheme in a leaflet setting out a person's right to make an application for housing accommodation and provide copies free of charge on request to any member of the public;
 - b) provide copies of the Housing Allocations Scheme free of charge at the:
 - (i) Housing Options Section, Civic Offices, Epping
 - (ii) Area Housing Office, 63 The Broadway, Loughton
 - (iii) Limes Centre Housing Office, The Limes Centre, Chigwell; and
 - c) enable copies of the Housing Allocations Scheme to be downloaded from the Internet at the Council's web-site: www.eppingforestdc.gov.uk/housing (currently available through these links: Residents/Housing/Housing Advice/Applying for a council or housing association home).

27. Review of Housing Allocations Scheme

- 27.1 It is anticipated that this Housing Allocations Scheme will be reviewed by the Council's Communities Select Committee following 3 years of operation in consultation with the Tenants and Leaseholders Panel, which shall recommend any changes to the Council's Cabinet, with a target date for the reviewed Scheme coming into effect of 1 April 2022.

28. Consultation on Changes to the Allocations Scheme

- 28.1 Before adopting a new Housing Allocations Scheme or making an alteration reflecting a major change of policy in its existing Housing Allocations Scheme, the Council will send a copy of the draft scheme or any proposed major change to the scheme to all of the following interested parties giving them a reasonable opportunity to comment:
- Every private Registered Provider of social housing with which it has nomination arrangements
 - Town and Parish Councils
 - The Tenants and Leaseholders Panel
 - Partner agencies with an interest in the Scheme

Priority Bandings

Band A

- (i) Any member of the Armed Forces, or former Service personnel, or serving or former members of the Reserve Forces who joins the Council's Housing Register, are given priority above all other applicants within Band A, where they are assessed by the Council's Medical Advisor as suffering from a serious injury, illness or disability which is wholly or partly attributable to their service, where the application is made within 5 years of discharge.
- (ii) Bereaved spouses or Civil Partners of those serving in the regular forces where the bereaved spouse or Civil Partner has recently ceased, or will cease to be entitled, to reside in Ministry of Defence accommodation following the death of their service spouse or Civil Partner and the death was wholly or partly attributable to their service.
- (iii) Home seekers with Council or Housing Association tenancies in the District wanting to move to accommodation with fewer bedrooms than the property they currently occupy on a permanent basis.
- (iv) Home seekers needing to move on urgent medical grounds or urgent grounds relating to disability. **
- (v) Home seekers needing to move on urgent welfare grounds ***.
- (vi) Home seekers occupying insanitary or overcrowded housing which poses a serious health hazard, or otherwise living in unsatisfactory conditions (in accordance with housing legislation)* but not as a result of the introduction of a further household.
- (vii) Home seekers with mobility problems will be given priority for ground floor flats and bungalows above other home seekers in this Band [with the exception of Band A (i)], regardless of their waiting time, on recommendation of the Council's Medical Advisor.
- (viii) Home seekers needing two or more additional bedrooms compared to their current accommodation.

Band B

- (i) Home seekers defined as a household, who are sharing accommodation with another household for a minimum of 2 years, which is resulting in a lack of at least one bedroom.
- (ii) Home seekers who need to move to a particular locality within the District where failure to meet that need would cause hardship to themselves or to others.****
- (iii) Home seekers who can demonstrate they would otherwise be one household, but are having to live apart from other members of their household because of a lack of accommodation, (which would lead to statutory overcrowding if they occupied accommodation available to them individually) but not for personal reasons (i.e. family disputes).
- (iv) Home seekers needing one additional bedroom compared to their current accommodation.
- (v) Existing tenants of the Council:
 - living in 2 or 3 bedroom flatted accommodation (including maisonettes) who meet the Local Eligibility Criteria under Paragraph 14 of the Scheme (apart from the Housing Need element), making expressions of interest for houses that meet with their housing need, with their registration date being the tenancy commencement date of their current property.
- (vi) Existing tenants living in sheltered accommodation, who are wishing to move within their own scheme or to another sheltered scheme within the District.
- (vii) Existing tenants of the Council aged over 60 years, living in 1 bedroom Council accommodation wishing to move to sheltered accommodation regardless of their need.

Band C

- (i) All Home seekers (in accordance with Paragraph 14.3 (f)) of this Housing Allocations Scheme), who need to move to be nearer to their place of work, or to take up an offer of permanent employment or an apprenticeship.
- (ii) Home seekers sharing accommodation with another household.
- (iii) Any member of the Armed Forces or former Service personnel, or serving or former members of the Reserve Forces who have no housing need, and the application is made within 5 years of discharge.
- (iv) Spouses and children (including step-children) of existing and former Armed Forces Personnel (where the application is made within 5 years of discharge) seeking accommodation in their own right, provided that one of their family members (as defined by Section 113 of the Housing Act 1985) has lived within the District for at least 3 years immediately prior to the date of application.
- (v) Home seekers needing to move on moderate medical grounds or moderate grounds relating to disability. *****
- (vi) Home seekers in the Council's interim accommodation awaiting their homelessness decision under S.184 of the Housing Act 1996 as amended.
- (vii) Any applicant who is entitled to a reasonable preference under Part 6 of the Housing Act 1996 as amended and can demonstrate an exceptional need to either leave their current local authority's area or move to the Epping Forest District.
- (viii) All home seekers to whom the Council does not owe a full homelessness duty, where there is a requirement under Part 7 of the Housing Act 1996 as amended to afford reasonable preference **on the ground of homelessness**

Insanitary, Overcrowded Housing or Unsatisfactory Conditions

*Where the Permitted Number, in accordance with the provisions of S. 326 of the Housing Act 1985 is exceeded, or in accordance with the legislation, the property is in a serious state of disrepair, of poor internal or external arrangement, or is lacking one or more of the following; kitchen facilities, inside W.C. or utility supplies.

Urgent Medical Priority

**Urgent Medical Priority (including grounds relating to disability and access needs and/or learning disability) to be determined by the Council's Medical Adviser or a company commissioned by the Council to provide medical advice on written evidence and taking into account all known facts relating to the application. It is important to note that urgent priority will not be given based upon the medical evidence itself, it will be based upon the impact it has upon the home seeker's housing requirements and whether the home seeker's current accommodation is directly contributing to the deterioration of the home seeker's health. It will be considered based on the extent that the health of a home seeker, or an immediate member of their family, will significantly improve by a move to alternative accommodation.

Welfare Grounds

*** Welfare grounds to be assessed on written evidence by the Housing Options Manager, in consultation with the Council's Medical Adviser. Welfare issues will encompass providing or receiving ongoing care and care and support needs for those who could not be expected to find their own accommodation such as young adults with a learning disability who wish to live independently in the community and social needs, for instance, where a secure base is required for a care-leaver or any other vulnerable person to build a stable life. Those who are active foster carers or those who are adopting who need to secure larger accommodation in order to look after a child who was previously looked after by local authority will be considered for a Flexible (fixed-term) Tenancy (in accordance with the Council's Tenancy Policy) where additional priority is justified.

Hardship Grounds

****Hardship may also include a need to move to give or receive care that is substantial or ongoing as well as for access to specialist medical treatment where there are severe mental health, medical or welfare issues and there are exceptional reasons why this support cannot be made available through a reliance on public transport or on the home seekers own transport.

Moderate Medical Priority

*****Moderate Medical Priority, (including grounds relating to disability and access needs and/or learning disability) being generally one or a combination of minor medical issues, to be determined by the Council's Medical Adviser or a company commissioned by the Council to provide medical advice on written evidence and taking into account all known facts relating to the application. It is important to note that moderate priority will not be granted based upon the medical evidence itself, it will be based upon the impact it has upon the home seeker's housing requirements and whether the home seeker's current accommodation is directly contributing to the deterioration of the home seeker's health. It will be considered based on the extent that the health of a home seeker, or an immediate member of their family, will significantly improve by a move to alternative accommodation. No increase in Banding will be given as a result of "Moderate Medical" priority; it will only result in a home seeker being a qualifying person under the Scheme should no other criterion be met.

Re-Assessment of Medical Priority

Any home seeker who is awarded Band A priority due to urgent medical priority will have their medical position re-assessed if they express an interest for a property and then refuse an offer of that accommodation. A re-assessment will also be undertaken of any home seeker with urgent medical preference who fails to fully participate in the Choice Based Lettings Scheme for more than 6 months. In addition, should any applicant move from their existing accommodation and remain on the Housing Register, a fresh medical assessment will be undertaken.

Sizes of Properties to be Allocated

The sizes of properties allocated to home seekers on the Housing Register will be based on the composition of their household, generally in accordance with the property sizes of the Local Housing Allowance, as shown in the following table.

Property Size	Household Composition
Studio	Single Persons
1 Bedroom	Single person or 2 persons, with no family members
2 Bedroom	Single Person or 2 persons, with 1 family member or 2 family members of the same sex, or 2 family members of opposite sex both under the age of 10 years
3 Bedroom	Single person or 2 persons, with 2 family members of opposite sex with one family member over the age of 10 years Single person or 2 persons, with 3 family members 2 of whom are of the same sex Single person or 2 persons, with 4 family members 2 each of the same sex
4 Bedroom*	Single person or 2 persons with 4 or more family members where two are of opposite sex and over the age of 10 years
5 Bedroom*	Single person or 2 persons with 5 or more family members where 2 family members are of opposite sex and one is over 10 years of age

Accommodation available for occupation is defined in accordance with the Housing Act 1996 Part 7 Section 176 and sets out person/s who would normally or reasonably reside with the lead applicant/s as an (established) member of his or her family. A family member is as defined by Section 113 of the Housing Act 1985.

Under the HomeOption Scheme, home seekers will be able to express an interest in properties which are one bedroom less than their need provided it is within the Permitted Number of occupants allowed under the Housing Act 1985.

*However, any assessment will require two family members of the same sex regardless of age, to share one bedroom. It should be noted the Council has very few properties with 4 or 5 bedrooms in its housing stock.

For information

In exceptional circumstances, home seekers may be allocated a property which is one bedroom above the need of their household where the Council's Medical Advisor agrees that there are urgent medical reasons (including reasons of disability) for doing so. Where applicants receive support from carers who do not reside with them but may need to stay overnight, the Council will take into account the applicant's need for a spare bedroom.

Consideration will be given to the bedroom requirements of active Registered Foster Carers in terms of Priority Banding and property sizes offered depending upon the circumstances.

It should be noted in cases where residence of children is shared, and where one parent has accommodation available to them that meets the need of that household, the other parent, generally, will only be considered for studio or 1 bedroom accommodation.

Priority Transfers

Priority Transfers will only be granted on a like-for-like accommodation basis for urgent reasons including;

- urgent circumstances (in accommodation away from the local area) where there is clear written evidence that an existing tenant's safety is at risk including, as a result of violence or threats of violence, intimidated witnesses and those escaping anti-social behaviour or domestic violence
- those who need to move urgently because of life threatening illness or sudden disability. Decisions will take into account the advice of the Council's Medical Advisor following consideration of the impact it has upon the tenant's housing requirements and whether the tenant's current accommodation is directly contributing to the deterioration of the tenant's health. It will be considered based on the extent that the health of a tenant, or an immediate member of their family, will significantly improve by a move to alternative accommodation.
- to facilitate major repairs or refurbishment of a Council property
- where a Council property is required to be demolished for safety or redevelopment purposes
- other transfers of a similar nature as determined by the Director of Communities

1. Allocations Outside of the HomeOption Scheme

- 1.1 The Council will, as it considers appropriate, allocate properties outside of the HomeOption Scheme in the following circumstances:

Homeless Applicants

- 1.2 To applicants accepted by Epping Forest District Council as homeless, eligible for assistance, in priority need and not intentionally homeless under the Part 7 of the Housing Act 1996 as amended who are living in:
- bed and breakfast accommodation (or similar accommodation) secured by the Council, but excluding those in the process of being referred to another local housing authority under S.198 of the Housing Act 1996
 - the Council's Homeless Persons Hostel (Norway House or Hemnall House), or a Women's Refuge
 - homeless applicants living in Brookhaven for at least 6 months and have been served with a S 21 Notice (giving notice of ending the assured tenancy), where the Manager of Brook Haven has notified the Council that the tenant is ready to move on.
- 1.3 In respect of 1.2 above, homeless applicants will be made one offer of suitable accommodation after receiving their S.184 decision letter, generally in flatted accommodation (including maisonettes). In order to discharge its main homeless duty the Council will offer homeless applicants a 2 year Secure (fixed-term) Tenancy to give some temporary stability in order to prepare them to make their own arrangements thereafter. The Council will retain its duty to help [provide housing advice and assistance to] the applicant if under the Assessment Criteria applied at the end of the fixed-term establishes that they have become unintentionally homeless. If the offer is refused, the applicant will have the right to seek a Review of the suitability of the accommodation. If not successful, the Council's duty under the Homelessness Act 1996 as amended to provide accommodation will be considered to be discharged.

Persons Living in Supported Housing

- 1.4 Persons to whom the Council does not owe the full homelessness duty, who and have been placed by the Council under its nomination rights or with the support of the Homelessness Prevention Team for a least 9 months and are ready to move on, at either the:
- S.A.F.E. (Single Accommodation for Epping Forest "NACRO") Project;
 - Young Parent Scheme at Railway Meadow, Ongar
 - Supported housing scheme for vulnerable adults at Tolpuddle House, Ongar
 - Supported housing scheme at Elm Court, Theydon Bois
 - NACRO scheme for those with mental health issues
 - Young parent and child scheme at Bartletts, Chelmsford

1.5 In respect of 1.4 above, a lesser Residency Criteria of 2 years will apply. Such persons will be made one offer of suitable accommodation at the end of their stay in supported housing, generally in flatted accommodation (including maisonettes). The Council will offer such persons a 2 year Secure (fixed-term) Tenancy to give some stability in order to prepare them to make their own arrangements thereafter. If the offer is refused, the Council will make no further offers of accommodation.

Other Allocations Outside of the Housing Allocations Scheme

1.6 This Housing Allocations Scheme does **not** apply in the following cases;

- a) where a tenant succeeds to a tenancy (or an Introductory Tenancy) upon the death of a tenant;
- b) to accommodate a successor tenant who is under-occupying Council accommodation;
- c) where a tenancy is assigned to a person who would qualify to succeed to the tenancy if the tenant died immediately before the assignment;
- d) where a tenancy is assigned by way of a mutual exchange to an existing tenant;
- e) where a tenancy is either granted in response to a transfer request under Section 158 of the Localism Act 2011 or any other tenant transfers;
- f) where an introductory tenancy becomes a Secure lifetime or Secure (fixed-term) Tenancy on ceasing to be an introductory tenancy;
- g) where an introductory tenant undertakes a mutual exchange with a Secure lifetime or Secure (fixed-term) Tenant. In these circumstances, each party will surrender their tenancies, and the Council will grant each party a new tenancy which reflects their previous tenancy status. Any period the affected tenant spent as an introductory tenant in their previous property will count towards the fulfilment of the 12-month "introductory period" in the new property. It should be noted that some social landlords do not allow introductory tenants to enter into a mutual exchange within any trial period;
- h) where a tenancy is disposed through a Property Adjustment Order in accordance with relevant legislation;
- i) where a priority transfer is agreed in accordance with the criteria set out at Appendix 3;
- j) Where a property is offered to an applicant on the Witness Protection Mobility Scheme (only one property will be offered for this purpose within any 12 month period, and will be either a flat or maisonette);
- k) Where an existing social housing tenant of another Essex authority (who is a high risk victim of domestic abuse) is referred and it is confirmed by Essex County Council, that the victim needs to be moved specifically to the Epping Forest District, an appropriate offer of a tenancy will be made on a reciprocal basis. Any offer will be subject to Essex Police strongly recommending that the person must live only within the District and their priority has been assessed as being greater than all other existing cases where a duty has been accepted by the Council under the homeless legislation. Such accommodation offered will be either a flat or maisonette.

2. Rural Housing Schemes

- 2.1 Where vacancies arise in properties that have been built in rural localities under exceptional planning arrangements (Section 106 Agreements), the Residency Criteria will not apply. However, eligible home seekers must comply with the locality connection in accordance with the Section 106 Agreement and will not be eligible to be considered for other vacancies. Such requirements only apply for specific development sites that have such exceptional planning arrangements.

3. Local Lettings Plans for Council Housing

- 3.1 Where properties have been purpose built or adapted for tenants with specific needs, for instance, sheltered accommodation and grouped dwelling schemes for people aged over 60 years; bungalows for people aged over 60 years or in certain aged over 50 years, or those with physical disabilities, preference will be given to home seekers from households in need of that particular type of accommodation.

Epping Forest District Council
Civic Offices, High Street, Epping, Essex CM16 4BZ

Telephone: 01992 564000
email: housingoptions@eppingforestdc.gov.uk

www.eppingforestdc.gov.uk/housing

1 July 2018

Appendix B

Consultation Responses to the Draft Housing Allocations Scheme

Organisation	Consultation Response	Comments
<p>Tenants and Leaseholders Panel</p>	<p>The Panel gave consideration on the increase in the Residency Criteria from 5 to 7 years. The Panel voted on this change with five of their members in favour of the 7 year option and 5 of their members in favour of the 5 year option. The Panel's Chairman used his casting vote in favour of 7 years.</p> <p>The Panel's view is that under the penalties for refusals of offers of accommodation (Paragraph Paragraph18.9 refers) the numbers of offers within any period before the penalty applies, be increased from three to five for existing tenants of the Council who are under-occupying accommodation and wishing to move to smaller Council accommodation with their application being deferred for a period of twelve months</p> <p>The Panel also considers that for any applicant (or a member of their household) who has committed acts of proven social housing fraud or proven offences under the Anti-Social Behaviour; Crime and Policing Act 2014 should have their application deferred for a period of 7 years. However, they felt that any applicant who had serious rent arrears or had breached other tenancy conditions including damage, neighbour nuisance amongst others should be non-qualifying for a lesser period of 3 years.</p>	<p>The Panel agreed the increase in the Residency Criteria to 7 years</p> <p>Having taken into account the views of the Panel on existing tenants who are under-occupying Council accommodation and downsizing to smaller Council accommodation the Housing Portfolio Holder is recommending that the numbers of offers before the penalty applies in these circumstances be increased from three to four. It is considered that increasing to five would have a detrimental effect on void times and rental loss</p> <p>The recommendation of the Communities Select Committee is that any person who has committed any act of Unacceptable Behaviour as defined in the draft Scheme should be non-qualifying for a period of 7 years. It is suggested that the Committee's recommendation is agreed and no changes are made to the draft Scheme</p>

Appendix B

Consultation Responses to the Draft Housing Allocations Scheme (continued)

Organisation	Consultation Response	Comments
The Council's Private Sector Housing Team	The Council's Private Sector Housing Team are happy with the draft Scheme	None
Loughton Town Council	<p>Loughton Town Council considers that the Residency Criteria remains at 5 years.</p> <p>Loughton Town Council considers that for any applicant (or a member of their household) who has committed acts of proven social housing fraud should have their application deferred for a period of 5 years. Furthermore, that any applicant who has proven offences under the Anti-Social Behaviour; Crime and Policing Act 2014, had serious rent arrears or had breached other tenancy conditions including damage, neighbour nuisance amongst others should be non-qualifying for a lesser period of 3 years.</p> <p>Loughton Town Council supports the proposal to increase the deferment period from 1 year to 2 years for any person who has refused 2 offers of accommodation in any period.</p> <p>They also support the proposal that the lesser penalty for those downsizing remains</p>	<p>The Communities Select Committee are recommending that the Residency Criteria is increased to 7 years, It is suggested that the Committee's recommendation is agreed and no changes are made to the draft Scheme</p> <p>The Communities Select Committee held the strong view that any person who has committed any act of Unacceptable Behaviour as defined in the draft Scheme should be non-qualifying for a period of 7 years. It is suggested that their recommendation is agreed and no changes are made to the draft Scheme</p> <p>This is in accordance with the Communities Select Committee's recommendation</p> <p>It is recommended that taking into account the views of the Tenants and Leaseholders Panel the numbers of offers within any period before the penalty applies, be increased from three to four for existing tenants of the Council who are under-occupying accommodation and wishing to move to smaller Council accommodation with their application being deferred for a period of twelve months.</p>

Appendix B

Consultation Responses to the Draft Housing Allocations Scheme (continued)

Organisation	Consultation Response	Comments
	<p>Loughton Town Council considers that homeless applicants should be offered a 5 year Flexible (fixed-term) Tenancy rather than the proposed 2 year fixed term which they feel is too severe bearing in mind all new tenants are currently offered 10 year fixed-term tenancies</p> <p>Loughton Town Council supports the proposal to reduce the Residency Criteria from 3 years to 2 years for those leaving supporting housing schemes</p>	<p>The purpose of a 2 year fixed-term tenancy for homelessness applicants is in order for the Council to provide the same length of tenancy required in law when placements are made in the private rented sector. If a 5 year term was granted this would be generally the same period proposed for all new tenants under the new Statutory Guidance on fixed term tenancies which is expected to be issued in 2018. It is suggested that the Committee's recommendation is agreed and no changes are made to the draft Scheme</p> <p>None</p>
<p>Moreton, Bobbingworth and the Lavers Parish Council</p>	<p>The Parish Council supports all of the proposed changes to the District Council's Housing Allocations Scheme as detailed within this consultation</p>	<p>None</p>
<p>North Weald Bassett Parish Council</p>	<p>The Parish Council agree with the changes with the exception of the one regarding the penalty for refusing two offers of accommodation resulting in an application being deferred for a period of 2 years (increased from the current one year). Members believe this is unfair as there may be many reasons that people have for refusing offers</p>	<p>The Communities Select Committee considered that increasing the deferment period would result in less refusals and decrease void periods. No change is therefore suggested.</p>
<p>Epping Upland Parish Council</p>	<p>The Parish Council commented that "the draft Scheme was fair and reasonable"</p>	<p>None</p>

Appendix B

Consultation Responses to the Draft Housing Allocations Scheme (continued)

Organisation	Consultation Response	Comments
Nazeing Parish Council	<p>In relation to the Residency Criteria, under Appendix 4 Paragraph 2 “This states that the Residency Criteria will not apply where properties have been built in rural localities (e.g. Nazeing) under exceptional planning arrangements (Section 106 Agreements). It is not clear what this means. For example, what is the position if a Section 106 Agreement does not contain any locality provisions? Some explanation required. Presumably the other criteria referred to in Paragraph 14 will apply to rural housing schemes but the Council would like this confirmed”.</p>	<p>Amend Paragraph 2.1 to:</p> <p>Where vacancies arise in properties that have been built in rural localities under exceptional planning arrangements (Section 106 Agreements), the Residency Criteria of this Housing Allocations Scheme will not apply. In order to qualify for such vacancies, home seekers must comply with the locality connection in accordance with the occupancy criteria for such schemes as set out in the latest version of the Council’s Local Plan in being at the time. These requirements only apply for specific development sites that have such exceptional planning arrangements. Home seekers who meet with the criteria set out in this Paragraph will only qualify to be considered for other vacancies if they meet all of the requirements of this Housing Allocations Scheme.</p>

Appendix B

Consultation Responses to the Draft Housing Allocations Scheme (continued)

Organisation	Consultation Response	Comments
Local Resident	“Please allow private rented tenants to register on the Council house waiting list...”	Private renting tenants are eligible to join the Council’s Register but only if they qualify under the Scheme. No changes are recommended
Local Resident	“Priority should be given to people already resident in the borough and how long they have been waiting on the list”	Under the draft Scheme it is proposed that the Residency Criteria is increased to 7 years which means people already in the District are given priority provided they qualify. Those on the Housing Register are generally given priority within each Band based on the time they have been on the list. No changes are recommended
Local Resident	“At the moment home seekers only know exactly where they are on the waiting list when they reach 20 or under, why can’t this be higher? Information training to advisors, too many people have been given wrong or contradictory information”	Under the Choice Based Lettings Scheme, when a property has been advertised we are able to explain to bidders whether they are in the top 5 top 10 or top 20 of any shortlist. It is not possible, or of any real benefit to a home seeker, to go beyond the top 20 and stating their position. The comment about training is separate from the Scheme and is noted.

