



### NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the **EPPING FOREST DISTRICT COUNCIL** to be held in the **COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING** at 7.30 pm on **Tuesday, 26 September 2017** for the purpose of transacting the business set out in the agenda.

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

**Glen Chipp**  
Chief Executive

**Democratic Services  
Officer:**

Council Secretary: Simon Hill  
Tel: 01992 564249 Email:  
[democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

#### WEBCASTING/FILMING NOTICE

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

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

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

## **BUSINESS**

### **1. WEBCASTING INTRODUCTION**

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

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

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

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

### **2. FORMER COUNCILLOR L. MARTIN**

The Council is invited to stand for a minute’s silence in tribute to the memory of former Councillor Len Martin who had recently passed away on 10 September 2017.

Former Councillor Martin represented the Buckhurst Hill East Ward of the District as a Liberal Democrat Councillor from 1996 to 2006.

He served on many of the Council’s member bodies during this time including Resources, Development, Housing Committee, Plans Sub-Committee ‘A’ and the Licensing Panel (each of which he was Vice-Chairman for a period), a member of Policy & Co-Ordinating and Leisure Services Committee and a number of Working Groups including the District Wide Local Plan, Housing, Planning Enforcement Working Group, Development Plans, Public Services Sub-Committee and Complaints Panel.

### **3. MINUTES (Pages 9 - 46)**

To approve as a correct record and sign the minutes of the meeting held on 27 July 2017 (attached).

### **4. DECLARATIONS OF INTEREST**

To declare interests in any item on the agenda.

### **5. ANNOUNCEMENTS**

- (a) Apologies for Absence
- (b) Chairman’s Announcements
- (c) Change of Date for Council

To note that the Council meeting on Thursday 2 November 2017 would now be held on Wednesday 1 November 2017.

**6. ROGER HIRST, THE POLICE AND CRIME COMMISSIONER FOR ESSEX**

To receive a presentation from Mr R Hirst, Police and Crime Commissioner for Essex.

As Police and Crime Commissioner, Mr Hirst values the ongoing dialogue with councils and has a regular schedule of meetings across the county. This is an opportunity for the PCC to hear Councillor's views around policing and community safety in their area, discuss the strategic direction of Essex Police and engage in an open and constructive conversation.

**7. PUBLIC QUESTIONS (IF ANY)**

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

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

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

**8. QUESTIONS BY MEMBERS UNDER NOTICE**

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

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

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

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

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

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

**9. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET (Pages 47 - 74)**

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

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

**10. QUESTIONS BY MEMBERS WITHOUT NOTICE**

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

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

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

- (a) direct oral answer from the Leader or, at the request of the Leader, from another member of the Cabinet;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication;
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner; or
- (d) where the question relates to an operational matter, the Leader or a member of the Cabinet will request that a response be given direct to the questioner by the relevant Chief Officer.

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

**11. MOTIONS**

(a) Constitution (Article 10) – District Development Management Committee and Area Plans Sub-Committees

Proposed by: Councillor S. Kane

Seconder: Councillor J. Philip

**Motion:**

That the Council adopt the following changes to the Article 10 of the Constitution, to give effect to a review by the District Development Management Committee of any proposed refusal of planning applications made by or on behalf of the Council or in relation to any application site owned by the authority, namely:

- (1) That the following addition be made to the terms of reference of the District Development Management Committee in Article 10 of the Constitution (to be numbered (1)(g)):

‘Any development proposals for a site made by or on behalf of the Council or where the Council is the landowner, that has been recommended for refusal by the relevant Area Plans Sub-Committee contrary to a recommendation of the Director of Governance that planning permission be granted’; and

- (2) That the following addition be made to the terms of reference of the Area Plans Sub-Committees in Article 10 of the Constitution (to be numbered (4)(e)):

‘development proposals for a site are made by or on behalf of the Council or where the Council is the landowner, that are recommended for refusal by a Sub-Committee contrary to a recommendation of the Director of Governance that planning permission be granted’.

Background paper received on 1 September 2017.

(b) To consider any other motions, notice of which has been given under Council Rules.

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

**Reports of the Cabinet****12. STAFFING STRUCTURAL ADJUSTMENTS WITHIN DEVELOPMENT MANAGEMENT (Pages 75 - 78)**

(Planning and Governance Portfolio Holder) To consider the attached report.

**13. STATUTORY STATEMENT OF ACCOUNTS 2016/17 (Pages 79 - 164)**

To consider the attached report and the Statutory Statement of Accounts 2016/17 being submitted to the Audit and Governance Committee on 18 September 2017.

The Chairman of the Audit and Governance Committee will report orally on that Committee’s consideration of and recommendations regarding the Statutory Statement of Accounts 2016/17.

**14. OVERVIEW AND SCRUTINY COMMITTEE (Pages 165 - 166)**

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

**15. APPOINTMENTS TO COMMITTEES & OUTSIDE ORGANISATIONS 2017/18 (Pages 167 - 168)**

(Leader of Council) To consider the attached report.

**16. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS**

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

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

**17. EXCLUSION OF PUBLIC AND PRESS**

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

<b>Agenda Item No</b>	<b>Subject</b>	<b>Exempt Information Paragraph Number</b>
Nil	Nil	Nil

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

**Background Papers:** Article 17 of the Constitution (Access to Information) define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

(a) disclose any facts or matters on which the report or an important part of the report is based; and

(b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information and in respect of executive reports, the advice of any political advisor.

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

## EPHING FOREST DISTRICT COUNCIL COUNCIL MINUTES

<b>Committee:</b>	Council	<b>Date:</b>	27 July 2017
<b>Place:</b>	Council Chamber, Civic Offices, High Street, Epping	<b>Time:</b>	7.30 - 8.45 pm
<b>Members Present:</b>	Councillors D Stallan (Chairman), R Bassett (Vice-Chairman), N Avey, R Baldwin, A Beales, N Bedford, A Boyce, W Breare-Hall, R Brookes, G Chambers, K Chana, D Dorrell, A Grigg, S Heap, L Hughes, R Jennings, J Jennings, S Jones, H Kane, S Kane, H Kauffman, P Keska, Y Knight, A Lion, L Mead, G Mohindra, R Morgan, S Murray, A Patel, J Philip, C P Pond, C C Pond, B Rolfe, M Sartin, G Shiell, S Stavrou, D Sunger, B Surtees, E Webster, C Whitbread, H Whitbread, J H Whitehouse and J M Whitehouse		
<b>Apologies:</b>	Councillors R Butler, R Gadsby, J Knapman, J Lea, M McEwen, A Mitchell, S Neville, C Roberts, D Roberts, B Sandler and D Wixley		
<b>Officers Present:</b>	G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), C O'Boyle (Director of Governance), R Palmer (Director of Resources), S Hill (Assistant Director (Governance)), T Carne (Public Relations and Marketing Officer), P Seager (Chairman's Secretary) and R Perrin (Democratic Services Officer)		

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### 14. WEBCASTING INTRODUCTION

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

### 15. COUNCILLOR G WALLER

It was with much sadness that the Chairman informed the Council of the death of Councillor G Waller.

Councillor G Waller had been the Safer, Greener and Transport Portfolio Holder and represented the Lower Sheering Ward of the District as a Conservative Councillor from 2011 to 2017. He had served and attended on many of the Executive Committees, Sub-Committees, Select Committees and Outside Bodies that related to his Cabinet Portfolio Holder position.

Members paid tribute to the memory of Councillor G Waller and stood for a minute's silence in his memory.

### 16. FORMER COUNCILLORS I. ABBEY, S. GOODWIN AND K. WRIGHT

The Chairman informed the Council of the death of former Councillors Ian Abbey, Stan Goodwin and Keith Wright.

Ian Abbey had been Chairman of the Council for the 1986/87 municipal year and represented the North Weald Bassett Ward of the District as a Conservative Councillor from 1978 to 1991 and 1995 to 1999. He had served on many of the Council's member bodies during this time.

Stan Goodwin had been Chairman of the Council for the 1999/2000 municipal year and represented the Loughton Roding Ward of the District as a Labour Councillor from 1992 to 2004, which included two years as Community Wellbeing Portfolio Holder. He had served on many of the Council's member bodies during this time and had been a County Councillor for the Loughton St. Mary's Division of the District from 1993 to 1997.

Keith Wright had represented the Chipping Ongar (latterly Chipping Ongar, Greensted and Marden Ash) Ward of the District as a Liberal Democrat Councillor from 1991 to 2007. He had served on many of the Council's member bodies during this time.

Members paid tribute to the memory of former District Councillors Ian Abbey, Stan Goodwin and Keith Wright and stood for a minute's silence in their memory.

## **17. MINUTES**

### **RESOLVED:**

That the minutes of the Council meeting on 25 May 2017 be taken as read and signed by the Chairman as a correct record.

## **18. DECLARATIONS OF INTEREST**

There were no declarations of interest by members of the Council under this item.

## **19. ANNOUNCEMENTS**

(a) Announcements by the Chairman of Council

(i) Chairman's Events

The Chairman advised that his Carol service would be held St John's Church, Epping on 15 December 2017 and the Civic Awards would be held at the Marriott Hotel, Waltham Abbey on the 16 March 2018. Additionally, the Police and Crime Commissioner would be attending the next Council meeting on 26 September 2017.

(ii) Floral Display

The Chairman announced that he intended to send the flowers from tonight's meeting to Former Councillor S Goodwin's widow.

## **20. PUBLIC QUESTIONS (IF ANY)**

The Council noted that there were no public questions submitted for consideration at the meeting.

## **21. QUESTIONS BY MEMBERS UNDER NOTICE**

The Council noted that there were no Members questions submitted for consideration at the meeting.



**22. REPORTS FROM THE LEADER AND MEMBERS OF THE CABINET****(a) The Leader of the Council**

The Leader advised that there had been fewer external meetings due to the County Council Elections and General Election since the last meeting, but business had continued at the District Council. He had visited Norway House and Hemnall House with the Housing Portfolio Holder, to see the facilities on offer and the hard work of the staff and the Epping Forest Shopping continued to progress with the shops being fitted out.

**23. QUESTIONS BY MEMBERS WITHOUT NOTICE****(a) Kerb Damage at Parkfields and Hansells Mead, Roydon**

Councillor M Sartin asked the Housing Portfolio Holder, if she could advise a time frame for the repairs to the damaged kerbs and grassed verges in Parkfields and Hansells Mead Roydon; following the Petition received and mentioned in her Portfolio Holder Report to Council.

Councillor S Stavrou advised that a consultation had taken place with residents regarding the removal of the corners on the central green, to avoid the continuous damage caused to the grass verges. The vast majority of residents had been in favour, although off street parking had been the preferred solution and this area featured on the list of Off Street Parking Schemes to be reviewed by the Cabinet. Alterations to the kerbs would be undertaken once agreement with Essex County Council (ECC) had been reached and a contractor was mobilised, which was anticipated to be completed before the New Year.

**(b) Free School Meals**

Councillor S Murray asked the Leader whether he was aware of the all-party Commons report regarding the impact on the loss of free school meals during the summer holiday period; and whether he was aware of any statutory provision that were being made by either the District or ECC to help with the need of low income families to provide a hot meal during the summer holidays.

Councillor C Whitbread advised that he was aware of the impact on families and he would investigate and respond to Councillor S Murray directly.

**(c) Dementia Training for Staff**

Councillor J H Whitehouse asked the Leisure and Community Services Portfolio Holder what type of programme was being rolled out for staff, to make them Dementia friendly and, in particular, for front line staff.

Councillor H Kane advised that the Leadership Team had been trained and she would find out further information on the training of other staff.

**(d) Fire Safety for Tower Blocks**

Councillor K Chana asked the Housing Portfolio Holder whether any survey had taken place on the cladding on the tower blocks within the Limes Farm Estate and what precautions were being taken to reassure residents.

Councillor S Stavrou advised that information had been disseminated to Members within the Members Bulletin and to the general public on the website. She advised that EFDC owned no high rise tower blocks over 5 storeys and the two 5 storey blocks on the Limes Farm Estate were being investigated, although they were definitely not clad in the type used on Grenfell Tower. She reported that the flats were at a sufficient height to be accessed by the fire service and that all the doors opened out onto a decking area. Other safety measures included hard wired heat and smoke detectors in all council properties, regular fire safety risk assessments being undertaken on all communal areas within the last 2 years, 30 minute fire residence doors being installed on all council flats blocks. Furthermore, there were very few flats across the district that had been clad and those that were, did not have the same cladding as used on the Grenfell Tower. The cladding materials that had been used were being checked as a precaution, although the report had not yet been completed. Members were welcomed to attend the next Communities Select Committee which would discuss fire safety.

(e) Lindsay House

Councillor J M Whitehouse asked the Assets and Economic Development Portfolio Holder whether she could give an update on Lindsay House and whether she would consider uses that were consistent with the covenant, if there were delays in attempts to get the covenant lifted.

Councillor A Grigg advised that the Council had tried to have the covenant lifted and there were still discussion to reach such an agreement. At this present time the Council was still aiming to have the covenant lifted.

(f) Devolution

Councillor C C Pond asked the Leader if services controlled by ECC that were currently discharged to third party organisations were offered to the District, would he, in the spirit of devolution, take back these services.

Councillor C Whitbread advised that any responsibility must come with the finances to support these services and what the Council wanted was efficient services.

## 24. MOTIONS

(a) **Area Plans Sub-Committee South – Membership 2017/18**

**Moved by Councillor S. Murray and seconded by Councillor R. Brookes**

“(1) That the following arrangements for the appointment of members to Area Plans Sub-Committee South set out in Article 10 (District Development Management Committee and Area Plans Sub-Committees) of the Council’s Constitution be waived for the current municipal year, as a result of the decision of both members representing the Loughton Roding ward of the district at the recent Annual Council meeting, not to serve on the Sub-Committee for the year:

‘(3) Area Plans Sub-Committee (South) shall comprise a maximum of 25 Councillors, being the total number representing wards in the area for which the Sub Committee is responsible. At the Annual Council meeting, the Council shall determine the membership of that Sub-Committee on the basis of the number of Councillors who sign a written notice stating that they wish to serve on the Sub-Committee for the ensuing year. Any Councillor who does not sign a notice shall be deemed not to be a member of the Sub-Committee for the year in

question. Councillors may not retract a signed notice or seek to join the Sub-Committee by signing a notice until the next Annual Council meeting’;

(2) That, subject to (1) above, Councillor S. Murray be appointed to membership of Area Plans Sub-Committee South for the remainder of the 2017/18 municipal year”.

**Amendment moved by Councillor C Whitbread and Seconded by Councillor G Chambers**

To replace the motion with the following;

“(1) That the following arrangements for the appointment of members to Area Plans Sub-Committee South set out in Article 10 (District Development Management Committee and Area Plans Sub-Committees) of the Council’s Constitution be reviewed by the Constitution Working.”

**Carried**

**Motion as amended ADOPTED**

**RESOLVED:**

“(1) That the following arrangements for the appointment of members to Area Plans Sub-Committee South set out in Article 10 (District Development Management Committee and Area Plans Sub-Committees) of the Council’s Constitution be reviewed by the Constitution Working.”

**25. TRANSFORMATION PROGRAMME – HIGHLIGHT REPORT (MARCH 2017) & ACCOMMODATION REVIEW**

**Mover: Councillor C Whitbread, the Leader of the Council**

Councillor C Whitbread presented a report on the virement of £120,000 from the Capital Programme for the purchase of Bridgeman House which had not occurred, to be re-allocated in order to fund the production of a business case for the Service Accommodation Review.

Report as first Moved **ADOPTED**

**RESOLVED:**

That a virement of £120,000 from the capital budget be approved.

**26. OVERVIEW & SCRUTINY COMMITTEE - ANNUAL REPORT 2016/17**

**(a) Overview and Scrutiny Annual Report**

The Council received the Annual Report of the Overview and Scrutiny Committee, and its Select Committees and Task and Finish Panels for 2016/17 from the Chairman of the Committee Councillor M Sartin.

**(b) Report of the Chairman of the Overview and Scrutiny Committee**

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

**27. AUDIT & GOVERNANCE COMMITTEE - ANNUAL REPORT 2016/17**

The Director of Governance reported on the Audit & Governance Annual Report for 2016/17. The Finance of Portfolio Holder, Councillor G Mohindra thanked the members of the Audit and Governance Committee for their work throughout the year.

Report as first moved **ADOPTED**

**RESOLVED:**

That the Audit & Governance Annual Report for 2016/17 be noted.

**28. ANTI-FRAUD AND CORRUPTION POLICY**

The Director of Governance reported that the Anti-Fraud and Corruption Strategy had been reviewed and updated. The Audit and Governance Committee had considered and agreed the Strategy on 26 June 2017 with some minor revisions made in consultation with Chairman.

**RESOLVED:**

That the revised Anti-Fraud and Corruption Strategy, as attached at Appendix 1 to these minutes be approved.

**29. APPOINTMENT OF MEMBERS TO EXTERNAL ORGANISATIONS**

**Mover:** C Whitbread, (Chairman of the Appointments Panel and Leader of the Council)

Councillor C Whitbread reported on further appointments of Members to External Organisations required.

Report as first moved **ADOPTED:**

**RESOLVED:**

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

- (a) That Councillors P Keska, G Mohindra, C Roberts and E Webster be appointed to the Epping Forest Local Highways Panel;
- (b) That Councillor N Bedford be appointed as a deputy representative to the Campaign to Protect Rural England; and
- (c) That Councillors N Bedford (Deputy) and Councillor C Whitbread be appointed as additional member representatives to the Co-operation for Sustainable Development Board.

**30. CHAIRMANSHIP & VICE-CHAIRMANSHIP OF COMMITTEES, SUB-COMMITTEES & PANELS 2017/18**

**Mover: Councillor C Whitbread (Chairman of the Panel and Leader of the Council)**

Councillor C Whitbread reported that the Staff Appeals Panel had not been required to convene for a number of years and the Council had not formally appointed a Chairman and Vice-Chairman of the Panel during this period. However, the Constitution (Article 8) required that a Chairman and Vice-Chairman of the Panel should be appointed at the annual Council meeting each year.

**RESOLVED:**

That Councillor B Sandler be appointed Chairman and Councillor B Rolfe Vice-Chairman to the Staff Appeals Panel for the remainder of the 2017/18 municipal year.

**31. JOINT ARRANGEMENTS AND EXTERNAL ORGANISATIONS**

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

(b) Councillor S Murray gave a verbal update on the Roding Valley Meadows Local Nature Reserve. He reported highlights from the Annual report which included 16 visits from local Primary schools which totalled 607 children, the achievement of the Green Flag Award for 2016/17 and that 2800 hours of volunteering had been contributed over 2016/17.

(b) There were no requests were made for written reports at the next meeting.

**CHAIRMAN**

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# Anti-Fraud and Corruption Strategy

May 2017



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## Anti-Fraud Policy

Epping Forest District Council (EFDC) is committed to high legal, ethical and moral standards, and the proper accountability of public funds.

The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority.

The Authority's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Authority also expects that individuals and organisations with which it comes into contact will act towards the Authority with integrity.

The key controls in place to reduce the likelihood of fraud are:

- The Authority has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption
- All Members and staff act with integrity and lead by example
- Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are corrupt
- High standards of conduct are promoted amongst Members by the standards committee
- The maintenance of a register of interests in which any hospitality or gifts accepted must be recorded
- Confidential reporting procedures are in place and operate effectively
- Legislation including the Public Interest Disclosure Act 1998 is adhered to
- Standard contract clauses prohibit fraud and corruption

Additionally, the Authority:

- Maintains a Corporate Fraud Team who play a key role in both the prevention and investigation of matters relating to suspected fraud, corruption and abuse of council services and property.
- Uses the Internal Audit Service as an independent appraisal function for the review of the Council's internal control system as a contribution to the proper, economic, efficient and effective use of resources
- Recognises the importance of criminal prosecution in deterring fraud and will seek to prosecute offenders where appropriate
- Supports the work of the police and other external agencies in fighting fraud and corruption in the public sector.

- Is a member of the National Anti-Fraud Network (NAFN), and
- Participates in the National Fraud Initiative, which is the Cabinet Office's biennial data matching exercise designed to combat fraud.

This policy applies to suspected fraud and corruption, which concerns EFDC, involving employees, Members and/or external parties unless the matter is more properly a matter for the Police. Any investigation required will be conducted without regard to any person's relationship to EFDC, position or length of service.

## Section One

### Introduction

EFDC aims to provide community leadership and quality services. This strategy document embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs.

In applying this strategy regard will be had to all relevant EFDC policies and any obligations as an employer and the requirements of the Code of Conduct for Local Government Employees.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines fraud and corruption as:

**Fraud** – *“the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain”*.

In addition, fraud can be defined as *“the intentional distortion of financial statements or other records by persons internal or external to the authority, which is carried out to mislead or misrepresent”*.

**Corruption** – *“the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”*.

The passing of The Fraud Act 2006 into legislation created specific criminal offences surrounding fraud.

They are:

- Fraud by False Representation
- Fraud by Failing to disclose Information (where there is a legal duty to do so)
- Fraud by Abuse of Position
- Possession of Articles for use in a fraud
- Making or Supplying articles for use in Fraud

This policy strongly advocates the following 4 key principles in the Council's approach to combatting fraud and corruption, namely:

- **Culture** – The ongoing process of maintaining and developing a “top to bottom” anti fraud and corruption culture throughout the organisation focusing not just on employees, but members, suppliers, contractors and the public also.
- **Prevention** – Ensuring that a range of anti-fraud measures are deployed throughout the Council such as internal audits, fraud awareness sessions etc.
- **Detection and Investigation** – Where fraud and / or corruption are suspected, the Council must ensure that investigations are carried out by professional and qualified investigators to the highest standards of fairness and probity, having due regard to the appropriate legislation at all times.
- **Deterrence** – In the event of fraud and / or corruption being discovered, the Council must take appropriate steps to ensure that further instances do not occur by utilising methods such as criminal prosecution, disciplinary action, etc. The Council will also seek to obtain financial redress where public money has been lost by utilising The Proceeds of Crime Act wherever appropriate.

## Section Two

### Culture

EFDC will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority. Fraud risk is considered as part of the Authority's overall risk management strategy.

The prevention and detection of fraud and corruption, and the protection of the public purse is everyone's responsibility.

The Members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, irrespective of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. In order to make sure this occurs; the Council has and maintains a separate Whistleblowing Policy.

Members, employees or contractors are encouraged to raise concerns (who with?) if they reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:

- a criminal offence
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds
- improper use or misappropriation of assets
- a miscarriage of justice
- maladministration, misconduct or malpractice
- any other similar occurrences
- deliberate concealment of any of the above.

Management Board will ensure that any allegations received in any way, including anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner, subject to legislative requirements.

The Council has agreed the provision of a Corporate Fraud Team in order to bring a uniform approach to fraud investigation and to adequately resource the detection and prevention of fraud.

The Corporate Fraud Team (CFT) now has the remit to investigate matters of suspected fraud, theft and corruption within EFDC (with the exception of Housing Benefit fraud investigation which transferred to the Department for Work and Pensions). The CFT will, as one of its key operating principles also seek to maintain an anti-fraud and corruption culture by engaging staff, members and the general public by way of fraud awareness sessions and seeking to publicise its successes both internally and externally.

EFDC will deal firmly with those who defraud the Authority, or who are corrupt, or who are responsible for financial malpractice.

When fraud or corruption has occurred because of a breakdown in the authority's systems or procedures, the Corporate Governance Group in conjunction with the Corporate Fraud Team and Internal Audit will ensure that appropriate improvements in systems of control are implemented to prevent a recurrence.

## Section Three

### Prevention

It is important that the Council recognises and manages the risks relating to fraud and corruption in order to prevent them from occurring. Furthermore, it is imperative that these risks are routinely considered as part of the Council's overall approach to risk management. In order to understand the nature of these risks, the following have been identified as key issues that are relevant to EFDC:

- Social Housing Tenancy Fraud – this includes risks such as fraudulent housing applications, mutual exchanges, illegal subletting etc.
- The Right to Buy scheme – fraudulent applications and suspected money laundering
- Money Laundering – Exposure to suspect transactions
- Council Tax – fraudulently claimed discounts (including Local Council Tax Support), refund scams
- Non-Domestic Rates – fraudulent applications for exemptions, unlisted properties
- Grants (including Disabled Facilities Grants) – false eligibility and applications, diverted funds, works not carried out.
- Insurance Fraud – suspected false claims particularly those relating to personal injury
- No recourse to public funds – fraudulent eligibility for Council services such as Social Housing
- Payroll Fraud – false and “ghost” employees, overtime and mileage claims, expenses.
- Internal Frauds – such as fund diversion, accepting bribes, stealing monies and / or Council property, social housing misallocations for personal gain, working elsewhere whilst off sick, abuse of position such as misuse of assets / resources.
- Procurement Fraud – tendering issues, split contracts, double invoicing
- Cyber Crime / Fraud – frauds such as false applications for services, fund diversion.

It is important to note that the above represents the key fraud risk areas and examples of each. It is not intended to be an exhaustive list.

As with the culture, the concept of fraud prevention applies to the organisation from top to bottom.

### Members

As elected representatives, all Members of the Authority must act in accordance with statutory requirements and the Members' Code of Conduct. These matters and other guidance are specifically brought to the attention of Members at the induction course for new Members and include rules on the declaration and registration of potential areas of conflict between Members' Council duties and responsibilities, and any other areas of their personal or professional lives.

Members sign to the effect that they have read, understood and will comply with the Member's Code of Conduct when they take office. The Monitoring Officer advises Members of new legislative or procedural requirements.

## **Managers**

Managers at all levels are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that staff are aware of the Authority's Financial Regulations and Standing Orders, and that the requirements of each are being met in their everyday business activities. In addition, managers must make sure their staff are aware of the requirements of the Officers' Code of Conduct through the induction process.

Managers are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. Where they are unsure of the procedures, they must refer to the information in the Confidential Reporting Policy.

Special arrangements will apply where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll, the integrated benefits computer system or council tax. Managers must ensure that relevant training is provided for staff. Checks must be carried out at least annually to ensure that proper procedures are being followed.

The Authority recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts.

The Authority has a formal recruitment procedure, which contains appropriate safeguards on matters such as written references and verifying qualifications held.

As with other public bodies, police checks are undertaken on employees working with children.

Further checks will be introduced in areas where an increased risk of potential fraud and corruption has been identified (for example, positions whereby a professional qualification is essential).

The Assistant Director (Human Resources) will keep under review the checks that legislation allows.

## **Employees**

Each employee is governed in their work by the Authority's Procurement Rules and Financial Regulations, the Officer Code of Conduct and various policies. Guidelines on gifts and hospitality, and codes of conduct associated with professional and personal conduct and disclosure of interests are contained within the Staff Handbook, which is available to all staff via the corporate intranet.

Employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the Authority. These will be included in induction training and procedure manuals. Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with management. If for any reason, they feel unable to speak to their manager, they can



relay their suspicions to either the Chief Internal Auditor or the Corporate Fraud Manager. Employees can also avail themselves of the Confidential Reporting Policy.

## **Conflicts of Interest**

Both Members and employees must ensure that they avoid situations where there is a potential for a conflict of interests. Such situations can arise with externalisation of services, partnering arrangements, internal tendering, planning and land issues, etc. Effective role separation will ensure decisions made are, and are seen to be made, based upon impartial advice thereby avoiding improper disclosure of confidential information. As from 2017, the Performance Development Review process will require employees to annually confirm their position regarding any potential conflicts of interest.

## **Official Guidance**

In addition to Financial Regulations and Standing Orders, Services will have their own procedures to prevent and detect fraud. There may also be audit reports that recommend methods to minimise losses to the Authority. Staff must be made aware of these various sources of guidance and alter their working practices accordingly.

## **Role of the Corporate Fraud Team**

The Corporate Fraud Team role in both the prevention and investigation of instances of suspected fraud against the Council. Fraud awareness training is given to officers within the authority to assist in ensuring that any cases referred to the team contain good quality information to assist with the investigation. All investigations are carried out in accordance with the respective legislation..