Appendix C

Suggested changes in accordance with the advice received from the external legal advisor

Legal Advice	Officer comments	Changes Made
All reference to any associated Council leaflets should be removed as this “could be controversial” as they have not been consulted upon in accordance with the legislation	All references to associated leaflets should be removed from the draft Scheme	All reference to associated leaflets have been removed from the draft Scheme
The Council should make it clear who the decision-maker is under Paragraph 14.4 of the draft Scheme	This has been incorporated into the draft Scheme	Paragraph 14.4 now makes it clear that the decision-maker will be the Council’s Housing Options Manager
Under Paragraph 14.3 (e) it should refer to Part 7 of the Act	The legislation referred to should be in more detail	Paragraph 14.3 (e) has been amended in the draft Scheme and now refers to Part 7 S193 of the Housing Act 1996
Paragraph 14.3 (f) “in my view it is lawful but there are one or two aspects that steer close to the line and could attract controversy” the requirement for the work to be permanent and for at least 24 hours a week is more restrictive than the relevant Guidance which refers to long-term work for at least 16 hours per week.	Although the Legal Advisor stated that the original Paragraph in an earlier draft should be acceptable providing the Guidance has been taken into account, and the Council has good reason for adopting “a somewhat more stringent criteria” in order to ensure there is no legal challenge officers consider that the requirement should be for long-term work for at least 16 hours per week	Paragraph 14.3 (f) in the draft Scheme has been amended and now refers to long-term work in the District comprising a minimum of 16 hours each week
Paragraph 14.4 is in the Legal Advisors view, lawful	This was added on the advice of the legal advisor due to recent case law	N/A

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, i.e. have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data are required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. **All Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA.** An EqIA should also be completed/reviewed at key stages of projects.
8. 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

Section 1: Identifying details

Your function, service area and team: Housing Allocations

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: N/A

Title of policy or decision: Review of the Housing Allocations Scheme

Officer completing the EqlA: Roger Wilson [Tel:01992 564419](tel:01992564419) Email: rwilson@eppingforestdc.gov.uk

Date of completing the assessment: 8 December 2017

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? Revision of an existing policy
2.2	Describe the main aims, objectives and purpose of the policy (or decision): To allocate Council and Housing Association (where the Council has nomination rights) accommodation in accordance with the Council's policies which are framed in accordance with relevant Codes of Guidance What outcome(s) are you hoping to achieve (i.e. decommissioning or commissioning a service)? Ensuring that the accommodation referred to above, is allocated to those in the highest need
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? Yes Will the policy or decision influence how organisations operate? Yes
2.4	Will the policy or decision involve substantial changes in resources? No
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? Associated with mainly the Council's Tenancy Policy and Homelessness Strategy

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	<p>What does the information tell you about those groups identified?</p> <p>Each year the Communities Select Committee undertakes a review of home seekers on the Council's Housing Register and lettings to determine whether there is any disparity between the Protected Characteristics of Home seekers on the Housing Register, and those allocated accommodation through the Housing Register. The annual report will be considered by the Committee at its meeting on 16 January 2018. The following main statistics will be reported:</p> <p>The percentage of applicants housed compared to those on the Housing Register under the following Protected Characteristics:</p> <ul style="list-style-type: none"> • Ethnic origin • Religion • Gender Re-assignment • Sexual orientation • Disability • Age • Sex <p>Also, the breakdown of the ethnicity of the population of the District</p> <p>It is being recommended to the Communities Select Committee that no amendments be made to the Council's Housing Allocations Scheme as there is no disparity due to the Protected Characteristics between those on the Housing Register and those housed.</p> <p>A copy of the report to the Communities Select Committee – Annual Review of Protected Characteristics – Home seekers and Lettings is available on request</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>A consultation exercise has been undertaken with partner agencies, and the Tenants and Leaseholders Panel. The Panel are consulted on the Annual Review of Protected Characteristics – Home seekers and Lettings each year. Local Residents were also consulted through the Council's Website.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>N/A</p>

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	The Annual Review of Protected Characteristics – Home seekers and Lettings confirms there has been no impact on those applicants under this Protected Characteristic	L
Disability	The Annual Review of Protected Characteristics – Home seekers and Lettings confirms there has been no impact on those applicants under this Protected Characteristic	L
Gender	The Annual Review of Protected Characteristics – Home seekers and Lettings confirms there has been no impact on those applicants under this Protected Characteristic	L
Gender reassignment	The Annual Review of Protected Characteristics – Home seekers and Lettings confirms there has been no impact on those applicants under this Protected Characteristic	L
Marriage/civil partnership	Although statistical information was not available to be included in the Annual Review of Protected Characteristics – Home seekers and Lettings, the Scheme is framed to ensure there is no impact on those under this Protected Characteristic	L
Pregnancy/maternity	Although statistical information was not available to be included in the Annual Review of Protected Characteristics – Home seekers and Lettings, the Scheme is framed to ensure there is no impact on those under this Protected Characteristic	L
Race	The Annual Review of Protected Characteristics – Home seekers and Lettings confirms there has been no impact on those applicants under this Protected Characteristic	L

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Religion/belief	The Annual Review of Protected Characteristics – Home seekers and Lettings confirms there has been no impact on those applicants under this Protected Characteristic	L
Sexual orientation	The Annual Review of Protected Characteristics – Home seekers and Lettings confirms there has been no impact on those applicants under this Protected Characteristic	L

Section 5: Conclusion		
		Tick Yes/No as appropriate
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No x
		Yes <input type="checkbox"/>
		If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts		
What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
None	None	N/A

Section 7: Sign off	
I confirm that this initial analysis has been completed appropriately. (A typed signature is sufficient.)	
Signature of Director of Communities Alan Hall	Date: 8 December 2017
Signature of person completing the EqIA: Roger Wilson	Date: 8 December 2017

Advice
 Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, e.g. after a consultation has been undertaken.

Report to the Cabinet

Report reference: C-040-2017/18
Date of meeting: 1 February 2018



**Epping Forest
District Council**

Portfolio: Leader of Council
Subject: Transformation Programme –November 2017 Highlight Report
Responsible Officer: David Bailey (01992 564105).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the Cabinet note the progress of Projects and Programmes for November 2017, alongside planned actions for December 2017.

Executive Summary:

Regular highlight reports on the progress of the Transformation Programme are presented to the Cabinet. This is the highlight report for November 2017 and covers progress for all chartered projects of Medium and High Risk Potential, as well as key aspects of the Transformation Programme.

Overall, progress indicators for 'cost' and 'benefits' were Green for this period. The status indicator for 'time' is reported as Amber to highlight that 1 action (from a total of 88) is overdue on its deadline, when compared with planned timelines. Project and Programme Managers have actions in place to deal with any potential negative effects. Progress will be kept under review and it is anticipated that the status of the majority of these items will return to Green in the next report.

Reasons for Proposed Decisions:

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

Other Options for Action:

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

Report:

1. This is the November 2017 Highlight Report for the Transformation Programme. The format of the report has evolved in order to remain an effective tool for highlighting progress, slippage and remedial actions being taken.
2. The report covers progress for the 43 chartered 'live' projects with Medium or High

Risk Potential, as well as progress on key aspects of the Transformation Programme.

3. The Cabinet is requested to review progress for November 2017, alongside actions scheduled for the next period and any remedial actions being undertaken.

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

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

5. Overall, progress indicators for ‘cost’ and ‘benefits’ were Green for this period. The status indicator for ‘time’ is reported as Amber to highlight that 1 action (from a total of 88) is overdue when compared with planned timelines.

6. Project and Programme Managers have actions in place to deal with any potential negative effects. The deviation from plans for the majority is within tolerances, most often within one calendar month. It is anticipated that the status of the majority of these items will return to Green by the end of the next period and progress will be kept under review.

7. Appendix 1 contains the highlight report for November 2017. Any project closures are also noted.

Resource Implications:

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

Legal and Governance Implications:

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

Safer, Cleaner and Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner and Greener initiative, or any crime and disorder issues within the district. Relevant implications arising from actions to achieve specific projects will have been identified by the Transformation Programme Board.

Consultation Undertaken:

Progress has been reviewed by the Transformation Programme Board.

Background Papers:

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

Risk Management:

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

Equality Analysis

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

Transformation Programme Highlight Report

<i>Report</i>	<i>Period</i>
23	November 2017

Approval

<i>Approved for submission to the Cabinet (Sponsoring Group), given by</i>	Transformation Programme Board	<i>Date</i>	18.12.2017
--	--------------------------------	-------------	------------

Distribution list

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

Overall transformation programme progress and status

	<i>RAG status</i>		<i>Comment on overall progress and status and recommended actions</i>
	<i>This period</i>	<i>Last period</i>	
Time	Amber	Red	1 action is overdue out of a total of 88 actions
Cost	Green	Green	
Delivery / outcome / output	Green	Green	
Benefits	Green	Green	

Accountabilities and information flow: Project closures

<i>Workstream / Project</i>	<i>Progress to report</i>	<i>Actions for next period</i>	<i>Due</i>	<i>Owner</i>
P108 Shared Services Review	Project closed 15-Nov-2017	N/A	-	Chief Executive
P117 Building Control Profile	Project closed 15-Nov-2017	N/A	-	Director of Governance
P122 Information Management	Project closed 15-Nov-2017	N/A	-	Director of Governance

Highlight: Overdue actions for this period and remedial actions for the next period

<i>Key Benefit</i>	<i>Actions Overdue</i>	<i>Planned Date</i>	<i>Remedial Actions</i>	<i>Due Date</i>	<i>Owner</i>
Workstream 3 – Resources, Accommodation and Technology					
P141 Business Continuity Plan Template					
Meet the requirements of the Civil Contingencies Act 2004	Delivery of an agreed template	30-Nov-2017	Transformation Programme lead to liaise with project manager to provide an update to this action	30-Dec-2017	Derek Macnab, Director of Neighbourhoods
Provide assurance to the public, staff, Members and partners that critical services will continue to operate					Jim Nolan, Assistant Director - Environment & Neighbourhoods

Document control

<i>Version</i>	<i>Date</i>	<i>Status (draft, approved)</i>	<i>Author</i>	<i>Change description</i>
1.0	18.12.2017	November draft	Gareth Nicholas, Senior Project Improvement Officer	Draft and Report
2.0		November draft	David Bailey, Head of Transformation	Amends

This page is intentionally left blank

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. 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

Section 1: Identifying details

Your function, service area and team: **Office of the Chief Executive: Transformation team**

If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team:

N/A

Title of policy or decision: **Transformation Programme Highlight Report**

Officer completing the EqIA: Tel: **2815** Email: **gnicholas@eppingforestdc.gov.uk**

Date of completing the assessment: **18.12.2017**

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project?</p> <p>N/A – report is a monthly update to Cabinet on the progress of projects and programmes.</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>Intended objective is for Cabinet to note the progress of Projects and Programmes for November 2017.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <p>N/A – report is for noting to Cabinet only.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>N/A.</p> <p>Will the policy or decision influence how organisations operate?</p> <p>N/A - report is not decision based and is for noting only.</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>N/A – report is for noting only.</p>
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p>N/A.</p>

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A – report is for noting only. Any equalities impact assessment for individual projects or programmes is detailed on the respective reports.
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? N/A – see above.
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: N/A - see above.

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: **David Bailey**

Date: **18.12.2017**

Signature of person completing the EqIA: **Gareth Nicholas**

Date: **18.12.2017**

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

This page is intentionally left blank

Report to the Cabinet

Report reference: C-041-2017/18
Date of meeting: 1 February 2018



Portfolio: Safer, Greener and Transport

Subject: Options and implications of the Council funding the employment of Police Officers in the Epping Forest District.

Responsible Officer: Julie Chandler (01992 564214)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations:

(1) That £215,000 per annum budget provision be made in the District Development Fund (DDF) for 3 years, to fund the following provision, for a pilot period of three years from April 2018 to March 2021:

(a) Employment of three full-time Police Officers by Essex Police, including a sergeant and two police constables, to be tasked and directed by the Council;

(b) Commissioning of Parkguard security company to undertake targeted patrolling and youth engagement work; and

(c) Delivery of additional, targeted sessions at Crucial Crew and Reality Roadshow.

(2) That a Service Level Agreement (SLA) be drawn up with Essex Police to set out the detailed requirements and arrangements relating to item a) above, in line with the Heads of Terms for the SLA set out in the report; and

(3) That the cost of £215,000 per annum be funded by increasing the Council Tax by £3.69 (2.5%).

Executive Summary:

At its meeting on 7th December 2017, Cabinet considered a report on the proposal for the Council to fund the employment of additional police officers, employed by Essex Police, but tasked by the Council's Community Safety Team. This would be to supplement Essex Police's existing District Community Policing Team in light of the high number of burglaries, crimes and anti-social behaviour in the district. A recommendation from this report was that officers would further investigate the implications of the Council funding additional police officers and this report serves to provide these details.

The work undertaken to collate this information included an initial meeting with the Police District Commander and desk research, followed by tele conference with Nottinghamshire Council and a meeting with the management of Lakeside Shopping Centre in Essex, both of which employ additional Police Officers within their areas.

The District Commander was very clear that Essex Police see the proposal as a really positive initiative and that abstraction of officers would only happen in extreme cases and for very high priority incidents in Essex. He also confirmed that any staff sickness and police training of the EFDC-funded officers would be covered by a credit to the Council.

A meeting was also held with management from the Lakeside Shopping Centre in Thurrock, who have been operating a direct policing service for over five years with Essex Police and it was identified that the arrangement works very well and that there were XYZ abstractions over the period of their Service Level Agreement.

Full details of the various findings relating to implications of the Council paying for additional policing are contained within this report and provide reassurance to concerns raised.

Reasons for Proposed Decision:

The proposal for the Council to fund the employment of additional police officers to supplement the existing local policing resources originally emanated from a series of high profile ASB and crime incidents in Hillhouse, Waltham Abbey and in Epping High Street. However, over recent months, the district has also seen a significant escalation in the number of dwelling and motor vehicle burglaries (currently the highest number out of all Essex LAs), which has resulted in Essex Police deploying a range of county-wide resources to try and address and deter the high level of crime.

Other Options for Action:

- (i) To await the Police, Fire and Crime Commissioner plan and timescale for increasing the Council Tax precept for local community policing, to see if additional policing resources are deployed to the District as a result.
- (ii) To await the results of the recent government plan to increase the Policing Budget across the UK.

Report:

Background

1. At its meeting on 7th December 2017, Cabinet considered a report on the proposal for the Council to fund the employment by Essex Police of additional police officers, tasked by the Council's Community Safety Team, to supplement Essex Police's District Community Policing Team in light of the high number of burglaries, crimes and anti-social behaviour in the district. A recommendation from that report was that officers would further investigate the implications of the Council funding additional police officers and this report serves to provide the answers to the range of concerns raised.

Findings from Meeting with the District Commander of Police, Chief Inspector Lewis Basford

2. A meeting was initially held with the District Commander of Police regarding the overall logistics for the Council funding and tasking Police Officers and the following information was confirmed, which effectively comprise Heads of Terms for a Service Level Agreement:

- **Preferred base for officers to work from:** The Council's Community Safety Office, including secure storage of equipment and clothing. Essex Police would fund the cost of office set up, equipment and any other costs.

- **Special Equipment:** The EFDC-funded Police Officers would be provided with body worn cameras.
- **Police Vehicle:** This would be provided and maintained by Essex Police, , and could be parked in Epping High Street for daytime use (subject to the Council's decision on the current police parking spaces), and in the underground parking at the Civic Offices overnight.
- **Duty Pattern:** This would be full-time equivalent (FTE) to suit EFDC and would predominantly be Monday to Friday, including late shifts and some weekends. There would be pre-planned deployment for certain occasions, such as Halloween, Fireworks evening, New Year and other priority times.
- **Tasking and Reporting:** Deployment would be according to priority need within the district, via daily tasking and the EFDC-funded officers would be required to provide regular reports to the Portfolio Holder for Safer, Greener and Transport on key activity undertaken and success stories etc.
- **Day to Day Supervision:** The team of police officers would be overseen by the Community Safety Manager and Community Safety Officer, with recourse to the Epping Forest Inspector or Chief Inspector.
- **Minimum Working Contract:** This would need to be guaranteed as a minimum of a three year contract.
- **Abstraction of officers:** This would be on an emergency only basis, apart from mandatory 2 x day police training per annum. Any abstraction of officers would be repaid through a credit note.
- **Sickness:** In the case of an EFDC-funded Police Officer being unfit for work, they would be replaced by Essex Police with an officer from the Community Policing Team. If a long –term sickness issue arose there would be a credit for the hours lost to EFDC.
- **Overtime:** If the EFDC team were required to work overtime in support of general CPT work, or whilst on EFDC duty to carry out arrests etc, Essex Police would cover this cost from its overtime budget.
- **Police establishment:** The officers funded by the Council would be in addition to the district Community Policing Team establishment figures and not used to cover day to day CPT resource deficiencies or reductions.
- **Additional Employment Costs:** The Council would not be liable for payment of any redundancy or other employment costs associated with the posts.

3. All of the above items would be included in a robust and performance based Service Level Agreement drawn up with Essex Police, for the period of the arrangement.

4. It was noted in discussion with the District Commander, that optimum EFDC-funded policing would consist of one sergeant, two police constables, as this set up would be sustainable and would enable effective management and supervision and provide high impact across the district.

Findings from meeting with Lakeside Shopping Centre

5. A meeting was held with the Regional (South) Centre Director of Intul at Lakeside.
6. Intul currently pay for one sergeant and three police constables and they are based in their own office, as opposed to a joint office with the Lakeside security officers.
7. There is a contract in place, but it is very limited and does not include essential items such as joint tasking; agreed work rosters and target/priority setting. There is no requirement for the police officers to provide feedback to Intul on successes and achievements in their work and we were therefore unable to secure any information related to where the additional resource served to help reduce or prevent crime. In addition, there are no arrangements in place for intelligence briefings around particular crimes and gang activity etc. and there is very limited collaboration and communication with Essex Police in general.
8. This meeting therefore very much highlighted that the Council is ahead of the game, in regard to its proposal for how additional policing would be managed and contracted, and its existing, collaborative working with Essex Police.