In cases where the offence is deliberate and serious enough to warrant prosecution, consideration will be given to the Council's fraud prosecution / sanction policy. If deemed appropriate legal proceedings will be undertaken in conjunction with Legal Services and / or other bodies such as the Police.

Utilising the provisions of Section 222 of The Local Government Act 1972, the Corporate Fraud Team in conjunction with Legal Services are appropriately authorised to undertake investigations and criminal prosecutions into cases of fraud and corruption that involve the Council.

## **The Role of Internal Audit**

Internal Audit plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption. They liaise with management to recommend changes in procedures to prevent potential or further losses to the Authority. Internal Audit will also work closely in conjunction with the Corporate Fraud Team.

## **The Role of External Audit**

Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test (amongst other things) the adequacy of the Authority's financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of

public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has a responsibility to review the Authority's arrangements to prevent and detect fraud and irregularity, and arrangements designed to limit the opportunity for corrupt practices.

## **Co-operation with Others**

The Corporate Fraud Team and Internal Audit have arranged (subject to legislative requirements regarding data sharing) and will keep under review procedures and arrangements to develop and encourage the exchange of information on national and local fraud and corruption activity in relation to local authorities with external agencies such as:

- Police
- County, Unitary and District groups
- External Audit
- Government departments
- National bodies such as The National Fraud Intelligence Bureau, Action Fraud etc.

## Section Four

### Detection and Investigation

The Corporate Fraud Team and Internal Audit play an important role in the detection of fraud and corruption. Included in their respective business plans are reviews of system financial controls and specific fraud and corruption tests, spot checks and unannounced visits.

In addition to Internal Audit, there are numerous systems controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection.

In some cases, frauds are discovered by chance or 'tip-off' and arrangements are in place to deal with such information properly.

All suspected irregularities are required to be reported (orally or in writing) either by the person with whom the initial concern was raised or by the originator, as detailed in the Authority's Confidential Reporting Policy. This will:

- ensure the consistent treatment of information regarding fraud and corruption
- facilitate a proper and thorough investigation by an investigator from the Corporate Fraud Team in accordance with the requirements of current legislation. Should a member of the Corporate Fraud Team be implicated or the subject of an investigation, either the Chief Internal Auditor or Monitoring Officer will provide a suitable, qualified investigator.

This process will apply to all the following areas:

- a) fraud/corruption by Members
- b) fraud/corruption by Authority employees
- c) fraud/corruption by contractors' employees
- d) fraud/corruption by the public/ external parties

In most cases of reported fraud and / or corruption, any allegation or suspicion will, in the first instance be investigated by the Corporate Fraud Team. Depending on the nature of the case, the CFT may consider undertaking joint investigations with other relevant parties (such as other Local Authorities, Government Departments, the Police etc.).

Alternatively, the CFT may, in some cases, refer the investigation on to another investigating body if more appropriate to do so.

Any decision to refer a matter to the police will be taken by the Chief Executive in consultation with the Monitoring Officer, the s151 Officer, the Director of the responsible service and the Corporate Fraud Manager / Chief Internal Auditor however any investigation whereby financial impropriety is discovered, will be dealt with, normally, in the first instance by the Corporate Fraud Team. However, the mere fact that a Corporate Fraud Team and / or police investigation leads to them taking no further action will not compromise any private action/procedure or investigation that the Council may pursue.

The Authority's disciplinary procedure will be used to facilitate a thorough investigation of any allegation of improper behaviour by employees. Decisions to refer potential criminal activity by a Member to the Police will be taken by the Monitoring Officer in consultation with the Chief Executive and s151 Officer.

If a member is suspected of the specific offence of failing to disclose a Disclosable Pecuniary Interest as defined by the Localism Act 2011 the decision to refer the matter to the Police will be taken by the Monitoring Officer following an initial report by the Deputy Monitoring Officer.

## **Section Five**

### **Deterrence**

#### **Criminal Prosecution**

In order to strike the correct balance taking into account punishment and deterrence, the Council will undertake criminal prosecutions where it is considered evidentially appropriate and in the public interest. A corporate policy will be developed taking account of legal guidelines, to encompass the public, Members, contractors and employees. It is designed to clarify the Authority's action in specific cases and to deter others from committing offences against the authority. However, it also recognises that it may not always be in the public interest to refer cases for criminal proceedings and will seek to always take a fair and balanced view on each matter according to each case's particular merits.

#### **Disciplinary Action**

Theft, fraud and corruption are serious offences against the Authority and employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action may be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner.

Members will face appropriate action under this strategy if they are found to have been involved in theft, fraud or corruption against the Authority. Action may be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner.

This aspect of the policy is to be read in conjunction with the powers of the Standards Committee, the delegated powers of the Monitoring Officer and deputy Monitoring Officer and the adopted Code of Conduct.

#### **Publicity**

The Council will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Authority. As a matter of course, a press release will be drafted following any successful criminal prosecution and passed to PR in order for them to ensure that the results of any action taken, are reported positively in the media. This will be particularly relevant where a financial loss to the Council has occurred and any action taken to recover any such losses will also be promoted.

Provision will also be made for publicity to be taken for any such cases whereby details cannot be made public (for example: where Formal Cautions and / or financial penalties are utilised). In these cases, any press release will contain the pertinent details but will not identify individuals by name.

From time to time, the Council may be approached by the media such as television, radio etc. in order to provide content regarding anti-fraud and corruption activities. It is acknowledged that this type of media publicity can be extremely useful in promoting anti-fraud activities and as a tool for deterrence. Should such approaches be received, they are to be considered on a case by case basis with the involvement of both PR and Corporate Governance Group at the earliest opportunity.

All anti-fraud and corruption activities, including the update of this strategy, will be publicised in order to make employees and the public aware of the Authority's commitment to taking action on fraud and corruption when it occurs.

Regular reports will be made to the Audit and Governance Committee, about countering fraud and corruption activities and their success or otherwise.

## **Section Six**

# **Bribery Act Policy**

### **Objective of this policy**

This policy provides a coherent and consistent framework to enable Epping Forest District Council (EFDC) Members and employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable Members and employees to identify and effectively report a potential breach.

We require that Members and all staff, including those permanently employed, temporary agency staff and contractors:

- act honestly and with integrity at all times and safeguard the organisation's resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

### **Scope of this policy**

This policy applies to all of the Council's activities. For partners, joint ventures, agents and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the Council. It does not rest solely within assurance functions, but in all business units and corporate functions.

This policy covers all staff, including all levels and grades, those permanently employed, temporary agency staff, contractors, agents, elected Councillors, co-opted members of the public, volunteers and consultants.

### **The Council's commitment to action**

The Council commits to:

- Setting out a clear anti-bribery policy and keeping it up to date
- Making all Members and employees aware of their responsibilities to adhere strictly to this policy at all times
- Training all Members and employees so that they can recognise and avoid the use of bribery by themselves and others
- Encouraging its Members and employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution

- Taking firm and vigorous action against any individual(s) involved in bribery
- Provide information to all Members and employees to report breaches and suspected breaches of this policy
- Include appropriate clauses in contracts to prevent bribery.

## **Facilitation payments**

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

## **Gifts and hospitality**

This policy does not change the requirements of our gifts and hospitality policy. This makes it clear that:

Sample tokens of modest value bearing the name or insignia of the organisation giving them (for example, pens, diaries or calendars) whether given personally, or received in the post, may be retained unless they could be regarded as an inducement or reward. You should refuse the offer or invitation (or return the gift) unless your Service Director has advised you that it may be accepted or retained.

## **Public contracts and failure to prevent bribery**

Under the Public Contracts Regulations 2006 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence or “the offence of bribery”.

Organisations that are convicted of “failing to prevent bribery” are not automatically barred from participating in tenders for public contracts.

The Council has the discretion to exclude organisations convicted of this offence.

## **Member and Staff responsibilities**

All Members and staff are required to avoid activity that breaches this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control.

Members and staff must:

- ensure that they read, understand and comply with this policy
- raise concerns as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.

## **Staff**

- As well as the possibility of civil action and criminal prosecution, staff that breach this policy may face disciplinary action, which could result in summary dismissal for gross misconduct. Dismissal can still be an outcome with or without civil action or criminal prosecution.

## **Members**



The Member Code of Conduct requires that where a Member acts as a representative of the authority he or she must not use or attempt to use their position as a Member improperly to confer on or secure for themselves or any other person, an advantage or disadvantage.

Allegations against a Member for breach will be routed through the Standards complaints process administered by the Monitoring Officer and Deputy Monitoring Officer.

## **Raising a concern**

This Council is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want Members and each and every member of staff to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

Preferably the disclosure will be made and resolved internally (e.g. to your Section Manager/Assistant Director/Director). Secondly, where internal disclosure proves inappropriate, concerns can be raised with the External Auditor or relevant professional bodies or regulatory organisations.

Concerns can be reported anonymously. In the event that an incident of bribery is reported, we will act as soon as possible to evaluate the situation. We have a clearly defined Anti Fraud Strategy which sets out procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.

Members and staff who refuse to accept a bribe, or those who raise concerns can understandably be worried about the repercussions. The Council aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

The Council is committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery, or because of reporting a concern in good faith.

## Section Seven

# Anti-Money Laundering Policy

### Introduction

Although local authorities are not directly covered by the requirements of the Money Laundering Regulations 2007, guidance from CIPFA indicates that they should comply with the underlying spirit of the legislation and regulations.

Epping Forest District Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

### Scope of the Policy

This policy applies to all employees and contractors, whether permanent or temporary, and Members of the Council.

Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council. Individuals who have a concern relating to a matter outside work should contact the Police.

### Definition of Money Laundering

The most common motive for crime is financial gain or to obtain valuable property. Whenever criminals do anything with that financial gain or criminal property, they 'launder' it. Money laundering offences are serious; they carry sentences of up to 14 years imprisonment, but criminals and their associates still commit them every day.

Money laundering is the process by which criminals try to hide the origin of the proceeds of their crimes, making it look as if those proceeds were acquired legitimately. In doing so, criminal property obtained unlawfully is turned into property or money that can be accessed via legitimate methods without arousing suspicion. In other words, 'laundering' is the process of turning 'dirty' money into 'clean' money.

Money laundering has three distinct phases. They are:

- Placement; the movement of criminally-obtained money into the wider economy;
- Layering; undertaking transactions (perhaps bogus) to conceal the origin of the money; and
- Integration; making it look as if money has come from a legitimate source.

Two distinct offences affect employee's contractors and Members of the Council

- Failure to disclose one of the offences listed above, where there are reasonable grounds for knowledge or suspicion.
- Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.

Although the term 'money laundering' is generally used to describe the activities of organised crime, for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

Successful money laundering means criminals can enjoy the fruits of their criminality and fund further criminal activity. Stopping money laundering disrupts organised crime by removing the life-blood of the 'business' and prevents low level criminals from moving up into major level crime.

## **Requirements of the Money Laundering Legislation**

The main requirements of the legislation are:

- To appoint a money laundering reporting officer.
- Maintain client identification procedures known as know your customer (KYC) and know your business (KYB).
- Implement a procedure to enable the reporting of suspicions of money laundering.
- Maintain record keeping procedures.

## **The Money Laundering Reporting Officer (MLRO)**

The Council must appoint an MLRO to act as the focal point within the organisation for money laundering matters. The MLRO is responsible for:

- receiving disclosures from other staff; and
- deciding whether disclosures should be passed on to NCA.

The MLRO must keep copies of all disclosures received by them, notes of action taken and copies of all correspondence with NCA and other agencies.

## **Identifying and disclosing suspicious transactions**

Epping Forest District Council will consider the threats to Council being used by money launderers and put systems in place to guard against them. Policies and procedures should be laid out clearly so that all relevant staff understand and have access to them.

The officer nominated to receive disclosures about money laundering activity within the Council is the Director of Resources, Bob Palmer. He can be contacted as follows:

Bob Palmer - Director of Resources  
Civic Offices  
Epping  
Essex  
CM16 4BZ

Telephone: 01992 564279.  
Email: [bpalmer@eppingforestdc.gov.uk](mailto:bpalmer@eppingforestdc.gov.uk)

In the absence of the MLRO, the Council's Accredited Financial Investigator is authorised to deputise for him and can be contacted via The Corporate Fraud Team, telephone number 01992 564763 or by email at [investigations@eppingforestdc.gov.uk](mailto:investigations@eppingforestdc.gov.uk)

All suspicions should be reported directly to the MLRO or his deputy using the relevant documentation.

## **Client Identification Procedures**

Although not a legal requirement, the Council has developed formal client identification procedures which must be followed when Council land or property is being sold. These procedures require individuals and if appropriate, companies to provide proof of identity and current address (KYC).

All verification documents are capable of being forged and can be bought over the internet. For this reason, industry guidance usually recommends face-to-face meetings with new clients. Excuses for non-attendance and excuses for missing documents should be explored and treated with some scepticism.

If satisfactory evidence is not obtained at the outset of a matter, then the transaction must not be progressed and a disclosure report must be submitted to the Money Laundering Reporting Officer.

All personal data must be collected, kept or destroyed in compliance with the Data Protection Act.

## **Reporting Procedure for Suspicions of Money Laundering**

Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within "hours" of the information coming to your attention, not weeks or months later.

Your disclosure should be made to the MLRO using the disclosure report; the report must include as much detail as possible including

- Full details of the people involved
- Full details of the nature of their/your involvement.
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Why, exactly, you are suspicious.

Along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

Once you have reported the matter to the MLRO you must follow any directions he may give you. You must NOT make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise you may commit a criminal offence of "tipping off".

Do not, therefore, make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

## **Consideration of the disclosure by the Money Laundering Reporting Officer**

Upon receipt of a disclosure report, the MLRO must note the date of receipt on his section of the report and acknowledge receipt of it. He should also advise you of the timescale within which he expects to respond to you.

The MLRO will consider the report and any other available internal information he thinks relevant e.g.:

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

And undertake such other reasonable inquiries he thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with you.

Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that is the case; and
- whether he needs to seek consent from the NCA for a particular transaction to proceed.

Where the MLRO does so conclude, then he must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless he has a reasonable excuse for non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information).

Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, then he must note the report accordingly; he can then immediately give his consent for any ongoing or imminent transactions to proceed.

In cases where legal professional privilege may apply, the MLRO must liaise with the Council's Financial Investigator to decide whether there is a reasonable excuse for not reporting the matter to the NCA.

All disclosure reports referred to the MLRO and reports made by him to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering and he does not disclose this as soon as practicable to the NCA.

## **Training**

Officers considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training.

Additionally, all employees and Members will be familiarised with the legal and regulatory requirements relating to money laundering and how they affect both the Council and themselves.

Notwithstanding the paragraphs above, it is the duty of officers and Members to report all suspicious transactions whether they have received their training or not.

## Section 8

# Epping Forest District Council Fraud Response Plan

## Introduction

The Fraud Response Plan defines the way in which the Council applies its various policies and procedures to suspected instances of theft, fraud corruption and bribery both staff and non-staff related. It fits in with, and is designed to be read in conjunction with the Council's Anti Fraud and Corruption Policy, Bribery Policy, Anti Money Laundering Policy and the Whistleblowing / Confidential Reporting Policy. The aim of this plan is to provide clear guidance for dealing with these issues, access to rapid relevant advice and a guide for managers on how to react and deal with suspicions of fraud, theft, corruption and bribery.

Additionally, it seeks to give a brief outline on how investigations will be progressed (although no detail will be given regarding investigation techniques etc.).

The Fraud Response Plan is designed to ensure timely and effective action in the event of suspected fraud by:

- Seeking to minimise the extent of the fraud by taking prompt action
- Preventing further losses where fraud had occurred.
- Maximising the recovery (or the chances of recovering) any financial losses
- Ensuring the accuracy and integrity of evidence for successful criminal prosecution and / or disciplinary action
- The early identification of any system weaknesses and the lessons to be learnt for preventing them in the future
- Maximising positive publicity where frauds are discovered and dealt with.
- Deterring others from any illegal / inappropriate conduct they may be committing or contemplating.

## The Manager's Role in dealing with suspected fraud

### First Response

Where managers suspect a staff member of fraud or their involvement in a fraud is taking place, the first course of action **must** be to contact the Director of Governance, Chief Internal Auditor or the Corporate Fraud Manager who will ensure that the Section 151 Officer and the Chief Executive are informed.

Although, the Council no longer investigates Housing Benefit fraud, where a suspicion occurs of a staff member's involvement in a Housing Benefit (including Local Council Tax Support) fraud, the above steps should still be followed.

All other suspicions of benefit fraud (including Local Council Tax Support) must be reported to the Compliance Manager within the Benefits Division. Suspicions can also be reported directly to The Department for Work and Pensions (DWP) via their website ([www.gov.uk/report-benefit-fraud](http://www.gov.uk/report-benefit-fraud)) or by calling the National Benefit Fraud Hotline on 0800 854440 or by textphone on 0800 328 0512. It may be prudent to seek the advice of either The Corporate Fraud Manager or The Compliance Manager before contacting the DWP however, as Local Council Tax Support cannot be investigated by the DWP.

In usual circumstances, the suspicion will be passed to the Corporate Fraud Team to assess and undertake an investigation if appropriate. All Suspicions of any type of fraud (including those that do not involve staff members) can be forwarded to the Corporate Fraud Team by way of a specially designed fraud referral form, blank copies of which can be found on the corporate intranet. These can be emailed to the Corporate Fraud Team ([investigations@eppingforestdc.gov.uk](mailto:investigations@eppingforestdc.gov.uk)) or handed to any member of the team. Alternatively, a member of the Corporate Fraud Team can be made available to discuss the matter in private if required. Telephone referrals can also be made using the dedicated fraud hotline (01992 564444). The Corporate Fraud Manager / Chief Internal Auditor will retain overall responsibility for the conduct of the investigation, however it is probable that the matter will be allocated to a Corporate Fraud Investigator to undertake any investigation. As part of the Internal Audit service, the Corporate Fraud Team will be independent of any service area under investigation and all of the officers comprising the Corporate Fraud Team currently are fully trained and accredited investigators each holding the qualification of Accredited Counter Fraud Officer / Specialist whilst the Corporate Fraud Manager also holds the qualification of Accredited Counter Fraud Manager.

There may be circumstances where it is appropriate for managers to undertake some preliminary enquiries to ascertain the validity of an allegation or irregularity (for example, to establish whether on the face of it, there is a case to be investigated), however before embarking on such action, advice should always be sought from a member of the Corporate Fraud Team as such action may alert the fraudster and could result in the concealing or destroying of vital evidence or compromise the investigation and the collection of further evidence.

In cases of suspected fraud involving a staff member, the investigating officer will liaise and work with Human Resources at the earliest available opportunity on disciplinary matters such as suspending the staff member to enable further investigation and protect vital evidence.



## Initial Enquiries

As stated above, the manager may make discreet initial enquiries in order to:

- Determine any facts that gave rise to the suspicion
- Examine any factors to determine whether there has been a genuine mistake made or whether an irregularity has occurred

Any actions and findings should be clearly recorded and documented ensuring that access is restricted (for example, not held on an “open” area of the computer network or in the case of paper notes, making sure they are securely locked away).

It is important that the suspected perpetrator is not interviewed at this stage nor any allegations / suspicions put to them. If in doubt at any point, the manager must seek the guidance of the Corporate Fraud Team or the Chief Internal Auditor.

## Formal Investigation

If a formal investigation is required, it will be conducted by a qualified Corporate Fraud Investigator. The nature of the investigation, lines of enquiry followed and evidence obtained will vary depending on the irregularity being investigated and will, for the most part be fluid and reactive. Generally, however, the investigating officer will be seeking to gather evidence by way of interviews, the taking of written witness statements and the obtaining of evidence be it physical, documentary etc.

In cases of suspected staff fraud, the investigating officer will consult and take advice from Human Resources particularly on matters regarding employment law, policies and procedural matters. It is imperative however, that a clear distinction must be made in these circumstances between those advising the investigating officer and those advising the staff member.

Legal Services will be consulted as appropriate to advise or seek external advice in order to support any investigation.

Any investigation will be conducted with full compliance with The Criminal Procedures and Investigations Act 1996 which governs the conduct of a criminal investigation (such as obtaining and recording evidence etc.) as well as any other legislation that may apply such as The Police and Criminal Evidence Act 1984 (PACE), The Regulation of Investigatory Powers Act 2000 (RIPA), The Human Rights Act 1998 and Data Protection Act etc. (this list is meant as an example and is not exhaustive).

In general terms however, the following principles will apply to the investigation:

- Any investigation will be conducted promptly (subject to evidence gathering activities) with periodic updates given as appropriate to the Chief Internal Auditor and / or the Director of the relevant service.
- All actions and evidence will be recorded either by written or electronic means and stored securely with access given purely on a “need to know” basis.

- Enquiries and evidence gathering activities will be undertaken as discreetly as possible with sensitivities observed where appropriate.
- Confidentiality will be maintained throughout with information only shared where circumstances and the law allows.

Where it is considered appropriate, the investigation may involve the input of other agencies such as local authorities as well as other law enforcement agencies such as the Police and HM Revenue & Customs. Liaison and / or joint working will be conducted in accordance with established guidelines and protocols.

The investigating officer must not and will not accept any offer of repayment of monies or resignation at any stage during the investigation, however any such offers will be noted and recorded on the investigation file and reported to the Chief Internal Auditor/responsible Director.

The Council has a right to suspend any employee involved pending the outcome of an investigation. Any such suspension, is, in the opinion of the Council, a neutral act and does not imply any guilt on behalf of the suspended employee. The suspension of an employee can, in some circumstances aid the speed in which an investigation can be conducted and serve to preserve vital evidence.

When suspects are not suspended, supervision of the employee will usually need to be increased and any manager should seek the advice of Human Resources and ICT on how this can best be accomplished.

## **Actions following the completion of an investigation**

Upon the completion of an investigation, the investigating officer will report their findings in the first instance to the Corporate Fraud Manager and Chief Internal Auditor, who will (in staff related cases) in turn, make the findings known to Human Resources, relevant Director or the Chief Executive

In the case of any monetary losses, a report will be given to the Council's insurance officer.

Should any control weaknesses be identified, the Director and relevant manager will be informed and remedies are actioned immediately. The Chief Internal Auditor / Internal Audit Unit will be able to provide advice and support regarding effective control mechanisms.

Should there be disciplinary issues identified as part of the investigation, a full report will be made to Human Resources who will work with the relevant Director and manager to decide what happens next. Should any course of action result in a disciplinary hearing, the investigating officer will (if required) make themselves available to give evidence at the hearing.

Although some organisations delay the bringing of any disciplinary action pending the outcome of any criminal prosecution, the Council will seek to deal with any disciplinary matters using the appropriate processes.

Should it be the case that criminal action presents itself as an option, this decision will be fully explored and subject to the Council's Fraud Prosecution Policy. Should fraud be proven, the Council will make every effort to recover any monetary losses. The method of doing so may vary depending on the type of loss and relevant

legislation, however all options will be explored including civil court proceedings and in the case of criminal prosecution, proceedings brought under The Proceeds of Crime Act 2002.

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## ***Report to the Council***

**Committee:** Cabinet

**Date:** 26 September 2017

**Subject:** Assets & Economic Development

**Portfolio Holder:** Councillor A Grigg

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### **Recommending:**

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

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### **1. Visitor Economy**

**2017 Tourism Conference** - I am pleased to report that Friday 20th October has been booked for the 2017 Tourism Conference which is once again hosted and sponsored by the Marriott Hotel Waltham Abbey. The conference will see the official launch of the new Visit Epping Forest website together with a presentation of the conclusions of the Visitor Accommodation Study. Presentations to members on the study have taken place and it is hoped that the final report will be received shortly.

### **2. Town Centres**

**Waltham Abbey Wayfinding Project** – With land ownership and directional issues addressed, the wayfinding project has now moved closer to its manufacture and installation stage. An application was submitted in late August to Essex Highways for permits to install those signs which will be located on public highway land. An indication of when the work will be permitted, subject to any clarification the highways authority might seek, is now awaited.

### **3. Business Support**

**LoCase** - In partnership with LoCASE, businesses on Langston Road and Oakwood Hill were visited to promote the funding. Economic Development officers have followed up with LoCASE to identify the numbers of collated contacts, numbers of businesses visited etc. It is planned to use this data to determine the impact of the visit and consider the value in conducting further visits if they are shown to have impact.

**One Business Briefing** – The latest, summer, edition of the One Business Briefing magazine for businesses was published in August. With a centrepiece eight page pull-out on social enterprises and a wide range of articles on business support, funding programmes, town centre initiatives, local digital award successes and innovative local businesses it was the biggest edition to date. It involved direct contributions from over twenty different organisations, many of whom have featured and shared details of the magazine via their social media outlets. This collaborative effort has seen the edition circulated to over 2000 direct contacts and, at the time of writing, downloaded from the council's website in excess of 490 times.

**Meet The Buyer** – Two 'meet the buyer' events will be taking place in the coming months providing local businesses with the opportunity to directly engage with the council and discuss opportunities to work for and supply the council with goods and services. First of all

Epping Forest DC will be represented at the Stansted Airport 'Meet the Buyer' day on 3rd November and then the council will be hosting its own event on November 23rd at the Marriott Hotel Waltham Abbey.

### **Major Development Projects**

Since practical completion of the Epping Forest Shopping Park in July tenants have been undertaking their fit outs. A number of stores have successfully opened to include Hobbycraft, Smyths Toys and TK Maxx. Initial feedback is that they are trading well. After this 'soft' opening period it is hoped to have an official launch at the Shopping Park in early December when the major anchor stores of Next and Aldi should be open. The shopping park is 80% let and negotiations are concluding with tenants for the final units. The Highways 278 works have encountered a number of issues with utility services leading to delays. However, the majority of the improvements are now in place with full completion estimated by the end of October.

Heads of Agreement have been negotiated with a number of tenants for all of the Council's retail units on the ground floor of the Landmark Building. It is hoped to have all businesses trading by Christmas. However, handover from the builders has been later than envisaged with the Council not achieving full access until the end of September.

## ***Report to the Council***

**Committee:** Cabinet

**Date:** 26 September 2017

**Subject:** Environment

**Portfolio Holder:** Councillor W Breare-Hall

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### **Recommending:**

**That the report of the Environment Portfolio Holder be noted.**

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### **Waste Management**

Following the successful launch of the recycling scheme in the Civic Offices, I am pleased to report that officers in the Waste Management team, in conjunction with Facilities Management and the Environmental Coordinator, have now introduced similar recycling schemes in the Oakwood Hill and Townmead depots. The arrangements will be monitored over the next six months to identify any improvements.

I have previously reported on the Recycling Rewards Scheme being funded through a significant grant from the Department of Communities and Local Government (DCLG). Following a successful procurement exercise, Local Green Points has been awarded the contract for this project. Officers are working with Local Green Points to achieve project launch in late September.

### **Drainage and New Development.**

In line with the increasing number of Development Management and Building Control applications, the Engineering Drainage and Water Team have seen a 19% year on year increase in the number of applications they deal with. The degree of technical input necessary to fully assess each application has also risen in order to ensure that applicants' proposals meet the requirements of drainage legislation and ultimately reduce the likelihood of their plans creating or worsening existing surface water pressures around the District.

Hand in hand with the above, Officers are anxious to ensure that there are no legacy drainage issues that would be at odds with the policies for Sustainable Drainage Systems in the Draft Local Plan. A number of scenarios for a range of different types of sites that may come forward over the Plan period will be tested as there is never a one-size-fits-all solution for drainage.

### **Fly-tipping**

Mr Dominic Bennett, of Colson Road, Loughton, was ordered to pay a fine of £320, the Council's prosecution costs of £1170.52, together with a Victim Surcharge of £32 (total £1522.52), after he pleaded guilty in Chelmsford Magistrates Court on 6<sup>th</sup> July 2017 to the offence of fly tipping a fridge freezer on grassland in Bushfields, Loughton. Mr Bennett had been given the opportunity of paying a Fixed Penalty Notice of £200, as an alternative to prosecution, but had failed to do so. Mr Bennet may now regret not having used the

Council's special collection service for bulky household waste items, which would have cost him £24 to have the fridge freezer taken away.