Conference call with Nottinghamshire Council

9. The Community Safety Manager from Nottinghamshire Council was very pleased with the impact of the direct commissioning of policing across the County, although he stated that the Council had not initially set up a Service Level Agreement with the police and this had caused real problems in terms of abstractions from Council duties. It was therefore strongly recommended that EFDC should consider a very robust SLA with Essex Police that does not rely solely on good relationships between managers in each party.

Corporate Deployment of EFDC-funded Police Officers

10. Apart from undertaking tasks according to local priorities each day, the Council-funded policing team would additionally be available to support EFDC corporate enforcement/other work where a police presence is needed on a priority basis. This could include a range of functions such as:

- Assisting Council officers serving court papers on high risk individuals
- Providing support and effecting 'entry' to properties for the Corporate Fraud Team
- Supporting the eviction of violent tenants
- Providing 'cocooning' work where burglaries take place
- Supporting planning enforcement, illegal developments etc.
- Supporting officers dealing with issues of land drainage, contaminated land, private water supply etc.
- Supporting officers conducting property inspections in regard to tenant issues and Council Tax recovery
- Supporting the Environmental Enforcement Team for illegal gypsy and traveller encampments
- Carrying out enforcement action by arresting persons breaching closure orders, injunctions or criminal behaviour orders.
- Enforcing Public Spaces Protection Orders (PSPOs) which are not currently used due to the lack of ability to enforce.
- Issuing 'on the spot' fixed penalty notices

Occasions over 2017/18 where police support has been required, but unavailable

11. Analysis has also been undertaken in regard to occasions over the last year, where various council officers have required police support and there has been disparity in response and subsequent outcomes. Attached at Appendix 1 are a few examples of these which relate to Community Safety, Public Health, Planning and Housing.

12. In addition to the occasions where police support has been required over the last year, the Council has also needed to employ Parkguard, a private security company, to provide a uniformed presence. This has ranged from direct support to Council staff, through to patrols and targeted work across key locations in the district. The following Parkguard deployments have been made in recent years:

06/08/15 -09/01/16 - Hi-vis patrolling and intelligence gathering at Limes Farm following stabbings and other crimes

17/03/16 –Parkguard Officers and recovery dog, for planned operation and engagement at Limes Farm to address drugs supply, firearms & cash incident

14/06/16 – Provision of officers and weapons recovery dog for pre-planned weapons sweep Limes Farm

2016/17- Patrolling and youth nuisance management in Waltham Abbey

Summer 2017 – Patrolling in Hillhouse and surrounding area following significant youth ASB

31/10/17 – Hi-vis reassurance and patrolling in Hillhouse, Waltham Abbey

05/11/17 – Hi-vis reassurance Limes Farm

2016/17 – Support for EFDC officers in regard to evictions of potentially violent tenants

2017/18 Support for EFDC officers in Waltham Abbey, to prevent breach of peace for another high profile eviction where council officers had previously been aggressively intimidated and prevented from doing their job.

Other Considerations

13. With the recent announcement by the Police, Fire and Crime Commissioner (PFCC) that the precept for policing will be increased in 2018/19, at a level of approximately £12 per annum for Band D properties, an additional sum of c £6.5m will be generated in Essex. It is not certain how and when this funding will be spent, but the PFCC has indicated a commitment to providing more police officers on the street. A request has been submitted to the PFCC's office for clarification of this.

Summary

14. Cabinet is asked to consider the findings presented in this report and to decide whether it wishes to proceed with the funding of additional Police Officers to work in the district, or alternatively to commission a security company to undertake patrolling and targeted work in the district, or indeed secure a mixture of services.

15. From internal discussion and consideration of work undertaken elsewhere in Essex and further afield, it is suggested that a hybrid option (as detailed at Option 3, below) would provide the most beneficial resource to the Council in terms of preventative and proactive work to address local issues.

16. To ensure good supervision and resource management of additional police resources, the model would need to include three police officers, including a sergeant and two police constables.

17. The services of a security company would only be called upon to support high profile incidents or seasonal priorities, or to provide targeted youth engagement work.

18. Any funding applied to initiatives such as Crucial Crew and Reality Roadshow would seek to add value in terms of sessions to encourage positive behaviours and lifestyles.

19. Alternatively, Cabinet may wish to wait for confirmation of the proposed use of the additional police precept funding, although this delay is likely to prevent the opportunity to allocate any EFDC budget for additional policing or uniformed support for the district in 2018/19.

Background information and Costed Options

20. The following information is taken from the previous Cabinet report and provides the approximate costings of options available:

Option 1. EFDC to employ a private security company to provide regular, uniformed patrols and targeted work in the district.

Considerations: A Security Company would provide a deterrent to crime and disorder, but would not have any enforcement powers or indeed powers of arrest when needed.

Cost for 3 x FTE staff (1.5 patrols) per annum	£140,000
Total cost for total 3 year period	£420,000

Option 2. EFDC to pay for three Police Officers

Considerations: A dedicated Police resource for the district could provide the most impact across the District's communities, at a similar cost to a security company (pro rata), but with full powers of arrest and enforcement. The officers would also be available to support Council officers in specific work as identified in the main body of this report, where arrest may be necessary.

Cost for 3 x FTE Police Officers per annum	£185,000
Total cost for 3 years period	£555,000

Option 3. A hybrid of Options 1 & 2, plus Youth Engagement work

Considerations: The Council could choose a hybrid of options, potentially including three Police Officers, plus a security company to be commissioned to undertake targeted work such as dog patrols or youth engagement, plus additional work within Crucial and Reality Roadshow programmes. However, a crew of two police officers would be less able to provide the level of warranted support that the Council currently needs.

1 x Police Sergeant and 2 x Police Constables	£185,000
Security company targeted work	£ 20,000
Enhancement of Crucial Crew/ Reality Roadshow	£ 10,000
Cost per annum	<u>£215,000</u>
Total cost for three years	£645,000

Resource Implications:

To support discussions with the Government about funding, the Police, Fire and Crime Commissioner undertook a survey last year to find out the views of Essex residents. More than 5,000 people completed the survey and 66% of people said that in general they would be prepared to pay more for policing to improve the service. In terms of amounts, 75% of those expressing a view said they were prepared to contribute an additional £10 or more per annum to invest in policing.

There is clear public support for a higher council tax provided it increases investment in policing. Therefore it is proposed to increase the council tax by £3.69 (2.5%) per annum at band D to raise the funds for the proposed expansion of this service.

The District Development Fund is anticipated to require a transfer from the General Fund Reserve in 2018/19 to prevent it running at a deficit. If the council tax is not increased to pay for this expansion in service the General Fund Reserve will reduce by £645,000 more than is currently anticipated in the Medium Term Financial Strategy. This may require reductions in other services or increases in some charges. However, given that the entire district will benefit from this expansion in service the most appropriate means of paying for it is to increase the council tax.

Legal and Governance Implications:

Essex Police receives a Precept to provide Community Policing within the Epping Forest District and is responsible for the governance of local policing.

Safer, Cleaner and Greener Implications:

This report relates wholly to Community Safety.

Consultation Undertaken:

Consultation with internal EFDC colleagues and local Police Inspector.

Background Papers:

None.

Risk Management:

It has been identified that youth nuisance and anti-social behaviour are becoming more prevalent in the district and this report seeks to provide options to assist with the reduction of risk within local communities of the district. Anti-social behaviour has been identified as a priority of Epping Forest District Community Safety Partnership every year in its annual Strategic Assessment since 2008.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 3 to the report.

Example 1:

During June 2017, Community Safety became involved in a case with the Council's Housing South team in relation to serious ASB being generated from a council property in Sandford Avenue, Loughton.

On 31/08/17 a Closure Order was obtained and the habitual occupier allowed to remain in the property whilst the issue of cuckooing was determined. Re-deployable CCTV was erected to cover the area.

On 06/09/17 Community Safety reported a breach of the Order to police and due to lack of resource at the time the police attended 1 ½ hours later and no-one was at the property. Subsequent information was received into the Council from direct neighbours regarding the closure order being ignored and that police were not attending when reports were being made. The incidents below relate to reports of breaches, where there was delayed police attendance or non-attendance.

13/09/17 report of breach
11/10/17 report of breach
13/10/17 report of breach
15/10/17 report of breach
18/10/17 report of breach

On 25/10/17 the Council's Community Safety Team reported a breach directly to the Police Hub. The District Inspector ordered an immediate response and Police attended within 8 minutes of report and arrested 2 persons. One person had numerous previous convictions for possession of 9mm handgun, possession of a sawn off shotgun and other firearms offences together with possession with intent to supply Class A drugs. As there was no local representation to the contrary for EFD Community Safety, in custody, the man's 'reasonable excuse' was accepted and he was released with No Further Action. The second person arrested had minor previous convictions and was charged, pleading guilty and received 12 weeks custody.

Using the evidence of numerous breaches of the Order, Community Safety obtained a new closure order on 09/11/17 for the property, banning the habitual occupier. At the same time Loughton Community Policing Team raided the property and arrested the occupier. Stolen goods were recovered and the occupier charged with theft from motor vehicle and motor vehicle interference. The new Closure Order was served on the occupier whilst in custody and locks changed on property. The occupier was held in custody as being of 'no fixed abode and appeared at court the next day. He pleaded guilty and received a suspended prison sentence. The council had no duty to house him as he was considered intentionally homeless. Absolute possession was granted by the court on 28/11/17 due to the Closure Order being in place.

Example 2:

Birch View, Epping is a block of flats near St Margaret's Hospital which houses a mix of private and social housing tenants. One female council tenant formed a relationship with a 'Prolific and Priority Offender' who was under the supervision of Integrated Offender Management. The man was of a violent disposition and Class A drug user. He moved in and immediately, there were reports of threats and intimidation from him to other residents. This culminated in a vulnerable tenant being assaulted by the offender and being attacked by the offender's dog. Community Safety applied for an injunction with power of arrest against the offender.

There were problems with service of the papers which could not be actioned by a process server. Also the police were requested to serve papers, due to the level of violence shown by the offender, but were unable to do so, due to operational commitments and lack of resources. The lack of service of papers allowed problems to continue and the offender proved very elusive. This resulted in officers from Community Safety eventually serving the papers on him following several visits to the building. An injunction was granted, banning him from intimidating or threatening the vulnerable resident. This was breached on at least three occasions and police were unable to attend and took no further action.

A further injunction was obtained which banned the offender from the property and surrounding area, which eventually resulted in the offender moving away. During this time the council had to give the exploited tenant a priority move.

Example 3:

Community Safety investigated complaints of drug use at a property in Prescott Green, Loughton. The work necessitated working with Community Policing and gathering evidence for obtaining a search warrant for drugs. Operation Raptor (Gangs Team) also participated in this operation which resulted in the arrest and prosecution of three males for drugs offences. A Closure Order file was started but with negotiation the tenant was persuaded to give up the tenancy. The council's investigator attended the property to carry out a lock change and on doing a risk assessment suspected that at least two other unknown individuals were present at the premises. Police assistance was requested, however due to a lack of resources only a single CPT officer was available to assist.

On gaining access to the property, two persons were present and on checking police intelligence systems were both found to be wanted. The single officer detained one person whilst the other made off. During this action the man became very violent to the police officer and the council's investigator needed to give assistance to the police officer resulting in him receiving cuts and bruises, his shirt being ripped and his clothing covered with the man's blood, which was later found to be contaminated with the Hepatitis virus.

Example 4:

The Council's Public Health team investigated a case where a field in a rural location was the scene of a suspected illegal animal slaughter ('smokie'). As a result of investigations and deployment of CCTV this activity was confirmed and a plan was developed to raid the location. Other information identified a second location and due to the likelihood of knives at the scene and need for arrest, police were requested. Community Policing were able to supply staff to assist with two warrants executed simultaneously where an illegal animal slaughter was identified and subsequently closed down.

Example 5 – Request for Assistance Planning public meeting

Recent planning meetings have proved to be contentious with the public in the proposals for development they put forward and police were requested to attend the locality to prevent any breach of the police. The most recent meeting they supported was 14/12/17.

Example 6 – Planning Enforcement

Planning Enforcement have used police assistance on a number of occasions in relation to risk assessments regarding attendance at Roydon Lodge, Chalet Estate (Traveller Community) due to a history of threats and violence. In 2016, there were difficulties in arranging Police attendance for most of the year. Enforcement officers attended site on 01.06.16 as arranged with police, but no officers turned up. However, over the last year police support has been more positive, as below;

25.01.17 Full police attendance for site inspection

13.04.17 Process server had police attendance for service of stop notices

20.09.17 Police attended with drone operator for overflight of site.
There was no problem arranging these visits.

Example 7 – Private Sector Housing

In November 2017, an officer from Private Sector Housing had obtained a warrant to enter a property for inspection under the Housing Act 2014. On notification to the property owner the officer received threats and intimidating remarks. The owner had a previous history of being threatening and intimidating to council officers and it was feared that this might happen on execution of the warrant and a breach of the peace was likely to occur. Community Policing officers were requested and supported the council's officer in safely carrying out an inspection of the property.

Example 8 – Housing North

- a) A disabled council tenant who presented at reception and was belligerent and abusive refused to leave the building. Police assistance was summoned to remove him. Police were unable to attend which required the Housing Manager staying on the premises after closure of the building to supervise the person and arrange via ambulance service removal.
- b) In Butlers Drive, Waltham Abbey a private house holder had illegally acquired council land and parked vehicles on it which were being used for storage. After repeated requests from Housing and Legal to vacate the land, Housing officers attended to secure it. The person had a history of aggression and non-compliance and it was felt that there would be violence towards officers enforcing the possession. Police were requested to prevent a breach of the peace but were unable to attend. As a result Parkguard were employed to provide security for officers in attendance. During the attempt at possession the situation escalated into aggressive confrontation, which also involved the occupiers of neighbouring properties who took the side of the house holder. Due to the imminent threat of violence to Council officers the police were called as an emergency. They attended and arrested and charged the householder with aggravated trespass.
- c) A housing tenant in Silver Street Waltham Abbey was suffering delusional episodes and had fixated on his elderly and bedridden neighbour, alleging that she was making continual noise. The man was of a violent disposition and had a propensity to use knives. An injunction was obtained against him and due to the risk posed to officers, police were requested to serve it. Police were unable to assist. Housing and Community Safety therefore served the injunction on him at a pre-arranged visit to the Civic Offices.
- d) Housing supported by Community Safety investigated the partner of a tenant at Birch View, Epping who was of an extremely violent disposition. It was identified that he was involved in 'mates crime', had carried out a machete attack on a vulnerable person and was subjecting his partner to domestic abuse. He also had possession of a bow and arrows. A Closure Order was obtained to exclude him from the locality and police were requested to serve it. Police were unable to supply officers and the order was served by Housing and Community Safety.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. 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

Section 1: Identifying details

Your function, service area and team: Community Services – Community Safety

If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: N/A

Title of policy or decision: Authority to commission additional policing or security company resources, in order for them to patrol, deter crime and ASB in the district and apply enforcement where required.

Officer completing the EqIA: Julie Chandler Tel: 01992 564214 Email: jchandler@eppingforestdc.gov.uk

Date of completing the assessment: 23/11/17

Section 2: Policy to be analysed

2.1 Is this a new policy (or decision) or a change to an existing policy, practice or project? This is a new decision, which is a change to usual service provision of the Council.

2.2 Describe the main aims, objectives and purpose of the policy (or decision):
The report is in three main parts;
To seek authority from Cabinet to appoint a security company on an interim basis, to provide patrolling of key areas in the district where incidences of ASB, Youth Nuisance and crime are high.
To agree funding for this proposal and authority to waive CSO's in respect of procurement
To consider future needs in respect of local policing and patrolling.

What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?
Commissioning an interim service initially and then potentially a more permanent solution to support the reduction of crime and ASB in the district.

2.3 Does or will the policy or decision affect:

- service users
- employees
- the wider community or groups of people, particularly where there are areas of known inequalities?

The decision to proceed with the recommendations of the report, will affect the wider community in a positive way in that it is expected to see a reduction in crime, youth nuisance and general ASB

It will not negatively impact on the protected characteristic groups.

Will the policy or decision influence how organisations operate?

No.

2.4	Will the policy or decision involve substantial changes in resources? The initial decision required in the report will involve a supplementary estimate of £25,000 in 2016/17 (Jan- March) for provision of security services and youth engagement work.
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? The decision to appoint a security company will meet the Council's Corporate Plan aims in terms of keeping people safer and reducing fear of crime.

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	<p>What does the information tell you about those groups identified? There are no implications for protected characteristic groups. The impact on all people in the communities of the district will be positive, as they will benefit from the provision of enhanced security and visible patrolling, which will provide a deterrent to ASB and crime in general and a reduction in fear of crime.</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? The report and decision is in response to community unrest in relation to ASB and the Council's awareness of the significant escalation in local concerns. Several public events have been held as a result of public outcry and the communities have sought reassurance from the Council that additional security will be made available.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: As above.</p>

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	<p>P The commissioning of a security company will also include positive engagement work with young people, in order to encourage them not to commit crime and ASB.</p>	M
Disability	None	
Gender	None	
Gender reassignment	None	
Marriage/civil partnership	None	
Pregnancy/maternity	None	

Race	None	
Religion/belief	None	
Sexual orientation	None	

Section 5: Conclusion		
		Tick Yes/No as appropriate
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No X <input type="checkbox"/>
		Yes <input type="checkbox"/>
		If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts		
What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Alan Hall

Date: 24/11/17

Signature of person completing the EqIA: Julie Chandler

Date: 24/11/17

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

This page is intentionally left blank



**Epping Forest
District Council**

Report to Cabinet

Report Reference: C-042-2017/18
Date of meeting: 1 February 2018

Committee: Communities Select Committee (Chairman – Cllr Y. Knight)
Subject: Rationalisation of Sheltered Housing Assets - Initial Scoping Report
Responsible Officer: Alan Hall (01992 564004)
Democratic Services: Gary Woodhall (01992 564470).

Recommendations:

(1) That further consideration be given to reducing the amount of low-demand sheltered housing in the Council's ownership and developing the resultant vacant land or buildings to provide either general needs housing, temporary homelessness accommodation and/or more appropriate accommodation for older people in order to help meet the housing needs of local people registered on the Housing Register in the future;

(2) That the "Sheltered Housing Standard", attached as Appendix 1, be adopted - with an objective of all sheltered housing schemes retained in the long term meeting the Standard over a reasonable period of time;

(3) That a further report be brought to a future meeting of the Communities Select Committee with:

- (a) recommendations about which sheltered housing schemes should be decommissioned over a period of time and their site(s) redeveloped;
- (b) an initial proposed approach to decanting the existing residents;
- (c) a Communication Strategy for the Project;
- (d) initial redevelopment proposals for each of the identified sites;
- (e) indicative budget costs; and
- (f) an Equalities Analysis;

(4) That the assessment of sheltered housing schemes considered most suitable for redevelopment has regard to the following criteria:

- (a) the number of bedsits;
- (b) the lettable, demand and location of the scheme;
- (c) the long term costs of improvements/repairs;
- (d) the amount of sheltered housing within the locality;

(e) the number of lettings to local residents compared to applicants on the Supplementary Waiting List; and

(f) the demand for general needs housing in the locality; and

(5) That the Select Committee reports to the Cabinet again, with its recommendations, after it has considered the further report from Officers.

Executive Summary:

At our meeting held on 16th January 2018, we considered an initial scoping report from the Director of Communities on a proposal that consideration should be given to reducing the amount of low-demand sheltered housing in the Council's ownership and developing the resultant vacant land or buildings.

In recent years, there has been a sharp decline in the popularity of sheltered housing, with older people tending to prefer to remain in their own homes for much longer, until they need to move directly into independent living, residential or nursing accommodation – which has resulted in many vacancies in sheltered housing becoming difficult-to-let. At the same time, the Council has increasing numbers of local people registered on its Housing Register in need of general needs housing.

We are therefore proposing that the Council reduces the amount of low-demand sheltered housing, through decanting the existing residents at some sheltered housing schemes to other suitable accommodation and then developing the resultant vacant land or buildings, and that an appropriate number of schemes be identified by officers for potential redevelopment in the medium to long term, having regard to the criteria proposed in our report.

We are also proposing the adoption of a "Sheltered Housing Standard" that the remaining sheltered schemes should meet, to provide decent accommodation that is fit for future purposes.

We intend to report to a further meeting of the Cabinet on: which sheltered housing schemes we feel should be decommissioned and their site(s) redeveloped; an initial proposed approach to decanting the existing residents; a Communication Strategy; any initial redevelopment proposals; indicative budget costs; and an Equalities Impact Assessment.

Report:

1. At our meeting held on 16 January 2018, we considered an initial scoping report from the Director of Communities on a proposal that further consideration should be given to reducing the amount of low-demand sheltered housing in the Council's ownership and developing the resultant vacant land or buildings to provide either general needs housing, temporary homelessness accommodation and/or more appropriate accommodation for older people in order to help meet the housing needs of local people registered on the Housing Register in the future.

2. The Council has a number of sheltered and grouped housing schemes to accommodate older people. "Sheltered housing schemes" tend to refer to one or more large buildings comprising self-contained flats and usually a communal lounge; "grouped housing schemes" tend to refer to self-contained flats or bungalows with front doors opening onto the street, perhaps with a communal hall nearby. However, for the purposes of our report, both sheltered and grouped housing schemes are treated the same and referred to, generically, as "sheltered housing schemes".

3. In both cases, residents currently receive a daily well-being check from their Scheme Manager, usually through a home visit, and are also monitored by the Council's Careline Service 24

hours a day (by the Scheme Manager, when on duty, and by the Council's Call Monitoring Partner, Tunstall Telecom, when the Scheme Manager is off duty). In most cases, communal social activities are arranged or co-ordinated by the Scheme Manager.

4. Over many years, sheltered housing has provided a safe and enjoyable environment for older people to live independently together, until their care and support needs are such that they need to move into more intense extra-care accommodation (now often referred to as independent living) or residential/nursing accommodation.

5. However, we were advised that, in recent years, there has been a sharp decline in the popularity of sheltered housing (which is reflected across the country), with older people tending to prefer to remain in their own homes for much longer, until they need to move directly into independent living, residential or nursing accommodation. We learnt that this has resulted in many vacancies in sheltered housing becoming difficult-to-let, particularly bedsits and some first floor flats, resulting in allocations being made to applicants registered on the Council's Supplementary Housing Waiting List (comprising applicants who are ineligible for the main Housing Register), particularly older people currently living outside the District, usually wanting to live nearer their son or daughter.

6. At the same time, we noted that the Council has increasing numbers of local people registered on its Housing Register in need of general needs housing (i.e. accommodation that is not reserved for any particular client group) who are having to wait long periods of time to be accommodated, usually years, and in the meantime living in deficient existing accommodation. Furthermore, demand for temporary accommodation for homeless households has increased too.

7. We were interested to note that, separate from sheltered housing, the Council has for many years designated specific accommodation on our housing estates as being particularly suitable for older people, such as bungalows and ground floor flats, which have the Careline system hard-wired into the property and a Scheme Manager visiting 1-4 times a fortnight, depending on the assessed level of risk. However, due to this accommodation also becoming difficult-to-let, the Council has undertaken a programme of de-designation over a number of years, whereby vacant designated properties for older people have been re-let to general needs housing applicants (usually comprising households of single people or couples). Since 2008, 829 such properties have been de-designated.

8. The purpose of the report to our Select Committee was therefore to start a conversation on whether or not consideration should be given to the Council reducing the amount of low-demand sheltered housing, through decanting the existing residents at some sheltered housing schemes to other suitable accommodation and then developing the resultant vacant land or buildings to provide accommodation to help meet the housing needs of local people registered on the Housing Register, or homeless households, through the Council's Housebuilding Programme.

9. At the same time, we considered the standard of accommodation that the remaining sheltered schemes should meet, to provide decent accommodation that is fit for future purposes.

Location of Sheltered and Grouped Schemes

10. The Council has the following sheltered housing schemes:

Table 1 – Location of Sheltered and Grouped Housing Schemes

Town/Village	Name	Nos. of properties		
		Flats	Bedsits	Total
Sheltered Accommodation				
Buckhurst Hill	Buckhurst Court	51	0	51
Epping	Chapel Road (*)	26	(*)	26
Loughton	Parsonage Court	47	0	47
Nazeing	Hyde Mead House	40	0	40
North Weald	Leonard Davis House	46	1	47
Ongar	Frank Bretton House	33	0	33
Waltham Abbey	Jessopp Court	39	0	39
“	Jubilee Court	24	24	48
Totals		306	25	331
Grouped Accommodation				
Epping	Chapel Road (*)	(*)	26	26
Epping	Pelly Court	16	28	44
Loughton	Hedgers Close	21	0	21
Waltham Abbey	Grove Court	13	6	19
“	Brookways / Rochford Ave	25	0	25
Totals		75	60	135
Grand Totals		381	85	466

(*) = Chapel Road, Epping comprises a mix of sheltered and grouped accommodation

Demand for Sheltered Housing vs Demand for General Needs Housing

11. As explained earlier, there has been a sharp decline in the popularity of sheltered housing, resulting in many properties becoming difficult-to-let, whilst increasing numbers of local people are registered on its Housing Register in need of general needs housing. This was illustrated to us in two main ways, as shown in the tables below.

Table 2 - Nos. on Housing Register Seeking General Needs & Sheltered Accommodation (1.1.18)

Band	General Needs				Sheltered	
	1 Bed	2 Bed	3 Bed	Total	1 Bed	SWL
A	75	47	7	129	43	131
B	50	362	114	526	49	
C	531	145	28	704	62	
Totals	656	554	179	1,359	154	131

12. As can be seen from the table above, there are currently only 154 applicants on the Housing Register seeking sheltered accommodation, compared to 1,359 applicants seeking general needs accommodation (including 656 applicants seeking 1 bedroomed properties).

Table 3 - Bids received for Vacant General Needs & Sheltered Accommodation (1st Sept 2017 – 31st Dec 2017)

Location	Bids for General Needs Accom. from HR			Bids for Sheltered Accom. from HR	
	1 Bed	2 Bed	3 Bed	1 Bed	Offered to SWL?
Fairways, Waltham Abbey			25		
Tillingham Court, Waltham Abbey	157				
Torrington Drive, Loughton	139				
Pelly Court, Epping				1	Yes
The Spinney, Loughton				3	No
Englands Lane, Loughton			52		
Limes Avenue, Chigwell		41			
Harveyfields, Waltham Abbey		78			
Buckhurst Court, Buckhurst Hill				2	No
Parkfields, Roydon		114			
Jessopp Court, Waltham Abbey				2	No
St John's Road, Epping		126			
Parsonage Court, Loughton				6	No
Edward Court, Waltham Abbey	139				
Jubilee Court, Waltham Abbey				1	Yes
Robert Daniels Court, Theydon Bois				1	Yes

13. As can be seen from the table above, there was a high number of bids from Housing Register applicants for each of the general needs accommodation that became available (an average of 98 bids per property), compared to the low number of bids received from Housing Register applicants for each sheltered property that became available (an average of just 2 bids per property).

14. It also shows that the demand for 3 of the sheltered properties that became available during the period was so low that it was necessary to offer them to applicants on the Supplementary

Waiting List (i.e. to households not eligible for the Housing Register due to them either not having any assessed housing need, not living in the District for more than 5 years or, more likely, not currently living in the District). This demonstrates that the demand for general needs housing from eligible Housing Register applicants is far greater than the demand for sheltered accommodation.

15. In view of the ongoing low level of demand for sheltered housing, compared to the high demand for general needs housing, the Select Committee is of the view that the point has now been reached where the amount of sheltered accommodation provided by the Council across the District should be reduced and that some of the sheltered housing buildings or land should be redeveloped to provide either general needs housing, temporary homelessness accommodation and/or more appropriate accommodation for older people in the future.

16. However, it was made clear to use that such a proposal would need time and careful, sensitive planning to execute, since it would be necessary both to cease lettings to sheltered schemes identified as appropriate for redevelopment (to create vacancies) and to decant all the existing tenants of the sheltered housing schemes identified for redevelopment, all of whom are older people (and many with vulnerabilities), into alternative accommodation (either through developing the site as a whole or on a phased basis).

Future Demand for Sheltered Housing

17. Although sheltered housing is not as popular as it once was, we consider that there is still a need for this form of accommodation within the foreseeable future, even if the Council's supply of sheltered accommodation is reduced. However, against the potential backdrop of a reduced supply and an ageing population, we feel that it may be appropriate to consider whether the minimum age for eligibility of sheltered accommodation should be increased from its current 60 years of age. We understand that this is an issue that will be considered as part of officers' separate review of the Older People's Housing Service, to be undertaken during 2018/19.

18. One of the barriers to older tenants moving from family houses into sheltered accommodation is often that many older people still like to have a garden and some want the opportunity to occasionally accommodate children, and particularly grandchildren, on sleepovers. Therefore, we feel that one option within any redevelopment proposals could be to incorporate some one or two-bedroomed bungalows - with access restricted to older Council tenants vacating 3 bedroom family houses.

19. Another alternative could be to redevelop one or more existing sheltered housing sites into independent living schemes for older people, in partnership with Essex County Council, that offers the availability of care, 24 hours each day, for older tenants in need of at least 5 hours care each week. We noted that there is currently only one independent living scheme in the District (Honeytree Court, Loughton), with a further one planned (at Hillhouse, Waltham Abbey), yet the County Council has identified a need for further independent living accommodation in the District.

Proposed Sheltered Housing Standard

20. For the sheltered accommodation that is retained, which is expected to be the majority of the existing schemes, we are proposing that the Council should adopt a "Sheltered Housing Standard" which the Council should aim and plan to meet over a reasonable period of time. This should reflect the current and anticipated needs of older residents within the foreseeable future.

21. A Sheltered Housing Standard proposed by officers (based on a standard previously advocated by a predecessor to the Ministry of Housing Communities and Local Government), with which we agree, is attached as Appendix 1. We noted that the cost of bringing all the Council's remaining sheltered housing schemes up to the Sheltered Housing Standard will depend on the number and which (if any) sheltered housing schemes are identified for redevelopment. This is

particularly the case for ensuring that, in accordance with the Draft Standard, all accommodation provided is self-contained since, as can be seen from Table 1 above, a number of sheltered housing schemes still have some bedsits which, if the sheltered scheme is retained, would need, over time, to be converted into self-contained flats (usually 3 bedsits into 2 flats), which is expensive.

The Next Steps and Criteria for Assessment

22. Having considered the Director of Communities' detailed report, we are of the view that there is a need to rationalise the amount of sheltered housing provided by the Council in the District. A criteria would need to be adopted to help identify which sheltered schemes should be reviewed, with a view to potential redevelopment. We are therefore recommending to the Cabinet that an appropriate number of schemes should be identified by officers for potential redevelopment in the medium to long term, having regard to the following criteria (many of which are inter-linked):

- The number of bedsits – with those with the most bedsits being most appropriate
- Lettability, demand and location – with those with difficult-to-let and a surplus of accommodation being most appropriate
- Long term cost of improvements/repairs - with those with the greatest financial costs being most appropriate
- Amount of sheltered housing within locality - with those in areas of greatest supply being most appropriate
- Number of lettings to local residents compared to Supp. Waiting List applicants - with those with the greatest no. of Supp. Waiting List lettings being most appropriate
- The demand for general needs housing in the locality - with those in areas of greatest need for general needs housing being the most appropriate

23. The initial thoughts of officers are that it may be appropriate to identify around 3 schemes in the first instance.

The Next Steps

24. This report is only an initial scoping report to the Cabinet. We are proposing that officers assess each of the Council's existing sheltered housing schemes, using the assessment criteria set out above, and report to a further meeting of the Select Committee during 2018/19 with:

- Recommendations about which sheltered housing schemes should be decommissioned over a period of time and their site(s) redeveloped;
- An initial proposed approach to decanting the existing residents;
- A Communication Strategy;
- Initial redevelopment proposals;
- Indicative budget costs; and
- An Equalities Impact Assessment.

25. We would then report to the Cabinet further with our recommendations, following our detailed deliberations on these issues.

Resource Implications:

None at present – but any redevelopment proposals will have significant resource implications which will be covered in the further report.

Legal and Governance Implications:

Housing Act 1985.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None at present – but consultation with existing residents will be an integral part of the proposed project.

Background Papers:

None.

Risk Management:

No material risks have been identified for the proposed recommendations at present – but, if taken forward, the proposed project will have a number of risks that will be included in the further report to the Select Committee.

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. Therefore, the required equality information will be provided as part of our further report to the Cabinet.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. 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

Section 1: Identifying details

Your function, service area and team: Sheltered Housing Assets

If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: N/A

Title of policy or decision: Scoping Report for Sheltered Housing Assets Rationalisation Study

Officer completing the EqIA: Alan Hall Tel: 01992 564004 Email: ahall@eppingforestdc.gov.uk

Date of completing the assessment: 16th January 2018

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project?</p> <p>Scoping report for a future project.</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>To consider whether or not further consideration should be given to reducing the amount of low-demand sheltered housing in the Council's ownership and developing the resultant vacant land or buildings to provide either general needs housing, temporary homelessness accommodation and/or more appropriate accommodation for older people in order to help meet the housing needs of local people registered on the Housing Register in the future.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <p>A decision on whether or not members would like to give further consideration to this potential project.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>No - not at this stage.</p> <p>Will the policy or decision influence how organisations operate?</p> <p>No.</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>No – not at this stage.</p>

2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p>It is linked to the Council's current Corporate Plan Objective to make the best use of its assets.</p>
-----	--

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	<p>What does the information tell you about those groups identified?</p> <p>N/A</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>N/A</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>N/A</p>

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	None	N/A
Disability	None	N/A
Gender	None	N/A
Gender reassignment	None	N/A
Marriage/civil partnership	None	N/A
Pregnancy/maternity	None	N/A
Race	None	N/A
Religion/belief	None	N/A
Sexual orientation	None	N/A

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
None	N/A	N/A

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Alan Hall

Date: 16.1.18

Signature of person completing the EqIA: Alan Hall

Date: 16.1.18

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

This page is intentionally left blank

Sheltered Housing Accommodation Standard

	Essential	Desirable
Tenants Flats	<p>One bedroom self-contained</p> <p>Fitted kitchen</p> <p>Wet room (bathroom) with grab rails</p> <p>Door entry phone</p> <p>24 hour emergency speech alarm system</p> <p>UPVC lockable windows with retainers</p> <p>Key safe</p> <p>Smoke/heat detectors</p> <p>Electric sockets a minimum height of 3ft (waist height)</p> <p>Phone/TV point</p> <p>Fire door (Tenants' front doors)</p>	<p>Door entry phone with remote access</p> <p>Telecare Overlay</p>
Communal Areas	<p>Power assisted main entrance door</p> <p>Door entry system</p> <p>CCTV covering all entrances</p> <p>Fire alarm system linked to Careline</p> <p>Gerda box – Essential information for Fire Service</p> <p>All communal areas maintained to a good standard</p> <p>Adequate lighting</p> <p>Emergency lighting</p> <p>Accessible lift serving all floors</p> <p>Accessible communal lounge</p> <p>Accessible communal kitchen with fitted units</p>	<p>CCTV covering all fire exits</p> <p>Audible alarms on all fire exits</p>

	<p>Accessible communal wc</p> <p>Accessible communal laundry room</p> <p>Guest room with en-suite</p> <p>Office</p> <p>Adequate refuse facilities</p> <p>Storage area</p>	
External Areas	<p>Drop kerbs</p> <p>Adequate lighting, including sensor lights around the building</p> <p>Landscaped communal gardens with seating area</p>	<p>Allotment area</p> <p>Patio leading off communal lounge where possible</p> <p>Bicycle racks</p> <p>Scooter Storage x 1 for every 10 residents</p> <p>1 parking bay for every 6 residents to include a minimum of 2 disabled parking bays</p>

Report to the Cabinet

Report reference: C-043-2017/18
Date of meeting: 1 February 2018



**Epping Forest
District Council**

Portfolio: Technology and Support Services
Subject: Pay Policy Statement
Responsible Officer: Paula Maginnis (01992 564536).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the attached Pay Policy Statement for 2018/19 be recommended to the Council for approval, subject to any amendments or suggestions.

Executive Summary:

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

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

Reasons for Proposed Decision:

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

Other Options for Action:

The content of the Statement could be amended.

Report:

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

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

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

- The Council's policy on the level and elements of remuneration for each chief officer;

- The Council's policy on the remuneration of its lowest paid employee (together with its definition of 'lowest paid employees' and its reasons for adopting that definition);
- The Council's policy on the relationship between the remuneration of its chief officers and other officers; and
- The Council's policy on specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

4. The Act defines remuneration in broad terms and guidance suggests that it is to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments.

5. The Council's Pay Policy Statement for 2018/19 has been amended to reflect the Returning Officer fees paid in 2017/18.

6. The draft Pay Policy Statement for 2018/2019 sets out the Council's current practices and policies and is attached at Appendix 1 for comment. The amendments are highlighted.

7. Cabinet's attention is drawn to the last paragraph of the Policy Statement which states the intention to review Pay, Grading and Terms & Conditions which is a work stream within the People Strategy. Any changes will be subject to member agreement.

8. Changes to the various policies and guidelines will continue to be agreed in accordance with current practices.

Resource Implications:

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

Legal and Governance Implications:

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

Safer, Cleaner and Greener Implications:

N/A.

Consultation Undertaken:

JCC Meeting 15 January 2018.

Background Papers:

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

Risk Management:

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

Equality Impact Assessment

Is this a new policy (or decision) or a change to an existing policy, practice or project?	Yes
Describe the main aims, objectives and purpose of the policy or decision	To ensure the Council's compliance with its duty under the Localism Act 2011.
What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?	Update the Pay Policy Statement which is a statement of fact.
Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? 	Employees, however the Pay Policy Statement is not a mechanism to change remuneration or policy. It is a document which sets out what the pay and terms and conditions are for employees.
Will the policy or decision influence how organisations operate?	No
Will the policy or decision involve substantial changes in resources?	No
Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?	No
What does the information tell you about those groups identified?	N/A
Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?	N/A
If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:	N/A
Use this section to assess any potential impact on equality groups based on what you now know.	
Age, Disability, Gender, Gender reassignment, Pregnancy/maternity, Marriage/civil partnership, Race, Religion/belief, Sexual orientation	The Pay Policy Statement is a statement of fact and there is no impact on any equality groups.

Does the EqlA indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No	See comment above
---	----	-------------------

Action plan to address and monitor adverse impacts		
What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A		

EPPING FOREST DISTRICT COUNCIL

PAY POLICY STATEMENT 2018/19

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. *Currently*, 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

The Council's Car Leasing Scheme terminated at the end of 2016/17 and there is no longer a scheme in place.

The Council has implemented a Green Car Salary Sacrifice Scheme, accessed by all eligible staff with no Council contribution towards the cost of an employee's lease payments. Currently there are 21 employees on this Scheme an increase of 1 employee 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 for 2017/2018;

Salary	Contribution	
	Main Section	50/50 Section
Up to £13,700	5.5%	2.75%
£13,701 to £21,400	5.8%	2.9%
£21,401 to £34,700	6.5%	3.25%
£34,701 to £43,900	6.8%	3.4%
£43,901 to £61,300	8.5%	4.25%
£61,301 to £86,800	9.9%	4.95%
£86,801 TO £102,200	10.5%	5.25%
£102,201 to £153,300	11.4%	5.7%
£153,301 and above	12.5%	6.25%

Contribution rates for 2018/19 are not due to be released until the beginning of March 2018.

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 £840 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 2017 are;

Grade	Scale Column Points	Salary Range
Grade 11	SCP 51 – 54	£48,345 - £52,076
Grade 12	SCP 55 - 58	£54,169 - £58,637

The salary shown is inclusive of the Inner Fringe Allowance of £840 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 2017, the fte annual value of this SCP 6 is £15,854 which includes an Inner Fringe Allowance of £840 per annum.

The exceptions to the lowest grade are Apprentices who are paid £150 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. **The current Employers' offer from 1 April 2018 has not been agreed.**

An Inner Fringe Allowance of £840 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

When appointing to the Chief Executive role in 2012 the Council took external advice to set the appropriate salary for the role which took account of current economic circumstances and the recruitment market. The current postholder has recently resigned and will be leaving the Council's employment in April 2018. The Council will consider options for recruitment and pay taking advice as necessary.

As at 1 April 2017 the salary for the Chief Executive role was a spot salary of £114,251 per annum which includes the Inner Fringe Allowance of £840 per annum and evening meeting allowances. The national pay award wef 1 April 2017 applied 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.

No pay award beyond March 2018 has been made.

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. The Council will be required to make arrangements for a new Returning Officer by the end of March 2018 as a result of the Chief Executive's resignation.

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

Feb 2017

Chigwell Village District by-election: £399.75

March 2017

Ongar Town Council by-election: £195.48

May 2017

County Council elections: £4704

June 2017

UK Parliamentary Election: £3542

August 2017

Epping Town Council by-election: £514.80

October 2017

Lower Sheering District by-election: £196.85

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 2017, the annual FTE salary range for the four Director posts was £85,812 - £91,942 which includes the Inner Fringe Allowance of £840 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. No pay award beyond March 2018 has been agreed.

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. This will be reviewed as part of the proposed new structure during Spring/Summer 2018. 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 7.2 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 suggested 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	2015/2016		2016/2017		2017/2018		2018/2019	
	Multiple	Salary	Multiple	Salary	Multiple	Salary	Multiple	Salary
Chief Executive compared to lowest salary	x7.8	£112,000	x7.8	£112,000	x7.4	£113,000	x7.2	£114,251
Directors	x6.3	£90,130	x6.3	£90,130	x5.9	£91,031	x5.8	£91,942

compared to lowest salary								
Assistant Directors compared to lowest salary	x4	£57,225	x4	£57,225	x3.8	£57,797	x3.7	£58637
Average salary compared to Chief Executive	x4.1	£27,500	x4.1	£27,500	x4.1	£27,775	x4.1	£28053
Average salary compared to lowest salary	x1.9	£27,500	x1.9	£27,500	x1.8	£27,775	x1.8	£28053

- 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 £15,854

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 2019/20 and will be submitted to Council for approval as reasonably practical before 31 March 2019.