In a second case heard on the same day, Mr James Leach, of Harvey Gardens, Loughton, was fined £461 and ordered to pay £758.86 for the Council's prosecution costs, together with a victim surcharge of £46, after pleading guilty to failing his household waste duty of care. Mr Leach pleaded guilty in relation to an offence relating to fly-tipped waste (consisting of about 40 black sacks of waste, some wood and children's toys) found in a garage area in Chequers Road, Loughton. He had allowed a man who had knocked on his door to take it for £70 cash-in-hand, without checking that the person taking the waste was authorised to transport the waste. He stated that he was not aware that he had to do so. The Magistrates told him that it had been a very expensive mistake.

### **“Fly-tipping - It's a crime not to care”**

11 authorities across Essex, including Essex County Council, have signed up to a campaign to promote the waste duty of care, to try and keep waste out of the hands of rogue traders. The “Crime Not to Care” campaign, in partnership with Keep Britain Tidy, started on 4 September 2017. A six week campaign is planned followed by prolonged use of the artwork and campaign material to raise awareness of the duty of care. A series of short social-media-friendly films are also being produced by members of the Cleaner Essex Group. EFDC's contribution to the funding of the films came through receipts from payments of fixed penalty notices for some recent littering and fly-tipping incidents.

Additional information is available at: [www.recycleforsex.com/crimenottocare](http://www.recycleforsex.com/crimenottocare)

### **Dog Control Orders (DCO)**

Dog Control Orders (DCO) adopted by the Council in 2013 will automatically become Public Space Protection Orders (PSPO) on 20 October 2017, for a period of three years. This is part of the process of PSPO replacing DCO. This will automatically increase the fixed penalty available for offences from £75 to £100 but in other respects the offences remain the same.

When adopted the DCO did not require renewal. PSPO remain in place for a maximum of three years before renewal is required.

DCO/PSPO make it an offence for a person in charge of a dog to:

- fail to remove dog faeces deposited on any publicly accessible land within the District;
- fail to put a dog on a lead when directed to do so by an authorised officer, on any publicly accessible land within the District;
- fail to limit the number of dogs which a person may take onto publicly accessible land within the District to four.

Additional information and FAQs are available at:

<http://www.eppingforestdc.gov.uk/residents/your-environment/crime-safety/dog-control-orders>



# ***Report to the Council***

**Committee: Cabinet**

**Date: 26 September 2017**

**Subject: Finance**

**Portfolio Holder: Councillor G Mohindra**

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**Recommending:**

**That the report of the Finance Portfolio Holder be noted**

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## **Accountancy**

There is a separate report elsewhere on the agenda on the Statutory Statement of Accounts so I will concentrate on other issues in this section. The Finance and Performance Management Cabinet Committee is scheduled to meet on 14 September and will be considering reports on the Treasury Management Outturn for 2016/17, Financial Monitoring for Quarter 1 of 2017/18 and the quarterly update of the Corporate Risk Register. The Treasury Management Outturn report confirms that the Council operated within the boundaries that were set for the year and complied with all of the Prudential Indicators. Financial Monitoring for Quarter 1 shows that at the moment both expenditure and income are broadly in line with the budget.

The annual Financial Issues Paper went to the July meeting of the Cabinet Committee and provided a discussion of the main financial challenges facing the Council and the budgetary outlook. This report had an update to the Medium Term Financial Strategy and suggested savings targets to work towards. Following agreement by Cabinet on 7 September of the recommendations from the Cabinet Committee, officers are continuing to work on a range of savings proposals that will be reported in due course as part of the normal budget process.

This time last year I highlighted the greater uncertainty than usual in terms of both the economic position of the country and the future financing of local authorities. The domestic policy agenda has had to take a back seat whilst work on Brexit progresses. This has meant the fair funding review, 100% local retention of business rates and other legislation on housing and planning have not progressed as we had hoped. Uncertainty in these key areas makes it difficult to construct robust estimates for the medium term. However, I can assure Members that we will continue to live within our means and that we are still planning on no increase in the Council Tax for 2018/19.

The August Inflation Report saw the official growth forecast for 2018 downgraded to 1.6%. This is against the backdrop of inflation, as measured by CPI, remaining above the Bank of England's target of 2% well into 2018. The combination of low growth and high inflation will limit the options open to the Chancellor of the Exchequer as he prepares the first autumn budget for more than twenty years. The previous Chancellor's timetable to achieve a surplus was discarded some time ago and it will be interesting to see when this is now predicted in the updated forecasts from the Office of Budget Responsibility. One thing we can be sure of is that austerity is nowhere near over.

## **Benefits**

The items to be included in the consultation on the Council's scheme for Local Council Tax Support for 2018/19 were agreed by Cabinet on 11 July. In previous years the level of response to this consultation has been low. I am hopeful that this year a number of residents who are not in receipt of benefit will have responded as views on the scheme will not be balanced if we have only got comments from residents who currently receive support. Anyone who has not yet responded can do so by visiting either the Benefits or consultation areas of the Council's website.

I mentioned earlier the September meeting of the Finance and Performance Management Cabinet Committee and some of the reports going to that meeting. The meeting will also receive a report on progress against the targets for the key performance indicators at the end of the first quarter of 2017/18. Performance for processing new claims was slightly worse than the target of 21 days at 22.31 days. As performance in the first quarter is often the low point for the year, I am confident that the target should still be achieved for the year as a whole. The average processing time for changes of circumstance at the end of quarter 1 is 7.55 days, which is better than the target of 9 days.

## **Revenues**

The report on progress against the targets for the key performance indicators at the end of the first quarter of 2017/18 includes Revenues items. A Council Tax collection rate of 27.64% had been achieved and this is better than both the target of 27.55% and the collection rate at this time last year. The collection of non-domestic rates was also above target at the end of June, with 29.25% achieved compared to the target of 28.84%.

After the revaluation of properties for non-domestic rates the Government announced some measures to provide transitional assistance to businesses suffering the greatest increases. Unfortunately the regulations supporting the policy were delayed so it was not possible to get a scheme set up as quickly as I would have liked. Now the regulations are in place and the necessary software has been tested officers are working on a draft scheme which should go to Cabinet in October for approval.

# ***Report to the Council***

**Committee: Cabinet**

**Date: 26 September 2017**

**Subject: Housing**

**Portfolio Holder: Councillor S Stavrou**

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## **Recommending:**

**That the report of the Housing Portfolio Holder be noted.**

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## **The Council's approach to Fire Safety for its housing stock following the Grenfell Tower fire**

1. In my last report to Council, I explained that the Council has always taken fire safety and the safety of residents very seriously, and our officers have worked very hard over many years to continue to improve fire safety in our housing stock. I also summarised some of the key points of the Council's approach to fire safety.

2. I have visited a number of our blocks with officers to satisfy myself that all possible measures are being taken to reduce risks of fire and that the safety of residents is maximised.

3. On 9 October 2017, at my request, there will be a special meeting of the Communities Select Committee. At the meeting they will be considering a report on Fire Safety which will set out all of the Council's actions taken to date to reduce the risk of fire in our properties. The Committee will be asked to make recommendations on any actions in the future which may reduce risks further. All Members are invited to attend this meeting.

## **Flexible Homelessness Support Grant – update**

4. At its meeting on 15 June 2017, the Cabinet agreed that the Government's Flexible Homelessness Support Grant (required to be ring fenced to be used on homelessness services), already received by the Council in the sum of £277,000 in 2017/2018 and £313,000 to be received in 2018/2019 be initially used by the Council to continue working with Genesis Housing Association in order to provide private rented accommodation to homeless applicants in order to prevent homelessness, with a budget of £60,000 in both 2017/2018 and 2018/19 to fund the cost of the Association's Management Fees.

5. It was further agreed that following the cut in housing related support funding by Essex County Council, the Council meets its own housing related support costs at the young parents scheme Railway Meadow, Ongar with a budget of £29,000 in both 2017/2018 and 2018/2019.

6. A number of homelessness initiatives already agreed by the Cabinet at its meeting on 2 February 2017 (Minute 130 refers) in the sum of £43,500 in both 2017/2018 and 2018/2019 will also be met from the grant resulting in a saving to the General Fund.

7. A further report will be submitted to the Cabinet in October this year for consideration to be given for the use of the balance of the Flexible Homelessness Support Grant of around £131,000 in 2017/2018 & £167,000 in 2018/2019.

#### **Review of the Housing Allocations Scheme - update**

8. On 5 September 2017, the Communities Select Committee considered a report on the Review of the Housing Allocations Scheme. Following the meeting, officers are now drafting a revised Scheme which will be considered by an external Legal Advisor.

9. When advice has been received the draft Scheme will be amended in accordance with the advice. The Council will then enter into a 12 week consultation with every private Registered Social Landlord of social housing with which it has nomination arrangements, Town and Parish Councils, the Tenants and Leaseholders Panel and partner agencies with an interest in the Scheme. The Scheme will then be considered by the Cabinet around February/March 2017. The new Scheme will come into force as soon as time allows for re-registrations and verifications of all home seekers currently registered.

#### **Outsourcing of the Careline Alarm Monitoring Service - update**

10. At its meeting on 2 February 2017 (Minute 121 refers), the Cabinet agreed that the Careline Alarm Monitoring Service be outsourced to an external provider. The procurement process managed by the procurement arm of the North Housing Consortium (NHC), has now been completed. I have agreed that the highest scoring tenderer Tunstall Healthcare (UK) Limited be appointed as the provider of the monitoring of the Council's Careline Service. As part of the Due Diligence process, officers have visited their Control Centre in Doncaster, interviewed their management team and were more than satisfied that they can meet with the requirements of the Council's detailed specification.

#### **Housing Repairs - Relocation to Oakwood Hill, Loughton Depot – update**

11. At its meeting on 5 September 2017, the Cabinet agreed that the Housing Repairs Service and the Housing Assets Team be re-located to the Oakwood Hill Depot in Loughton and co-locate with the existing Fleet Operations and Grounds Maintenance Services. It was further agreed that as Housing Portfolio Holder I would consider a report on the appointment of a Multi-discipline Consultancy Service to oversee the detailed design, procurement process and contract management of the project. As a result, an alternative venue will be sought elsewhere in the District for both the Council's CountryCare and Nursery Services as they will now be unable to be re-located to the Depot as originally planned. A Planning Application will be submitted for the required off-site parking for staff and visitors during working hours.

#### **Attendance by Essex Police District Commander**

12. On 7 November 2017, Essex Police District Commander will be attending the meeting of the Communities Select Committee starting at 7pm in the Council Chamber. All Members are welcome and are able to submit questions in advance of the meeting to Adrian Hendry, Democratic Services by email at [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

# ***Report to the Council***

**Committee:** Cabinet

**Date:** 26 September 2017

**Subject:** Leisure & Community Services

**Portfolio Holder:** Councillor H Kane

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## **Recommending:**

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

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## **Community, Health & Wellbeing**

### Summer Activities Programme 2017

Once again, the Council's Community Services Team co-ordinated and delivered another successful summer holiday activities programme this year. The comprehensive programme provided a wide range of activities to engage children, young people and their families. This year, over 2,500 local residents participated in the extensive range of activities on offer which included physical activities such as; Multi-Sports Camps, Tennis, Basketball, Play in the Park and Play in the Forest sessions and dance programmes. Creative activities included; "A Musical in 2 days", "How to...Draw", "How to Paint", "Be an Animator" and "Be a Textile Artist" workshops. Museum family-days and sessions were also provided and there was a comprehensive disability inclusion programme on offer for children and young people with additional needs.

### Disability Inclusion Project

The Epping Forest Inclusion Project has secured funding of £38,110 from Action for Children to provide a wide range of sport, physical and leisure activities for children and young people with disabilities until Oct 2018. This funding will enable the co-ordination and delivery of a range of sessions and activities meaning we have been able to engage with children and young people with a wide range of interests. The project not only benefits the child with a disability but the whole family. The inclusion of siblings at our holiday activities has been crucial for parents. Many parents do not often have the choice or opportunity to send siblings to the same activity as their child with disabilities. Having a child with a disability can often stretch the family unit; small things like being able to take part in activities together can prevent this.

Additionally we have also successfully secured £12,312 capital funding from Essex County Council to purchase trampolines that will be placed at Debden Park High School and used to support further sessions for children and young people with disabilities.

### Active Living Programme

The Active Living initiative targets people who are at risk of developing health issues (both mental or physical) as a result of physical inactivity or poor lifestyle choices, as well as those who have a stable medical condition that being physically active can help manage. The aim is to help people improve their health and wellbeing through physical activity. Community,

Health & Wellbeing staff work together with participants to develop and agree a personal plan of action that will make it simple for participants to find ways to fit physical activity into their daily life. The project pilot is currently running in Waltham Abbey and Epping. Once the person has been referred, the individual is contacted to arrange an initial face to face consultation. Following the consultation, people are invited to attend a 12 week programme. The programme aims to begin the process of behaviour change within the participants through the delivery of;

- Small amounts of physical activity
- Health and nutrition advice
- Behaviour change advice (Coaching and mentoring)

On completion of the 12-week induction participants will then be offered a 3 month pass to all CHW activities as well as local partner activities.

Participants in Waltham Abbey have recently had their three month catch up and initial results have shown they have all not only increased their activity levels but also sustained them. Below are some direct quotes from two participants;

Participant 1 - "I have gained the confidence to get kick-started. I am really enjoying the sessions. I have achieved my 3-month goal of 10,000 steps on average per day, I have started Karate again on Fridays with grandson. I am doing Aqua Aerobics once a week Monday morning. I have had an induction at the gym with the machines (this was 12-month goal). I am still doing bowls, pool and walks with U3A."

Participant 2 - "I've got my confidence back, feel so much better, running up the stairs, can't thank you enough I am buzzing. Love the sessions everyone is so nice and supportive. I have achieved my 3-month goal to wear dresses on my cruise and I've already achieved my 1 year goal to drop a dress size! I go on the ski machine every day for 10 mins and I couldn't do 1 minute three months ago. I'm aiming for 30 mins by 1 year. I play bowls still twice a week and I'm walking at lunch time with husband 15 mins 4 times per week."

Active Living in Epping has begun to grow and a new programme begins in Buckhurst Hill on the 6th September. We have also secured Public health funding to deliver Active Living in Loughton (Oakwood Hill) and Ongar (Shelley) over the coming months.

#### Norway House Garden Project

The Community, Health and Wellbeing Team have worked with staff and residents at Norway House to bring the garden on site back to life. The project took 20 weeks to complete and was funded by the Housing Providers Fund. Residents came forward with their ideas for the design of the garden and were involved at every stage of its development and installation. Residents spread shingle and chippings, built benches, painted fences and play equipment and also planted a wide variety of fruits, vegetables, trees, flowers and seeds for the enjoyment of future generations.

#### Stay Well this Winter

Once again, the Community, Health & Wellbeing Team will deliver free "Stay Well this Winter" events for our older residents. Delivered in partnership with the West Essex Clinical Commissioning Group, the days provide interactive health and wellbeing information highlighting the great services available throughout the winter. Each event involves informative talks from Pharmacists, Community Nurses and specialist health advisors. There will also be information stands from provided by the Alzheimer's Society, VAEF, Essex Road Safety, Essex Fire & Rescue Service, Provide, EFDC and many more.

The events will take place on:  
3rd October – Waltham Abbey Town Hall  
25th October Theydon Bois Village Hall  
10th November – Roding Valley Hall, Buckhurst Hill

#### EFYC Drugs Project:

On Friday 1st September Epping Forest Youth Councillors donned safety clothing and set out to clear up areas of the district that had been highlighted as a concern in respect of discarded nitrous oxide (laughing gas) canisters. Youth Councillors have been appalled by the increase in the use of laughing gas and wanted to raise awareness of the extent of the problem through their clean-up campaign. Working closely with staff from the Neighbourhoods Team and in partnership with the City of London, over 250 nitrous oxide canisters were collected and disposed of.

Youth Councillors are now actively working on a project to educate young people on the dangers of nitrous oxide and similar New Psychoactive Substances (formally known as Legal Highs.)

#### Youth Conference

On Friday 3rd November, the Epping Forest Youth Council will welcome 90 young people from the district's secondary schools to a Youth Conference. Hosted in the Council Chamber the young people will learn about local democracy and take part in a debate. The young delegates will also hear from guest speakers Eleanor Laing and Alex Burghart, along with the Leader of the Council, Cllr Chris Whitbread. The conference will also see the launch of the Youth Council's Drugs Awareness initiative.

#### **Museums, Heritage & Culture**

It has been a busy summer for Museums, Heritage and Culture with over 6,000 people visiting our services during July and August, and over 80,000 people accessing our services remotely, through our online platforms and museum research enquiries. During July and August our service was supported by volunteers working 643 hours, equating to almost £5,000 in monetary value.

#### Epping Forest District and Lowewood Museum Exhibitions and Future Projects:

The two summer temporary exhibitions, 'Paths Unseen' at Epping Forest District Museum and 'Sea of Glass' at Lowewood Museum received positive feedback from visitors. The next exhibition to open at Epping Forest District Museum will be 'A Sense of Rural Life', opening on 21 October. This exhibit will tell the story of the district's agricultural heritage and will include loans from the Horniman Museum.

Epping Forest District Museum is currently working on an application to the Esme Fairbairn collections Fund for £99,000 to support work on its costume collection. If successful, the project, titled 'Handbags & Gladbags: Secrets of the Essex Wardrobe', will launch in April 2018, and will conclude with a major costume exhibition at the museum in 2020.

Both museums continue to work on their WW1 commemorative programme for 2018. Lowewood Museum's HLF funded project continues to explore the story of serviceman Stephen Warner working in partnership with the Essex Regiment Museum. Epping Forest District Museum is also applying to HLF to support its project 'SpradFest', which explores the life and work of artist Walter Spradbery. SpradFest will be Epping Forest District Museum's principle WW1 commemorative programme for 2018, and will include a major exhibition of

Spradberys art and life with loans from the Imperial War Museum and the Welcome Collection along with a performance festival showcase at the site of his former home, 'The Wilderness' in Buckhurst Hill for which a number of local groups have already indicated their support.

#### No Borders project:

Arts Council funded No Borders project with Chelmsford Museum and Lowewood Museum continues to progress very well in supporting commercial, fundraising and audience development. Key progress has been made in the establishment of our new cultural development trust and an important milestone has been achieved as Culture without Borders Development Trust has been incorporated as a company. We have been overwhelmed with the response to our first round of trustee recruitment and are currently in the process of confirming five external trustees with a strong mix of skills, knowledge and experience, to the Trust Board. Following the first round of recruitment and are delighted that Cllr. Dee Hart, Cabinet Member for Leisure and Culture for Broxbourne Borough Council will join me as the Local Authority representatives on the Board. A second round of recruitment will be taking place in November and the proposal is that that Trust will be operating to support funding initiatives for the service in the new year. Officers are being supported in the establishment of the trust by legal specialists Winkworth Sherwood, through funding provided by Arts Council England.

#### **Leisure Management Contract**

The Council's new Leisure Management Contract partner, Places for People Leisure Ltd, have been operating the Council's facilities since the start of the contract in April 2017. Members may recall that the Council had a number of key objectives it was seeking to deliver through the new contract to not only include a reduction in the overall revenue costs to the Council (which Places for People will deliver an average of £1m of savings per year over the 20-year life of the contract) but also to significantly increase participation and invest external capital in new and refurbished facilities.

I am pleased to report that the investment programme has commenced with the start on site earlier last month of the new Waltham Abbey Leisure Centre at Hillhouse. This modern state of the art facility will not only provide both new swimming pools and fitness / movement facilities but also a new community facility to replace the redundant community centre. I was also pleased on Saturday 9<sup>th</sup> September to officially open the new extensively refurbished fitness suite and movement studios to include a new virtual cycle spinning room at Ongar Leisure Centre. At a cost in excess of £450,000 the refurbishment testifies to the Council's ongoing commitment to providing quality leisure opportunities for people in Ongar and the surrounding area.

Work on the new fitness facilities at Epping Sports Centre is due to commence in a month's time and the major extension to the health and fitness facilities at Loughton Leisure Centre are also due to begin before the end of the year.

As highlighted previously, in order to achieve the increases in participation sought the Council, in conjunction with Places for People, have had to critically review the types of facilities and programmes it will deliver in the future. As such compromises have to be reached, for example at Epping Sports Centre the squash programme has had to be consolidated into two courts from four courts to allow for the very high demand from fitness users.

At Loughton Leisure Centre, there are current concerns about the ability to provide crèche facilities. It should be noted that the Council in its previous contract with SLM and the



current contract with Places for People have not compelled the management partner to provide crèche facilities. Where they have been provided has been at the discretion of the contractor in response to local circumstances and temporary demand. There has never been a purpose-built crèche at Loughton Leisure Centre and crèche facilities have been provided in the small hall (which is being redeveloped as part of the new build). Although the demand for the crèche has not been high, there are a number of regular users and a comprehensive review of options to include hiring external venues was undertaken to establish if the facility could still be provided during the construction works. Unfortunately for safeguarding and other potential health and safety considerations this will not prove possible. I have held numerous meetings and have exhausted all possible alternative ideas for potential sites, during the construction period, but I am concerned about the safety of young children in a land-based job, which will include demolition and building.

Going forward, an alternative approach which has the potential not only to encourage participation for parents of young children but also young children themselves is Places for People's planned new extensive Under 5 activity sessions to be held during the quieter afternoon periods. This exciting initiative should increase overall participation which, coupled with Places for People's intention to allow parents with particularly young children in carrycots to be allowed, in a controlled manner, into certain exercise classes should compensate for the loss of the traditional crèche arrangements.

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# ***Report to the Council***

**Committee:** Cabinet

**Date** 26 September 2017

**Subject:** Planning & Governance Portfolio

**Portfolio Holder:** Councillor J Philip

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## **Recommending:**

That the report of the Planning & Governance Portfolio Holder be noted.

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## **1. Development Management**

### **Building Control**

The financial situation in building control is continuing to do well. The budget for Building Control for August 2017 is £34,630 and the annual budget for 2017/18 set at £450,000. The actual income for August 2017 (Period 5) is £55,198. This is exceptionally good as it shows BC has exceeded their monthly budget target for each of April/May/June/July and August of the 2017/18 financial year.

This means that taking five months actual income plus seven months budget it is possible that BC's income for the year may be as high as £518,000 and exceed their budget by over £60,000. BC has already achieved nearly 60% of their income in 2017/18 with seven months to go.

This is very encouraging news and illustrates how well Building Control is doing. This also supports Building Control's Workforce Development Plan which is designed to develop 'home grown' building surveyors combined with active steps to improve staffing levels. These are positive steps Building Control is taking to enable their service to adopt a more competitive approach in increasing their market share despite significant competition from Approved Inspectors.

### **Development Control**

Development Control continues to be slightly below its monthly budget targets which may be partly due to the current economic and political climate combined with a degree of uncertainty regarding when the new Local Plan is to be adopted and what sites are selected for development within it.

The budget for DC for August 2017 (Period 5 2017/18) is £85,180 and the actual turnover was £48,988. DC has not been able to match their monthly budget figures for April to August 2017. However, the volume of planning applications remains the same as the previous year, and the revenue shortfall is probably due to the major planning applications which appear to be being held back by developers.

Our data and income figures indicate that for Development Control in;

- April 2016 to August 2016 there were 1,394 planning applications submitted against a turnover of £405,675

- April 2017 to August 2017 1,391 planning applications have been submitted against a turnover £315,008

DC Pre-Application Income continues to perform well against budget recording £46,386 as compared with the budget of £42,833. This combined with same levels of planning applications is an indication that Planning is performing relatively well within a changing market.

Finally the total Development Control turnover for 2014/15 was £813,120, in 2015/16 it was £849,842 and 2016/17 our income was £975,468. It may be that setting our budget at £970,000 was a little optimistic for this year.

### **Land Charges**

Unfortunately, there have been some long term staffing absences that are now impacting on the return of land charge searches, now sadly, well beyond the expected 6 day turnaround time. Some internal processes are currently being changed, together with the short-term employment of an agency officer and Cabinet approval of an 18 hour a week officer for 18 months, which will improve performance over the next couple of months.

## **2. PR and Information**

Members of the Public Relations Team, working with other colleagues in ICT and across the Council have started work on developing a new Council website. This work sits alongside work being carried out to develop effective processes for our customer services function. Officers are currently assessing the most appropriate platform system and considering site structure. Work will be completed using in-house resources which may mean that capacity within Public Relations is reduced until its completion. The timescale for completion of this work will be reported once the project is scoped. Much will depend on the successful completion of online customer processes and the integration of the different systems that provide our web services.

## **3. Elections – Review and Canvass Update**

A report will be made to the Governance Select Committee on 3 October 2017, reviewing the two major electoral events this year. Member's views will be sought at that meeting as to the any improvements that can be made to processes for the forthcoming district council elections in May 2018.

The electoral canvass began at the beginning of August and remains on target for completion by 30 November 2017. At the time of compilation of this report 77% of household forms had already been returned, the majority of these have been returned using the various on-line services. Further reminders have recently been despatched to residents. All Councillors help is needed to encourage registration but clearly this is a magnificent effort by residents.

## **4. Update on the Local Plan**

Work continues to inform and support the Regulation 19 Pre Submission Publication Plan. The key work streams underway at present are:

- Site selection – work has commenced on the assessment of approximately 168 sites comprising a mix of new or amended residential/traveller sites and employment sites. The methodology for the process has been published on the Council's website, together with the list of sites being assessed;

- Transport modelling – work is continuing to be undertaken by Jacobs on behalf of Essex County Council / Epping Forest District Council to model the transportation impacts of the growth planned, and consider how improvements to sustainable transportation and key junctions can help to facilitate growth;
- Open Space, Playing Pitch and Indoor Sports Facilities Studies – the three interlinked studies are well progressed, and will help to identify requirements for future development which will inform the Infrastructure Delivery Plan;
- Infrastructure Delivery Plan – a significant amount of work has been undertaken and continues to progress in order to identify the infrastructure required to support future growth, together with how this will be funded and delivered. The work is being informed through discussions with infrastructure providers, EFDC / ECC Officers, local councillors (District / Town / Parish), neighbouring local authorities, and landowners / site promoters. A series of workshops took place over the summer with stakeholders which have helped to inform and progress the work being undertaken;
- Local Plan Viability Study – work is being undertaken to update the initial work undertaken in 2015, and to consider in greater detail the viability of growth planned taking into account the latest policy requirements;
- Employment Studies - Joint work to update the employment need within the Functional Economic Market Area and the District is being completed to inform the work on site selection;
- Sustainability Appraisal and Habitat Regulations Assessment; and
- Monitoring, housing trajectory and Housing Implementation Strategy – there is a need to ensure that the monitoring systems moving forward are as accurate as possible in order to ensure that the Council is able to monitor progress against the plan and forecasts for delivery. The Councils housing position with regard to the plan trajectory and the five year housing land supply will be of particular interest. An updated Housing Land Supply Statement is being prepared which will provide further details and inform the production of a Housing Implementation Strategy to support the Local Plan in due course.

The Council is also leading on work to develop a joint strategy and an 'Action Plan', with other relevant local authorities, which will address potential adverse impacts on the integrity of Epping Forest Special Area of Conservation (SAC), as required under the Habitat Regulations 2010, and in accordance with the agreed Memorandum of Understanding. As the coordinating competent authority in relation to Epping Forest SAC, the Council is facilitating ongoing discussions and the work with relevant neighbouring local planning authorities, the City of London Corporation and Natural England.

In order to inform the ongoing site selection and Infrastructure Delivery Plan process, the Council held meetings with a number of Parish and Town Councils who are producing Neighbourhood Plans at the beginning of August. The purpose of these meetings was to discuss and consider work being undertaken in respect of site selection and infrastructure planning to inform emerging Neighbourhood Plans and the Local Plan.

The key issues in managing the programme relate to resources, the ability of external organisations, such as Essex County Council, in providing timely inputs into plan preparation (largely outside our control) and the interconnectivity of the various workstreams. The importance of maintaining a full team of appropriately skilled and effective officers and consultants cannot be underestimated.

Whilst progressing the Local Plan, officers are also working to progress the delivery of the Harlow and Gilston Garden Town and to take forward the Developer Forum and other work related to the implementation of the Local Plan.

At the present time the Planning Policy team continues to liaise with all relevant landowners / developers through the Developer Forum only. This ensures a consistent and effective use of limited Council resources. However, during the Autumn the Planning Policy team, together with colleagues from Development Management, will be undertaking a series of meetings with relevant landowners and promoters of proposed strategic sites in order to discuss entering into Planning Performance Agreements, and further consider how relevant Strategic Masterplans will progress.

A review of the skills within the Council is underway in order to identify the resources and skills required to take forward Planning Performance Agreements and Strategic Masterplans in accordance with the approach endorsed by Cabinet in order to ensure the successful and timely delivery of the Local Plan.

Further details in relation to progress with the Local Plan and future timescales will be reported to Cabinet on 14 October 2017.

## **6. Harlow and Gilston Garden Town**

Work has been commissioned to establish interim governance arrangements, prepare a project programme (including a proposed structure of the team), establish a Quality Review Panel and undertake work on the proposed sustainable transport corridor. Consultants have been appointed to prepare a spatial vision and design charter for the Garden Town and this work is progressing well.

Interim Governance arrangements were approved by the Cooperation for Sustainable Development Board on 31 July 2017 and are now being implemented. This includes the extension of the existing EFDC Local Plan Developer Forum to encompass all the sites in and around Harlow and to operate as a Garden Town Developer Forum. This will provide a basis for the long term planning and implementation of sites identified for allocation in the Local Plan and provides a basis for the coordination and management of Strategic Masterplans. A Garden Town Officer Steering Group and Member Board have been introduced which meet monthly.

A Garden Town Support Officer has been appointed on a one year fixed term contract. The Support Officer will play a key role in coordinating the work associated with the establishment and progression of the Garden Town, and will oversee key projects as required.

# ***Report to the Council***

**Committee:** Cabinet

**Date:** 26 September 2017

**Subject:** Safer, Greener & Transport

**Portfolio Holder:** Councillor S Kane

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## **Recommending:**

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

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## **Countrycare**

Since the last report Countrycare has held seven volunteer project days in the parishes of High Ongar, Buckhurst Hill, Thornwood, North Weald, Sheering, Nazeing and Epping Upland. The tasks were varied ranging from annual cutting of wildflower meadows to making steps and repairing bridges and gates. Attendance has been good. Countrycare is working closely with All Saints Church in Nazeing creating new habitat areas and tree planting. This is also opening up opportunities to work with community groups and the local school for land management or events.

The Ancient Tree Forum held its two-day annual conference at Gilwell Park hosted by the City of London. Countrycare was asked to exhibit its veteran tree survey findings as one of the stands in the foyer. This generated a lot of interest from other parties attending.

Two members of staff exhibited at the North Weald Open Day. Many children were entertained by colouring in and making dragonfly finger puppets and some people won wildflower seeds by identifying wildflowers in a quiz.

The children's summer events have been well attended. River Dipping took place on the Roding and the Teddy Bears' picnic was in Linder's Field. The kids enjoyed a woodland trail and quiz, scavenger hunts, bug hunting, frog finding, arts and crafts and tree decorating.

## **Parking**

### *Off Street enforcement*

The NSL contract for enforcement and associated activities in Council car parks is performing well. I shall be calling the first meeting of the Partnership Board in the near future.

### *Loughton Broadway Parking Review*

Traffic Regulation Orders for the first phase of the review comprising of: Oakwood Hill Road, Oakwood Hill Industrial Estate, Honeycroft, Lenthall Road, Rectory Lane, Chigwell Lane, Colson Road and Torrington Drive have been formally published and adopted. The enforcement for these sites started last month and we are monitoring the movement of the vehicles from those areas in readiness for Phase 2, for which I intend to hold a meeting with the relevant Members in October.

### *North Essex Parking Partnership (NEPP)*

We are due to nominate our next schemes at the October meeting of NEPP and we are currently consulting with Members and Local Town Councils on the following schemes. Ivy Chimneys Road, Epping, Lincolnsfield, Epping, Cleall Avenue Waltham Abbey, Lower Swaines, Epping, Willow Tree Close, Abridge, High Road Buckhurst Hill, Market Place, Abridge, Algers Mead/Algers Close, Loughton, Albion Hill Loughton. In keeping with the already established arrangements I shall only nominate a scheme if agreed by the Member. Once Approval has been agreed by the NEPP Committee then they will carry out detailed site surveys, prepare preliminary designs which will then be consulted upon. The whole process, owing to the statutory requirements and resource pressures, schemes have to be fully funded by NEPP, could take up to 18 months.

### *Car Parking Strategy update*

With regards to the LED and CCTV Traps Hill Car Park, Loughton has new LED lighting and CCTV systems, Basons Lane and The Pleasance, Ongar and Queens Road Lower, Buckhurst Hill have new CCTV systems. The installation of LED lighting and CCTV systems for car parks in Waltham Abbey will commence shortly.

New Traffic Regulation Orders have been published for the following new off street parking: the access road along the Burton Road Car Park will be converted to pay and display and permit parking and two new car parks on the Oakwood Hill Industrial Estate. This will improve road safety and create more parking for shoppers and visitors.

### **Community Safety**

The summer has been a particularly busy and challenging time for Community Safety. The commencement of school holidays coinciding with demolition of the Hillhouse community centre to make way for the new leisure centre has created a crime generator. It has provided the opportunity for youths to gather in numbers and cause damage and serious disorder. Initial attempts to police the site with three council re-deployable cameras resulted in one being extensively damaged and the remaining two stolen. Further attempts by Pellikaan Construction to install their own cameras on the leisure site development resulted in three cameras being stolen.

### **Anti-social Behaviour**

At the same time as this significant upsurge in anti-social behaviour complaints from Hillhouse the Community Safety Team received two applications from members of the public for ASB Case Reviews (Community Triggers). Both cases were adjudged to have met the threshold for review on the basis of the persistence of the ASB and the harm caused by it. As a result a multi-agency meeting was convened and recommendations were made in relation to further actions. A comprehensive action plan has been drawn up and is being implemented. Recommendations include the specific targeting of individuals engaged in ASB, assessing opportunities to design out crime, engaging youth diversionary initiatives and deploying hi-visibility patrols for reassurance. Hillhouse has been particularly challenging due to the serious and vindictive actions of a minority group and is stretching Community Safety and Community Policing Team resources to the limit.

ASB Case review applications were introduced by the Anti-social Behaviour, Crime and Policing Act 2014 to allow challenges to response to complaints. One application was received in 2015 and one in 2016. Neither met the threshold for review. Currently we have received 7 applications this year with 2 cases meeting the threshold for review.



ASB Investigators have worked with Essex Police Integrated Offender Management and Housing North and have been successful in obtaining an injunction against a prolific offender who was co-habiting with a female tenant at Birch View, Epping. The man was predisposed to violence and drug usage and was a threat to vulnerable residents. He became a significant drain on council and police resources due to the level of complaints about him. The injunction was granted banning him from the locality and his place of residence and contained a power of arrest. Council CCTV footage was used to support evidence for the injunction. As a result the male and his partner have moved away from the district.

ASB Investigators have been dealing with complaints about a suspected drug den in Sandford Avenue, Loughton. Activity at the premises has caused distress to neighbours, some of whom are elderly. As a result of this Community Safety working with EFDC legal services have obtained a Closure Order on the premises. The order prohibits any visitors to the property not named on the order. Breach is a criminal offence for which police can arrest and prosecute. The granting of the order allows housing to seek possession of the property under 'absolute grounds' which the court must grant, subject to any defence under human rights arguments.

#### **CCTV: Recent CCTV Successes/Outcomes: Jul/Aug 17:**

- 3mth suspended sentence for ABH assault – CCTV supported court prosecution.
- £200 FPN for fly tipping of green waste in the rear service yard of the The Broadway (Loughton) on 07/08/ - vehicle and number plate identified by CCTV of offender leading to prosecution.
- Double stabbing at Shelley Close (Ongar). CCTV Team liaised with Police after intercepting emergency calls via Airwave Police radio. CCTV showed various stages of the incident and CCTV Team assisted Police directly at the scene via Police radio system and in person, once crime scene was secured.
- Birch View (Epping) Assault and Dog fight. Detailed CCTV provided to Housing & Police, which ultimately has led to an injunction being bought against the offender.
- Cottis Lane (Epping).CCTV captured an assault of a male involved in drug dealing , with attackers and the getaway vehicles on camera with registrations captured and handed to Police who are continuing their investigation.

#### **CCTV: Projects – Sept to Oct 17:**

- Yellow Block, Limes Avenue (Chigwell). This ten year old CCTV system is being replaced with new High Definition cameras. Works are to commence w/c 18<sup>th</sup> Sept.
- Bobbingworth (former landfill site, Moreton) –CCTV system is being upgraded Oct 2017 using hybrid technology, which allows for high quality images to be provided at a reduced cost (up to 30% financial saving).
- Debden Broadway Road widening scheme is almost complete and arrangements for the re-installation of the CCTV column at the junction have been made bringing 3 cameras back into service after a 9 month shutdown.

#### **Safeguarding:**

**Internal partnerships** – As mentioned in the last Portfolio Holder report to Council, the safeguarding team has built up an excellent working relationship with the repairs managers, culminating in tailored safeguarding training rolled out for all trades staff and the introduction of the Safeguarding Concern Card. This has resulted in trades making significant contributions to customer's wellbeing and the following case studies are excellent examples of where this has been successful;

- A carpenter working reported a tenant being taken away by police and ambulance. We found out she has a history of self-harm and attacking strangers but was not on our Accompanied Attendance (No Lone Visit) list; the carpenter acting as our 'eyes and ears' enabled us to put her on the list and warn Council officers of potential risks to staff.
- A paranoid schizophrenic lady's heating broke which raised concerns about her poor living conditions. The safeguarding team found out that the normal approach to fixing the heaters could have caused a psychotic break so worked with the repairs team to liaise with the lady's mental health worker to fix the heaters in the least disruptive way possible. The tenant was very happy with the results.

[Note: The Safeguarding Concern Card is the mechanism by which trades staff and contractors raise safeguarding concerns with their managers. It enables them to keep their names out of the situation- introduced because we were not getting anything from this team because they were worried about being seen as a 'grass', getting people into trouble and/or having personal repercussions for those who live local.]

**Mental Health Concerns** - We continue to have mixed success working with local Mental Health teams, with only some being proactive in engaging with us around concerns about our vulnerable tenants. The Safeguarding Team are therefore working hard to developing closer relationships with Mental Health Managers to improve joint working at an operational level.

**Staff Training** - One of our safeguarding officers has been working with the Essex Safeguarding Boards to develop a more suitable safeguarding training package for 2<sup>nd</sup> tier authorities and non-core agencies. I am pleased to confirm that this new, Enhanced Safeguarding Training Toolkit will be available from 18 September, with an e-learning package being adapted to follow. All designated Council Staff will need to complete basic safeguarding awareness via e-learning, before undertaking the enhanced session.

**Member Safeguarding Training** – the next training session for Elected Members is being held on 6 November, for those who are new to the Council and as a refresher, for any Members who haven't undertaken training in the last two years.

**Safeguarding Concerns** – Safeguarding Cases arising in the district continue to rise and are often complex and diverse in their scope, often involving close working with the Council's ASB team due the criminal nature, including those around Child Sexual Exploitation and Modern Slavery. The following stats show the rise in the number of concerns received by the team over the last three years;

No of concerns received Jan-Aug in 2015 = 85  
 No of concerns received Jan-Aug in 2016 = 156  
 No of concerns received Jan-Aug in 2017 = 242

This represents a 65% increase in cases over the past two years.

**Visit to the council by the High Sheriff of Essex – Simon Hall and Chief Executive of Essex Community Foundation:**

The Community Safety Team hosted a visit to the Council by the High Sheriff of Essex and Chief Executive of the Essex Community Foundation at the end of August, as part of a tour of Community Safety teams across the County. They were provided with a full day of activities, including presentations by the Community Safety team and external partners, and visits to sites of interest including Norway House and 'Restore' community facility, in Debden

Broadway. Both visitors were extremely impressed with all of the community safety work undertaken by the Council, the innovative approaches taken to address crime and support vulnerable people and the commitment of staff and partners. They were particularly complimentary about the Domestic Abuse J9 programme which was developed in Epping Forest and is now being rolled out across Essex and the Council's MiLife Emotional Health and Wellbeing project for children and young people, which is provided by the Council's Community Health and Wellbeing team.

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# ***Report to the Council***

**Committee: Cabinet**

**Date: 26 September 2017**

**Subject: Technology and Support Services**

**Portfolio Holder: Councillor A Lion**

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## **Recommending:**

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

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## **Support Services**

### **Apprentice Recruitment**

I am pleased to update colleagues that the Council has recruited ten new apprentices (aged 16 -18); Nine Business Administration apprentices and one Construction apprentice. We worked with Essex County Council's Skills and Intervention Team, to identify young people who would be interested in an apprentice opportunity within the district. There was also a social media and newspaper recruitment campaign put together by an existing apprentice, Becky Linford.

The ten apprentices started work at the Council on the Monday 4 September. The Business Administration apprentices will move around to different services areas every six months, to gain a broad range of experience and skills, whilst the Construction apprentice will work in the Housing Repairs Team.

Our apprentices will be completing either a Business Administration Level two qualification or a Multi-Trade Construction Level two qualification. They will also attend corporate training and receive monthly mentoring from one of our internal coaches.

### **Graduate Recruitment**

Unfortunately we were unsuccessful in recruiting a graduate from the National Graduate Development Programme run by the Local Government Association (LGA). This was mainly due to candidates being focused on working in London or not having the required skill sets. Officers will be looking to work with our local Jobcentre Plus and embarking on a local advertising campaign to recruit graduate level applicants for this higher apprenticeship role. The recruitment campaign will start in the new calendar year.

### **HR/Payroll IT System Update – iTrent**

Members may be aware that we agreed to update the Council's HR/Payroll ICT system and jointly procured the iTrent system with Braintree and Colchester Councils. Officers have been implementing various parts of the system over the past 12 months, starting with the payroll module and core HR functions. Working collaboratively with Braintree and Colchester the employee self-serve functionality was launched in July and all staff are able to access their personal records, amend their address, bank details and sensitive information (equality information) and can access their payslip.

Various working groups involving all three authorities are building and working towards implementing the remaining modules, annual leave, recruitment, expenses and training to name just a few.

Members will also be able to access their details in the same way as staff and we will be switching to electronic payslips for the payment of Member allowances from January. A drop-in session has been arranged for the evening of Tuesday 31 October and you will see further information in a future Council Bulletin. This has been an excellent example of partnership working across the three authorities with benefits to all authorities.

## **Facilities**

Works are now beginning to come to an end at the Sheltered Housing units at Frank Bretton House, Jessop Court and Leonard Davis House. Over the last few months the boiler houses at these sites have been fully refurbished with the installation of new boilers, pumps, pipework, hot water cylinders and control systems. In conjunction with colleagues in ICT, these new installations are almost ready to be linked into our Trend Building Management System so they will be ready for operation in time for when outside temperatures begin to drop later in the year.

The Building Engineers are project managing the proposed refurbishment of nine passenger lifts on the Limes Farm Housing Estate in Chigwell. Together with the input of a specialist lift consultant, tender documents are now in the later stages of preparation. The target start date for refurbishment works to begin is January 2018.

Facilities Surveyors are having an input into the investigations into relocating the Pylres Lane Nursery team to Townmead depot in Waltham Abbey. In preparation for an expansion in use of this site, a contractor has now been appointed to install new security fencing around the perimeter of the complex. The fencing is currently being fabricated and works should begin next month.

## **Technology**

All four vacant posts were filled last month with staff now in their new roles, the remaining two posts have been offered internally and they will start with ICT after their notice periods. Again the quality of internal applicants has been excellent and some of these posts were filled internally against external competition.

Our new staff are focusing on improving the quality of service that the mobile working and service desk teams give, we have also been using our new resource to begin work on developing information@work in Housing and beginning the process of implementation in Neighbourhoods and People Team.

Successful testing has been carried out on assessing the viability of switching our laptop security model, which easily accommodates the needs of mobile workers. A larger scale pilot is to be held in the autumn to enable further testing and future selection of laptops for flexible workers and to test new remote connectivity solution more widely ahead of a full rollout in April 2018.

Work is progressing in the corporate forms solution upgrade, which feeds into the corporate Customer Relationship Management (CRM) system and will change the way our website is structured. We have tested a replacement search tools on the website, which will be the key in the future redesign of the website and this will be implemented against the current website shortly.

The development of the replacement ICT strategy continues apace, ICT System and Business Analysts have completed the second round of meetings with Assistant Directors and have fed back the outcomes into the draft strategy. The draft has been approved by Director of Resources, Head of Transformation and has been presented to the Leadership Team. The strategy will be taken to Resources Select Committee before going to Cabinet in November. A considerable amount of work has gone into the development of this strategy to ensure that it meets the needs of the Council now and over the next five years.

Telephony is now stable after an initial problem with the changing of the Council's external trunk supplier (external calls to/from the Council), this was due to a misconfiguration of termination equipment during the transfer by external Consultants. On-going issues in Council Tax and Neighbourhoods are currently with Developers at ShoreTel to create a fix for their concerns.

Testing and monitoring equipment has been purchased to allow for in-depth analysis of wireless coverage and quality within Council properties. This device will enable us to improve the coverage and speed of connectivity currently available.

The security and protection of data section of ICT continue to have a good record with no breach or loss of data integrity to external forces. An external review is currently being undertaken and we are expecting another good report. On-going improvements are being made to emails and website scanning systems have been implemented to further protect the Council from an ever evolving Internet threat and new more powerful replacement Firewalls are to be installed in the next few weeks.

New Gazetteer staff are now in place and in the process of learning new systems with a view to taking on the additional responsibility of Street Naming and Numbering over the next couple of weeks. The quality of our Gazetteer remains rated Gold, the highest rating available and this accurate addressing data will underpin the CRM system and other software linked to it.

UAV flights continue on a regular basis and once work begins, we will be using the drone to capture time-lapse aerial photography showing the erection of the new Leisure Centre in Waltham Abbey. Development of our GIS solution is ongoing, with website pages for residents showing 'near me' services currently in development and various mobile working solutions either ready for use or undergoing testing. We have also been updating our existing website maps for residents to view the latest technology, such as our Waste Collection Dates map, which since its launch in March 2015 has been viewed over 85,000 times.

### **Superfast Broadband High Speed Internet**

The Rural Challenge Project continues to deliver ultrafast fibre broadband capability to rural houses and business premises throughout the north-east of the district. The focus in the summer months has been on carrying out remedial works on areas previously served to address some key issues. In August 2017 the network build remained at just over 3200 premises passed with more than 2200 active and able to access the world-class speeds provided by the broadband infrastructure. Planning work has begun in detail for the two final areas in Hastingwood/North Weald and Ongar.

### **Digital Innovation Programme**

The second One Epping Forest Smart Places seminar was held on Friday 8 September at Harlow Council Chamber. The seminar brought together representatives from Businesses, Education, Health, Local Authorities, Partnership bodies and the Voluntary Sector to hear

about and discuss the latest digital innovations and their application to the provision of Health and Social Care.

This seminar followed the second meeting of the Digital Innovation Zone (DIZ) Board, a cross-border grouping of Epping Forest District Council (EFDC), Uttlesford, Harlow, East Herts and Broxbourne Councils, Essex County Council, the London Stansted Cambridge Consortium, Princess Alexandra Hospital, West Essex CCG and KAO Data that has agreed to co-fund and co-commission a digital infrastructure strategy for a proposed DIZ covering the geographies of the five district local authority partners.

An expression of interest has been submitted on behalf of the DIZ Board to the Department for Digital Culture, Media and Sport (DCMS) to be involved in the DCMS Local Full Fibre Networks (LFFN) Programme. This programme will explore opportunities to expand full fibre networks through a range of mechanisms to support residents and businesses in accessing superfast broadband speeds and invitations to submit full bids are expected after Autumn workshops with interested parties.

### **Legal - Corporate Fraud Team**

#### **Prosecution**

After a five day trial at Chelmsford Crown Court, a former EFDC Council Tenant was found guilty of two charges of fraud (under The Fraud Act 2006) relating to a social housing fraud. The first charge related to her failure to relinquish a Housing Association Tenancy following her purchase of a three bedroom detached house in Dunmow, which she moved into during 2009.

The second charge related to making false representations to EFDC to obtain a Council property under the mutual exchange scheme. Despite moving out of her Housing Association property in 2009, she continued to sublet it until she then obtained a mutual exchange into an EFDC property in November 2011. The defendant never actually moved into an EFDC property, but illegally sublet it from the initial outset.

Prior to the trial, she had already entered a guilty plea to a charge brought under the Prevention of Social Housing Fraud Act 2013 for illegally subletting the EFDC tenancy. The property was recovered during the investigation and has since been re-let to someone from our waiting list.

The judge adjourned sentencing until Friday 15 September at Chelmsford Crown Court in order for a pre-sentence report to be obtained. Following the convictions for both crimes, proceedings are now being instigated against the defendant under The Proceeds of Crime Act.



## ***Report to the Council***

**Committee:** Cabinet **Date:** 26 September 2016

**Subject:** Staffing Structural Adjustments within Development Management

**Portfolio Holder:** Councillor J Philip (Planning & Governance)

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### **Recommending:**

**(1) That a Continuing Services Budget supplementary estimate in the sum of £109,760 be approved to convert the following existing temporary posts to permanent posts, effective from 1 October 2017, as detailed in Appendix A :**

- (a) Technical Officer (Validations);**
  - (b) Technical Officer (Systems); and**
  - (c) Two Assistant Planning Officers.**
- 

1. Development Management fee income has increased by over 50% generating an additional £300,000 per year from 2014/15. Further additional income of £100,000 per annum has been created by the provision of Planning Pre-Application advice. In addition, although the levels of planning applications in the last ten years have increased by 33%, the establishment structure of Development Management has not increased accordingly. Whilst the Planning Officers and support staff within Development Management have absorbed greater workloads through process changes and greater use of technology, temporary contracts have been granted to handle the sustained demand for planning applications, advice etc. However, it is clear that the demand is not of a temporary nature.

2. Investment in training and experience gained by the current temporary staff would be a loss to this Council. The staff occupying the temporary posts are looking for permanent positions and have acquired skill sets that are marketable. Losing the resource or having to devote senior staff time again to train a new, temporary recruit is not a sustainable use of resources.

3. There is a priority need to ensure that Planning Services is both resilient and robust enough to sustain the current increased levels of Planning Applications including Planning Pre-Applications as a secure base to address the future. At the meeting on 7 September 2017, the Cabinet agreed the adjustments to the staffing establishment as detailed in Appendix A to support the effective management of planning applications to meet statutory processing of planning applications timescales.

Technical Officer (Validations)

4. A key priority in processing planning applications is to make sure that there is an efficient and timely business process for registering and validating planning applications. Following a detailed process mapping exercise, Members agreed (Cabinet 1 December 2016, minute 105 refers) to resource a streamlined procedure which is showing an improvement of 3 - 5 days. The new process also helps to allow Planning Officers more time to provide the fee-earning Planning Pre-Application service in addition to their caseload of Planning Applications.

5. The creation of the temporary fixed term Technical Officer (Validations), as part of prototyping the process, has been an essential part of that service improvement, demonstrating the need for the role. Conversion to a permanent role will improve both the stability of the Applications/Validation team as well as add a degree of business resilience for processes regarding planning applications. The cost for a permanent Technical Officer Planning Validation will be £29,060 per year.

#### Technical Officer (Systems)

6. A temporary fixed term Technical Officer (Systems) Grade 5 was appointed in April 2016 for two years to manage the software systems Northgate M3, Information@work and iPlan at directorate level, as well as assist in electronic records development. This has proved very successful – also in supporting corporate initiatives involving changes to electronic systems. Currently the incumbent has a well-developed knowledge of specialist areas of planning and electronic records within Development Management and of wider corporate systems.

7. This post will be essential in supporting transformation initiatives being directly responsible for directorate level management of Northgate M3, Information@work, the Planning/Building Control area of the Council's website as well as supporting mobile and flexible working for Development Management. The post is key to ensuring the robust and resilient integration of electronic working within Planning, Building Control and Local Land Charges. There is simply not enough resource within the ICT section to handle this work and deliver on their priorities. The cost for a permanent Technical Officer Applications Systems will be £29,060 per year.

#### Assistant Planning Officer Posts (two)

8. Development Management have been aware for some time that qualified Planning Officers are in great demand with the attendant recruitment difficulties that brings. To address this, two Trainee Planning Officer posts with fixed term DDF funding to 31 August 2018 were created to allow us to 'grow our own' while meeting increased demands.

9. The idea, as well as the individuals, has proved to be invaluable in dealing with the more frequent and smaller type of planning applications, as well as Certificates of Lawful Development, amendments and the such like. Having invested in the training – both in terms of finance and time – it would be a retrograde step to lose this expertise and resource. If the fixed term ends then the workload will pass to the permanent Planning Officers on the establishment or be met by more expensive agency options. This would undoubtedly affect performance. It is therefore recommended that these two posts are converted to permanent on the same grade 4/5 as Assistant Planning Officers at a total cost of £51,640 per annum.

#### Conclusion

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

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## **Report to the Audit and Governance Committee**



**Epping Forest  
District Council**

**Report reference: AGC-006-2017/18**  
**Date of meeting: 18 September 2017**

**Portfolio: Finance**

**Subject: Statutory Statement of Accounts 2016/17**

**Responsible Officer: Bob Palmer (01992 564279)**

**Democratic Services: Gary Woodhall (01992 564470)**

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### **Recommendations/Decisions Required:**

**(1) That a report be submitted to the Council recommending that the Statutory Statement of Accounts for 2016/17 be adopted.**

### **Executive Summary:**

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

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

There has been one significant change to the annual Statutory Statement of Accounts for 2016/17. For 2016/17, the segmental reporting arrangements for the Comprehensive Income and Expenditure Statement have changed with the introduction of the new Expenditure and Funding Analysis. This analysis brings together the figures as they are presented in the Statutory Statement of Accounts, following proper accounting practice, with the figures more normally seen in the Council's budgets for the General Fund and Housing Revenue Account, based on the statutorily defined charges.

To assist Members with their consideration of the Accounts a report follows together with the Accounts themselves.

### **Reasons for Proposed Decision:**

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

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

### **Other Options for Action:**

The Committee could decide that the accounts should be amended or expanded prior to

them being presented to Full Council.

## **Report:**

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

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

*“(p) To review the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.”*

3. This review is performed through a consideration of key aspects of the accounts including:

- (i) critical accounting policies and practices, and any changes to them;
- (ii) decisions requiring a major element of judgement;
- (iii) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- (iv) significant adjustments resulting from the audit; and
- (v) any material weakness in internal control reported by the Internal or External Auditor.

### Critical Accounting Policies and Practices, and Any Changes to Them

4. There have been no significant changes in accounting policies and practices during the year. The accounting policies are set out on pages 13 to 19 of the Accounts.

### Decisions Requiring a Major Element of Judgement

5. In preparing a set of accounts at a point in time it is inevitable that some of the information required will not yet be available. If an actual amount is uncertain an estimate is used. The estimate will be based on the assessment of information available at the time the accounts are closed. When the actual figures are determined any difference is usually accounted for in the following year. If the estimate was wrong by a material amount it would be necessary to consider re-stating the figures, this is extremely rare.

6. Two of the notes required by International Financial Reporting Standards are relevant here, Note 4 “Critical judgements in applying accounting policies” and Note 5 “Assumptions made about the future and other major sources of estimation uncertainty”. The key critical judgement highlighted in Note 4 is that the Council does not currently need to close facilities or significantly reduce levels of service provision. If this were not the case it would be necessary to consider any assets that would be affected and any consequent impairment of their values.