During 2018/19 the Council will review all terms and conditions (including grading and pay) to enable the achievement of the People Strategy and financial self-sufficiency. This may result in significant changes to current arrangements, but all proposals will be subject to member approval and full consultation.

Report to the Cabinet

Report reference: C-044-2017/18
Date of meeting: 1 February 2018



**Epping Forest
District Council**

Portfolio: Planning & Governance
Subject: Calendar of Council Meetings 2018/19
Responsible Officer: Gary Woodhall (01992 564470).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That, as attached at Appendix 1, the draft Calendar of Council Meetings for 2018/19 be recommended to the Council for adoption.

Executive Summary:

The Cabinet considers the calendar of meetings each year prior to its final approval by the Council. The calendar has developed over time to meet the changing needs of the authority and, where possible, meetings of a Committee have been standardised on a particular night of the week for consistency. There are no radical changes proposed for the Calendar this year, although the dates of some meetings have been tweaked to allow for bank holidays, religious festivals and pre-booked Member training sessions.

Reasons for Proposed Decision:

To review the proposed Calendar of Meetings for 2018/19, prior to its final adoption by the Council.

Other Options for Action:

Individual frequencies of meetings could be varied. In practice, additional meetings are added as and when issues dictate. Similarly, meetings can be cancelled if there is a lack of business.

Report:

1. Democratic Services submit the draft Calendar of Council meetings each year to the Cabinet for consideration prior to its approval by the Council. The draft Calendar at Appendix 1 is based upon the current year's calendar, with approximately the same number of meetings. It has been slightly amended in some places but wherever possible:

- (a) Miscellaneous meetings have been scheduled for a Monday evening;
- (b) Overview and Scrutiny and Select Committee meetings have been scheduled for a Tuesday evening;
- (c) Planning (Sub-)Committee meetings have been scheduled for a Wednesday

evening; and

(d) Cabinet and Cabinet Committee meetings have been scheduled for a Thursday evening.

2. Friday evenings have continued to be kept free of meetings, and any encroachment into August has been kept to a bare minimum due to holidays. However, the Regulatory Committees have always continued to meet throughout August in the past and this practice has been continued. A very small number of meetings (four) have been re-scheduled to avoid clashes with scheduled Member Training sessions.

The Executive

3. It is proposed to move Council meetings from Tuesday evenings to Thursday evenings. Some of the Council meetings had already moved to a Thursday evening, including the Annual Council meeting in May each year to allow extra time to complete the full appointment process. This change will allow a minimum of two weeks between Cabinet and Council meetings, ensuring that any reports from the Cabinet to the Council will appear on the main agenda for Members to consider rather than a supplementary agenda.

4. The Cabinet is scheduled to meet 9 times throughout 2018/19. No extra meetings have been arranged so far during 2017/18, but they are an option to assist the Cabinet in meeting its work programme if required.

5. In line with previous years, the Council Housebuilding Cabinet Committee has not been included on the Calendar as the advice from Officers is that it meets as and when evaluations for the different sites are received. Therefore, no purpose would be served in scheduling regular quarterly meetings.

6. With the draft Local Plan now at the Regulation 19 stage, and expected to be submitted for the Examination in Public before the end of March, the Local Plan Cabinet Committee has been resurrected for the coming municipal year. Currently, it is scheduled to meet quarterly, but additional meetings can be arranged if required.

Overview & Scrutiny

7. Three years ago, an opportunity was taken to revise the organisation of Overview & Scrutiny for 2015/16. Following the initial meeting in June 2015, to confirm the membership and Chairmen of each Select Committee, there were five Scrutiny cycles – each spread over two months and culminating in a meeting of the full Overview & Scrutiny Committee. It is felt that this arrangement has worked well, and it is proposed to retain it for 2018/19.

Planning

8. The Calendar for 2011/12 changed the frequency of the Area Planning Sub-Committees from a three weekly cycle to a four weekly cycle. It is felt that this change has worked well, with minimal impact upon the relevant Key Performance Indicators, and this arrangement has again been retained for 2018/19.

9. The week of the Annual Council meeting has again been kept free of Planning meetings and this will enable further training to take place. However, Planning meetings have been arranged for the other weeks in May between the Election and the Annual Council meeting, as there would be a detrimental impact upon the Planning Performance Indicators if there was a six or seven week gap between meetings of the Sub-Committees.

Religious Festivals

10. No Area Planning Sub-Committee meeting has been scheduled for Wednesday 19 September 2018, as this would clash with the Jewish festival of Yom Kippur. This has necessitated a five week gap between Sub-Committees from August to September, but the usual four week gap has been reinstated for the meeting cycles for the remainder of the municipal year (with the exception of Christmas week). The scheduled dates for Rosh Hashanah of 10/11 September 2018 and for Pesach of 19/20 April 2019 have also been kept clear of all meetings.

Licensing

11. Licensing Sub-Committee meetings have remained on a Tuesday morning, and no evening meetings for the Licensing function have been scheduled. A Premises Review would only be held in the evening if the Chairman of the Licensing Committee felt that it would be in the public interest to do so. Oftentimes, additional meetings of the Sub-Committee are arranged to hear cases concerning Premises (Alcohol) Licences, but these are scheduled as and when required. All members of the Licensing Committee continue to meet twice a year to consider policy and procedural matters.

12. A legal technicality has arisen in previous years whereby a meeting of the Licensing Sub-Committee cannot consider both Alcohol Licences and Taxi Licences. However, it is intended to run two meetings consecutively on the same day with the same membership, and therefore does not impact upon the calendar.

Miscellaneous Committees

13. Both the Youth Council and the Local Highways Panel have not been included in this schedule as it is felt that they are meetings that sit outside the Council. The Youth Council have their own programme, and although the Local Highways Panel involves both the County and District Councils they are not organised by the District Council.

14. Two meetings of the Appointments Panel have been scheduled for the two Thursdays following the Local Elections on 10 and 17 May 2018, prior to the Annual Council on 24 May. Two corresponding meetings have also been scheduled for May 2019.

15. The Summer meeting of the Audit & Governance Committee has been pushed back from the last week of June to the last week of July. This is to enable the Committee to examine the Statutory Statement of Accounts and report back to the Council meeting scheduled for the following evening.

16. A new initiative for 2016/17 was the scheduling of one date per month predominantly for Member Briefings in relation to the development of a new Local Plan. This was to minimise the impact upon the Calendar when Member Briefings were required, and the Planning Policy team could schedule these dates into their Project Plan. With the draft Local Plan now approved at the Regulation 19 stage and due to be submitted for its Examination in Public next month, it is felt that very few, if any, Member Briefings will be required during 2018/19.

17. The Local Councils Liaison Committee has traditionally met three times a year. However, this Committee has reviewed its schedule and resolved to only meet twice a year.

Member Training Sessions

18. A number of Member training sessions have already been booked for 2018/19 and

this has led to a small number (five) of clashes with the proposed dates for meetings. In four of these cases, we have changed the date of the meeting to accommodate the Member Training Session; the one other instance is the evening that the Finance & Performance Management Cabinet Committee considers the draft budget in January 2019 and we feel that this should take precedence. The Treasury Management training currently scheduled for the same evening will be re-arranged.

Conclusion

19. The Cabinet is requested to consider the draft Calendar of Council meetings for 2018/19, as attached at Appendix 1, and whether any further changes are required. However, it should be noted that the current Calendar is extremely congested and the organisation of any additional meetings should be given very careful consideration. Any changes requested by the Cabinet will be incorporated into the final version to be considered by the Council on 22 February 2018.

Resource Implications:

No identifiable savings as there are no significant changes planned for next year's Calendar.

Legal and Governance Implications:

None foreseen, as the proposed Calendar allows the Council to fulfil its obligations under the various different Local Government Acts.

Safer, Cleaner and Greener Implications:

Any substantial increase in the number of Member meetings would hinder the Council in meeting its obligations under the Nottingham Declaration and successor agreements.

Consultation Undertaken:

No external consultation undertaken.

Background Papers:

None.

Risk Management:

That an insufficient number of meetings would be scheduled for a particular Committee to complete its business for the year; however, if this became apparent then additional meetings could be arranged as necessary.

Equality Impact Assessment

Is this a new policy (or decision) or a change to an existing policy, practice or project?	No
Describe the main aims, objectives and purpose of the policy or decision	To ensure the Council's business for the year is completed through a properly planned and programmed schedule of meetings
What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?	Agree the Claendar of Council meetings for 2018/19
Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? 	No direct equality impact on service users, employees or the wider community.
Will the policy or decision influence how organisations operate?	No
Will the policy or decision involve substantial changes in resources?	No
Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?	The Council's policies are agreed by Cabinet and Council are first being scrutinised by Overview and Scrutiny.
What does the information tell you about those groups identified?	N/A
Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?	N/A
If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:	N/A
Use this section to assess any potential impact on equality groups based on what you now know.	
Age, Disability, Gender, Gender reassignment, Pregnancy/maternity, Marriage/civil partnership, Race, Religion/belief, Sexual	The Council of meetings is a statement of fact and there is no impact on any equality groups.

orientation		
-------------	--	--

Does the EqIA indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No	See comment above
---	----	-------------------

Action plan to address and monitor adverse impacts		
What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A		

Epping Forest District Council Calendar of Meetings 2018/19

		2018								2019					
Meeting		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Executive															
Council		24th		31st		25th		1st	20th		21st		25th	23rd	
Cabinet			14th	17th		6th	11th	8th	6th		7th	7th	11th		
FPM Cab Comm			21st	26th		13th		15th		24th		21st			
AM & ED Cab Comm				5th			18th			17th			18th		
Local Plan Cab Comm		14th			30th			22nd			14th				
Scrutiny															
OS Committee			4th	24th			29th		18th		26th		16th		
Communities Sel. Comm			12th			4th		13th		15th		12th			
Governance Sel. Comm				3rd			2nd	27th			5th	26th			
Neighbourhoods Sel. Comm			26th			20th		20th		29th		19th			
Resources Sel. Comm				9th			16th		4th		12th		2nd		
Constitution Working Grp						27th						28th			
Planning															
District Development			6th		1st		3rd	28th		30th		27th			
Plans East		9th	13th	11th	8th	5th	10th	7th	5th	9th	6th	6th	3rd	8th	
Plans West		16th	20th	18th	15th	12th	17th	14th	12th	16th	13th	13th	10th	15th	
Plans South		30th	27th	25th	22nd	26th	24th	21st	19th	23rd	20th	20th	17th	29th	
Licensing															
Licensing Committee							17th						24th		
Licensing Sub-Comm			5th	3rd	7th	4th	2nd	6th	4th	8th	5th	5th	2nd		
Miscellaneous															
Member Briefings															
Audit & Governance				30th		24th		26th		28th		25th			
Joint Consultative Comm				16th			15th			14th			8th		
Local Councils Liaison						10th						11th			
Appointments Panel		10th-17th												9th-16th	
Dev Control Chairs/Officers						17th						18th			
OS Chairs/Officers						3rd						5th			
Webcast meeting:			<u>Easter 2019</u>			Fri 19-Apr-19 to Mon 22-Apr-19									
			<u>Rosh Hashanah</u>			Mon 10-Sep-18 to Tue 11-Sep-18 (Sundown Sun 9-Sep-18)									
			<u>Yom Kippur</u>			Wed 19-Sep-18 (Sundown Tue 18-Sep-18)									
			<u>Pesach</u>			Sat 20-Apr-19 (Sundown Fri 19-Apr-19)									
			<u>District Council Elections</u>			Thu 2-May-19									

This page is intentionally left blank

Report to the Cabinet

Report reference: C-045-2017/18
Date of meeting: 1 February 2018



**Epping Forest
District Council**

Portfolio: Finance
Subject: Treasury Management Strategy Statement 2018/19
Responsible Officer: Bob Palmer (01992 564279).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

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

- (a) Treasury Management Strategy Statement 2018/19;
- (b) Minimum Revenue Provision (MRP) Strategy;
- (c) Treasury Management Prudential Indicators for 2018/19 to 2020/21;
- (d) The rate of interest to be applied to any inter-fund balances; and
- (e) Treasury Management Policy Statement.

Executive Summary:

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

The strategies will be scrutinised by the Audit and Governance Committee on 5 February 2018 and an update will be provided to Council on 22 February to cover any suggestions or proposed amendments.

Reasons for Proposed Decision:

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

Other Options for Action:

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

Report:

Introduction

1. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). 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 2018/19.
3. There have been no major changes to the strategy from the current strategy approved in February 2017. However, Members should be aware of the following:

Minimum Revenue Provision

4. Each year the Council has to approve at Full Council its statement on the Minimum Revenue Provision (MRP). In previous years the Council has been debt free and therefore, we did not have to provide MRP in our accounts. The Council took on debt of £185.5m in 2012 and this would normally require a 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 MRP in the year following and it is currently anticipated that a charge of £350,000 will be required in 2018/19 (see Appendix D).

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 regulations issued by CIPFA, it is now required 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's Treasury function will be undertaken. The Policy Statement was last updated as part of the 2017/18 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:

- (i) A maximum maturity limit of between 35 days and 6 months is now applicable;
- (ii) A maximum maturity limit of 6 months to Santander UK, Bank of Scotland, Lloyds TSB, HSBC Bank plc, Nationwide Building Society, Coventry Building Society and Close Brothers;
- (iii) A maximum maturity limit of 100 days applies to Barclays plc, Goldman Sachs, Standard Chartered and most building societies; and
- (iv) A maximum maturity limit of 35 days applies to RBS and NatWest.

European Banks:

- (i) A maximum maturity limit of 13 months applies to Nordea, Rabobank and Handelsbanken;
- (ii) A maximum maturity of 6 months applies to Op Corporate Bank and Landesbank Hessen-Thuringen; and
- (iii) A maximum maturity limit of 100 days applies to Credit Suisse, Danske Bank and ING Bank;

Non European Banks:

- (i) A maximum maturity limit of 6 months applies to Australian and Canadian banks that are on our list.

Money Market Funds:

- (i) A maximum exposure limit of £5m per MMF.

9. As at 31 December the Council had an investment portfolio of £29.9m, 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	24.9
Sweden	5.0
Total	29.9

Current maturity profile of investments	£m
Overnight (Call / Money Market Fund)	19.9
Up to 7 days	1.0
7 days to 1 month	3.0
1 month to 3 months	6.0
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	29.9

Resource Implications:

Continued low interest rates, restrictions on counterparties and the short durations of investments have lowered the estimated interest income for 2017/18. Interest earnings for 2018/19 will reduce further as balances are invested in capital projects rather than short term deposits. No significant change in interest rates is anticipated over the medium term.

Legal and Governance Implications:

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

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

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

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

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

Background Papers:

None.

Risk Management:

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

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, i.e. have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. 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

Section 1: Identifying details

Your function, service area and team: **Treasury Management, Finance, Resources**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Treasury Management Strategy Statement**

Officer completing the EqlA: **Tel: 01992 564387 Email: jbell@eppingforestdc.gov.uk**

Date of completing the assessment: **18 January 2018**

Section 2: Policy to be analysed

2.1

Is this a new policy (or decision) or a change to an existing policy, practice or project? **Update to existing policy.**

2.2

Describe the main aims, objectives and purpose of the policy (or decision):

This report sets out the parameters for the prudent and efficient management of the Council's treasury management activities.

What outcome(s) are you hoping to achieve (i.e. decommissioning or commissioning a service)?

Provision of an effective and efficient treasury management service.

2.3

Does or will the policy or decision affect:

- service users
- employees
- the wider community or groups of people, particularly where there are areas of known inequalities?

No

Will the policy or decision influence how organisations operate?

No

2.4

Will the policy or decision involve substantial changes in resources?

No

2.5

Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?

The annual Treasury Management Strategy Statement is required as part of the overall budget process.

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A – the recommendations do not lead to any changes in service provision to the public.
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? N/A – see above.
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: N/A – see above.

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	Neutral. This report sets out the parameters for treasury management. There will be no change in service delivery to the public and so no impact arises.	Low
Disability	Neutral for the reasons given above.	Low
Gender	Neutral for the reasons given above.	Low
Gender reassignment	Neutral for the reasons given above.	Low
Marriage/civil partnership	Neutral for the reasons given above.	Low
Pregnancy/maternity	Neutral for the reasons given above.	Low
Race	Neutral for the reasons given above.	Low
Religion/belief	Neutral for the reasons given above.	Low
Sexual orientation	Neutral for the reasons given above.	Low

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	The Treasury Management Strategy Statement does not impact on the delivery of any services to the public.
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A	N/A	N/A

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Bob Palmer

Date: 18/01/18

Signature of person completing the EqIA: John Bell

Date: 18/01/18

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, e.g. after a consultation has been undertaken.

This page is intentionally left blank

Treasury Management Strategy Statement 2018/19

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 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. CIPFA consulted on changes to the Code in 2017, but has yet to publish a revised Code.

In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Council Investments* in March 2010 that requires the Council 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.

Revised 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, 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 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

Credit outlook: High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic 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. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

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 remain very low.

Interest rate forecast: The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

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 2.85%.

Local Context

On 31st December 2017, the Council held £185.5m of borrowing and £29.9m 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

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Forecast £m	31.3.20 Forecast £m	31.3.21 Forecast £m
General Fund CFR	38.9	52.3	66.2	67.1	67.1
HRA CFR	155.1	155.1	155.1	155.1	155.1
Total CFR	194.0	207.4	221.3	222.2	222.2
Less: Other debt liabilities *	-2.3	-1.8	-1.2	-0.6	0
Borrowing CFR	191.7	205.6	220.1	221.6	222.2
Less: External borrowing **	-185.5	-185.5	-212.0	-212.0	-212.0
Internal borrowing	6.2	20.1	8.1	9.6	10.2
Less: Usable reserves	43.9	40.7	37.3	37.7	37.7
Less: Working capital	3.6	2.0	2.0	2.0	2.0
Investments	41.3	22.6	31.2	30.1	29.5

* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

** shows only loans to which the Council is committed and excludes optional refinancing

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 minimal investments and will therefore be required to borrow up to £40m 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 2018/19.

Borrowing Strategy

The Council currently holds £185.5 million of loans, the same as the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £30m in 2018/19. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £250 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 2018/19 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 2018/19, 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 of borrowing: 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
- 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.

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. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £41.3 and £29.9 million, 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 2018/19, 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 very low returns from short-term unsecured bank investments, the Council will aim to diversify its portfolio, but with falling investment balances in the medium-term to fund its capital programme the cash balances will have to remain as fluid as possible. The majority (87%) of the Council’s surplus cash is currently invested in short-term unsecured bank deposits and money market funds. This diversification will represent a continuation of the strategy adopted in 2017/18.

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	£3m 5 years	£3m 20 years	£5m 50 years	£3m 20 years	£1m 20 years
AA+	£3m 5 years	£3m 10 years	£5m 25 years	£3m 10 years	£1m 10 years
AA	£3m 4 years	£3m 5 years	£5m 15 years	£3m 5 years	£1m 10 years
AA-	£3m 3 years	£3m 4 years	£5m 10 years	£3m 4 years	£1m 10 years
A+	£2m 2 years	£3m 3 years	£5m 5 years	£2m 3 years	£1m 5 years
A	£2m 13 months	£3m 2 years	£5m 5 years	£2m 2 years	£1m 5 years
A-	£2m 6 months	£3m 13 months	£2.5m 5 years	£2m 13 months	£1m 5 years
None	£2m 6 months	n/a	£5m 25 years	n/a	£1m 5 years
Pooled funds	£5m per fund				

This table must be read in conjunction with the notes below

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. See below for arrangements relating to operational bank accounts.

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 following an external credit assessment or to a maximum of £3 million per company 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 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.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £5 million per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

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 Council, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

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

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

Table 3: Non-specified investment limits

	Cash limit
Total long-term investments	£5m
Total investments without credit ratings or rated below A- (except UK Government and local authorities)	£3m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£3m
Total non-specified investments	£11m

Investment limits: The Council’s revenue reserves available to cover investment losses are forecast to be £15 million on 31st March 2018. In order that no more than 20% 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 £3 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	£3m each
UK Central Government	unlimited
Local Authorities	£25m in total
Any group of organisations under the same ownership	£3m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker’s nominee account	£7m per broker
Foreign countries	£3m per country
Registered providers	£5m in total
Unsecured investments with building societies	£5m in total
Money Market Funds	£15m 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.

Non-Treasury Investments

Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the CLG Guidance, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in a loan to the Waste Services Contractor for the purchase of vehicles.

Such loans and investments will be subject to the Council’s normal approval processes for revenue and capital expenditure and will be formally approved by the treasury advisors and need not comply with this treasury management strategy.

The Council’s existing non-treasury investments are listed in Appendix B.