7. This year only one area is included under Note 5, the Council's pension liability. The substantial annual fluctuations in the pension liability make clear the element of judgement exercised by the actuary in establishing the pension figures. The largest creditor on the Balance Sheet is the Council's liability to the pension fund. The Balance Sheet shows that

the pension liability for the Council has increased in the year from £66.981 million to £81.121 million. This increased deficit is due to the £36.362 million increase in the value of the projected liabilities being greater than the £22.222 million increase in scheme assets.

8. The key to calculating the value of the projected liabilities is the discount rate, and as this falls the size of the liability increases. The decrease in the discount rate from 3.5% to 2.7% reflects the decrease in yields in the corporate bond market, which actuaries are required to base discount rates on.

9. The figures shown in the table below illustrate how the overall deficit has changed over time. Further fluctuations are likely in subsequent years as it becomes clear how members of the pension scheme are responding to the change from a final salary scheme to a career average based scheme.

	2016/17 £'m	2015/16 £'m	2014/15 £'m	2013/14 £'m	2012/13 £'m
Liabilities	(220.0)	(183.6)	(185.0)	(159.5)	(170.4)
Assets	138.9	116.7	115.1	101.7	95.0
Deficit	(81.1)	(66.9)	(69.9)	(57.8)	(75.4)

10. The inclusion of this amount in the Balance Sheet shows the extent of the authority's liability if the pension fund was to close on 31 March 2017. It does not mean that this full liability will have to be paid over to the pension fund in the near future.

11. There are two other areas in the Statement of Accounts to bring to Member's attention as having required a major element of judgement. The first of these is asset valuations, Property, Plant and Equipment (PPE), dominates the Balance Sheet with a value of just over £760 million and Investment Properties are the next largest asset with a value of £68 million. Assets are revalued periodically to ensure their valuations are correct and up to date.

12. This year has seen an increase on revaluation of more than £56 million on PPE, of which more than £48 million relates to Council Dwellings and Garages. As in previous years, the valuation of the Council's Dwellings and Garages was undertaken by the District Valuer. Investment Properties were revalued by The Council's Estates Service and this resulted in an increase of £1 million in the value of industrial estates and £4m in the value of commercial properties. The auditors have carefully considered all of the revaluations and are satisfied that the asset values are not materially misstated.

13. The other area is the provision for business rate appeals. Historically the values for non-domestic property have been updated every five years. If an occupier is unhappy with the valuation set by the Valuation Office Agency (VOA) they can appeal. Throughout the recession the number of appeals increased and the VOA was unable to keep up with the workload and process the appeals on a timely basis. This meant that when local retention came in there were a very large number of appeals outstanding, most of which related to the 2010 list but some went back to the 2005 list. Even though the appeals arose before the start of the new system, and central government had received the income from the bills being challenged, the liability for settling the outstanding appeals was given to local authorities.

14. The Collection Fund includes a Provision for Appeals of £3.5 million, which is similar to 2015/16. This provision was calculated with the help of an external firm of rating experts who analysed each outstanding appeal and gave a projected value for settlement. The Valuation Office Agency has made some progress during the year in settling appeals but we still have several hundred outstanding. To date the appeals that have been settled are similar in total to the provisions that were held against them and it appears the provision is not materially misstated. Although it is important to include a note of caution here as there are still appeals outstanding on some of the largest non-domestic premises in the District, including one with a rateable value of £5.83 million.

15. Where it has been necessary to exercise judgement in the interpretation of the Code

of Practice advice has been sought from CIPFA and staff have liaised closely with both the External Audit Manager and other Essex authorities.

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

16. The financial statements for 2016/17 have not been affected by any unusual transactions in the year. There have been no extraordinary items and no prior year adjustments.

Significant Adjustments Resulting from the Audit

17. No significant adjustments have arisen from the audit. Although, some minor items have been corrected during the course of the audit. The audit is still to be concluded and any significant adjustments will be reported to this Committee.

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

18. Neither the Internal nor External Auditor has reported any material weakness in internal controls. If any arise before the conclusion of the audit they will be reported to this Committee.

**Resource Implications:**

The Accounts set out the resource implications of the Authorities activities for 2016/17. The recommendation of the Accounts to Full Council does not in itself have any resource implications.

**Legal and Governance Implications:**

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

**Safer, Cleaner and Greener Implications:**

There are no environmental implications.

**Consultation Undertaken:**

None.

**Background Papers:**

Reports on the revenue and capital outturns to the Finance & Performance Management Cabinet Committee on 22 June 2017.

**Impact Assessments:**

There are no equalities or risk management impacts.



# Due Regard Record

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

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

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This is a factual report detailing the Council's income and expenditure for 2016/17 and the overall financial position at the end of 2016/17. It does not involve the discussion of any matters of policy or the allocation of any resources. Therefore no groups of people are affected by this report and no discrimination will arise as a result of the report.

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*Epping Forest District Council*

[www.eppingforestdc.gov.uk](http://www.eppingforestdc.gov.uk)

***STATEMENT OF ACCOUNTS  
2016/17***



# STATUTORY STATEMENT OF ACCOUNTS 2016/17

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

# NARRATIVE REPORT

## 1. INTRODUCTION TO EPPING FOREST DISTRICT COUNCIL

Epping Forest District in Essex takes its name from the forest which runs from its southern boundaries northwards. The district shares boundaries with Greater London and Hertfordshire as well as four other Essex districts. The three main settlements of Buckhurst Hill, Chigwell and Loughton contain more than half the district's population of approximately 132,000 people. However, this southern area amounts to only 5% of the district. The remaining 95% is made up largely of separate market towns, villages and hamlets in attractive countryside. Most of the district is designated within the protective status of the Metropolitan Green Belt.

Services are provided at three levels by Essex County Council, Epping Forest District Council and local Town and Parish Councils.

- District Council services include - housing, street cleansing, waste collection and recycling, sports and recreation, planning applications for homes and business, voter registration, benefit administration, council tax and business rate collection & environmental health.
- County Council services include - education, social care & highways and transportation.
- Parish and Town Council services include - allotments, burial grounds and cemeteries, public halls & playgrounds and sports grounds.

Forecasts suggest that the population of the district could rise significantly from the current 132,000 over the next twenty years. A key factor in this estimated growth is that life expectancy in the district is higher than the national average and rising. Projections indicate that by 2020 over 55% of the district's population will be aged over 60.

Although the population of the district is fairly affluent there are some areas of deprivation with children living in poverty. Nearly a quarter of the district's adult population and almost a fifth of children are classified as obese.

Unemployment is generally low. Many residents commute to jobs in London. The district is well connected by eight London Underground stations and a National Rail station. The M25 and M11 provide good road links including a fast route to Stansted Airport. Local employment opportunities centre on distribution, hotels, restaurants, banks and finance and public services.

## 2. PERFORMANCE ON CORPORATE OBJECTIVES

The Corporate Plan 2016 - 2021 has three strategic aims and each of these is supported by three key objectives. Performance against the key objectives is monitored on a quarterly basis, with reports to Member meetings of both the Executive and Overview and Scrutiny.

The first strategic aim is to ensure that the Council has appropriate resources, on an ongoing basis, to fund its statutory duties and appropriate discretionary services whilst continuing to keep the Council Tax low. This aim is supported by key objectives covering budgets, property assets and joint working.

The key objective for budgets is to ensure that the Council's Medium Term Financial Strategy (MTFS) meets the Council's financial and service requirements for any forward five year period, whilst minimising any reliance on Government funding. There were five actions to support this objective which included an early start to the budget cycle, delivering the savings already identified for both 2016/17 and 2017/18 and developing additional business cases to address the need for net savings. All of these actions were achieved during 2016/17.

The key objective for property assets is to continue to review and develop the Council's own assets and landholdings for appropriate uses, in order to maximise revenue streams and capital receipts and to deliver four key projects. There were nine actions to support this objective, most of which were linked to the four key projects of the Epping Forest Shopping park, the Council Housebuilding Programme, the St John's Redevelopment Scheme and North Weald Airfield. Progress on the Shopping Park has been good and that action is on target. The various phases of the Council Housebuilding Programme have progressed at different rates. Phase 1 is behind schedule due to problems with the contractor, whilst phases 2 to 4 have achieved their targets with work commencing on site for phases 2 and 3. Progress on the St John's Redevelopment is behind schedule due to a series of delays, most of which can be attributed to Essex County Council. The action relating to North Weald Airfield is on target. Overall five of the actions on property assets have been achieved but four are behind schedule.

The key objective for joint working is to explore appropriate opportunities to make savings and increase income through the shared delivery of services with other organisations, where such arrangements would provide improved and/or more cost effective outcomes. There were thirteen actions shared across the organisation to support this objective. Nine of the actions were achieved in the year and some progress has been made on the other four but they are behind schedule. The actions behind schedule mostly relate to establishing shared service arrangements and on reflection the original timescales set were too ambitious.

The second strategic aim is to ensure that the Council has a sound and approved Local Plan and commences its delivery. This aim is supported by key objectives covering the Local Plan, an Economic Development Strategy and a Leisure and Cultural Strategy.

The key objective for the Local Plan is to produce a sound Local Plan, following consultation with local residents and working with neighbouring councils, that meets the needs of our communities whilst minimising the impact on the District's Green Belt. There were five actions to support this objective, these covered various aspects of the preparatory work necessary to deliver the Local Plan. The only action achieved in the year was to undertake Phase II of a comprehensive Green Belt Review, although the work on the duty to co-operate was also described as on target.

The key objective for economic development is to increase opportunities for sustainable economic development within the District, in order to increase local employment opportunities for residents. The only action to support this objective was the continuation of the apprenticeship scheme, which was achieved.

The key objective for the leisure and cultural strategy is to deliver the strategy, in order to maximise participation and value for money in leisure and cultural services for local residents and visitors. There were five actions to support this objective, these included taking forward the masterplan for the Hillhouse area and investigating the establishment of a development trust for the museum. All of the actions were achieved in the year.

The third strategic aim is to ensure that the Council adopts a modern approach to the delivery of its services and that they are efficient, effective and fit for purpose. This aim is supported by key objectives covering customer contact, modernising Council operations and the district's demographic profile.

The key objective for customer contact is to have efficient arrangements in place to enable customers to easily contact the Council, in a variety of ways, and in most cases have their service needs met effectively on first contact. There were two actions to support this objective, reviewing the increased opening hours at the Limes Centre and producing an implementation plan for improvements to customer contact. Both of the actions were achieved in the year.

The key objective for modernisation is to utilise modern technology to enable Council officers and Members to work more effectively, in order to provide enhanced services to customers and make Council services and information easier to access. There were five actions to support this objective, these covered work on scanning, implementing the ICT Strategy and freeing up computer suite 1 for re-use. All of the actions were achieved in the year.

The key objective for the demographic profile is to ensure that the Council understands the effects of an ageing population and works with other agencies to make appropriate plans and arrangements to respond to this need. There were four actions to support this objective. The two actions covering the multi-service study to identify and better understand the demographics of the ageing population and the effects of this were achieved. Two of the actions were not achieved in the year and these both related to the Council's provision of sheltered and designated accommodation.

The performance for 2016/17 shows a slight improvement on 2015/16, with the percentage of actions achieved in the year improving from 65% to 68%. This was probably helped by the actions being more focused and reducing from 55 to 49. It is pleasing to have improved the percentage of actions achieved and achieving more than two thirds of the actions is a good performance. Many of the 16 actions that were not completed are well underway and will continue to be monitored during 2017/18.

### 3. PERFORMANCE ON KEY PERFORMANCE INDICATORS

Each of the four Directorates has a set of key performance indicators that Members consider and set targets for on an annual basis. Quarterly monitoring reports on the indicators go to both Overview and Scrutiny and Executive Member meetings. The Communities Directorate had ten key performance indicators for 2016/17 and eight of these achieved the target level of performance. The indicators meeting their targets included rent collection, tenant satisfaction, repairs and the Careline service. The indicators falling short of their targets were the time taken to re-let void properties (38 days against target of 37) and the number of components replaced in order to achieve the modern homes standard (2,806 against target of 3,300). However, during the year Cabinet decided to return to the decent homes standard so not achieving the target for modern homes is in line with the amended policy.

The Governance Directorate had five key performance indicators for 2016/17 and three of these achieved the target level of performance. The indicators all relate to the processing of various types of planning applications and it was a considerable achievement to meet the processing targets whilst also dealing with a much higher volume of work. The indicators that fell short of target were for the percentage of appeals lost, following both officer and Member decisions. Targets of a maximum of 20% for officers and 50% for Members had been set but the outturns were higher at 22.2% and 66.7%. This is disappointing and a process is in place to scrutinise and learn from appeal decisions.

The Neighbourhoods Directorate had thirteen key performance indicators for 2016/17 and eleven achieved their targets. The indicators meeting their targets relate to environmental health issues such as fly tipping and noise nuisance and also the management of the Council's commercial properties. The indicators falling short of their targets cover the recycling part of the waste management service as both the percentage and weight of waste recycled were below target. Several initiatives are being examined with the service provider to try and boost recycling going forwards.

The Resources Directorate had nine key performance indicators for 2016/17 and eight achieved their targets. The indicators meeting their target relate to sickness absence, revenue collection, benefits processing and the Council's website. The indicator that fell short of its targets was the percentage of invoices paid in 30 days. However, performance here at 96% was only just short of the target of 97%.



There were 37 key performance indicators for 2016/17 and 28 (75%) of these achieved their target during the year. This is a strong performance and maintains the level of 75% achieved in 2015/16. Whilst it would have been desirable to see further improvement, the context of the transformation work must be remembered and this level of performance shows a focus has been retained on the key business as usual items reflected in the performance

#### 4. FINANCIAL PERFORMANCE

The following tables provide a summary review of net expenditure and financing for 2016/17.

##### General Fund

The table below summarises the revenue outturn for the General Fund and the consequential movement in balances for 2016/17.

General Fund	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Net Expenditure after Adjustments	13,252	13,968	14,039	787	71
Government Grants and Local Taxation	(13,216)	(13,191)	(12,974)	242	217
<b>(Contribution to)/from Balances</b>	<b>36</b>	<b>777</b>	<b>1,065</b>	<b>1,029</b>	<b>288</b>
Opening Balances - 1/04/2016	(7,272)	(7,272)	(7,272)	-	-
(Contribution to)/from Balances	36	777	1,065	1,029	288
<b>Closing Balances - 31/3/17</b>	<b>(7,236)</b>	<b>(6,495)</b>	<b>(6,207)</b>	<b>1,029</b>	<b>288</b>

Net expenditure for 2016/17 totalled £14.04 million, which was £0.79 million (5.9%) above the original estimate agreed in February 2016 and £71,000 (0.5%) above the revised estimate compiled in December 2016.

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

General Fund	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Opening CSB	12,714	13,336	12,465	(249)	(871)
In Year Growth	949	1,408	1,395	446	(13)
In Year Savings	(411)	(778)	(823)	(412)	(45)
<b>Total Continuing Services Budget</b>	<b>13,252</b>	<b>13,966</b>	<b>13,037</b>	<b>(215)</b>	<b>(929)</b>
Capital Expenditure Charged to Revenue	0	2	1,002	1,002	1,000
<b>Total All CSB Items</b>	<b>13,252</b>	<b>13,968</b>	<b>14,039</b>	<b>787</b>	<b>71</b>
DDF/ITS - Expenditure	2,106	3,099	2,527	421	(572)
DDF/ITS - One Off Savings/Income	(1,296)	(1,683)	(2,754)	(1,458)	(1,071)
Total DDF/ITS	<b>810</b>	<b>1,416</b>	<b>(227)</b>	<b>(1,037)</b>	<b>(1,643)</b>
<b>Total Net Expenditure</b>	<b>14,062</b>	<b>15,384</b>	<b>13,812</b>	<b>(250)</b>	<b>(1,572)</b>



## Continuing Services Budget

CSB expenditure was £215,000 below the original estimate and £929,000 lower than the revised. The variances have arisen on both the opening CSB which was £871,000 lower than the revised estimate, and the in year figures which were £58,000 lower than the revised estimate.

In common with most years, when measured against the original budget, salaries were underspent by £529,000. Actual salary spending for the authority in total, including agency costs, was some £21.97 million compared against an original estimate of £24.50 million. When comparing to the revised estimate there was an underspend of £157,000, all of which related to the General Fund, although some salary costs are DDF and this showed a small underspend.

One of the largest variances on the revised opening CSB, when compared to the actuals, was the £105,000 which had been allowed for settlement agreement as little of this was spent. There were also underspends of £133,000 on housing benefits, £103,000 on consultancy costs and £83,000 on the bad debt provision, whilst rents were £112,000 higher than anticipated.

The in year CSB movements were very much in line with the revised estimate, with the actual CSB in year increase of £572,000 being just £58,000 lower than the revised estimate. The largest individual items in the CSB changes were for additional costs relating to waste management, £419,000, and national insurance contributions, £371,000, these were partly off-set by an additional £200,000 from the Council Tax technical agreement.

## District Development Fund

Net DDF expenditure was £1,144,000 below the original estimate and £1,542,000 below the revised estimate. There are requests for carry forwards totalling £1,301,000 and therefore the variation actually equates to a £241,000 net under spend on the DDF items undertaken. These one-off projects are akin to capital, in that there is regular slippage and carry forward of budgetary provision. Therefore the only reasonable variance analysis that can be done is against the revised position.

The £1,542,000 difference against the revised estimate arose largely from additional income underspends. Significant additional income was received from the Government in relation to planning matters, with £665,000 to be spent on the Garden Towns and £129,000 on joint working. There was also additional income of £158,000 for the Council Tax technical agreement, where a basic amount has been included in the CSB but amounts in excess of this are credited to the DDF.

Carry forwards of £1,301,000 have been requested, with the largest request being £1,000,000 from the Neighbourhoods Directorate. The two largest amounts have already been mentioned above, being the £665,000 for the Garden Towns and the £129,000 for joint working. The directorate with the second highest carry forward is Resources, with a total of £248,000. The majority of the carry forward from this area relates to Building Maintenance (£92,000). Less significant carry forwards were also seen in the Governance Directorate (£26,000) and the Communities Directorate (£20,000).

The effect of these variances is that there is a balance of £4.19 million on the DDF as at 31 March 2017 whereas it was expected that the balance would be £2.65 million. The carry forward provision of £1,301,000 has been added to the programme for 2017/18. The MTFs set in February 2017 had anticipated that additional top-up funds would be needed for the DDF in 2018/19 but it now appears this will not be necessary until 2020/21.

## Invest to Save

Spending from the Invest to Save fund was £219,000, some £101,000 below the revised estimate of £320,000. However, carry forwards of £107,000 have been requested, including £45,000 for ICT infrastructure to support the new car park management contract. During the year the fund was topped up with a transfer of £200,000 and at the end of 2016/17 had a balance of £406,000.

## Housing Revenue Account

The table below summarises the revenue outturn for the HRA.

Housing Revenue Account	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
Revenue Expenditure	28,016	26,391	26,270	(1,746)	(121)
Depreciation	12,925	15,765	15,763	2,838	(2)
<b>Total Expenditure</b>	<b>40,941</b>	<b>42,156</b>	<b>42,033</b>	<b>1,092</b>	<b>(123)</b>
Gross Dwelling Rents	(32,032)	(31,788)	(31,925)	(107)	137
Other Rents and Charges	(8,462)	(10,862)	(10,759)	2,297	(103)
<b>Total Income</b>	<b>(40,494)</b>	<b>(42,650)</b>	<b>(42,684)</b>	<b>(2,190)</b>	<b>(34)</b>
<b>Deficit/(Surplus) for Year</b>	<b>447</b>	<b>(494)</b>	<b>(651)</b>	<b>(1,098)</b>	<b>(157)</b>
<b>Opening Balance 1/4/16</b>	(3,202)	(3,202)	(3,202)	0	0
Deficit/ (Surplus) for year	447	(494)	(651)	(1,098)	(157)
<b>Closing Balance - 31/3/17</b>	<b>(2,755)</b>	<b>(3,696)</b>	<b>(3,853)</b>	<b>(1,098)</b>	<b>(157)</b>

A deficit within the HRA of £447,000 and surplus of £494,000 were expected within its original and revised revenue budgets respectively; the actual outturn was a surplus of £651,000. The difference of £157,000 between the revised estimate and the actual is largely due to savings on expenditure of £121,000. This included savings of £43,000 on sheltered unit management, £26,000 on bad and doubtful debts and a further £16,000 on grounds maintenance.

Income from Dwelling Rents was above expectations but this was largely offset by the shortfall on other income. The revenue balance on the HRA of £3.85 million is in line with the target balance of between £3 million and £4 million previously agreed by Cabinet. The Major Repairs Reserve is also in a healthy state with a balance of £12.7 million.

## Capital Outturn

The table below summarises the capital expenditure outturn and its financing for 2016/17.

Capital Expenditure and Financing	Original Estimate £000	Revised Estimate £000	Actual Spend £000	Variance from Original £000	Variance from Revised £000
General Fund	19,320	22,210	19,581	261	(2,629)
Housing Revenue Account	28,277	20,867	17,376	(10,901)	(3,491)
<b>Total Expenditure</b>	<b>47,597</b>	<b>43,077</b>	<b>36,957</b>	<b>(10,640)</b>	<b>(6,120)</b>
Grants	1,015	1,466	1,799	784	333
External Borrowing	12,621	20,316	9,300	(3,321)	(11,016)
Capital Receipts	8,192	5,077	11,712	3,520	6,635
Revenue Contributions	25,769	16,218	14,146	(11,623)	(2,072)
<b>Total Financing</b>	<b>47,597</b>	<b>43,077</b>	<b>36,957</b>	<b>(10,640)</b>	<b>(6,120)</b>

The General Fund capital programme was expanded at the revised estimate stage from the original estimate of £19.32 million to £22.21 million. It had been anticipated that the land transactions for the St Johns development would have been completed in 2015/16 but this did not happen so the budget of £7.1 million was rolled forward into 2016/17 at the revised stage. This was partially offset by the delays in completing the Epping Forest Shopping Park, which meant the estimate was reduced from the original £16.2 million to £11.09 million at the revised stage. The underspend on the General Fund programme of £2.6 million comprises of £1.34 million for the shopping park, £990,000 for the surrender of lease and £318,000 on planned maintenance. All of the large underspends were due to slippage and have been carried forward to 2017/18.

The HRA capital programme was significantly reduced at the revised stage from the original estimate of £28.28 million to £20.87 million. This reflected the decision to change back from the modern homes to the decent homes standard and delays in the new build programme. The large underspend on the HRA programme of £3.49 million (16.7%) was made up primarily of £1.46 million on the new house building and £769,000 on the heating and rewiring programme. Similarly to the General Fund, these underspends will be carried forward to 2017/18 to allow the programmes to be completed.

The actual financing of the capital programme varied from the revised estimate as the large underspends meant no new external borrowing was needed during 2016/17.

## Balance Sheet

In 2016/17 the Council's Balance Sheet value has increased by £42.93 million to £598.87 million. The improvement in the Balance Sheet total arises primarily from the increase in the value of the Council's fixed assets and investment properties of £69.73 million. This was offset by a reduction in the Council's cash and short term investments of £10.37 million to £41.28 million.

The growth in the Council's Balance Sheet was hindered by an increase in Long Term Liabilities, particularly in respect of the pension fund. This has increased in the year from £66.98 million to £81.12 million. The assets of the scheme have increased in value by £22.22 million but the liabilities have increased by £36.36 million. The key to calculating the value of future costs is the discount rate and as this decreases the size of the liability increases. The decrease in the discount rate from 3.5% to 2.7% reflects the decreasing yields in the corporate bond market, which actuaries are required to base discount rates on. The inclusion of this amount in the Balance Sheet shows the extent of the Council's liability if the pension fund was to close on 31 March 2017. It does not mean that this full liability will have to be paid over to the pension fund in the near future.

## 5. PRINCIPAL RISKS AND UNCERTAINTIES

A risk management strategy is in place to identify and evaluate risks. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact. The risk management process is audited on an annual basis and the Audit & Governance Committee decided that the arrangements for risk management during 2016/17 were effective.

Below are our top risks from the Council's Corporate Risk Register:

Risk - failure to put in place a Local Plan in a timely manner  
Impacts - loss of control of Local Plan process, reduced ability to defend decisions on appeal  
Mitigation - external project management support, regular Member briefings, engagement with stakeholders

Risk - failure to deliver developments on strategic sites  
Impacts - loss of income potential, sub-optimal economic development, reputational damage  
Mitigation - external project management support, overseen by dedicated Cabinet Committee

Risk - residents and the Council adversely affected by welfare reforms  
Impacts - increases in rent arrears and homelessness, redundancy costs for staff and systems  
Mitigation - multi-disciplinary working group has developed and implemented an action plan

Risk - Council's finances hit by reductions in income  
Impacts - reductions in services, increases in Council Tax and charges, reductions in reserves  
Mitigation - monthly income monitoring, increased urgency on Local Plan (see above), pooling to improve rate retention

Risk - failure to achieve strong economic development  
Impacts - loss of inward investment, reductions in Non Domestic Rates, reduced employment opportunities for residents

## 6. EXPLANATION OF ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2017. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, which in turn is underpinned by International Financial Reporting Standards.

The Core Statements are:

Comprehensive Income and Expenditure Statement this records all of the Council's income and expenditure for the year. The top half of the statement provides an analysis by service area - this is now in line with management reporting so that local authority accounts and spending can be compared. The bottom half of the statement deals with corporate transactions and funding.

Movement in Reserves Statement - this is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "useable" , which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific purposes.

Balance Sheet - this is a "snapshot" of the Council's assets, liabilities, cash balances and reserves at the year-end date.

Cash Flow Statement - this shows the reasons for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities.

The Supplementary Financial Statements are:

Annual Governance Statement - this sets out the governance structures of the Council's and its key internal controls.

Housing Revenue Account - this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.

Collection Fund - this summarises the collection of council tax and business rates, and the redistribution of that money to other local authorities and central government.

Note 1 to the financial statements is new this year and reconciles the net expenditure reported in the Comprehensive Income and Expenditure Statement to the net expenditure chargeable to taxation and rents. The outturn is included above. The outturn does not include earmarked reserves.

The other notes to these financial statements provide more detail about the Council's accounting policies and individual transactions.

# Statement of Responsibilities for the Statement of Accounts

## THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

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

**COUNCILLOR DAVID STALLAN  
CHAIRMAN OF THE COUNCIL**

## THE DIRECTOR OF RESOURCES RESPONSIBILITIES

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

In preparing this Statement of Accounts, the Director of Resources has:

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

The Director of Resources has also:

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

I certify that the accounts set out on pages 5 to 56 give a true and fair view of the financial position of the Council as at 31 March 2017 and the income and expenditure for the year then ended.

**ROBERT PALMER BA FCA  
DIRECTOR OF RESOURCES**

**September 26, 2017**

### **Opinion on the Council's financial statements**

We have audited the financial statements of Epping Forest District Council for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of Epping Forest District Council in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in the Statement of Responsibilities of Auditors and Audited Bodies within Chapter 2 of the Code of Audit Practice published by the National Audit Office in April 2015. Our work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Director of Resources and auditors**

As explained more fully in the Statement of the Director of Resources Responsibilities, the Director of Resources is responsible for the preparation of the Statement of Accounts, which comprises the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that the financial statements give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director of Resources; and the overall presentation of the financial statements. In addition, we read the financial and non-financial information included in the document containing the audited financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the financial position of Epping Forest District Council as at 31 March 2017 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

### **Opinion on other matters**

In our opinion, the other information published together with the audited financial statements is consistent with the financial statements.

## **Matters on which we report by exception**

We have nothing to report in respect of the following other matters which the Code of Audit Practice (April 2015) requires us to report to you if:

- we have been unable to satisfy ourselves that the Annual Governance Statement meets the disclosure requirements set out in the guidance 'Delivering Good Governance in Local Government: Framework (2016 edition)' published by CIPFA/SOLACE or is misleading or inconsistent with other information that is forthcoming from the audit;
- we issue a report in the public interest;
- we designate under section 24 of the Local Audit and Accountability Act 2014 any recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

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

### **Respective responsibilities of the Council and the auditor**

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

We are required under Section 20 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the National Audit Office.