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	£10m

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:

	2018/19	2019/20	2020/21
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 over 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:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£5m	£3m	£3m

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 the 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 process, 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 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 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 £250 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 2018/19 is £45,000, based on an average investment portfolio of £15.5 million at an interest rate of 0.29%. The budget for debt interest paid in 2018/19 is £6.3 million, based on an average debt portfolio of £212 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 November 2017

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK's fiscal position.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.
- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.
- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.19
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.22
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.20
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.27
Arlingclose Central Case	0.70	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.77
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	0.89
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.36
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	1.93
Downside risk	-0.20	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	1.82
Downside risk	-0.30	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.39

Appendix B - Existing Investment & Debt Portfolio Position

	31.12.17 Actual Portfolio £m	31.12.17 Average Rate %
External borrowing:		
PWLB - Fixed Rate	153.656	3.00
PWLB - Variable Rate	31.800	0.45
Total external borrowing	185.456	
Other long-term liabilities:		
Finance Leases	2.327	
Total other long-term liabilities	2.327	
Total gross external debt	187.783	
Treasury investments:		
Banks & building societies (unsecured)	13.937	0.51
Government (incl. local authorities)	4.000	0.32
Money Market Funds	12.000	0.22
Total treasury investments	29.937	
Net debt	157.846	

Non-treasury investments:		
BIFFA Loan	1.861	5.00
Total investments	31.798	

Appendix C - Prudential Indicators 2018/19

The Local Government Act 2003 requires the Council to have regard to the CIPFA *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Council's planned capital expenditure and financing may be summarised as follows. Further detail is provided in Cabinet Report C-035-2017/18 - Capital Review 2017/18 - 2021/22.

Capital Expenditure and Financing	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
General Fund	17.010	12.125	1.433	0.540
HRA	23.114	22.786	25.641	15.157
Total Expenditure	40.124	34.911	27.074	15.697
Capital Receipts	5.341	4.632	7.712	2.289
Grants	0.666	0.080	0.085	0.090
Reserves	2.233	2.696	3.753	0.000
Revenue	15.499	16.684	14.496	13.168
Borrowing	16.385	10.819	1.028	0.150
Total Financing	40.124	34.911	27.074	15.697

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m
General Fund	52.3	66.2	67.1	67.1
HRA	155.1	155.1	155.1	155.1
Total CFR	207.4	221.3	222.2	222.2

The CFR is forecast to rise by £14.8m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council 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. This is a key indicator of prudence.

Debt	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m
Borrowing	185.5	212.0	212.9	212.9

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance leases and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Borrowing	240.00	260.00	260.00	260.00

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2017/18 Limit £m	2018/19 Limit £m	2019/20 Limit £m	2020/21 Limit £m
Borrowing	250.00	270.00	270.00	270.00

Ratio of Financing Costs to Net Revenue Stream: 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, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Revised %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
General Fund	0.60	0.91	0.96	0.93
HRA	16.68	17.37	17.54	17.72

Appendix D - Annual Minimum Revenue Provision Statement 2018/19

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

1. For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined as being equal to the accounting charge for depreciation. (*Option 4 in England and Wales, Option 2 in Northern Ireland*)
2. No MRP will be charged in respect of assets held on a temporary basis where a capital receipt will arise to repay the debt.
3. No MRP will be charged in respect of assets held within the Housing Revenue Account.

During 2016/17 there was £9.3m of unfinanced capital expenditure on non-HRA assets. The first £5m was on land acquired as part of site assemblage, which is an asset held on a temporary basis as set out under 2 above. The remaining £4.3m was incurred on the shopping park and this asset became operational during 2017/18. Given the nature of this asset it will be maintained to a very high standard and accordingly no depreciation will be charged. As no depreciation is being charged it is not appropriate to charge MRP, as set out in 1 above. Additional comfort on the prudent nature of this treatment is provided by the substantial income stream being generated which could be used to repay debt.

During 2017/18 there is likely to be £15m of unfinanced capital expenditure on non-HRA assets. The first £9.5m will be on the shopping park and will be treated as set out in the previous paragraph. The remaining £5.5m will be incurred on the new leisure centre in Waltham Abbey. This asset will not come into operation until 2018/19 and so MRP will not be required until 2019/20. It is anticipated that the full cost of the leisure centre will be £14m and that it will be depreciated over 40 years, consequently £350,000 of CSB growth has been included for the MRP charge commencing in 2019/20.

Based on the Council's latest estimate of its Capital Financing Requirement and the policy set out above no budget for MRP is required for 2018/19 but the MTFs includes £350,000 from 2019/20 onwards.

Appendix E - Current Recommended Sovereign and Counterparty List as at 31/12/2017

Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m	Maximum Maturity Limit
UK	Santander UK Plc (Banco Santander Group)	3.0		6 months
UK	Bank of Scotland (Lloyds Banking Group)	3.0	3.0	6 months
UK	Lloyds TSB (Lloyds Banking Group)	3.0		6 months
UK	Barclays Bank Plc	3.0		100 days
UK	Close Brothers Ltd.	3.0		6 months
UK	Goldman Sachs	3.0		100 days
UK	HSBC Bank Plc	3.0		6 months
UK	Standard Chartered	3.0		100 days
UK	Nationwide Building Society	3.0		6 months
UK	Coventry Building Society	3.0		6 months
UK	Leeds Building Society	3.0		100 days
UK	NatWest (Council's current banker - see section above on operational bank accounts)	5.0	5.0	35 days
UK	Royal Bank of Scotland (RBS Group)	5.0		35 days
Australia	Australia and NZ Banking Group	3.0		6 months
Australia	Commonwealth Bank of Australia	3.0		6 months
Australia	National Australia Bank Ltd (National Australia Bank Group)	3.0		6 months
Australia	Westpac Banking Corp	3.0		6 months
Canada	Bank of Montreal	3.0		6 months
Canada	Bank of Nova Scotia	3.0		6 months
Canada	Canadian Imperial Bank of Commerce	3.0		6 months
Canada	Royal Bank of Canada	3.0		6 months
Canada	Toronto-Dominion Bank	3.0		6 months

Finland	Op Corporate Bank	3.0		6 months
Denmark	Danske Bank	3.0		100 days
Germany	Landesbank Hessen-Thuringen	3.0		6 months
Netherlands	ING Bank NV	3.0		100 days
Netherlands	Rabobank	3.0		13 months
Sweden	Nordea Bank AB	3.0		13 months
Sweden	Svenska Handelsbanken	3.0		13 months
Switzerland	Credit Suisse	3.0		100 days
UK	Building Societies	See below		See below

The following 11 building societies have limits of £1m and 100 days - Darlington, Furness, Hinckley & Rugby, Leek, Mansfield, Marsden, Melton Mowbray, National Counties, Newbury, Scottish, Tipton & Coseley.

***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 F - 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	3	No	
Deposits with registered providers	5 years	3	No	
Gilts	5 years	3	No	
Bonds issued by multilateral development banks	5 years	2	No	<i>EIB Bonds, Council of Europe Bonds etc.</i>
Sterling denominated bonds by non-UK sovereign governments	5 years	2	No	
Money Market Funds and Collective Investment Schemes	5 years	15	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	3	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	3	Yes	<i>Way Charteris Gold Portfolio Fund; Lime Fund</i>

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

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

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

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

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

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

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

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

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

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

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

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

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

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

Report to the Cabinet

Report reference: C-046-2017/18

Date of meeting: 1 February 2018



**Epping Forest
District Council**

Portfolio: Finance

Subject: Council Budgets 2018/19

Responsible Officer: Bob Palmer (01992 564279).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the Cabinet considers the Council's 2018/19 General Fund budgets and makes recommendations to Full Council on 22 February 2018 on adopting the following:

(a) the revised revenue estimates for 2017/18, which are anticipated to increase the General Fund balance by £0.53m;

(b) a decrease in the target for the 2018/19 CSB budget from £12.92m to £11.91m (including growth items);

(c) an increase in the target for the 2018/19 DDF net spend from £0.93m to £4.21m;

(d) an increase of 2.48% in the District Council Tax for a Band 'D' property to raise the charge from £148.77 to £152.46;

(e) the estimated increase in General Fund balances in 2018/19 of £0.99m;

(f) the five year capital programme 2017/18 – 21/22;

(g) the Medium Term Financial Strategy 2017/18 – 21/22;

(h) the Council's policy on General Fund Revenue Balances to remain that they are allowed to fall no lower than 25% of the Net Budget Requirement;

(2) That the Cabinet recommends to Full Council that the 2018/19 HRA budget including the revised revenue estimates for 2017/18 be agreed;

(3) That Full Council be requested to note that rent reductions proposed for 2018/19 will give an average overall fall of 1%;

(4) That the Cabinet notes the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2018/19 budgets and the adequacy of the reserves.

Executive Summary:

This report sets out the detailed recommendations for the Council's budget for 2018/19. The budget adds £0.99m to reserves and the Council's policy on the level of reserves can be

maintained throughout the period of the Medium Term Financial Strategy (MTFS). However, the MTFS shows it is necessary to use reserves to support the provision of services with contributions of £387,000 in 2020/21 and £557,000 in 2021/22.

The budget is based on the assumption that Council Tax will increase by 2.48% and that average Housing Revenue Account rents will decrease by 1% in 2018/19.

Reasons for Proposed Decisions:

The decisions are necessary to determine the budget that will be placed before Council on 22 February 2018.

Other Options for Action:

Members could decide not to approve the recommended figures and instead specify which growth items they would like removed from the lists, or Members could ask for further items to be added.

Report:

1. This report was considered by the Finance and Performance Management Cabinet Committee on 18 January 2018 and the minutes and recommendations of that meeting are included elsewhere on the agenda. Cabinet are asked to consider those recommendations and in turn make recommendations to Council for the setting of the Council Tax and budget on 22 February 2018.

2. The annual budget process commenced with the Financial Issues Paper (FIP) being presented to the Finance and Performance Management Cabinet Committee on 20 July 2017. 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
- h) Miscellaneous, including recession and pay awards

3. 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.

4. In setting the budget for the current year Members had anticipated using £100,000 from the General Fund reserves. This was possible as the MTFS approved in February 2017 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 2017/18 was not significant as the MTFS at that time was predicting the use of just under £0.38m of reserves to support spending in the following three years.

5. The revised MTFS presented with the FIP took into account all the changes known at that point and highlighted the uncertainties around income from business rates. This projection showed a need to achieve additional net savings of £300,000 on the 2018/19 estimates, followed by £250,000 in 2019/20 and £150,000 in 2020/21 to keep revenue balances comfortably above the target level at the end of 2020/21.

6. Members adopted this measured approach to reduce expenditure in a progressive and controlled manner. The budget guidelines for 2018/19 were therefore established as:

- i. The ceiling for CSB net expenditure be no more than £12.92m including net growth/savings.
- ii. The ceiling for DDF net expenditure be no more than £0.929m.
- iii. The District Council Tax to continue to be frozen.

The Current Position

7. The overall position on the budgets through the medium term is rather different now to what it was in July. Considerable progress has been made on Transformation and expenditure and savings have been included for the implementation of the Technology Strategy and the People Strategy. Earlier on the agenda for this meeting Cabinet will consider an expansion in community safety budgets to help address the district wide problem of anti-social behaviour. Following informal discussions with Cabinet, the budget has been prepared on the assumption that this expenditure will be required and that it will be funded by an increase of 2.48% in the Council Tax.

8. The draft General Fund budget summary is provided as Annex 1. The main year on year resource movements are highlighted in the CSB and DDF lists, which are attached as Annexes 2 and 3. 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

9. At the July 2016 meeting of this 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 announced an acceptance rate of 97%. Given the existence of the four-year settlement and the previously announced figures it was disappointing to see our Settlement Funding Assessment (SFA) reduce for both 2018/19 and 2019/20. For 2018/19 the SFA has reduced by £6,623 and for 2019/20 the reduction is £49,756, the figures in the table below reflect these reductions.

	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	3.20	3.27
SFA	5.47	4.58	3.85	3.46	2.99
Decrease £		0.89	0.73	0.39	0.47
Decrease %		16.3%	15.9%	10.1%	13.6%

10. This means the picture over this period is worse than we had expected with the SFA reducing by £2.48m or over 45%. The Local Government Information Unit briefing on the draft settlement showed that we have the sixth largest reduction in funding of all authorities. This briefing shows Essex authorities at both extremes of the changes in funding, Brentwood have an even larger reduction than us and are the worst effected authority in England whilst at the other end of the scale Chelmsford have seen the second largest increase in funding. The draft settlement states that the issue of authorities whose retained business rates exceeds their SFA being penalised with an additional tariff is still being reviewed. Although it has not been removed yet so it is still shown in the table above as negative Revenue Support Grant.

11. We have not increased the Council Tax since 2010/11 and the Finance and Performance Management Cabinet Committee was clear in July that no increase should be made for 2018/19. However, circumstances have changed and Cabinet has indicated that an increase should be made in 2018/19 to pay for three police officers and other initiatives to tackle the increase in anti-social behaviour.

12. The draft settlement increased the referendum limit for increases in the Council Tax from 2% to 3%, which is helpful as the increase to pay for the additional measures mentioned above is 2.48%. Another significant decision was the one not to impose referendum limits on parishes for a further three 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.

13. The largest change in the Council Tax referendum principles for 2018/19 is for Police and Crime Commissioners (PCC). As a result of a successful lobbying campaign on underfunding an increase of £12 per band D property is being allowed. This is likely to see the PCC band D charge in Essex increase by 7.6% from £157 to £169. For the county as a whole this is likely to see police funding increase by more than £7m.

14. Looking to the future, the draft settlement confirms the Government's intention to have a new system of "Fair Funding" in place for 2020/21. Unfortunately there is very little information yet on what the outcomes from the new system will be, although a period of transitional funding is currently envisaged.

b) Business Rates Retention

15. Another disappointment in the draft settlement was that Essex was not chosen as one of the areas to pilot 100% business rates retention. The DCLG had made it clear that they wanted some pilots in two-tier areas but that they would prioritise bids that covered whole county areas and it appeared that we would be able to submit such a bid. However, Thurrock pulled out on the day the bid had to be submitted and that left Essex too far down the scoring amongst the 27 bids to be one of the 10 that succeeded. On a more positive note, the DCLG have confirmed that the current pooling arrangement will be allowed to continue.

16. Since the introduction of business rates retention this Council has done rather better than the DCLG has predicted, as illustrated in the table below.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £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	4.61	4.90	4.30
Surplus	0.06	0.67	1.38	1.58	1.50	1.69	0.98
Levy	0.03	0.34	0.24	0.37	tbc	tbc	tbc

17. 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. From 2015/16 a reduced levy is payable to the members of the pool who are top-up authorities, Essex County Council and Essex Fire Authority. The net effect of the pooling is that this council was better off for pooling by £118,000 in 2015/16 and £393,000 in 2016/17. Current monitoring of the pool indicates that there will again be a significant benefit in 2017/18.

18. 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. With the introduction of the new rating list from April 2017 there were further new reliefs and it is evident that Section 31 grant will be with us for many years to come.

19. 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 2016/17 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 has been 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. The draft settlement did reflect this as our basic tariff for 2018/19 has reduced by £125,520 and an even larger reduction of £216,807 follows for 2019/20. However, the tariff still increases by £0.6m in 2019/20 and this is what causes the reduction in expected income from £4.9m to £4.3m.

20. The complexity around the introduction of the new list has been made worse by changes to transitional relief and the appeals system. There were two levels of transitional relief but for reasons known only to the DCLG the new list has three levels. 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. To date we have been notified of very few appeals but this seems due more to difficulties being experienced by people trying to use the new system than people being happier than usual with their revised assessments. So 2017/18 and 2018/19 are particularly challenging years for estimating business rates and the figures will continue to be carefully monitored.

21. Having mentioned the difficulty with new appeals we should not lose sight of the hundreds of appeals that are still outstanding on old lists. 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.

22. 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 £4.5m.

23. The draft settlement confirmed that the DCLG had given up on their previous target for implementation of 100% business rate retention of 2019/20 and that the new system should now be in place by 2020/21. Even though the new pilots mentioned above are based on 100% retention, the DCLG have stated that the system from 2020/21 will be based on 75% retention. As no rationale has been provided for why 75% is now more appropriate than 100% this percentage may well change again before 2020/21.

24. It has been mentioned above that the Council has benefitted significantly from being in a business rates pool and consequently it has remained in a pool for 2017/18. As part of the bidding process to become a pilot it was necessary to also state what the authorities involved wanted to happen if they were unsuccessful. The wider co-operation in attempting to construct an Essex wide bid has meant that authorities which are outside the pool for 2017/18 (such as Southend and Chelmsford) will now join the pool for 2018/19. This does bring a greater element of risk to the pool as previously any authority that anticipated falling into the safety net was excluded. If it becomes evident through the monitoring for 2018/19 that this Council will not benefit financially from pooling a recommendation will be made not to pool in 2019/20.

c) Welfare Reform

25. The scheme of Local Council Tax Support (LCTS) for 2016/17 saw the first significant change since LCTS replaced Council Tax Benefit in 2013/14. Concerns about the LCTS scheme falling short of being self-financing led to the maximum level of support being reduced from 80% to 75%. Overall the scheme has been a success and it has been possible to collect some Council Tax from most of the people receiving support. If support is reduced much further any financial gain from increasing the amount payable could be more than outweighed by additional bad debts from those who stop making an attempt to pay. It has to be emphasised that any increase in income from reducing LCTS is only a genuine increase if you can collect the money. In view of these concerns, no significant change is being proposed for 2018/19.

26. In the Financial Issues Paper an update was provided on the Benefits Cap. This 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 was felt likely to cause greater changes in people's behavior and working patterns. The lower cap was phased in across the country during 2016/17 and indications had been that several hundred claimants in this district would be affected. In July 2017 there were 157 cap cases with the weekly loss of benefits ranging from £0.03 to £253.35. This has now reduced to 139 cases although the range of weekly losses is unchanged. The average weekly loss in July was £45.94 and this has now increased to £49.15. Where appropriate discretionary housing payments have been awarded but this has not been necessary in the vast majority of cases. Current experience suggests that when most claimants get affected by the cap they are able to find new or additional work.

27. In the Budget the Chancellor took notice of the widespread concerns about Universal Credit (UC) and introduced several measures to ease its roll out. The most significant change was the removal of the seven-day waiting period before a claim could start. This means from February 2018 entitlement to UC will start on the first day of application. Another important change is that from April 2018 those already on Housing Benefit will continue to receive their award for the first two weeks of their UC claim. Other changes include a relaxation on the rules on awarding and recovering advances and making it easier for claimants to have the housing element of their award paid direct to their landlords.

28. The roll out has also been delayed again but remains based on Job Centres. What this means for the Epping Forest district is that some post codes are already on UC but the district will not be fully covered for new claims until December. This fragmented approach is not helpful for residents or staff and there will inevitably be some confusion. Clarity over the time period and process for the migration of our existing housing benefit claims to UC and the role local authorities will perform under the new system is still awaited.

29. One other aspect of welfare reform that continues is the DWP achieving their savings through reducing the grant paid to local authorities to administer housing benefit. Following a substantial reduction of £42,000 in 2017/18, 2018/19 will see a further reduction of £29,000, which is a cut of over 6%.

d) New Homes Bonus

30. The reductions in New Homes Bonus (NHB) for 2017/18 were far greater than had been anticipated. The reason for this much larger reduction was the introduction of a baseline of 0.4% for 2017/18. This meant that only growth above 0.4% of the taxbase qualified for NHB, in practical terms this reduced the number of qualifying properties from 241 to 11 or in cash terms the additional NHB for 2017/18 was £16,000 instead of £320,000. Having a baseline at 0.4% eliminated most of our growth and this will severely limit our income from NHB going forward as well.

31. During 2017 DCLG consulted on further possible changes to NHB including reducing payments where planning approval has been granted on appeal. This restriction has not been introduced for 2018/19. However, this is irrelevant for this Council as our growth during 2017/18 is below the 0.4% baseline so no additional NHB has been awarded for 2018/19.

This is £50,000 worse than had been anticipated and the MTFS has been adjusted for this additional reduction, which takes the reduction in NHB income from 2016/17 to 2020/21 to £2.6m.

e) Development Opportunities

32. There has been some slippage in the programme for the retail park, although this relates more to the highway works than the construction of the park. The highways issues caused that part of the project to be over budget and Council approved a supplementary estimate of £741,000 on 21 December 2017. Most of the large units have now been occupied and were trading before Christmas. There are three units still to be let and negotiations are continuing with potential tenants. These delays have meant the income anticipated in the MTFS has had to be re-phased to later periods.

33. Our professional advisers have stated that an annual rental income of £2.7m is achievable. The MTFS includes a prudent view, reducing this to £2.5m to allow for any shortfall, management costs and interest. A report to the Asset Management and Economic Development Cabinet Committee on 11 January 2018 stated that all stores will be open in March and an official opening will then take place.

34. The much delayed mixed use re-development of the St Johns area in Epping appears to be nearing a conclusion as it is hoped that the development agreement will be concluded this month. The former Winston Churchill pub site has also suffered delays and the income from this project in the MTFS has been reduced and re-phased to later periods.

35. Given the many years it has taken to develop the sites mentioned above it is imperative that additional substantial new projects are brought forward in the near future. In paragraph 10 above reference was made to the relatively large reduction in funding that the Council has had for 2018/19. This may be an indication of further reductions when "Fair Funding" is introduced for 2020/21. The Council has an ambition to be self-funded and not reliant on Government grants going forward. This will not be possible without some new substantial development schemes entering the pipeline in 2018/19.

f) Transformation

36. Good progress has been made on all three of the key projects on accommodation, people and technology. Unfortunately the accommodation work is now on hold pending a meeting with Historic England. This meeting is necessary to determine what can and what cannot be done to the buildings now within the constraints of their listing. It should still be possible to use the buildings more efficiently but the scope and cost of the works may be different to what had been envisaged.