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

## **Scope of review of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the National Audit Office in November 2016, as to whether in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

The National Audit Office has determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

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



## Conclusion

On the basis of our work, having regard to the guidance on the specified criterion published by the National Audit Office in November 2016, we are satisfied that, in all significant respects, Epping Forest District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

## Certificate

We certify that we have completed the audit of the accounts of Epping Forest District Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Zoe Thompson  
For and on behalf of BDO LLP, Appointed Auditor

Ipswich, UK

**September 26, 2017**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## MOVEMENT IN RESERVES STATEMENT

Note	General Fund Balance	Housing Revenue Account	Earmarked Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
<b>Movements in 2015/16</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance as at 1 April 2015</b>	<b>9,293</b>	<b>2,570</b>	<b>17,205</b>	<b>19,534</b>	<b>11,154</b>	<b>96</b>	<b>59,852</b>	<b>360,727</b>	<b>420,579</b>
Surplus/(Deficit) on Provision of Services	15,066	13,775	-	-	-	-	28,841	-	28,841
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	106,521	106,521
<b>Total Comprehensive Income and Expenditure</b>	<b>15,066</b>	<b>13,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,841</b>	<b>106,521</b>	<b>135,362</b>
Adjustment between accounting and funding bases under regulations	7 (16,711)	(10,622)	-	(15,746)	1,137	112	(41,830)	41,830	-
<b>Net Increase/(Decrease) before transfer to Earmarked Reserves</b>	<b>(1,645)</b>	<b>3,153</b>	<b>-</b>	<b>(15,746)</b>	<b>1,137</b>	<b>112</b>	<b>(12,989)</b>	<b>148,351</b>	<b>135,362</b>
Transfers to Earmarked Reserves	(376)	(2,521)	2,897	-	-	-	-	-	-
<b>Increase/(Decrease) in Year</b>	<b>(2,021)</b>	<b>632</b>	<b>2,897</b>	<b>(15,746)</b>	<b>1,137</b>	<b>112</b>	<b>(12,989)</b>	<b>148,351</b>	<b>135,362</b>
<b>Balance as at 31 March 2016</b>	<b>7,272</b>	<b>3,202</b>	<b>20,102</b>	<b>3,788</b>	<b>12,291</b>	<b>208</b>	<b>46,863</b>	<b>509,078</b>	<b>555,941</b>
<b>Movements in 2016/17</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance as at 31 March 2016</b>	<b>7,272</b>	<b>3,202</b>	<b>20,102</b>	<b>3,788</b>	<b>12,291</b>	<b>208</b>	<b>46,863</b>	<b>509,078</b>	<b>555,941</b>
Surplus/(Deficit) on Provision of Services	(2,008)	65	-	-	-	-	(1,943)	-	(1,943)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	44,874	44,874
<b>Total Comprehensive Income and Expenditure</b>	<b>(2,008)</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,943)</b>	<b>44,874</b>	<b>42,931</b>
Adjustment between accounting and funding bases under regulations	7 1,631	812	-	(3,788)	413	(41)	(973)	973	-
<b>Net Increase/(Decrease) before transfer to Earmarked Reserves</b>	<b>(377)</b>	<b>877</b>	<b>-</b>	<b>(3,788)</b>	<b>413</b>	<b>(41)</b>	<b>(2,916)</b>	<b>45,847</b>	<b>42,931</b>
Transfers to Earmarked Reserves	(687)	(226)	996	-	-	(83)	-	-	-
<b>Increase/(Decrease) in Year</b>	<b>(1,064)</b>	<b>651</b>	<b>996</b>	<b>(3,788)</b>	<b>413</b>	<b>(124)</b>	<b>(2,916)</b>	<b>45,847</b>	<b>42,931</b>
<b>Balance as at 31 March 2017</b>	<b>6,208</b>	<b>3,853</b>	<b>21,098</b>	<b>-</b>	<b>12,704</b>	<b>84</b>	<b>43,947</b>	<b>554,925</b>	<b>598,872</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31 March 2017

	Note	2016/17			2015/16 <i>Restated</i>		
		Gross Expend £000	Income £000	Net Expend £000	Gross Expend £000	Income £000	Net Expend £000
<b>CONTINUING OPERATIONS</b>							
Office of the Chief Executive		1,384	-	1,384	1,095	-	1,095
Communities		5,014	(1,934)	3,080	6,839	(1,691)	5,148
Governance		4,734	(2,013)	2,721	4,540	(1,936)	2,604
Neighbourhoods		18,971	(4,607)	14,364	15,686	(4,365)	11,321
Resources		38,854	(36,268)	2,586	40,881	(38,052)	2,829
Housing Revenue Account		32,843	(34,714)	(1,871)	28,762	(44,435)	(15,673)
<b>NET COST OF SERVICES</b>		<b>101,800</b>	<b>(79,536)</b>	<b>22,264</b>	<b>97,803</b>	<b>(90,479)</b>	<b>7,324</b>
OTHER OPERATING EXPENDITURE	9			1,061			2,786
FINANCING AND INVESTMENT INCOME AND EXPENDITURE	10			(131)			(15,819)
TAXATION AND NON-SPECIFIC GRANT INCOME	11			(21,251)			(23,132)
<b>(SURPLUS)/DEFICIT ON PROVISION OF SERVICES</b>				<b>1,943</b>			<b>(28,841)</b>
(Surplus) on Revaluation of Property Plant and Equipment	12			(56,768)			(101,207)
Actuarial (gains)/losses on Pension Assets/Liabilities	32			11,900			(5,314)
Other (gains)/losses				(6)			-
<b>TOTAL COMPREHENSIVE INCOME AND EXPENDITURE</b>				<b>(42,931)</b>			<b>(135,362)</b>

## BALANCE SHEET

	Note	31 March 2017		31 March 2016	
		£000	£000	£000	£000
<b>LONG TERM ASSETS</b>					
Property, Plant & Equipment	12	760,725		695,670	
Heritage Assets		542		542	
Investment Properties	13	67,744		63,070	
Intangible Assets		768		651	
Long Term Debtors	14	4,886		5,632	
<b>TOTAL LONG TERM ASSETS</b>			<b>834,665</b>		<b>765,565</b>
<b>Current Assets</b>					
Assets held for sale		-		850	
Inventories		151		154	
Debtors and Prepayments	16	9,377		7,742	
Short Term Temporary Investments	15	25,017		37,672	
Cash & Cash Equivalents	17	16,258		13,969	
			<b>50,803</b>		<b>60,387</b>
<b>Current Liabilities</b>					
Creditors	18	(16,040)		(12,897)	
Provisions	19	(1,404)		(1,521)	
			<b>(17,444)</b>		<b>(14,418)</b>
<b>LONG TERM LIABILITIES</b>					
Long Term Loans	15	(185,456)		(185,456)	
Pensions Liability	32	(81,121)		(66,981)	
Leasing liability	15	(2,326)		(2,908)	
Capital Grant Receipts in Advance		(249)		(248)	
			<b>(269,152)</b>		<b>(255,593)</b>
<b>TOTAL ASSETS LESS LIABILITIES</b>			<b>598,872</b>		<b>555,941</b>
<b>Usable Reserves</b>		<b>43,947</b>		<b>46,863</b>	
<b>Unusable Reserves</b>	20	<b>554,925</b>		<b>509,078</b>	
			<b>598,872</b>		<b>555,941</b>

## THE CASH FLOW STATEMENT

	Note	2016/17 £000	2015/16 £000
Net Surplus\ (Deficit) on Provision of Services		(1,943)	28,841
Adjustments to net surplus or deficit on the provision of services for non-cash movements	21	24,226	(10,201)
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	21	(10,866)	(11,344)
<hr/>			
Net cash flows from Operating Activities	21	11,417	7,296
Investing Activities	22	(10,806)	(22,415)
Financing Activities	23	1,678	2,879
<hr/>			
Net Increase or (Decrease) in cash and cash equivalents		2,289	(12,240)
Cash and Cash Equivalents at the beginning of the reporting period		13,969	26,209
<hr/>			
Cash and Cash equivalents at the end of the reporting period	17	16,258	13,969

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## 1. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and expenditure Statement.

Net Expenditure Chargeable to General Fund & HRA Balances	Adjustments between the funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement		Net Expenditure Chargeable to General Fund & HRA Balances	Adjustments between the funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement
£000	2015/16 £000	£000		£000	2016/17 £000	£000
1,072	23	1,095	Office of the Chief Executive	1,318	66	1,384
3,153	1,995	5,148	Communities	2,811	269	3,080
2,247	357	2,604	Governance	2,375	346	2,721
8,633	2,688	11,321	Neighbourhoods	9,904	4,460	14,364
1,666	1,163	2,829	Resources	815	1,771	2,586
(12,907)	(2,766)	(15,673)	Housing Revenue Account	(12,075)	10,204	(1,871)
<b>3,864</b>	<b>3,460</b>	<b>7,324</b>	<b>Net Cost of Service</b>	<b>5,148</b>	<b>17,116</b>	<b>22,264</b>
(5,372)	(30,793)	(36,165)	Other Income & Expenditure	(5,731)	(14,590)	(20,321)
<b>(1,508)</b>	<b>(27,333)</b>	<b>(28,841)</b>	<b>Surplus / Deficit</b>	<b>(583)</b>	<b>2,526</b>	<b>1,943</b>
29,068			Opening General Fund & HRA Balance	30,576		
1,508			Surplus / Deficit on General Fund & HRA Balance in Year	583		
<b>30,576</b>			<b>Closing General Fund &amp; HRA Balance at 31 March 2017</b>	<b>31,159</b>		

## NOTES TO THE EXPENDITURE AND FUNDING ANALYSIS

### Adjustments between Funding & Accounting Basis

	2016/17			
	Adjustments for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total £000
Office of the Chief Executive		32	34	66
Communities	144	126	(1)	269
Governance	8	334	4	346
Neighbourhoods	4,142	311	7	4,460
Resources	1,285	472	14	1,771
Housing Revenue Account	9,669	537	(2)	10,204
<b>Net Cost of Service</b>	<b>15,248</b>	<b>1,812</b>	<b>56</b>	<b>17,116</b>
Other Income & Expenditure from the Expenditure & Funding Analysis	(14,643)	430	(377)	(14,590)
Difference between General Fund Surplus / Deficit and Comprehensive Income & Expenditure	<b>605</b>	<b>2,242</b>	<b>(321)</b>	<b>2,526</b>

	2015/16			Total £000
	Adjustments for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	
Office of the Chief Executive	-	23	0	23
Communities	1,855	132	8	1,995
Governance	10	333	14	357
Neighbourhoods	2,335	356	(3)	2,688
Resources	645	516	2	1,163
Housing Revenue Account	(3,284)	526	(8)	(2,766)
<b>Net Cost of Service</b>	<b>1,561</b>	<b>1,886</b>	<b>13</b>	<b>3,460</b>
Other Income & Expenditure from the Expenditure & Funding Analysis	(31,436)	481	161	(30,793)
Difference between General Fund Surplus / Deficit and Comprehensive Income & Expenditure	(29,875)	2,367	174	(27,333)

#### Expenditure & Income Analysed by Nature

	2016/17						Total £000
	Office of the Chief Executive £000	Communities £000	Governance £000	Neighbourhoods £000	Resources £000	Housing Revenue Account £000	
Fees, charges & other service income	-	(1,255)	(1,931)	(3,864)	(497)	(34,705)	(42,252)
Government Grants	-	(679)	(82)	(743)	(35,771)	(9)	(37,284)
<b>Total Income</b>	<b>-</b>	<b>(1,934)</b>	<b>(2,013)</b>	<b>(4,607)</b>	<b>(36,268)</b>	<b>(34,714)</b>	<b>(79,536)</b>
Employee Expenses	12	2,019	1,813	1,968	2,022	3,408	11,242
Other Service Expenses	(324)	1,815	571	10,325	580	8,194	21,161
Support Service Recharges	1,696	1,060	2,350	2,699	1,298	3,495	12,598
Asset Charges	-	120	-	3,979	652	17,746	22,497
Benefit Payments	-	-	-	-	34,302	-	34,302
<b>Total Expenditure</b>	<b>1,384</b>	<b>5,014</b>	<b>4,734</b>	<b>18,971</b>	<b>38,854</b>	<b>32,843</b>	<b>101,800</b>
<b>Net Cost Of Services</b>	<b>1,384</b>	<b>3,080</b>	<b>2,721</b>	<b>14,364</b>	<b>2,586</b>	<b>(1,871)</b>	<b>22,264</b>



	2015/16						
	Office of the Chief Executive	Communities	Governance	Neighbourhoods	Resources	Housing Revenue Account	Total
	£000	£000	£000	£000	£000	£000	£000
Fees, charges & other service income	-	(1,252)	(1,796)	(4,365)	(500)	(35,246)	(43,159)
Gain on Revaluation						(9,184)	(9,184)
Government Grants	-	(439)	(140)	-	(37,552)	(5)	(38,136)
<b>Total Income</b>	<b>-</b>	<b>(1,691)</b>	<b>(1,936)</b>	<b>(4,365)</b>	<b>(38,052)</b>	<b>(44,435)</b>	<b>(90,479)</b>
Employee Expenses	25	1,998	1,638	2,057	2,072	3,197	10,987
Other Service Expenses	(330)	2,002	620	9,106	808	9,052	21,258
Support Service Recharges	1,400	1,068	2,282	2,322	1,484	2,939	11,495
Asset Charges	-	1,771	-	2,201	6	13,574	17,552
Benefit Payments	-	-	-	-	36,511	-	36,511
<b>Total Expenditure</b>	<b>1,095</b>	<b>6,839</b>	<b>4,540</b>	<b>15,686</b>	<b>40,881</b>	<b>28,762</b>	<b>97,803</b>
<b>Net Cost Of Services</b>	<b>1,095</b>	<b>5,148</b>	<b>2,604</b>	<b>11,321</b>	<b>2,829</b>	<b>(15,673)</b>	<b>7,324</b>

## 2. ACCOUNTING POLICIES

### 2.1 GENERAL PRINCIPLES

#### **General Principles**

The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in United Kingdom 2016/17. The Code has been developed by the CIPFA/LASAAC Joint Committee under the oversight of the Financial Reporting Advisory Board as opposed to the Accounting Standards Board as previously.

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

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### 2.2. ACCOUNTING CONCEPTS

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

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

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

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

### 2.3 PROPERTY PLANT AND EQUIPMENT

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

Council dwellings and garages are revalued every year using the Beacon Properties approach as the basis for valuation. The valuation takes the form of a full revaluation followed by four years of desk top revaluations. Other assets are revalued as part of the Council's rolling programme under which assets are revalued over a five year period.

Within the accounts, Council dwellings and associated land were valued on the basis of Existing Use for Social Housing (EUV-SH) being 38%, (39% 2015/16), of the Vacant Possession value. The components within the dwelling have been valued based on the proportion of the total dwelling to which their value relates.

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

If the value of the impairment or downward revaluation exceeds the revaluation amount relating to that asset already residing in the revaluation reserve then the difference is recognised in the Comprehensive Income & Expenditure Statement (CIES) in the year in which it occurs. The valuations are based upon the facts and evidence prevailing at the date of valuation.

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

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

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

Non Current assets (excluding land) are classified as follows:

Type of Asset	Valuation Method
Council Dwellings and Garages	Existing use value for social housing Existing use value
Other land and buildings	Existing use value
Infrastructure assets	Depreciated historic cost
Community assets	Historic cost
Vehicles, plant, furniture and equipment	Depreciated historic cost
Non-operational assets	Existing use value Market value Historic Cost (where market value for existing use cannot be ascertained)

## 2.4 DEPRECIATION

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

## 2.5 INVESTMENT PROPERTIES

The Council has a significant holding of Investment Properties which are valued on an annual basis. The properties were valued by Ashiff Merali (MRICS) as at 28th February 2017. The properties are valued at fair value in accordance with IFRS 13, being the amount that would be received if the assets were sold without restrictions under usual marketing conditions for that type of asset. Any higher alternative use value has been taken into account where applicable.

In order to provide a fair value for a particular asset a Fair Value hierarchy consisting of 3 levels has been established to assist in the process. Level 1 refers to assets that have quoted prices in active markets at the valuation date. Level 2 to assets that do not have quoted prices but do have other observable inputs to the valuation process. Level 3 is where there are no observable inputs.

Investment properties have been valued based on level 3. The techniques applied in the valuation process have been a combination of market approach, income approach and cost approach as appropriate.

## 2.6 INVESTMENTS

Investments are accounted for in accordance with IAS 32, 39 and IFRS 7. These reporting standards prescribe the recognition, measurement and disclosure requirements in relation to financial instruments. All the Council's financial assets are in the form of loans and receivables. Investments are therefore shown in the Balance Sheet at amortised cost.

## **2.7 DEBTORS AND CREDITORS**

The revenue and capital accounts of the Council are maintained on an accruals basis in accordance with the Code of Practice and IAS 8. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year.

The recoverability of the Council's General Fund debts is considered each year through an analysis by age and type of debt outstanding at 31 March. An appropriate provision is made for any bad debts/losses that are anticipated.

## **2.8 CASH AND CASH EQUIVALENTS**

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

## **2.9 FINANCIAL INSTRUMENTS**

Financial assets and liabilities are carried at amortised cost. Credits are made to the CIES for Interest Receivable and are based on the carrying amount multiplied by the effective rate of interest. The amount appearing in the Balance Sheet relates to the principal outstanding plus accrued interest.

## **2.10 GRANTS AND OTHER CONTRIBUTIONS**

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

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

## **2.11 REVENUE GRANTS**

Grants are credited to the operational heading to which they relate, or, if they are not specific, to the Taxation and Non-Specific Grant Income section of the CIES, in the year of receipt unless there are conditions attached to the grant that have not yet been met. The Grant is then recognised in the Financial year when the conditions are eventually met.

## **2.12 COST OF SUPPORT SERVICES AND SERVICE ADMINISTRATION**

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

## **2.13 RESERVES**

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

## 2.14 PENSIONS

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

## 2.15 CONTINGENT LIABILITIES

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

## 2.16 VALUE ADDED TAX (VAT)

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

## 2.17 LEASES

**Finance Leases:** A finance lease is defined as a lease that transfers substantially the risks and rewards of ownership without necessarily transferring the title. The embedded lease within the waste management contract has been treated as a finance lease.

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

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

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

Where assets are acquired under operating leases, the leasing rentals payable are charged to revenue. The cost of assets and the related liability for future rentals payable are not shown in the balance sheet but are disclosed in the notes. (See Note 31).

## 2.18 PRINCIPAL AND AGENT RELATIONSHIPS

Most transactions of the Council are undertaken on its own behalf and thereby the risk and rewards of those transactions belongs to the Council. In these situations the Council is acting as a Principal.

There are, however, some situations where this is not the case and the Council acts as an intermediary or agent. The two main instances relate to the collection of Council Tax and Business Rates where the Council is collecting income on behalf of itself and preceptors. With regard to Council Tax the major preceptors are Essex County Council, Essex Police and Crime Commissioner and Essex Fire Authority and with regard to Business Rates, the Department of Communities and Local Government (DCLG), Essex County Council and Essex Fire Authority.

The Balance Sheet transactions at the year end in relation to these agent relationships are split between the parties with the balances contained in the balance sheet relating to the Council's own portion of the debt and associated balances. The proportion of the transactions relating to the other parties are therefore shown as debtors or creditors due to or from those parties.

## 2.19 COLLECTION FUND

### Accounting for Council Tax

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund, or paid out to the major preceptors. The amount credited to the General Fund under statute is the Council's demand for the year plus or minus the Council's share of the surplus or deficit on the Collection Fund for the previous year.

The Council Tax income included in the Comprehensive Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to Council Tax shall be measured at the full amount receivable (net of any impairment losses) as the transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from Council Tax payers belongs proportionately to the Council and the major preceptors. The difference between the amounts collected on behalf of the major preceptors and the payments made to them is reflected as a debtor or creditor balance as appropriate.

### Accounting for Non Domestic Rates (NDR)

While the NDR income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund, or paid out to the precepting authorities and the Government. The amount credited to the General Fund under statute is the Council's share of NDR for the year specified in the National Non Domestic Rates NNDR1 return.

The NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year and is as set out in the NNDR3 return. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to NDR shall be measured at the full amount receivable (net of any impairment losses) as these transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from NDR payers belongs proportionately to the Council, the precepting authorities and Government. The difference between the amounts collected on behalf of the precepting authorities and Government and the payments made to them is reflected as a debtor or creditor balance as appropriate.

## 2.20 EVENTS AFTER THE REPORTING PERIOD

Events occurring after the year end fall into two categories either adjusting or non-adjusting event. In the case of an adjusting event where information becomes available after the year end that provides more certainty relating to conditions that existed at the year end the accounts are adjusted to reflect the new information. In the case of a non adjusting event this usually takes the form of information relevant to an understanding of the accounts rather than relating to conditions that existed at the year end. No adjustment is made to the accounts for such items.

## 2.21 PRIOR YEAR ADJUSTMENTS

Where there is a material prior period adjustment required due to an error and if it relates to the previous reporting period then the prior period comparative figures are restated in the accounts and marked as such. If however it relates to a period before the prior period then a third balance sheet reporting the position as at the beginning of the earliest prior period is presented to show the effect of that adjustment.

### 3. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Council is required to disclose information on the impact of a change in accounting policy that will be required by an accounting standard that has been issued but not yet adopted. This applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. 1 January 2017 for the 2017/18 financial year).

The changes proposed are not expected to have a material impact on the information in the financial statement

From 2018/19 IFRS 15 Revenue from Contracts with Customers will come into effect. The standard is intended to address inconsistent practices and ensure that revenue is recognised at an amount that reflects the expected consideration in exchange for those goods and services. It is possible that the Leisure Management contract may be affected by this standard as by 2018/19 under the terms of the contract the contractor will be paying the Council to manage the leisure facilities.

From 2019/20 IFRS 16 Leases will come into effect. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). For Lessees the IFRS eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

- (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

A lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

### 4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The major uncertainty is around future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

### 5. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Accounts contain a number of figures that are estimated based on historical experience, current trends or other factors that are relevant. As these figures cannot be ascertained with certainty it is possible that actual results could be materially different from those estimated. The items in the Balance Sheet where there is a risk of material adjustment are as follows:

#### **Pensions Liability**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Consultant actuaries are engaged to provide advice about assumptions to be applied. The actuary has provided some sensitivity analysis around the assumptions and this is contained within the Pensions note 32. The carrying value of the Pensions Liability is (£81 million).

### 6. EVENTS AFTER THE BALANCE SHEET DATE

#### **Non Adjusting Events**

The financial statements and notes have not been adjusted for the following event which took place after 31 March 2017 as it provides information that is relevant to an understanding of the Council's financial position but does not relate to conditions at that date.



## **Business Rates Revaluation**

On 1 April 2017 a business rates revaluation came into effect. The revaluation is carried out by the Valuation Office Agency and is based on property values as at 1 April 2015. Revaluations take into account changes in the property market and are based in the open market rental value of the properties. Revaluations normally occur every 5 years but the Government extended the last revaluations, commencing on 1 April 2010, by two years.

The revaluation resulted in the rateable value for the Council's area increasing from £86m as at 31 March 2017 to £94m

Small business multiplier, which applies to those who qualify for small business relief, is 46.6 pence in the pound (48.4 pence in 2016/17).

Standard multiplier, which applies to everyone else, is 47.9 pence in the pound (49.7 pence in 2016/17).

The effect of this is to increase the gross business rates yield for the Council's area by 4.4%. However, the amount of business rates income actually retained by the Council will not increase by this percentage because the Government also reset the Tariff amount that the Council must pay on business rates income and there is a significant increase in business rates reliefs. It is estimated that the amount of business rates net retained income for 2017/18 will not be materially different to the 2016/17 amount.

The financial statements were authorised for issue on 26 September 2017 by Robert Palmer BA FCA. The financial statements reflect all events up to this date.