37. Cabinet considered a report on the People Strategy and the common operating model on 7 December. A fundamental change in the organisational structure and a significant reduction in top management are planned. The estimates for 2018/19 include a budget to cover potential redundancy and early retirement costs, with consequent salary savings arising over the short to medium term.

38. The Technology Strategy covers the period from 2018 to 2023 and was considered at the November Cabinet. The many projects set out within the strategy will help provide a better service to the public and improve the efficiency of the Council's working practices. Adjustments have been made to the MTFS to include funding for the various projects.

39. If the ambitions of Members, as set out in the Transformation Programme, are to be achieved it is essential that the loss of the Chief Executive does not lead to a loss of momentum. Clearly whoever replaces the current Chief Executive will be key in driving forward transformation to deliver the benefits in terms of customer service and efficiencies.

g) Waste and Leisure Contracts

40. Two of the Council's high profile and high cost services are provided by external contractors, Biffa for waste and Places for People 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.

41. 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 was included in the revised estimates for 2016/17 together with £0.2m of DDF expenditure. Some discussions have been held with the service provider but these have not yet produced any cost savings to recover the additional £0.5m of CSB expenditure. It is still hoped that proposals will emerge through the Waste Management Partnership Board.

42. 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 started on 1 April 2017 with Places for People 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.

43. The contract assumes investment in both new and existing leisure facilities and work is already underway on 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

44. In addition to the significant items mentioned above there are a couple 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. I raised this issue last year and the economy has continued on a path of very limited growth but is now under pressure from higher inflation. 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. 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.

45. The Council's single largest cost is the annual pay bill of around £23m. For several years a pay cap of 1% has limited increases in pay. However, following the submission of a 5% pay claim by the unions the employer's side has offered 2% for both 2018/19 and 2019/20. The draft settlement has provided no additional funding to finance these increases. Even though there is some gap between the unions claim and the employers offer it seems most likely that the final outcome will be 2% for the two years. The MTFS has been prepared on this basis, which is higher than had previously been allowed for.

The ceiling for CSB net expenditure be no more than £12.92m including net growth

46. Annex 2 lists all the CSB changes for next year. The MTFS in July included net CSB savings of £763,000 for 2018/19 and the revised 2017/18 budget had a net CSB reduction of

£458,000. Overall with the inclusion of amounts for the transformation programme and combined savings elsewhere the CSB position for 2018/19 is some distance below that targeted in July. In July the MTFS had a CSB target for 2018/19 of £12.92m and the General Fund summary at Annex 1 shows that the CSB total is £1.01m below this at £11.91m. Therefore it is proposed to reduce the CSB target to £11.91m.

The ceiling for DDF net expenditure be no more than £0.929m

47. The DDF net movement for 2018/19 is £4.208m, Annex 3 lists all the DDF items in detail. This increase has been partly driven by the inclusion of £1.34m for the General Fund element of the redundancy and early retirement costs that will arise from the People Strategy. The second largest cost item is £0.946m for work on the Local Plan. The Local Plan is a substantial and unavoidable project and in 2017/18 and 2018/19 DDF funding of £2.173m is allocated to it. In addition to the costs of constructing the Local Plan, a further £278,000 of expenditure has been included for strategic implementation and work on planning performance agreements.

48. At £4.208m the DDF programme is substantially above the target for 2018/19. Although this is partly off-set by the reduction in 2017/18 as the predicted spend in the previous MTFS of £3.249m has been reduced by £1.248m to £2.001m. It is proposed to increase the DDF ceiling for 2018/19 from £0.929m to £4.208m to deliver the schemes Members have supported. The DDF is predicted to require transfers from the General Fund Reserve totaling £2.65m to ensure that it continues to have funds available through to the end of the period covered by the MTFS.

49. The above figures include the potential costs of additional spending on anti-social behaviour which are covered by a report earlier on the agenda. If this spending is not funded by an increase in the Council Tax it will mean an increase in the size of the transfer necessary from the General Fund Reserve to the DDF.

The District Council Tax be frozen

50. Cabinet has indicated that the Council Tax will be increased by 2.48% to pay for three police officers and other initiatives to tackle anti-social behaviour. As these activities are to be piloted for three years the MTFS assumes Council Tax will reduce in 2021/22 when the pilot ends.

That longer term guidelines covering the period to March 2022 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;

51. Current projections show this rule will not be breached by 2021/22, by which time reserves will have reduced to £4.949m and 25% of net budget requirement will be £3.258m.

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.

52. The outturn for 2016/17 used £0.865m (including the use of £1m to fund capital projects) from reserves and the revised estimates for 2017/18 anticipate an increase of £0.53m. This would leave the opening revenue reserve for 2018/19 at £5.735m and with the estimates for 2018/19 showing a further increase of £0.994m, reserves at the end of 2018/19 would be £5.429m, after a transfer of £1.3m to the DDF. The Medium Term Financial

Strategy at Annex 5 shows deficit budgets in the final two years of the period. The deficit is £387,000 in 2020/21 and this increases to £557,000 in 2021/22, this is despite additional CSB savings of £300,000 in both 2020/21 and 2021/22.

The Local Government Finance Settlement

53. 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 2018/19 General Fund Budget

54. 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 MTFs includes substantial savings from the Transformation Programme and the fact that these may not be achieved has been recognised on the Corporate Risk Register. The second biggest risk is around the 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.

55. 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.

56. 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.

57. The starting point for the budget is the attached MTFs, Annex 5. Annexes 5a and 5b are based on the current draft budget with a Council Tax increase of 2.48% from £148.77 to £152.46 (Band D), which is subsequently reversed in 2021/22.

58. 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 CSB target for 2018/19 of £12.92m achieved. Known changes beyond 2018/19 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 and the Winston Churchill development will be fully let in 2018 and that income will be in line with the consultant's projections.
- All known DDF items are budgeted for, and because of the size of the Local Plan programme a transfer in of £1m from the General Fund Reserve will be required in 2017/18 followed by a further £1.65m in the next two years to ensure funds are available through to the end of 2021/22.
- Maintaining revenue balances of at least 25% of NBR. The forecast shows that the deficit budgets at the end of the period will reduce the closing balances at the end of 2021/22 to £4.95m or 38% of NBR for 2021/22, although this can only be done with further savings in 2020/21 and subsequent years.

The Housing Revenue Account

59. The balance on the HRA at 31 March 2019 is expected to be £2.021m, after deficits of £1.564m in 2017/18 and £0.268m in 2018/19. The estimates for both years have been

compiled on the self-financing basis and so the negative subsidy payments have been replaced with borrowing costs.

60. The process of Rent Restructuring to bring Council rents and Housing Association rents more in line with each other is no longer with us. From 2016/17 local authorities have been required to reduce rents by 1% per annum and this continues to 2019/20. During 2017/18 Members decide to proceed with phases 4 to 6 of the new house building programme and to revert to the decent homes standard for the maintenance of existing properties. These significant changes have impacted on the HRA Business Plan and it will be kept under review during 2018/19 to determine any further necessary measures.

61. Members are recommended to agree the budgets for 2018/19 and 2017/18 revised and to note that although there is a deficit in 2018/19 the HRA has adequate ongoing balances.

The Capital Programme

62. 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.

63. Annex 6f 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 over £127m over five years, it is anticipated that the Council will still have £2.1m 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). In order to finance the capital programme it is currently envisaged that £28.4m of borrowing will be required.

Risk Assessment and the Level of Balances

64. 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 2018/19. Where this advice is not accepted, this should be formally recorded within the minutes of the Council meeting. The Council at its meeting on the 22 February will consider the recommendations of the Cabinet on the budget for 2018/19 and will determine the planned level of the Council's balances. The report of the CFO follows as Annex 7.

The Prudential Indicators and Treasury Management Strategy 2018/19

65. Since 2004/05 it has been necessary to set affordable borrowing limits, limits for the prudential indicators and a Treasury Management Strategy. These elements of the budget requirements are set out in a separate report earlier on the agenda.

66. 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.

67. The size of the Capital Programme means additional borrowing will be required during 2018/19. 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.

Resource Implications:

The report details proposed growth items and potential savings, the implications are set out above and will vary depending on the course of action decided by Members.

Legal and Governance Implications:

None.

Safer, Cleaner, Greener Implications:

Items related to the Safer, Cleaner, Greener initiative are included in the report.

Consultation Undertaken:

This Committee previously considered the draft growth lists and various invest to save suggestions.

Background Papers:

Financial Issues Paper – see agenda of 20 July 2017

Draft Growth List – see agenda of 16 November 2017

Risk Management:

The report sets out some of the key areas of financial risk to the authority. At this time the Council is well placed to meet such challenges, although if the necessary savings highlighted are not actively pursued problems could arise in the medium term.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, i.e. have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. 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

Section 1: Identifying details

Your function, service area and team: **Accountancy, Resources**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Budget for 2018/19 and Medium Term Financial Strategy**

Officer completing the EqlA: **Tel: 01992 564602 Email: pmaddock@eppingforestdc.gov.uk**

Date of completing the assessment: **22 January 2018**

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project?</p> <p>New policy for 2018/19 budget and update to existing policy for medium term financial strategy.</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>The aim is to set a financial framework for 2018/19 and revise the medium term financial strategy.</p> <p>What outcome(s) are you hoping to achieve (i.e. decommissioning or commissioning a service)?</p> <p>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.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? <p>The budget includes all services provided by the Council so it has consequences for all employees and 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 and not the budget.</p> <p>Will the policy or decision influence how organisations operate?</p> <p>No, the service and operational elements will have been covered by the reports to get items included on the savings/growth lists.</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>Yes, at the organisation or consolidated level.</p>
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p>The budget is a summary of the policy initiatives being pursued to achieve proposed corporate outcomes.</p>

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	<p>What does the information tell you about those groups identified?</p> <p>The budget is a summary of both continuing and changing policies and where a policy is changing the impact will have been considered by Cabinet when making that decision.</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>N/A – see above.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>N/A – see above.</p>

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	Neutral. 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 change to service provision will have been considered by Cabinet and this would have included an equality assessment.	Low
Disability	Neutral for the reasons given above.	Low
Gender	Neutral for the reasons given above.	Low
Gender reassignment	Neutral for the reasons given above.	Low
Marriage/civil partnership	Neutral for the reasons given above.	Low
Pregnancy/maternity	Neutral for the reasons given above.	Low
Race	Neutral for the reasons given above.	Low
Religion/belief	Neutral for the reasons given above.	Low
Sexual orientation	Neutral for the reasons given above.	Low

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	The budget and medium term financial strategy do not impact on the delivery of any services to the public.
		Yes <input type="checkbox"/>	If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A	N/A	N/A

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Bob Palmer

Date: 22/01/18

Signature of person completing the EqIA: Peter Maddock

Date: 22/01/18

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, e.g. after a consultation has been undertaken.

This page is intentionally left blank

GENERAL FUND ESTIMATE SUMMARY

2016/17 Actual	2017/18			2018/19 Budget		
	Original Estimate £000	Probable Outturn £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
1,384	1,466	1,412	Chief Executive	1,443		1,443
3,082	3,667	3,589	Communities	5,609	1,661	3,948
2,723	3,015	3,184	Governance	5,496	1,934	3,562
11,972	9,679	12,563	Neighbourhoods	18,766	11,410	7,356
2,554	2,567	2,710	Resources	36,100	32,359	3,741
(3,290)	(2,427)	(2,719)	Other Items		1,449	(1,449)
18,425	17,967	20,739	Net Cost of Services	67,414	48,813	18,601
(366)	(196)	(206)	Interest and Investment Income		102	(102)
245	172	266	Interest Payable (Inc. HRA)	381		381
1,574	1,545	1,491	Pensions Interest/Admin	1,428		1,428
1,072	176	62	Revenue Contributions to Capital	197		197
20,950	19,664	22,352	Net Operating Expenditure	69,420	48,915	20,505
(4,618)	(2,919)	(6,093)	Depreciation Reversals & Other adj		2,953	(2,953)
(1,065)	(100)	(473)	Contribution to/(from) General Fund	994	1,300	(306)
(343)	(42)	(93)	Contribution to/(from) Other Reserves		2	(2)
(427)	(2,100)	(1,123)	Contribution to/(from) DDF/ITS		3,132	(3,132)
(1,523)	(1,494)	(1,447)	IAS 19 Adjustment		1,210	(1,210)
12,974	13,009	13,123	To be met from Government Grants and Local Taxpayers	70,414	57,512	12,902
14,121	13,567	13,370	Continuing Services Budget			13,363
1,395	595	792	CSB - Growth			1,956
(823)	(1,053)	(1,473)	CSB - Savings			(3,409)
572	(458)	(681)	Total Growth (Net)			(1,453)
14,693	13,109	12,689	Total Continuing Services Budget			11,910
2,527	2,932	3,518	DDF/ITS - Expenditure			5,090
(2,754)	(832)	(1,395)	DDF - One Off Savings			(658)
(227)	2,100	2,123	Total District Development Fund/Invest to Save			4,432
(1,492)	(2,200)	(1,689)	Appropriations to/(from) other Reserves			(3,440)
12,974	13,009	13,123				12,902

This page is intentionally left blank

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Estimate	Revised	Estimate	Estimate	Estimate	Estimate	
			2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	
Chief Executive	Corporate Policy Making	Annual Customer Satisfaction Survey			20				
	Total Chief Executive		0	0	20	0	0	0	
Communitites	Homelessness Advice	Additional post	30	0					
	Homelessness Advice	Homelessness Reviews/Rough Sleepers	12	0					
	Total Communities		42	0	0	0	0	0	
Governance	Building Control	Fees & Charges		50					
	Building Control	Ring Fenced Account		(50)					
	Corporate Fraud Investigation	Corporate Fraud Team	8	8					
	Development Control	Fees & Charges			(210)				
	Development Control	Pre Application Consultation Fees			(10)				
	Development Control Group	Trainee Planning Officers			20	34			
	Development Management	Additional Temporary Staffing - Systems Technical Officer			14	15			
	Development Management	Planning Validation Officer			15	15			
	Enforcement / Trees & Lanscape	Compliance Officer				27			
	Governance Admin	Training	5	5					
	Internal Audit	Shared Service (GF element)			(9)				
	Legal Services	Reduction Re Fees & Charges			5				
	Members Allowances	Increase in Basic Allowances	7	7					
	Planning Appeals	Reduction Re Fees & Charges			8				
	Total Governance			20	63	(119)	0	0	0
Neighbourhoods	Land and Property	Brooker Road	(107)	(157)					
	Land and Property	Epping Forest Shopping Park	(490)	(213)	(1,562)	(759)			
	Land and Property	Broadway Gate development			(50)	(200)			
	Land and Property	Rental Income - Shops	(45)	(54)	(61)				
	Leisure Management	Savings from New Contract	(250)	(744)	(944)	(266)			
	North Weald Airfield	Additional rental income			(35)	(113)			
	Off Street Parking	New Chargeable Parking Spaces (ITS)	(11)	(12)	(17)				
	Off Street Parking	Machine Maintenance and collections	8	8					
	Off Street Parking	Additional Staffing	32	19	13				
	Off Street Parking	New Management Contract (ITS)	(88)	(64)	26				
	Off Street Parking	Lea Valley Management Fee (ITS)	(2)						
	Off Street Parking	Vere Road Pay & Display (ITS)	(5)	(3)	(7)				
	Waste Management	Trade Waste			(7)				
	Total Neighbourhoods			(958)	(1,262)	(2,715)	(1,225)	0	0

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service	Estimate	Revised	Estimate	Estimate	Estimate	Estimate	
		2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	
Resources	Bank and Audit charges			(5)				
	Car Leasing	(25)	(25)					
	Cashiers	(8)						
	Cashiers		9					
	Cashiers		5	15				
	Civic Offices	68	67					
	Civic Offices	14	20					
	Council Tax Collection		(60)					
	Facilities Management			5				
	Finance Miscellaneous			(437)	(1,058)	(200)		
	Housing Benefits Administration	42	42	29				
	Housing Benefits	25	26	4				
	Housing Benefits		(7)					
	Human Resources	69	75					
	Human Resources	60	75	15				
	ICT	(13)	(9)	(3)				
	ICT			373				
	NNDR Collection		(5)					
	Procurement		5					
	Sundry Non Distributable Costs		10					
	Resources		(9)	(9)				
	Total Resources		223	219	(4)	(1,058)	(200)	0
	Other Items	Investment Interest	93	177	18			
General Fund Loans				200				
New Homes Bonus		122	122	1,125	202	531		
Pensions				22	31			
					350			
Total CSB		(458)	(681)	(1,453)	(1,700)	331	0	

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	B/F from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Chief Executive	Chief Executive Policy Group	Transformation Staffing	90		88	50			
		Transformation External Partnerships	100						
		Transformation Prototype Fund	80	7	87				
		Transformation Staffing				107			
Total Chief Executive			270	7	175	157	0	0	0
	Homelessness	Legal Challenges	20	20	30	10			
	Homelessness	Homelessness Reduction Act Grant				50		34	
	Homelessness	Homelessness Reduction Act Grant			(45)	(41)	(48)		
	Private Sector Housing	Landlord Accreditation Scheme	1		1				
	Safer Communities	CCTV Trainee Assistant post	20		23	23	2		
	Safer Communities	Security Costs			25				
	Safer Communities	Contribution for Police Officers				215	215	215	
	Youth Council	Enabling Fund			8	8			
	Grant - Citizens Advice Bureau	CAB Debt Advisors	4		4	4			
Total Communities			45	20	46	269	219	249	0
Governance	Building Control	Fees & Charges			(30)				
	Building Control	Ringfenced account			20				
	Conservation Policy	Consultant Fees & Grants			(4)				
	Corporate Fraud Investigation	Fees & Charges			(14)	(27)			
	Development Control	Fees & Charges	(175)		30				
	Development Control	Pre Application Consultation Fees	(13)		(6)	(5)			
	Development Control	Strategic Implementation / Planning Performance				278	278		
	Development Control	Developer Contributions - Strategic Implementation				(40)	(100)		
	Development Control Group	Trainee Contaminated Land Officer	23		10				
	Development Control Group	Trainee Planning Officer	45		15				
	Development Control Group	Agency Staff			87				
	Development Management	Administrative Assistant	13		13	17			
	Development Management	Additional Temporary Staffing - Systems Technical Officer	28		14				
	Development Management	Planning Validation Officer	26		15				
	Development Management	Document Scanning	113	1	116	113			
	Development Management	Casual Staff Re Scanning / Indexing Building Control Files			5	5			
	Elections	Savings / Costs Re District Elections	(41)		(77)	139			
	Electoral Registration	Individual Registration Costs	37	25	22	36	34	31	
	Electoral Registration	Individual Registration Grant			(21)	(18)			
	Enforcement / Trees & Landscape	Technical Assistant - Conservation		7					
	Enforcement / Trees & Landscape	Agency Staff			25				
	Legal Services	Transformation Programme	10	2	12				
Local Land Charges	Local Land Charges Officer			7	14				
Local Land Charges	Agency Staff			23					
Local Land Charges	Government Grant - New Burdens			(9)					
Planning Appeals	Contingency for Appeals	41	(9)	15	32	21			
Total Governance			107	26	268	544	233	31	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	BjF from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Neighbourhoods	Contaminated Land & Water Quality	Contaminated land investigations	79	(7)		72	50		
	Flood defence	Flood Risk Works Pynest Green Lane		16	16				
	Countrycare	BRIE - SLA	4		4	4			
	Economic Development	Economic Development Strategy	8		8				
	Economic Development	Town Centres Support	52	26	18	60			
	Economic Development	Smart Places			100				
	Economic Development	Smart Places			(52)				
	Asset Rationalisation	Council Asset Rationalisation	61	(8)	61				
	Asset Rationalisation	New Development Project Officer		3					
	Forward Planning	Local Plan	1,028	195	1,227	946	400		
	Forward Planning	Brownfield Register		15	15				
	Forward Planning	Hillhouse		6	6				
	Forward Planning	Garden Town		665	178	432	55		
	Forward Planning	Community		53	32	21			
	Forward Planning	Neighbourhood Planning	3	(1)	2				
	Highways General Fund	Contribution to ECC			50				
	Land and Property	Brooker Road			(35)				
	Land and Property	Epping Forest Shopping Park empty rates			160	81			
	Leisure Management	New Management Contract	65				(266)	(444)	(259)
	Off street parking	Payment to NEPP for redundancies	20	(20)	5				
	Off street parking	Loss of income			20				
	North Weald Airfield	Second hand Fire Truck		5	5				
	North Weald Airfield	Additional Income			(33)				
	Parks & Grounds	Open Spaces - Tree Planting	10			10			
	Parks & Grounds	Tree Service - Oak Tree Planting			2	3			
	Parks & Grounds	Tree Service - Oak Tree Planting			(5)				
	Parks & Grounds	Roding Valley Development - Woodland Planting		50	10	20	20		
	Parks & Grounds	Survey of River Roding erosion	15		7	8			
	Waste Management	Waste Professional Fees			6				
	Waste Management	DCLG recycling reward scheme	218	2	156	85			
Waste Management	DCLG recycling reward scheme contribution received			(20)					
Waste Management	Additional Sacks and Recycling payment	(104)		(104)					
Total Neighbourhoods			1,459	1,000	1,839	1,742	259	(444)	(259)