## 7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	2016/17 £000					
	Usable Reserves					
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
<b>Adjustments involving the Capital Adjustment Account:</b>						
<b>Exclusions;</b>						
Charges for depreciation and impairment of non-current assets	(2,716)	(15,778)	-	-	-	18,494
Upward/(Downward) revaluation of non-current assets	(1,942)	(1,908)	-	-	-	3,850
Movements in the fair value of Investment Properties	5,044	-	-	-	-	(5,044)
Amortisation of intangible assets	(176)	(8)	-	-	-	184
Capital Grants and contributions applied	71	934	-	-	-	(1,005)
Revenue expenditure funded from Capital under statute	(1,686)	-	-	-	-	1,686
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	(189)	(4,687)	-	-	-	4,876
Capital expenditure charged against the General Fund and HRA balances	1,072	5,367	-	-	-	(6,439)
Reversal of Notional Lease adjustment	559	23	-	-	-	(582)
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>(125)</b>
<b>Adjustments involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	2,241	7,847	(10,088)	-	-	-
Transfer from Deferred Capital receipts on receipt of cash	-	-	(775)	-	-	775
Used to finance new capital expenditure	-	-	11,712	-	-	(11,712)
Contribution towards administrative costs of non-current asset disposals	-	(60)	60	-	-	-
Contribution to finance the payments to the Government capital receipts pool	(2,879)	-	2,879	-	-	-
<b>Adjustments involving the Deferred Capital Receipts Reserve:</b>						
Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.	-	170	-	-	-	(170)
<b>Adjustments relating to the Major repairs Reserve:</b>						
Reversal of Major repairs Allowance credited to the HRA	-	8,010	-	(8,010)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	7,597	-	(7,597)
<b>Adjustments involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited\credited to the CIES.	(1,523)	(717)	-	-	-	2,240
<b>Adjustments involving the Collection Fund Adjustment Account</b>						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements.	470	-	-	-	-	(470)
<b>Adjustments involving the Accumulated Absences Account</b>						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(61)	(5)	-	-	-	66
<b>TOTAL ADJUSTMENTS</b>	<b>(1,631)</b>	<b>(812)</b>	<b>3,788</b>	<b>(413)</b>	<b>41</b>	<b>(973)</b>

	<b>2015/16 £000</b>					
	<b>Usable Reserves</b>					
	<i>General Fund</i>	<i>Housing Revenue Account</i>	<i>Capital Receipts Reserve</i>	<i>Major Repairs Reserve</i>	<i>Capital Grants Unapplied</i>	<i>Movement in Unusable Reserves</i>
<b>Adjustments involving the Capital Adjustment Account:</b>						
<b>Exclusions;</b>						
<i>Charges for depreciation and impairment of non-current assets</i>	(2,787)	(13,514)	-	-	-	<b>16,301</b>
<i>Upward/(Downward) revaluation of non-current assets</i>	(1,664)	9,170	-	-	-	<b>(7,506)</b>
<i>Movements in the market value of Investment Properties</i>	20,036	-	-	-	-	<b>(20,036)</b>
<i>Amortisation of intangible assets</i>	(200)	(12)	-	-	-	<b>212</b>
<i>Capital Grants and contributions applied</i>	1,070	1,857	-	-	-	<b>(2,927)</b>
<i>Revenue expenditure funded from Capital under statute</i>	(815)	-	-	-	-	<b>815</b>
<i>Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES</i>	(14)	(1,792)	-	-	-	<b>1,806</b>
<i>Capital expenditure charged against the General Fund and HRA</i>	3,151	4,344	-	-	-	<b>(7,495)</b>
<i>Reversal of Notional Lease adjustment</i>	556	25	-	-	-	<b>(581)</b>
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>	-	-	-	-	(112)	<b>112</b>
<b>Adjustments involving the Capital Receipts Reserve:</b>						
<i>Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES</i>	27	3,278	(4,179)	-	-	<b>874</b>
<i>Transfer from Deferred Capital receipts on receipt of cash</i>	-	-	(3)	-	-	<b>3</b>
<i>Used to finance new capital expenditure</i>	-	-	19,046	-	-	<b>(19,046)</b>
<i>Contribution towards administrative costs of non-current asset disposals</i>	-	(26)	26	-	-	-
<i>Contribution to finance the payments to the Government capital receipts pool</i>	(856)	-	856	-	-	-
<b>Adjustments involving the Deferred Capital Receipts Reserve:</b>						
<i>Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.</i>	-	425	-	-	-	<b>(425)</b>
<b>Adjustments relating to the Major repairs Reserve:</b>						
<i>Reversal of Major repairs Allowance credited to the HRA</i>	-	7,615	-	(7,615)	-	-
<i>Use of the Major Repairs Reserve to finance new capital expenditure</i>	-	-	-	6,478	-	<b>(6,478)</b>
<b>Adjustments involving the Pensions Reserve:</b>						
<i>Reversal of items relating to retirement benefits debited\credited to the CIES</i>	(1,609)	(757)	-	-	-	<b>2,366</b>
<b>Adjustments involving the Collection Fund Adjustment Account</b>						
<i>Amount by which council tax income credited to the CIES is different from that calculated in accordance with statutory requirements.</i>	(163)	-	-	-	-	<b>163</b>
<b>Adjustments involving the Accumulated Absences Account</b>						
<i>Amount by which officer remuneration charged to CIES on an accruals basis is different from that required in accordance with statutory requirements</i>	(21)	9	-	-	-	<b>12</b>
<b>TOTAL ADJUSTMENTS</b>	<b>16,711</b>	<b>10,622</b>	<b>15,746</b>	<b>(1,137)</b>	<b>(112)</b>	<b>(41,830)</b>

## 8. EARMARKED RESERVES

A summary of balances on earmarked reserves is

	Balance 31 March 2015 £000	Transfers Out £000	Transfers In £000	Balance 31 March 2016 £000	Transfers Out £000	Transfers In £000	Balance 31 March 2017 £000
Housing Repairs Reserve	1,491	(6,336)	5,855	1,010	(5,574)	5,800	1,236
District Development Fund	3,599	(1,909)	2,052	3,742	(2,308)	2,754	4,188
Invest to Save Reserve	500	(75)	-	425	(219)	200	406
Self Financing Reserve	9,540	-	3,180	12,720	-	-	12,720
Deferred Revenue Income	438	(22)	324	740	(51)	-	689
Insurance Reserve	1,069	(54)	-	1,015	(7)	-	1,008
Service Enhancement Fund (HRA)	179	(179)	-	-	-	-	-
Building Control	81	-	47	128	(13)	-	115
On Street Parking	16	(16)	-	-	-	-	-
Museum Fund	53	(6)	40	87	(58)	-	29
All Weather Pitch	17	-	15	32	-	15	47
O2 Mast Fund	48	(19)	6	35	(13)	14	36
Rental Loans	168	(6)	-	162	(12)	30	180
Small Loans Fund	6	-	-	6	-	-	6
S106 Revenue Contributions	-	-	-	-	-	57	57
Community Services Projects	-	-	-	-	-	381	381
<b>Total Earmarked Reserves</b>	<b>17,205</b>	<b>(8,622)</b>	<b>11,519</b>	<b>20,102</b>	<b>(8,255)</b>	<b>9,251</b>	<b>21,098</b>

## 9. OTHER OPERATING EXPENDITURE

	31 March	
	2017 £000	2016 £000
Parish Council Precepts	3,274	3,160
Parish Support Grants	201	246
Payments to the Government Housing Receipts Pool	2,879	856
(Gains)/losses on the disposal of non-current assets	(5,293)	(1,476)
<b>Total</b>	<b>1,061</b>	<b>2,786</b>

## 10. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	31 March	
	2017 £000	2016 £000
Total Net Surplus from Trading Operations (Note 24)	(2,391)	(2,465)
Interest payable and similar charges	5,572	5,614
Pensions interest cost	2,268	2,172
Interest receivable and similar income	(366)	(679)
Changes in Fair Values of Investment Properties	(5,044)	(20,036)
Changes in Value of Deferred Capital Receipts	(170)	(425)
<b>Total</b>	<b>(131)</b>	<b>(15,819)</b>

## 11. TAXATION AND NON SPECIFIC GRANT INCOME AND EXPENDITURE

	31 March	
	2017 £000	2016 £000
Council Tax income	(11,780)	(11,581)
Non Domestic Rate income	(14,341)	(13,406)
Non Domestic Rate tariff payment	11,013	10,230
Non-ring fenced government grants	(5,107)	(5,448)
Capital grants and other contributions	(1,036)	(2,927)
<b>Total</b>	<b>(21,251)</b>	<b>(23,132)</b>

## 12. PROPERTY, PLANT & EQUIPMENT

	Council Dwellings and Garages £000	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets under Construction £000	Total £000
Gross Book Value 1 April 2016	619,114	40,546	18,495	8,504	1,143	1,250	19,546	708,598
Additions	11,262	210	560	231	-	7,095	14,742	34,100
Disposals/Impairments	(4,327)	(1,431)	(498)	(550)	-	-	-	(6,806)
Reclassified in year	(663)	2,126	-	-	-	550	(1,051)	962
Revaluations Applied to the CIES	(1,364)	(767)	-	-	-	-	(5)	(2,136)
Revaluation Credited to the Revaluation reserve	48,134	2,071	-	-	-	-	6,563	56,768
Accumulated Depreciation & Impairment written off on revaluation	(15,364)	(108)	-	-	-	-	(13)	(15,485)
<b>Gross Book Value 31 March 2017</b>	<b>656,792</b>	<b>42,647</b>	<b>18,557</b>	<b>8,185</b>	<b>1,143</b>	<b>8,895</b>	<b>39,782</b>	<b>776,001</b>
Depreciation 1 April 2016	-	(1,354)	(8,514)	(3,057)	-	-	(3)	(12,928)
Reclassified	13	1	2	-	-	-	(13)	3
Depreciation in Year	(15,485)	(1,054)	(1,722)	(233)	-	-	-	(18,494)
Depreciation on Assets Sold	108	63	283	204	-	-	-	658
Accumulated Depreciation & Impairment written off on revaluation	15,364	108	-	-	-	-	13	15,485
<b>Depreciation 31 March 2017</b>	<b>-</b>	<b>(2,236)</b>	<b>(9,951)</b>	<b>(3,086)</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>(15,276)</b>
<b>Net Book Value 31 March 2017</b>	<b>656,792</b>	<b>40,411</b>	<b>8,606</b>	<b>5,099</b>	<b>1,143</b>	<b>8,895</b>	<b>39,779</b>	<b>760,725</b>

**PROPERTY, PLANT AND EQUIPMENT**

	<b>Council Dwellings and Garages £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant and Equipment £000</b>	<b>Infrastructur e Assets £000</b>	<b>Community Assets £000</b>	<b>Surplus Assets £000</b>	<b>Assets under Construction £000</b>	<b>Total £000</b>
Gross Book Value 1 April 2015	513,548	38,511	13,637	8,276	2,038	646	4,284	580,940
Additions	10,182	850	4,446	228	-	-	18,758	34,464
Disposals	(1,782)	-	(435)	-	-	-	(30)	(2,247)
Reclassified in year	1,769	2,645	847	-	(895)	(106)	(4,260)	-
Revaluations Applied to the CIES	9,184	(1,685)	-	-	-	-	-	7,499
Revaluation Credited to the Revaluation reserve	99,361	338	-	-	-	710	798	101,207
Accumulated Depreciation & Impairment Written off on revaluation	(13,148)	(113)	-	-	-	-	(4)	(13,265)
<b>Gross Book Value 31 March 2016</b>	<b>619,114</b>	<b>40,546</b>	<b>18,495</b>	<b>8,504</b>	<b>1,143</b>	<b>1,250</b>	<b>19,546</b>	<b>708,598</b>
Depreciation 31 March 2015	1	(454)	(7,068)	(2,828)	-	-	-	(10,349)
<b>1 April 2015</b>	<b>1</b>	<b>(454)</b>	<b>(7,068)</b>	<b>(2,828)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,349)</b>
Reclassified	7	-	-	-	-	-	(7)	-
Depreciation in Year	(13,201)	(1,013)	(1,277)	(229)	-	-	-	(15,720)
Depreciation on leased assets	-	-	(581)	-	-	-	-	(581)
Depreciation on assets sold	45	-	412	-	-	-	-	457
Accumulated Depreciation & Impairment written off on revaluation	13,148	113	-	-	-	-	4	13,265
<b>Depreciation 31 March 2016</b>	<b>-</b>	<b>(1,354)</b>	<b>(8,514)</b>	<b>(3,057)</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>(12,928)</b>
<b>Net Book Value 31 March 2016</b>	<b>619,114</b>	<b>39,192</b>	<b>9,981</b>	<b>5,447</b>	<b>1,143</b>	<b>1,250</b>	<b>19,543</b>	<b>695,670</b>

	PROPERTY, PLANT AND EQUIPMENT							
	Council Dwellings and Garages	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	-	1,232	18,557	8,185	1,143	7,645	18,845	55,607
Valued at current value as at:								
28 February 2017	656,792	5,626	-	-	-	-	19,281	681,699
28 February 2016	-	2,343	-	-	-	1,250	1,550	5,143
31 March 2015	-	24,425	-	-	-	-	66	24,491
31 March 2014	-	9,021	-	-	-	-	40	9,061
31 March 2013	-	0	-	-	-	-	-	0
<b>Total Cost or Valuation</b>	<b>656,792</b>	<b>42,647</b>	<b>18,557</b>	<b>8,185</b>	<b>1,143</b>	<b>8,895</b>	<b>39,782</b>	<b>776,001</b>

The Council dwellings and garages valuation has been carried out by District Valuer Thomas Dimmock and MRICS. The valuation date for 2016/17 is 28 February. As part of this years revaluation the valuer has re-assessed the proportion of value in the Land element and concluded that it should remain unchanged at 35%. The valuer has also provided assurance that the valuation has not changed significantly between the valuation date and the year end.

The useful lives of both dwellings and the components within have been reviewed during 2016/17. The useful life of the buildings has been assessed at 60 years with the average life of components at 26 years. Other property, including investment properties have also been valued as at 28th February 2017 by Ashiff Merali (MRICS).

Type of Asset	Estimated Useful Life (Years)
Council Dwellings and Garages	15 to 60
Other land and buildings (buildings element only)	20 to 50
Infrastructure assets	15 to 40
Community assets	Indeterminable
Vehicles, plant, furniture and equipment	5 to 20



### 13. INVESTMENT PROPERTY

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the CIES. Income and expenditure relating to the General Fund is recorded under trading operations.

	31 March	
	2017 £000	2016 £000
Rental income from investment property	4,606	4,170
Direct operating expenses arising from investment property	(999)	(900)
<b>Net gain/(loss)</b>	<b>3,607</b>	<b>3,270</b>

The following table summarises the movement in fair value of investment properties over the year. Most property valuations have increased, industrial estates by £0.7m and commercial properties by £4.3m. All investment properties have been valued based on Level 3 unobservable inputs using an Income approach and that their current use is their highest and best use. The updated valuations were carried out as at 28 February 2017.

#### Properties Categorised within level 3

	31 March	
	2017 £000	2016 £000
Balance as at 31 March	63,070	43,034
Reclassified		
Balance as at 1 April	63,070	43,034
Reclassified in year	(406)	-
Acquisition	-	-
Construction	36	-
Net gains/(losses) from fair value adjustments	5,044	20,036
<b>Balance at end of the year</b>	<b>67,744</b>	<b>63,070</b>

### 14. LONG TERM DEBTORS

	31 March	
	2017 £000	2016 £000
Mortgages	-	2
Capital Advances (B3 Living)	526	584
Rents to Mortgages	2,029	2,000
Other Local Authorities - Transferred Debt	295	323
Loan to Waste Management Contractor	1,723	2,413
Home Assist Loans	313	260
Place Loans	-	50
<b>Net Carrying Amount at end of year</b>	<b>4,886</b>	<b>5,632</b>

## 15. FINANCIAL INSTRUMENTS

### Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Long term		Current	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
<b>Financial liabilities at amortised cost</b>				
Borrowing	185,456	185,456	-	-
Finance Lease Liability	2,326	2,908	582	582
Trade Creditors	-	-	9,092	6,124
<b>Total financial liabilities</b>	<b>187,782</b>	<b>188,364</b>	<b>9,674</b>	<b>6,706</b>
<b>Loans and receivables</b>				
Investments	-	-	25,017	37,672
Debtors	4,886	5,632	3,342	3,458
Cash	-	-	16,258	13,969
<b>Total financial assets</b>	<b>4,886</b>	<b>5,632</b>	<b>44,617</b>	<b>55,099</b>

On 28 March 2012 the Council took on debt of £185.456m from the Public Works Loan Board (PWLB) to pay the Department of Communities and Local Government on the cessation of the HRA Subsidy System.

### Income, Expense, Gains and Losses

The gains and losses recognised in the CIES in relation to financial instruments consists of the following items:

	Financial Liabilities:		Financial Assets:	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Interest expense	(5,536)	(5,579)	-	-
Impairment (losses) / gains	-	-	-	-
<b>Interest payable and similar charges</b>	<b>(5,536)</b>	<b>(5,579)</b>	<b>-</b>	<b>-</b>
Interest income	-	-	366	679
<b>Interest and investment income</b>	<b>-</b>	<b>-</b>	<b>366</b>	<b>679</b>
<b>Net gain/(loss) for the year</b>	<b>(5,536)</b>	<b>(5,579)</b>	<b>366</b>	<b>679</b>

## Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost, i.e. the aggregate of principal and accrued interest. Fair value is the amount for which an asset can be exchanged, or a liability settled. The Council's debt outstanding at 31 March 2017 consists of loans from the Public Works Loan Board (PWLB). The PWLB has provided the Council with Fair Value amounts in relation to its debt portfolio. The PWLB has assessed the Fair Values by calculating the amounts the Council would have to pay to extinguish the loans on these dates.

The fair value for financial assets can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions: a) where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value; b) the fair value of trade and other receivables is taken to be the invoiced or billed amount.

	31 March 2017		31 March 2016	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair Value £000
<u>Financial liabilities</u>				
Borrowing	188,409	240,940	188,991	226,435
<b>Total Financial Liabilities</b>	<b>188,409</b>	<b>240,940</b>	<b>188,991</b>	<b>226,435</b>
<u>Financial assets</u>				
Investments	25,017	25,017	37,672	37,672
Long-term debtors	4,886	4,886	5,632	5,632
<b>Total Financial Assets</b>	<b>29,903</b>	<b>29,903</b>	<b>43,304</b>	<b>43,304</b>

The fair value of long term liabilities is higher than the carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

## 16. DEBTORS AND PREPAYMENTS

	31 March	
	2017 £000	2016 £000
<b>Amounts falling due in one year</b>		
Government Departments	3,621	1,034
Other Local Authorities	1,174	1,345
Council Tax arrears	471	482
NDR arrears	347	369
Housing Rent arrears	278	312
Sundry debtors	3,272	3,802
Prepayments & Deposits	214	398
<b>Total Debtors</b>	<b>9,377</b>	<b>7,742</b>

Council Tax and Business Rates arrears shown above and the related bad debt provision relate only to the Council's proportion of the total debt. The remainder is shown as part of an amount due from major preceptors on the basis that the Council has paid over more in precepts than it has received and is net of prepayments. In 2016/17 there was a net creditor for both Council Tax and Business Rates.

## 17. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements.

	31 March	
	2017 £000	2016 £000
Cash	20	45
Bank current accounts	6,238	2,424
Short-term deposits with money market funds	10,000	11,500
<b>Total Cash and Cash Equivalents</b>	<b>16,258</b>	<b>13,969</b>

The 'Short-term deposits' relates to £10m deposits made to a number of different Money Market Funds. This has been included within the cash equivalents as funds can be drawn down and used on the day of request. The fund has a constant net asset value, this means that each £1 put in buys 1 unit, which is re-priced back to £1 at the end of each day.

## 18. CREDITORS

	31 March	
	2017 £000	2016 £000
Government Departments and Other Local Authorities	3,685	4,003
Council Tax	246	219
Non Domestic Rates	526	385
Housing rents	299	301
Sundry creditors	6,318	4,742
Accruals and deferred income	4,966	3,247
<b>Total Creditors</b>	<b>16,040</b>	<b>12,897</b>

Council Tax and Business Rates prepayments shown above relate only to the Council's proportion of the total debt. The remainder is shown as being due to Government Departments and Other Local Authorities. This is shown net of arrears, Collection Fund balance and, in the case of Business Rates, Provision for Appeals. There was a net creditor in relation to Council Tax and Business Rates at the end of 2016/17.

## 19. PROVISIONS

With the retention of Business Rates income the Council has had to take on the liability for settling appeals. It has been necessary to make a provision for those appeals within the Collection Fund. The total amount being £3.5 million (£3.6 million 2015/16) of which £1.4 million (£1.4 million 2015/16) relates to this Council.

## 20. USABLE AND UNUSABLE RESERVES

Movements in Usable Reserves are shown in detail on the Movement in Reserves Statement.

	31 March	
	2017 £000	2016 £000
Revaluation Reserve	178,783	126,651
Capital Adjustment Account	452,299	444,103
Pensions Reserve	(81,121)	(66,981)
Deferred Capital Receipts Reserve	5,094	5,839
Collection Fund Adjustment Account	174	(296)
Accumulated Absences Account	(304)	(238)
<b>Total Unusable Reserves</b>	<b>554,925</b>	<b>509,078</b>

### Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and gains are consumed through depreciation, or
- disposed of and the gains are realised

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	31 March	
	2017 £000	2016 £000
Balance as at 1 April	126,651	26,248
Prior Year Adjustment	-	(6)
Revaluations during the year	56,768	101,207
Depreciation adjustment	(3,077)	(743)
Disposals/Restatements	(1,559)	(55)
<b>Balance at 31 March</b>	<b>178,783</b>	<b>126,651</b>

## Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve and Deferred Capital Receipts.

	31 March		
	2017		2016
	£000	£000	£000
<b>Balance at 1 April</b>		444,103	403,186
<b>Reversal of items relating to capital expenditure debited or credited to the CIES</b>			
Charges for depreciation and impairment of non-current assets	(17,933)		(15,719)
Depreciation Leased Assets	(561)		(581)
Amortisation of intangible assets	(185)		(212)
Reversal of Notional Lease	582		581
Revaluation gains/(losses) on Property, Plant and Equipment	(2,136)		7,506
Revenue expenditure funded from capital under statute	(1,685)		(815)
Transfer To Deferred Capital Receipts	-		(4,711)
Amounts for non-current assets written off on disposal or sale as part of gain/loss on disposal to the CIES	(6,445)	(28,363)	(1,806)
Adjusting Amounts written out of the Revaluation Reserve		4,637	799
		<u>420,377</u>	<u>388,228</u>
<b>Capital financing applied in the year</b>			
Use of the Capital Receipts Reserve to finance new capital expenditure	11,712		19,046
Use of the Major Repairs Reserve to finance new capital expenditure	7,597		6,478
Capital grants credited to the CIES that have been applied to capital financing	1,130		2,815
Capital expenditure charged against the General Fund and HRA balances	6,439	26,878	7,495
Asset Restatements			5
Movement in the market value of Investment Properties debited		5,044	20,036
<b>Balance at 31 March</b>		<u>452,299</u>	<u>444,103</u>

## Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employers contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance of the Pension Reserve therefore shows a substantial shortfall in the benefits earned by the past and current employees and the resources the Council have set aside to meet them. The statutory arrangements ensure the funding will have been set aside by the time the benefits come to be paid.

	31 March	
	2017 £000	2016 £000
<b>Balance at 1 April</b>	(66,981)	(69,929)
Remeasurements of the net defined liability/(asset)	(11,900)	5,314
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(6,492)	(6,518)
Employers pensions contributions and direct payments to pensioners payable in the year	4,252	4,152
<b>Balance at 31 March</b>	<b>(81,121)</b>	<b>(66,981)</b>

## Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as useable for financing new capital expenditure until they are backed by cash receipts. When the cash is eventually received, amounts are transferred to the Capital Receipts Reserve.

	31 March	
	2017 £000	2016 £000
<b>Balance at 1 April</b>	5,839	1,580
Repayment of Mortgages	(1)	(3)
Rents to mortgages	29	425
B3 Living loans	(58)	-
Waste Contractor Loan	(715)	-
<b>Balance at 31 March</b>	<b>5,094</b>	<b>5,839</b>

## 21. CASH FLOW STATEMENT - OPERATING ACTIVITIES

### Adjust net surplus or deficit on the provision of services for non cash movements

	31 March	
	2017 £000	2016 £000
Depreciation	17,907	15,720
Amortisation	184	212
Impairment and upward revaluations	2,136	(7,512)
Increase / (Decrease) in Creditors	2,057	(70)
(Increase) / Decrease in Interest and Dividend Debtors	64	(7)
(Increase) / Decrease in Debtors	(1,587)	(3,024)
(Increase) / Decrease in Inventories	3	86
Pension Liability	2,240	2,366
Carrying amount of non-current assets sold	6,449	1,806
Other non-cash items charged to the net surplus or deficit on the provision of services	(5,227)	(19,778)
<b>Total</b>	<b>24,226</b>	<b>(10,201)</b>

### Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities

	31 March	
	2017 £000	2016 £000
Any other items for which the cash effects are investing or financing cash flows	(808)	(2,927)
Proceeds from the sale of property and equipment, investment property and intangible assets	(10,058)	(8,417)
<b>Total</b>	<b>(10,866)</b>	<b>(11,344)</b>

### Operating activities within the cashflow statement include the following cash flows relating to interest and other operating

	31 March	
	2017 £000	2016 £000
Interest received	431	595
Interest charge for the year	(5,572)	(4,806)
Other operating activities	16,558	11,507
<b>Total</b>	<b>11,417</b>	<b>7,296</b>



## 22. CASH FLOW STATEMENT - INVESTING ACTIVITIES

	31 March	
	2017 £000	2016 £000
Purchase of property, plant and equipment, investment property	(34,955)	(30,957)
Purchase of short-term and long-term investments	(84,000)	(105,500)
Other payments for Investing Activities	(238)	(6,245)
Proceeds from sale of property, plant and equipment, investment	10,832	9,293
Proceeds from short-term and long term investments	96,500	110,001
Other receipts from investing activities	1,055	993
<b>Net cash flows from investing activities</b>	<b>(10,806)</b>	<b>(22,415)</b>

## 23. CASH FLOW STATEMENT - FINANCING ACTIVITIES

	31 March	
	2017 £000	2016 £000
Billing Authorities - Council Tax and NNDR adjustments	1,678	2,879
<b>Net cash flows from financing activities</b>	<b>1,678</b>	<b>2,879</b>

## 24. TRADING OPERATIONS

The trading operations of the Council comprise a number of commercial properties and industrial estates including North Weald Airfield where units are leased to local businesses at market rates, the Fleet Operations Service provides MOT testing and motor servicing to the public, and is currently under review.

	2016/17 Expenditure £000	2016/17 Income £000	2016/17 Surplus/Deficit £000
Industrial Estates	210	(1,560)	(1,350)
Commercial Properties	578	(2,211)	(1,633)
Fleet Operations	248	(195)	53
North Weald Centre	1,374	(835)	539
<b>Total Surplus</b>	<b>2,410</b>	<b>(4,801)</b>	<b>(2,391)</b>
<b>2015/16</b>	<b>1,934</b>	<b>(4,399)</b>	<b>(2,465)</b>

## 25. MEMBER ALLOWANCES

Member allowances and expenses are shown below.

	2016/17 £000	2015/16 £000
Allowances	352	313
Expenses	5	6
<b>Total</b>	<b>357</b>	<b>319</b>

## 26. OFFICER REMUNERATION

	2016/17			
	Salary (Including fees & Allowances)	Benefits in Kind	Pension Contributions	Total Remuneration including pension contributions.
	£	£	£	£
Chief Executive	113,120	1,339	17,986	132,445
Director of Neighbourhoods	94,628	1,332	15,046	111,006
Director of Communities	92,910	1,274	14,756	108,940
Director of Resources	93,542	1,933	14,873	110,348
Director of Governance	93,593	1,268	14,881	109,742

	2015/16			
	Salary (Including fees & Allowances)	Benefits in Kind	Pension Contributions	Total Remuneration including pension contributions.
	£	£	£	£
Chief Executive	112,000	1,354	17,808	131,162
Director of Neighbourhoods	93,847	2,893	14,922	111,662
Director of Communities	92,904	1,275	14,735	108,914
Director of Resources	92,224	2,390	14,663	109,277
Director of Governance	91,970	1,264	14,623	107,857

There were no payments relating to bonuses in the year. The emoluments above include all taxable employee payments. Pension Contributions relate to Employer's contributions of 15.9%.

The number of employees whose remuneration, including benefits in kind, but excluding employers pension contributions, was £50,000 or more in bands of £5,000 were (there were no officers in bands between £115,000 - £149,999).

Remuneration Band	2016/17 Number of Employees	2015/16 Number of Employees
£50,000 - £54,999	4	3
£55,000 - £59,999	9	12
£60,000 - £64,999	6	1
£65,000 - £69,999	-	-
£70,000 - £74,999	-	-
£75,000 - £79,999	-	-
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£90,000 - £94,999	2	4
£95,000 - £99,999	2	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 - £114,999	1	1
<b>Total</b>	<b>24</b>	<b>21</b>

#### Termination Benefits

Exit Package Cost Band (including special payments)	2016/17			Total Cost of Exit Packages in each band
	Number of Compulsory Redundancies	Number of Other Departures	Total number of Exit Packages	
£0- £20,000	3	-	3	30,138
<b>Total cost included in bandings and in the CIES</b>			<b>3</b>	<b>30,138</b>

#### Termination Benefits

Exit Package Cost Band (including special payments)	2015/16			Total Cost of Exit Packages in each band
	Number of Compulsory Redundancies	Number of Other Departures	Total number of Exit Packages	
£0- £20,000	1	2	3	37,066
<b>Total cost included in bandings and in the CIES</b>			<b>3</b>	<b>37,066</b>

## 27. EXTERNAL AUDIT FEES

The following external audit fees have been paid to Public Sector Audit Appointments Ltd.

	2016/17 £000	2015/16 £000
Fees payable to BDO LLP with regard to external audit services carried out by the appointed auditor for the year.	65	65
Fees payable to BDO LLP for the certification of grant claims and returns for the year.	19	19
Fees paid in respect of other services	2	2
<b>Total</b>	<b>86</b>	<b>86</b>

## 28. GRANTS AND CONTRIBUTIONS

The Council credited the following grants and contributions to the CIES in 2016/17:

	2016/17 £000	2015/16 £000
Credited to Taxation and Non-Specific Grant Income		
Revenue Support Grant	1,534	2,445
New Homes Bonus	2,684	2,113
S31 Small business rate Relief	826	793
Council Tax Freeze grant	-	83
Transitional Grant	54	-
Community Projects	8	9
Other	1	5
<b>Total</b>	<b>5,107</b>	<b>5,448</b>

	2016/17 £000	2015/16 £000
Credited to Services		
Department for Work and Pensions	35,268	37,237
Department for Communities and Local Government	1,110	499
Essex County Council	1,353	1,082
Arts Council	122	-
Essex Police Authority	79	79
Town and Parish councils	21	6
Broxbourne Borough Council	85	82
Cabinet office	74	37
Essex Fire Authority	33	36
Lottery Fund	47	-
National Heritage	44	-
Harlow Borough Council	44	24
East Herts District Council	43	-
Uttlesford District Council	43	-
Housing Associations	23	-
Colchester Borough Council	18	-
Other grants and contributions received	14	24
<b>Total</b>	<b>38,421</b>	<b>39,106</b>

## 29. RELATED PARTY DECLARATIONS

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council, or to be controlled or influenced by the council. During 2016/17 expenditure of £78,248 (£0 in 2015/16) was paid to Fortismere Associates for personnel management services. The director of the company was employed to act as an interim Assistant Director of Neighbourhoods during the year. Included in the expenditure amount is a creditor of £20,970 (£0 in 2015/16). The Council holds a Register of Interests in which all members are required to declare any interests in accordance with the code of conduct which is open to the public.

### Central Government

Central government has effective control over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides a significant amount of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits).