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	BJF from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate	
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	
Resources	Building Maintenance - Non HRA	Planned Building Maintenance Programme	104	92	124	215	160	123	23	
	Cashiers	Consultants fees		1	12					
	Cashiers	Waltham Abbey Kiosk Replacement & Licence fees			15					
	Council Tax Collection	Collection Investment	(57)		(47)	(47)				
	Council Tax Collection	Local Council Tax New Burdens Expenditure - E-Services		52	9	9				
	Finance Miscellaneous	Implementation of People Strategy				1,340				
	Housing Benefits Administration	Hardship & Compliance	(71)		(80)	(80)				
	Housing Benefits Administration	Benefits Specific Grants - Data Matching		60	19	27	5	5	4	
	Housing Benefits Administration	Benefits Specific Grants - Unallocated	20				20			
	Housing Benefits Administration	Benefits Specific Grants			(111)					
	Housing Benefits Administration	Atlas upgrades - Software Consultancy			11					
	Housing Benefits Administration	Atlas upgrades - Government Grant			(11)					
	Housing Benefits	Hardship & Compliance - Benefits Officers	58	6	40	56	56	13		
	Housing Benefits	Benefits Specific Grants - Agency Staff / Equipment New		2	69	44				
	ICT	Technology Strategy				133	24	24	24	
	NNDR Collection	Consultants / Professional fees			(28)					
	Revenues	Temporary Additional Staffing	207	32	171	177				
	Revenues	Equipment New			7					
	Sundry Non Distributable Costs	Emergency Premises Works	9	3	2	5	5			
	Sundry Non Distributable Costs	St Johns - Non-Domestic Rates & Security			24	17				
	Total Resources			270	248	226	1,896	270	165	51
	Total Service Specific District Development Fund			2,151	1,301	2,554	4,608	981	1	(208)
	Transitional Grant			(53)		(53)				
New Homes Bonus					(7)				(34)	
Council Tax Collection			(200)		(485)	(400)	(400)	(400)	(400)	
Pensions			(8)		(8)					
Total District Development Fund			1,898	1,301	2,001	4,208	581	(399)	(642)	

INVEST TO SAVE

			<i>Estimate</i>	<i>B/F from</i>	<i>Revised</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
			2017/18	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22
			£000's	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive	Customer Services Transformation	Software prototype Behavioural Insights project				5	21		
			0	0	5	21	0	0	0
Communities	Homelessness Museum Resilience	Rental Loans Scheme Contribution	30	20	30	30			
			30	20	50	30	0	0	0
Neighbourhoods	Car Parking	Replacement LED lighting	70	14	32	100			
	Car Parking	New Car Parks	40		20	20			
	Car Parking	ICT infrastructure		45					
	Car Parking	Lea Valley pay & display	15						
	Car Parking	Vere Road Pay & Display	51		10	41			
	Car Parking	Vere Road Pay & Display	4		4				
	North Weald Airfield	Extension to Vehicle Compound		12	0	12			
			180	71	66	173	0	0	0
Resources	Civic Offices	Reception area structural survey		15	0				
	ICT	Ariel Camera System		1	1				
			0	16	1	0	0	0	0
			210	107	122	224	0	0	0

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 2018/19 it appears that most authorities across Essex will be increasing charges to just below the referendum limit.
4. At its 20 July 2017 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 7 September 2017.

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 and the local retention of NNDR. The general state of domestic and world economies were a concern as was the progress towards and potential outcomes from Brexit. 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 £12.920m for CSB expenditure for 2018/19 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 2021 of £5.287m represented 41% of the anticipated Net Budget Requirement (NBR) for 2020/21 and was therefore somewhat higher than the guideline of 25%. It was also predicted at that time that there would be £0.564m left in the DDF at 1 April 2021, although this was after a transfer in of £0.5m in 2018/19.

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 slightly higher than had been anticipated, being £7,000 higher in 2018/19 and £50,000 higher in 2019/20. Revenue Support Grant still goes negative by the end of the period. The reductions in New Homes Bonus are also more than had been estimated and a further £50,000 of income has been lost here. 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 2018/19 have been found and the CSB figure is comfortably below the target established in July. Budgets will be re-visited during the course of 2018/19 to seek further reductions, particularly areas like waste management that have not seen any changes to address previous growth. In common with the earlier version of the strategy, target CSB savings are included for 2020/21 to 2021/22. Additional savings on the new leisure management contract and salary savings from the people strategy have helped achieve the savings required for 2018/19. However, on top of known predicted savings, net savings targets of £300,000 for both 2020/21 and 2021/22 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 £1.09m is still available. This is only possible after the transfer in of £2.65m from the General Fund Reserve in earlier years 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 reduced further 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 remaining three units on the shopping park will be let before the end of March 2018.
 - e) Council Tax Increase – Members have indicated that they wish to increase the Council Tax by 2.48% for 2018/19 and then reverse this in 2021/22.
9. This revised medium term financial strategy has deficits in the final two years of the period, although these are increasing and the use of reserves in 2021/22 is £557,000. The predicted revenue balance at the end of the period is £4.9m, which represents 38% of the NBR for 2021/22 and thus exceeds the target of 25%.
10. It is worth repeating that savings of £0.6m are still to be identified for the last two years of the strategy and that identified savings of £3.4m in 2018/19 and £2.3m in 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 2018 meeting of the Finance and Performance Management Cabinet Committee.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2021/22

ORIGINAL 2017/18	REVISED 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21	FORECAST 2021/22
£'000 NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
13,567 Continuing Services Budget	13,370	13,363	13,475	13,269	13,890
595 CSB - Growth	792	1,956	583	531	0
-1,053 CSB - Savings	-1,473	-3,409	-2,283	-200	0
0 Additional Savings Target	0	0	0	-300	-300
13,109 Total C.S.B	12,689	11,910	11,775	13,300	13,590
2,100 One - off Expenditure	2,123	4,432	581	-399	-642
15,209 Total Net Operating Expenditure	14,812	16,342	12,356	12,901	12,948
-210 Contribution to/from (-) Other Res	-215	-226	0	0	0
-1,890 Contribution to/from (-) DDF Balances	-2,001	-4,208	-581	399	642
-100 Contribution to/from (-) Balances	527	994	814	-387	-557
13,009 Net Budget Requirement	13,123	12,902	12,589	12,913	13,033
FINANCING					
610 RSG-Parish Support Grant	610	186	0	0	0
3,699 District Non-Domestic Rates Precept	3,724	3,359	4,300	4,500	4,700
801 Section 31 Grant	890	1,541	0	0	0
7,889 District Council Tax Precept	7,889	8,166	8,289	8,413	8,333
10 Collection Fund Adjustment	10	-350	0	0	0
To be met from Government 13,009 Grants and Local Tax Payers	13,123	12,902	12,589	12,913	13,033
Band D Council Tax	148.77	152.46	152.46	152.46	148.77
Percentage Increase/(Decrease) %		2.48	0	0	-2.4

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2021/22

	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21	FORECAST 2021/22
REVENUE BALANCES	£'000	£'000	£'000	£'000	£'000
Balance B/forward	6,208	5,735	5,429	5,893	5,506
Transfer out	-1,000	-1,300	-350	0	0
RCCO	0	0	0	0	0
Surplus/Deficit(-) for year	527	994	814	-387	-557
Balance C/Forward	5,735	5,429	5,893	5,506	4,949
DISTRICT DEVELOPMENT FUND					
Balance B/forward	4,188	3,187	279	48	447
Transfer in	1,000	1,300	350	399	642
Transfer Out	-2,001	-4,208	-581	0	0
Balance C/Forward	3,187	279	48	447	1,089
INVEST TO SAVE					
Balance B/forward	406	284	60	60	60
Transfer in	0	0	0	0	0
Transfer Out	-122	-224	0	0	0
Balance C/Forward	284	60	60	60	60
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	0	0	4,030	0	0
New Usable Receipts	5,341	8,662	3,682	2,289	2,289
Use of Capital Receipts	-5,341	-4,632	-7,712	-2,289	-220
Balance C/Forward	0	4,030	0	0	2,069
TOTAL BALANCES	8,922	9,738	5,941	5,953	8,107

**CAPITAL PROGRAMME
2017/18 to 2021/22 FORECAST**

	2017/18	2018/19	2019/20	2020/21	2021/22	5 Year
	Revised Estimate	Original Estimate	Forecast	Forecast	Forecast	Total
	£000	£000	£000	£000	£000	£000
EXPENDITURE						
Resources	554	2,108	408	320	0	3,390
Neighbourhoods	10,478	633	30	30	30	11,201
Communities	159	465	495	40	40	1,199
Total General Fund	11,191	3,206	933	390	70	15,790
Total HRA	23,114	22,786	25,641	15,157	9,174	95,872
Total Capital Expenditure on Council Assets	34,305	25,992	26,574	15,547	9,244	111,663
Total Capital Loans	5,669	8,684	150	150	150	14,803
Total Revenue Expenditure Financed From Capital under Statute	150	235	350	0	0	735
TOTAL CAPITAL PROGRAMME	40,124	34,911	27,074	15,697	9,394	127,200
FUNDING						
Central Government Grant	75	80	85	90	90	420
Private Funding	591	0	0	0	0	591
Total Grants	666	80	85	90	90	1,011
General Fund	16,385	10,819	1,028	150	0	28,382
Total Borrowing	16,385	10,819	1,028	150	0	28,382
General Fund	554	1,108	405	390	220	2,677
HRA	4,787	3,524	7,307	1,899	0	17,516
Total Capital Receipts	5,341	4,632	7,712	2,289	220	20,193
Direct GF Revenue Funding	62	197	0	0	0	259
Direct HRA Revenue Funding	5,180	2,130	5,430	4,334	2,250	19,325
HRA Major Repairs Reserve	10,257	11,307	9,066	8,834	6,834	46,299
HRA Self- Financing Reserve	2,233	5,745	3,753	0	0	11,731
Total Revenue Contributions	17,732	19,380	18,249	13,168	9,084	77,614
TOTAL	40,124	34,911	27,074	15,697	9,394	127,200

**CAPITAL PROGRAMME
2017/18 to 2021/22 FORECAST**

	2017/18	2018/19	2019/20	2020/21	2021/22	5 Year
	Revised Estimate	Original Estimate	Forecast	Forecast	Forecast	Total
	£000	£000	£000	£000	£000	£000
Resources						
Active Planned Maintenance	220	260	285	320	0	1,085
On-Hold Planned Maintenance	0	1,112	123	0	0	1,235
ICT Projects	314	736	0	0	0	1,050
Additional Equipment & Systems	20	0	0	0	0	20
Total	554	2,108	408	320	0	3,390
Neighbourhoods						
Epping Forest Shopping Park	9,271	0	0	0	0	9,271
Consideration for surrender of lease	1,042	0	0	0	0	1,042
Town Mead Depot	15	130	0	0	0	145
Hillhouse Development	0	130	0	0	0	130
Car Parking Schemes	71	161	0	0	0	232
Waste Management Equipment	28	0	0	0	0	28
N W Airfield Vehicle Compound	0	12	0	0	0	12
Flood Alleviation Schemes	5	19	0	0	0	24
Grounds Maint Plant & Equipment	46	181	30	30	30	317
Total	10,478	633	30	30	30	11,201
Communities						
CCTV Systems	45	70	50	0	0	165
Car Park CCTV Systems	74	0	0	0	0	74
Housing Estate Parking	40	395	445	40	40	960
Total	159	465	495	40	40	1,199
TOTAL GENERAL FUND	11,191	3,206	933	390	70	15,790

**CAPITAL PROGRAMME
2017/18 to 2021/22 FORECAST**

	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2019/20 Forecast £000	2020/21 Forecast £000	2021/22 Forecast £000	5 Year Total £000
Housing Revenue Account						
New House Building	12,782	11,399	16,240	5,983	0	46,404
Housing Conversions	74	0	0	0	0	74
Heating/Rewiring/Water Tanks	2,887	2,305	2,455	2,455	2,455	12,557
Windows/Doors	1,054	1,041	1,141	1,129	1,129	5,494
Roofing	1,140	1,282	1,209	1,245	1,245	6,121
Other Planned Maintenance	186	251	251	250	250	1,188
Structural Schemes	1,573	1,775	1,100	1,100	1,100	6,648
Kitchen & Bathroom Replacements	2,380	2,300	2,300	2,300	2,300	11,580
Garages & Environmental Improvements	336	563	515	265	265	1,944
Disabled Adaptations	450	450	450	450	450	2,250
Other Repairs and Maintenance	235	220	220	220	220	1,115
Capital Service Enhancements	154	350	0	0	0	504
Housing Repairs Vehicles	158	60	60	60	60	398
Oakwood Hill Depot	5	1,090	0	0	0	1,095
Less Work on Leasehold Properties	(300)	(300)	(300)	(300)	(300)	(1,500)
TOTAL HRA	23,114	22,786	25,641	15,157	9,174	95,872

Annex 6(d)

**CAPITAL LOANS FOR PRIVATE HOUSING ASSISTANCE
2017/18 to 2021/22 FORECAST**

	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2019/20 Forecast £000	2020/21 Forecast £000	2021/22 Forecast £000	5 Year Total £000
Capital Loans						
Private Sector Housing Loans	150	150	150	150	150	750
Hill House Development Loan	5,519	8,534	0	0	0	14,053
TOTAL CAPITAL LOANS	5,669	8,684	150	150	150	14,803

Annex 6(e)

**REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE
2017/18 to 2021/22 FORECAST**

	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2019/20 Forecast £000	2020/21 Forecast £000	2021/22 Forecast £000	5 Year Total £000
REFCuS						
Parking Review Schemes	30	235	0	0	0	265
Superfast Broadband Network	0	0	350	0	0	350
Transformation Projects	120	0	0	0	0	120
TOTAL REFCuS	150	235	350	0	0	735

**CAPITAL PROGRAMME
2017/18 to 2021/22 FORECAST**

	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2019/20 Forecast £000	2020/21 Forecast £000	2021/22 Forecast £000	5 Year Total £000
Receipts Generation						
Housing Revenue Account	5,571	4,346	4,346	4,346	4,346	22,955
General Fund	823	5,852	871	0	0	7,546
Total Receipts	6,394	10,198	5,217	4,346	4,346	30,501
Receipts Analysis						
Usable Receipts	1,683	7,099	2,118	726	1,351	12,977
Available for Replacement Homes	3,697	2,101	2,101	2,101	0	10,000
Payment to Govt Pool	1,014	998	998	1,519	3,314	7,843
Total Receipts	6,394	10,198	5,217	4,346	4,665	30,820
Usable Capital Receipt Balances						
Opening Balance	0	0	4,030	0	0	0
Usable Receipts Arising	5,341	8,662	3,682	2,289	2,289	22,263
Use of Capital Receipts	(5,341)	(4,632)	(7,712)	(2,289)	(220)	(20,194)
Closing Balance	0	4,030	0	0	2,069	2,069

Annex 6(g)

**MAJOR REPAIRS RESERVE
2017/18 to 2021/22 FORECAST**

	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2019/20 Forecast £000	2020/21 Forecast £000	2021/22 Forecast £000	5 Year Total £000
Opening Balance	12,704	12,193	11,372	13,001	15,077	12,704
Major Repairs Allowance	9,746	10,486	10,696	10,910	11,128	52,965
Use of MRR	(10,257)	(11,307)	(9,066)	(8,834)	(6,834)	(46,299)
Closing Balance	12,193	11,372	13,001	15,077	19,370	19,370

Annex 6(h)

**HRA SELF FINANCING RESERVE
2017/18 to 2021/22 FORECAST**

	2017/18 Revised Estimate £000	2018/19 Original Estimate £000	2019/20 0 £000	2020/21 0 £000	2021/22 Forecast £000	5 Year Total £000
Opening Balance	12,720	10,487	4,742	989	989	12,720
Contribution from HRA	0	0	0	0	1,096	1,096
Use of Self Financing Reserve	(2,233)	(5,745)	(3,753)	0	0	(11,731)
Closing Balance	10,487	4,742	989	989	2,085	2,085

The Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2018/19 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 2018/19. 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 2018/19 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 2018/19.**

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 growth in inflation being caused by the weakness of the pound after the Brexit vote. How the Brexit negotiations proceed and the general state of other economies across the world will have implications for the United Kingdom.
12. The Consumer Price Index (CPI) rose by 2.7% in the year to December 2017, down from 2.8% in November. This figure was below market expectations of 2.8%. It is likely that CPI will continue at a similar level through 2018 and the Bank of England's target rate of 2% will not be achieved. This is likely to result in reductions in real wage growth and restrain household spending. Pay increases for the year to October 2017 were running at 2.5%, 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 2% for pay awards for 2018/19 and 2019/20 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 2017/18.

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, the only significant disposal anticipated in 2018/19 is the St Johns road site.
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 was evident again in 2016/17 with 46 sales 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 £127m over five years, it is anticipated that the balance of usable capital receipts at 31 March 2022 will be just under £2.1m. 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 has been amended 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 have stabilised on the benefits and homelessness services and the additional resources previously allocated appear adequate. It is disappointing that none of the £0.5m of CSB growth for the waste contract included in the 2016/17 revised budget has been recovered through changes to the service. Key income streams are generally on target, with the exception of development control. The income from development control should be greater in 2018/19 as some large developments are currently stalled by the local plan process.
17. The net savings for the budget have arisen from two main areas. Firstly, the treatment of capital as part of the new leisure management contract has been different to what was anticipated. This has had the effect of increasing capital expenditure but has generated greater CSB savings. Payments fluctuate over the life of the contract so the MTFS will need to be reviewed and updated accordingly. Secondly, the saving from the People Strategy which, like the new leisure contract, is spread over the period of the MTFS. With the phases of the restructure expected to take varying times to complete a saving of £437,000 has been included for 2018/19 followed by further amounts of £1,058,000 in 2019/20 and £200,000 in 2020/21. A number of other smaller savings have also been identified and together these provide a sound base for the 2018/19 budget. However, there is still a need for further savings in 2020/21 and beyond and action is needed to take forward a new development scheme.

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, as at 1 February 2018, 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 support the house building programme meant the HRA business plan had to be re-examined in 2017/18 and it will be kept under review.
20. It has been evident for a while 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 funding from both Revenue Support Grant and New Homes Bonus has been allowed for in the MTFS. The reductions in the draft settlement were larger than had been anticipated in the MTFS, with the combined effect for 2018/19 being £100,000 worse than anticipated.
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. However, significant concerns remain about the new 2017 rates list and changes to transitional relief and the appeals process. The combination of changes 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 2018/19 with the widening of the pool.

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 2018/19. 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 2017 had a balance of £1.01m.

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 2019 is £5.4m 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
Failure to achieve savings from People Strategy and other transformation projects	3,000	40	1,200
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
Additional costs arising on waste contract and not being mitigated	2,000	40	800
Renegotiating External contracts and partnership arrangements	4,000	25	1,000
Emergency Contingency	800	20	160
Total	19,500		5,880

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 £1.07m in 2016/17 (after use of £1m to fund the capital programme) to leave a balance of £6.21m at 31 March 2017.
34. Policies have been determined previously to bring about reductions, including the use of revenue to finance the capital programme, and the current MTFs has deficit budgets in the final two years. 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 £12.9m therefore 25% of that figure equates to £3.2m. The current four-year forecast shows balances still at £4.9m at the end of 2021/22.
35. The risk assessment undertaken above suggests that 20-25% of NBR is an appropriate range for this authority to be maintaining its balances within. By 31 March 2022 balances will represent 38% of NBR, which is adequate. However, Members are aware that this situation can only be achieved with both the planned CSB savings being delivered and significant further savings or income being identified in the final two years of the MTFs.
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 2018/19. Further borrowing is affordable but Members have stated that new borrowing should only be for capital schemes with positive revenue consequences.
37. 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 2017 the balance on the DDF was £4.19m, which was an increase of £0.45m in the year. The DDF is predicted to have a balance of £1.09m at the end of 2021/22, although this requires transfers in from the General Fund Reserve of £2.65m over the period of the MTFs. The only other earmarked reserve with a significant balance is the Insurance Reserve, which stood at £1.01m at the end of 2016/17. There were no significant movements in the year on this fund.
38. The HRA revenue balance of £3.85m at 31 March 2017 is expected to decrease by £1.56m in 2017/18 and then a further £0.27m in 2018/19 to remain above £2m. The balance on the Housing Repairs Fund is expected to reduce slightly over the next year, from £1.26m to £1.13m. The Housing Major

Repairs Reserve is predicted to decrease from £12.2m to £11.4m. The HRA business plan will be reviewed during 2018/19 to assess any further steps necessary to respond to the ongoing reductions in rent levels.

- 39. The conclusion is that the reserves of the Council are adequate to cope with the financial risks the Council faces in 2018/19 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 delivery of the savings from transformation, the introduction of a new system of “Fair Funding” and the difficulties of estimating income from the retention of business rates.**