### 30. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2017 £000	2016 £000
<i>Opening Capital Financing Requirement</i>	184,672	184,672
<b>Capital Investment</b>		
Property, Plant and Equipment	34,100	34,464
Investment Properties	36	-
Revenue Expenditure Funded from Capital Under Statute	1,685	2,322
Private Sector Housing Loans	53	265
Intangible Assets	304	248
<b>Sources of Finance</b>		
Capital Receipts	(11,712)	(19,046)
Government grants and other contributions	(1,130)	(3,725)
Major Repairs Reserve	(7,597)	(6,477)
Direct revenue contributions	(6,439)	(8,051)
<b>Closing Capital Financing Requirement</b>	<b>193,972</b>	<b>184,672</b>

### 31. LEASES

The Council has leases with third parties under operating leases with rental income from the lease being credited to trading operations.

<b>Assets Leased to Third Parties</b>	2016/17 £000	2015/16 £000
The total of future minimum lease payments due within 1 year are:		
<b>Land &amp; Buildings</b>		
Shops	1,869	1,835
Industrial & Commercial	1,243	1,021
Other	329	313
<b>Total Rental Receivable</b>	<b>3,441</b>	<b>3,169</b>

The timing of total future minimum lease payments are:

	31 March 2017		31 March 2016	
	Receipts due between 2 and 5 years	Total receipts due thereafter	Receipts due between 2 and 5 years	Total receipts due thereafter
	£000	£000	£000	£000
<b>Land &amp; Buildings</b>				
Shops	5,444	6,958	5,902	7,327
Industrial & Commercial	4,515	51,245	3,954	51,779
Other	831	4,340	944	5,167
<b>Total</b>	<b>10,790</b>	<b>62,543</b>	<b>10,800</b>	<b>64,273</b>

Gross Amount of Assets held for use in operating leases.

	31 March	
	2017 £000	2016 £000
<b>Land &amp; Buildings</b>		
Shops	31,618	29,785
Industrial & Commercial	22,474	21,872
Other	13,652	11,413
<b>Total Assets</b>	<b>67,744</b>	<b>63,070</b>

There are no accumulated depreciation charges on the assets held for use in operating leases.

### Notional lease with Biffa.

Under IFRIC 4 the Waste Collection contract is deemed to contain a finance lease.  
The contract contains a capital element related to the provision of specialised vehicles.  
The Council has to recognise these assets in its own Balance Sheet together with a liability for a Finance Lease.

The assets are carried as PPE as the following net amounts :-

	2016/17 £000	2015/16 £000
Vehicles, Plant, Furniture and Equipment	2,908	3,490
	<b>2,908</b>	<b>3,490</b>

The Council is committed to making payments under this lease comprising settlement of the long term liability for the interest in the property acquired by the Council, and the finance costs that are payable.  
The minimum lease payments are made up of the following amounts :-

		2016/17 £000	2015/16 £000
Minimum lease payments	Current	582	582
	Non Current	2,327	2,908
Finance Costs payable in future years		361	519
Minimum Lease Payments		<b>3,270</b>	<b>4,009</b>

The Minimum lease payments will be payable over the following periods :-

	Minimum Lease Payments		Finance Lease Liabilities	
	31.3.2017 Net Exp £000	31.3.2016 Net Exp £000	31.3.2017 Net Exp £000	31.3.2016 Net Exp £000
Not later than one year	711	739	582	582
Later than one year and not later than 5 years	2,559	2,673	2,326	2,326
Later than 5 years	0	597	0	582
	<b>3,270</b>	<b>4,009</b>	<b>2,908</b>	<b>3,490</b>

## 32. PENSIONS

Employees of Epping Forest District Council are admitted to the Essex County Council Pension Fund ("the Fund"), which is administered by Essex County Council under the Regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The Fund is a funded scheme meaning that the authority and employees pay contributions into a fund calculated at a level intended to balance the pensions liabilities with investment assets.

As part of the terms and conditions of employment of the Council's officers the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire the Council has a commitment to make the payments that need to be disclosed at the time employees earn their future entitlement.

The figures disclosed below have been derived from a re-assessment of the assets and liabilities as a result of an interim actuarial valuation of the Fund carried out by the Fund's Actuary, Barnett Waddingham Public Sector Consulting, as at 31 March 2017. The approach to calculating the IAS19 figures in between full actuarial valuations is approximate in nature. Broadly the approach by the Actuaries assumes that the experience of the Fund will be in line with the actuarial assumptions used for IAS19 purposes. The approach adopted by the Actuary follows "IAS 19 - Calculation Guide for Local Authorities".

The Council recognises cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge made against Council Tax is based on contributions payable to the fund in respect of 2016/17 so the real cost of retirement benefits is reversed out of the Income and Expenditure Account after Net Operating Expenditure.

The transactions below have been made in the CIES during the year.

**Comprehensive Income and Expenditure Statement**

	<b>2016/17 £000</b>	<b>2015/16 £000</b>
Service Cost	4,167	4,290
Net interest charged	2,268	2,172
Administration Expenses	49	56
<b>Net charge made to the CIES</b>	<b>6,484</b>	<b>6,518</b>

**Re-measurements in other comprehensive income**

	<b>2016/17 £000</b>	<b>2015/16 £000</b>
Return on Fund assets in excess of interest	18,445	(913)
Other actuarial gains/(losses)	(145)	-
Change in financial assumptions	(33,807)	6,130
Change in demographic assumptions	3,871	-
Experience gain/(loss) on defined benefit obligation	(272)	97
Net settlements received	8	-
<b>Remeasurement of the net assets/(defined liability)</b>	<b>(11,900)</b>	<b>5,314</b>

**Pension Assets and Liabilities Recognised in the Balance Sheet**

	<b>2016/17 £000</b>	<b>2015/16 £000</b>
Present value of the funded obligation	216,448	179,907
Present value of the unfunded obligation	3,554	3,733
Fair value of scheme assets	(138,881)	(116,659)
<b>Net Liability in the Balance Sheet</b>	<b>81,121</b>	<b>66,981</b>

## Reconciliation of the fair value of the Scheme Liabilities

	Unfunded Liabilities		All Funded/Unfunded Liabilities: Local Government Pension Scheme	
	2017 £000	2016 £000	2017 £000	2016 £000
Net pensions liability at 1 April	(3,733)	(4,086)	(183,640)	(185,018)
Current service cost	-	-	(4,164)	(4,273)
Interest cost	(125)	(126)	(6,350)	(5,837)
Change in financial assumptions	(282)	62	(33,807)	6,130
Change in demographic assumptions	200	-	3,871	-
Experience gain	80	97	(272)	97
Liabilities assumed\ (extinguished) on settlements	-	-	30	-
Estimated benefits paid	-	-	5,108	5,994
Past service cost including curtailments	-	-	(11)	(17)
Contributions by scheme participants	-	-	(1,073)	(1,036)
Unfunded pension payments	306	320	306	320
<b>Net pensions liability at 31 March</b>	<b>(3,554)</b>	<b>(3,733)</b>	<b>(220,002)</b>	<b>(183,640)</b>

## Reconciliation of fair value of the Scheme Assets:

	2017 £000	2016 £000
Fair value of the plan assets at 1 April	116,659	115,089
Interest on assets	4,082	3,665
Return on assets less interest	18,445	(913)
Other actuarial gains\ (losses)	(145)	-
Administration Expenses	(49)	(56)
Employer contributions including unfunded	4,252	4,152
Contributions by scheme participants	1,073	1,036
Benefits paid	(5,414)	(6,314)
Settlement prices received\ (paid)	(22)	-
<b>Fair value of the plan assets at 31 March</b>	<b>138,881</b>	<b>116,659</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on assets less interest in the year was £18.4 million (£0.9 million for 2015/16). The major factor in the downward trend in investment returns is due to the volatile nature of assets employed being below the discount factor employed by the Actuaries. The weighted average duration of the defined benefit obligation for scheme members is 17 Years (17 years in 2015/16).

## Scheme History

	2016/17 £000	2015/16 £000	2014/15 £000	2013/14 £000	2012/13 £000
Present Value of Liabilities	(220,002)	(183,640)	(185,018)	(159,515)	(170,417)
Fair Value of Assets	138,881	116,659	115,089	101,695	95,060
Surplus/(deficit) in the scheme	(81,121)	(66,981)	(69,929)	(57,820)	(75,357)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £ 81.1 million in the balance sheet has decreased the reported net worth of the Council by 14% (12% 2015/16).

However statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit will be gradually eliminated by increased contributions over the remaining working life of employees, as assessed by the scheme Actuary.

The total employer contributions expected to be made to the scheme by the Council in the year to 31 March 2018 is £3.9 million. The Service Cost is expected to be £5.9 million for the year to 31 March 2018.



**Basis for estimating assets and liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, and inflation rates. The District Council fund liabilities have been assessed by Barnett Waddingham, a firm of actuaries who provide the service for the Essex County Council Pension Fund, being based on the full Actuarial Valuation of the scheme as at 31 March 2014.

The principal assumptions used by the actuary have been:

	2016/17	2015/16
<b>Mortality Assumptions</b>		
Longevity at 65 for current pensioners in years:		
Men	22	23
Women	25	25
Longevity at 65 for future pensioners in years:		
Men	24	25
Women	27	28
Rate of Inflation RPI	3.50%	3.20%
Rate of Inflation CPI	2.60%	2.30%
Rate of Increase in Salaries	4.10%	4.10%
Rate of Increase in pensions	2.60%	2.30%
Rate for discounting scheme liabilities	2.70%	3.50%

The Scheme's assets consist of the following categories, by proportion of the total assets held.

	As at 31 March 2017		As at 31 March 2016	
	£000	%	£000	%
Equities	94,860	68	78,956	68
Government Bonds	5,254	4	3,439	3
Other Bonds	5,644	4	5,599	5
Property	13,511	10	13,893	12
Cash/Liquidity	4,180	3	3,790	3
Alternative Assets	9,262	7	5,187	4
Other Managed Funds	6,170	4	5,795	5
<b>Total</b>	<b>138,881</b>	<b>100</b>	<b>116,659</b>	<b>100</b>

The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities was considered by the actuaries in the 2014 actuarial review of the Pension Fund. The anticipated shortfall in the funding of the scheme has determined the future level of pension contributions which will be due in between triennial valuations.

<b>Sensitivity Analysis as at 31 March 2017</b>	<b>Sensitivity 1</b>	<b>Sensitivity 2</b>	<b>Sensitivity 3</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<u>Adjustment to discount rate</u>	<b>+0.1% p.a.</b>	<b>0.0% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation	216,293	220,002	223,779
Projected service cost	5,758	5,884	6,012
<u>Adjustment to long term salary increase</u>			
Present value of total obligation	220,536	220,002	219,472
Projected service cost	5,884	5,884	5,884
<u>Adjustment to pension increases and deferred revaluation</u>			
Present value of total obligation	223,245	220,002	216,816
Projected service cost	6,012	5,884	5,758
<u>Adjustment to mortality age rating assumption</u>	<b>+1year</b>	<b>none</b>	<b>-1year</b>
Present value of total obligation	228,330	220,002	211,988
Projected service cost	6,072	5,884	5,702

### 33. NATURE & EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council has adopted CIPFA's Revised Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities (both revised in November 2011).

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy (for 2016/17 this was agreed at Full Council on 20 February 2016). The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the CLG Investment Guidance for local authorities. This guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rate movements.

#### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

#### Investments

The risk is minimised through the Annual Investment Strategy, which requires that deposits are made with Debt Management Office, other local authorities, AAA rated money market funds or Banks and Building Societies having sufficiently high credit worthiness as set out in the Treasury Management Strategy. It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. A limit of £10m is placed on the amount of money that can be invested with a single counterparty excepting UK Central Government which is unlimited. The Council also sets a total group investment limit (£10m) for institutions that are part of the same banking group.

The table below summaries the nominal value of the Council's investment portfolio at 31 March 2017, and confirms that all investments were made in line with the Council's approved rating criteria when investment placed:

The amounts below include the money market fund which is included in cash and cash equivalents.

	Credit rating criteria met	Balance invested as at 31 March 2017					Total £000
		Up to 1 month	Between 1 and 3	Between 4 and 6 months	Between 7 and 12	Greater than 12 months	
		£000	£000	£000	£000	£000	
Banks UK	YES	11,076	-	5,000	-	-	16,076
<b>Total Banks</b>		<b>11,076</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>16,076</b>
Building Societies	YES	-	-	-	-	-	-
Local Authorities		4,000	6,000	5,000	-	-	15,000
Money Market Funds	YES	10,000	-	-	-	-	10,000
<b>Total</b>		<b>25,076</b>	<b>6,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>41,076</b>

#### Debtors

The following analysis summaries the Council's potential maximum exposure to credit risk, based on the experience gathered over the last five financial years on the level of default on trade debtors, adjusted for market conditions.

	Amount at 31 March 2017	Default risk judged as at 31 March 2017	Bad debt provision for 2016/17
	£000	%	£000
Sundry Debtors	5,789	43.4	2,517
Housing Arrears	884	68.6	606
<b>Total</b>	<b>6,673</b>		<b>3,123</b>

The credit risk in relation to counterparty investments is relatively small as the likelihood of default is also small. With regard to sundry debtors, housing and taxation debtors, a risk arises by virtue of the fact that they represent amounts owed to the Council and there will always be a level of default inherent in such debts. A provision for non payment of debts is provided within the overall debtors figure stated in the accounts.

#### Liquidity Risk

The Council has access to borrowing facilities via the Public Works Loan Board, commercial banks, bond issues and other local authorities. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage risk that it will not be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates.

The Council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The maturity analysis of the nominal value of the Council's debt at 31 March 2017 was as follows:

		31 March 2017 £000	% of total debt portfolio	Cash flows including interest £000
<b>Short Term Borrowing</b>	<b>Less than 1 Year</b>	-	0%	<b>5,499</b>
Long Term Borrowing	Over 1 but not over 2	-	0%	5,499
	Over 2 but not over 5	31,800	17%	48,298
	Over 5 but not over 10	-	0%	26,740
	Over 10 but not over 15	-	0%	26,740
	Over 15 but not over 20	-	0%	26,740
	Over 20 but not over 25	153,656	83%	181,296
<b>Long Term Borrowing</b>		<b>185,456</b>	<b>100%</b>	<b>315,313</b>

#### Market Risk

**Interest Rate Risk** - The Council is exposed to risks arising from movements in interest rates. The Treasury Strategy aims to mitigate these risks by setting an upper limit of 25% on external debt that can be subject to variable rates. At 31 March 2017, 83% of the debt portfolio was held in fixed rate instruments and 17% in variable rate instruments.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£000
Increase in interest payable on variable rate borrowing	318
Increase in interest receivable on variable rate investments	(153)
<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>165</b>
<b>Share of overall impact debited/(credited) to HRA</b>	<b>165</b>

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Fair Value disclosure note.

**Price risk** - The Council does not invest in equity holdings or in financial instruments whose capital value is subject to market fluctuations. It therefore has no exposure to losses arising through price variations.

**Foreign exchange risk** - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

#### 34. CAPITAL COMMITMENTS

The Council is in the process of constructing a shopping park on land that it owns in Langston Road, Loughton. There are two parts to the scheme the shopping park itself and S278 works to the highway nearby. Work commenced during 2016/17 with construction costs to 31 March 2017 for the shopping park being £8.118m (£11.879m in 2015/16 which related to land purchase and fees.) and for the S278 works £1.628m (£0.703m in 2015/16). Practical completion on the shopping park is due on 29th September 2017 and the S278 works are expected to be completed by the end of September 2017.

The final cost of construction of the park is expected to be a little over £16m which includes incentive payments to tenants and various other fees and fitting out costs. A number of tenants have signed leases with others due to sign shortly the first unit opening in August. Marketing of the remaining units is ongoing and it is expected that all units will be occupied by Christmas.

## HOUSING REVENUE ACCOUNT INCOME & EXPENDITURE STATEMENT

	Note	2016/17 £000	2015/16 £000
<b>INCOME</b>			
Dwelling Rents (Gross)	3	(31,925)	(32,150)
Non Dwelling Rents		(846)	(856)
Charges for Services and Facilities		(1,930)	(1,831)
Leaseholder Contributions		(13)	(414)
Revaluation of Fixed Assets	1	-	(9,184)
<b>TOTAL INCOME</b>		<b>(34,714)</b>	<b>(44,435)</b>
<b>EXPENDITURE</b>			
Repairs and maintenance	4	5,961	6,451
Supervision and Management		7,937	7,265
Revaluation of Fixed Assets		1,917	-
Rents, Rates, Taxes and Insurance		402	363
Revenue Expenditure funded from Capital under Statute		13	414
Depreciation & Amortisation	8/9	15,764	13,498
Debt Management		67	68
Provision for Bad / Doubtful Debts		75	75
<b>TOTAL EXPENDITURE</b>		<b>32,136</b>	<b>28,134</b>
<b>NET COST OF SERVICES AS INCLUDED IN THE COMPREHENSIVE INCOME &amp; EXPENDITURE STATEMENT</b>		<b>(2,578)</b>	<b>(16,301)</b>
HRA services share of Corporate Expenses		675	583
HRA share of other services		32	45
<b>NET COST (INCOME) OF HRA SERVICES</b>		<b>(1,871)</b>	<b>(15,673)</b>
<b>HRA SHARE OF THE INCOME AND EXPENDITURE INCLUDED IN THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT</b>		<b>(1,871)</b>	<b>(15,673)</b>
Capital Grants and Contributions		(934)	(1,857)
Gain on sale of HRA non-current assets		(3,110)	(1,460)
Interest Payable and Similar Charges		5,538	5,573
Interest and Investment Income		(244)	(628)
Valuation increase Rent to Mortgages		(170)	(425)
Pensions Interest/Return on Assets		726	695
<b>(SURPLUS)/DEFICIT FOR THE YEAR ON HRA SERVICES</b>		<b>(65)</b>	<b>(13,775)</b>

## MOVEMENT ON HOUSING REVENUE ACCOUNT STATEMENT

The Housing Revenue Income and Expenditure Statement shows the Council's actual financial performance for the year in managing its housing stock, measured in terms of the resources consumed and generated over the last twelve months. However,

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The payment of a share of housing capital receipts to the Government is treated as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than from council tax.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners rather than as future benefits earned.

The Housing Revenue Account Statement compares the Council's spending against the Income that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn in the Housing Revenue Income and Expenditure Statement and the Housing Revenue Account balance.

	Note	2016/17 £000	2015/16 £000
<b>INCREASE/DECREASE IN THE HOUSING REVENUE ACCOUNT BALANCE</b>			
(Surplus)/Deficit for the year on the Housing Revenue Account Income and Expenditure Statement		(65)	(13,775)
Adjustments between accounting basis and funding basis under statute (including to or from reserves)	10	(812)	10,622
Transfers to Earmarked Reserves	10	226	2,521
(Increase) or decrease in the Housing Revenue Account balance		(651)	(632)
Housing Revenue Account surplus brought forward		(3,202)	(2,570)
<b>Housing Revenue Account surplus carried forward</b>		<b>(3,853)</b>	<b>(3,202)</b>

## 1. HOUSING REVENUE ACCOUNT ASSET VALUATION

The valuation of the Council's housing stock and other HRA assets is as follows:

	OPERATIONAL ASSETS						NON- OPERATIONAL ASSETS	Total £000
	Land £000	Dwellings £000	Garages £000	Vehicles & Equipment £000	Other Land & Buildings £000	Other £000	Investment Properties £000	
<b>Gross Book Value</b>								
<b>1 April 2016</b>	218,640	395,482	4,993	3,252	1,459	7,422	143	631,391
Restated	-	-	-	-	(857)	338	-	(519)
Additions	-	11,251	11	90	-	5,997	-	17,349
Disposals	(1,514)	(2,813)	-	(103)	-	-	-	(4,430)
Reclassified in Year	(298)	-	(365)	-	-	2,125	-	1,462
Revaluations Debited to the CIES	(477)	(888)	-	-	55	(5)	(14)	(1,329)
Revaluation Credited to the Revaluation reserve	14,379	33,526	229	-	298	325	-	48,757
Accumulated Depreciation Written Off	-	(15,190)	(174)	-	(28)	(13)	-	(15,405)
<b>Gross Book Value</b>	<b>230,730</b>	<b>421,368</b>	<b>4,694</b>	<b>3,239</b>	<b>927</b>	<b>16,189</b>	<b>129</b>	<b>677,276</b>
<b>1 April 2016</b>	-	-	-	(2,062)	(38)	(601)	-	(2,701)
Restated	-	-	-	-	-	(83)	-	(83)
Accumulated Depreciation Written Off	-	15,190	174	-	28	13	-	15,405
Reclassified	-	-	13	-	-	(32)	-	(19)
Depreciation in Year	-	(15,298)	(187)	(220)	(21)	(79)	-	(15,805)
Depreciation on Assets Sold	-	108	-	75	-	-	-	183
<b>Depreciation</b>								
<b>31 March 2017</b>	-	-	-	(2,207)	(31)	(782)	-	(3,020)
<b>Net Book Value</b>								
<b>31 March 2017</b>	<b>230,730</b>	<b>421,368</b>	<b>4,694</b>	<b>1,032</b>	<b>896</b>	<b>15,407</b>	<b>129</b>	<b>674,256</b>
<b>Net Book Value</b>								
<b>1 April 2016</b>	<b>218,640</b>	<b>395,482</b>	<b>4,993</b>	<b>1,190</b>	<b>1,421</b>	<b>6,821</b>	<b>143</b>	<b>628,690</b>

The dwelling valuation shown in the balance sheet represents the value of the housing stock to the Council in its existing use as social housing occupied on the basis of secured tenancies. The corresponding value of those dwellings if sold on the open market without tenants, i.e. vacant possession is £1,554,535,000 based on stock figures from 31 March 2017 and values as at 1 April 2016. The difference between the two values represents the economic cost of providing council housing at less than open market rents.

## 2. HOUSING STOCK

The Council was responsible for managing on average 6409 (6432 in 2015/16) dwellings during 2016/17. Changes in the stock are summarised below. The figures include 48 units for the homeless at Norway House, North Weald, and 6 wardens' and caretakers' dwellings.

	2016/17	2015/16
Stock as at 1 April	6,428	6,435
Less		
Sales	(46)	(20)
Stock Transfers / Conversions	-	14
Other Movements	1	(1)
Add		
New Properties	6	-
<b>Stock as at 31 March</b>	<b>6,389</b>	<b>6,428</b>
<b>Number of:</b>		
Houses and Bungalows	3,441	3,455
Flats and Maisonettes	2,938	2,963
Other	10	10
	<b>6,389</b>	<b>6,428</b>

## 3. GROSS DWELLING RENT INCOME

During 2016/17 1.12% (0.71% in 2015/16) of all lettable dwellings were vacant. Average rents were £96.92 per week including affordable rents, a reduction of £0.62 or 0.6% on the previous year. 52% (48% in 2015/16) of all Council tenants received some help through rent rebates in 2016/17. Rent arrears decreased to £884,461 (£929,681 in 2015/16), which represents 2.76% (2.87% in 2015/16) of gross dwelling rent income. The provision for bad and doubtful debts on these arrears amounted to £606,397 (£617,907 in 2015/16). Amounts written off during the year totalled £84,940 (£51,751 in 2015/16). Dwelling rents are shown after allowing for voids.

## 4. HOUSING REPAIRS FUND

The Council maintains a Housing Repairs Fund that evens out the annual cost to tenants of a cyclical repairs programme. The movement on the Fund is as follows:

	2016/17		2015/16	
	£000	£000	£000	£000
Balance as at 1 April		(1,010)		(1,491)
Contribution from the HRA	(5,800)		(5,855)	
Other Income	(387)		(114)	
<b>Total Income</b>		<b>(6,187)</b>		<b>(5,969)</b>
Responsive & Void Repairs	3,856		3,887	
Planned Maintenance	2,079		2,476	
Other	26		88	
<b>Total Expenditure</b>		<b>5,961</b>		<b>6,451</b>
<b>Balance as at 31 March</b>		<b>(1,236)</b>		<b>(1,010)</b>

The amount shown on the face of the Housing Revenue Income and Expenditure Statement is the actual net expenditure on repairs and maintenance rather than the contribution to the repairs fund. The difference between the two figures forms part of the adjustments between accounting basis and funding basis under regulations (Note 8 page 21).

## 5. PENSIONS

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge made against the HRA is based on the contributions payable to the fund in respect of 2016/17; the real cost of retirement benefits is therefore reversed out of the Housing Revenue Account after Net Operating Expenditure.



## 6. HOUSING REVENUE ACCOUNT CAPITAL RECEIPTS

The Council received £7,723,140 in respect of HRA capital receipts during 2016/17. This arose as a result of the sale of council houses (£7,400,845), sale of other property (£290,000), sale of Land (£30,500) and principal repayments on mortgages (£1,795). Of this the Council used £3,432,941 for housebuilding projects and £59,800 for the administration of the sales which left £1,351,226 to fund other capital projects and pay the central government pool an amount of £2,879,173.

## 7. CAPITAL EXPENDITURE

The HRA incurred the following capital expenditure.

Capital Expenditure on:	£000	Financed by:	£000
Council Dwellings	8,616	Revenue	5,367
House Building and developments	7,880	Major Repairs Reserve	7,597
Disabled Adaptations	543	Capital Receipts	3,359
Plant, Vehicles and Equipment	90	Other Contributions	1,026
Environmental Works	220		
	<b>17,349</b>		<b>17,349</b>

## 8. MAJOR REPAIRS RESERVE

The Council is required to maintain a Major Repairs Reserve. This was originally funded from the Government via Housing Subsidy but is now funded from the HRA directly. The Housing Revenue Account is charged with the depreciation for the year the opposite entry of which is a credit to the Major Repairs Reserve. This income can then be used to fund repairs of a capital nature. For a transitional period of five years the Council is allowed to transfer back to the HRA a notional sum calculated by the Government in lieu of the Major Repairs Allowance received. The movement on the reserve is as follows:

	2016/17		2015/16	
	£000	£000	£000	£000
Balance as at 1 April		(12,291)		(11,154)
Depreciation transferred from the HRA		(15,748)		(13,486)
Used to fund Capital Expenditure on Council Dwellings	7,597		6,478	
Transferred to the HRA	7,738		5,871	
Total Expenditure		15,335		12,349
<b>Balance as at 31 March</b>		<b>(12,704)</b>		<b>(12,291)</b>

## 9. DEPRECIATION

Depreciation is charged on Housing Revenue Account assets in accordance with IAS 16. Depreciation is charged with reference to balance sheet values and the average life remaining on the housing stock and its major components. No depreciation is chargeable on the HRA investment assets. The difference between the figure shown on the face of the HRA and Note 8 above relates to £16,000 amortisation of intangible assets and other non dwellings depreciation.

## 10. NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON HRA BALANCE

	2016/17 £000	2015/16 £000
<b>AMOUNTS TO BE EXCLUDED</b>		
Transfer from Major Repairs Reserve and other depreciation reversals and impairments	(7,776)	(5,925)
Upward revaluation of Council Dwellings and Garages	(1,908)	9,184
Revenue expenditure funded from Capital under statute	(13)	(414)
Reversal of Notional Lease payment	23	25
Valuation changes Rents to Mortgages	170	425
Gain/(loss) on disposal of HRA fixed assets	3,100	1,460
Flexi / Leave Accruals	(5)	9
HRA share of contributions to/ (from) pensions reserve	(2,240)	(2,086)
	<b>(8,649)</b>	<b>2,678</b>
<b>AMOUNTS TO BE INCLUDED</b>		
Leaseholder Contributions	13	414
Employers contributions payable to the pension fund	1,523	1,329
Capital Expenditure funded by the HRA	5,367	4,344
Capital Contributions Applied	934	1,857
	<b>7,837</b>	<b>7,944</b>
<b>Net Increase or (Decrease) before Transfers to/from Reserves</b>	<b>(812)</b>	<b>10,622</b>
<b>TRANSFERS (TO)\FROM EARMARKED RESERVES</b>		
Housing Repairs Fund	226	(480)
Self Financing Reserve	-	3,180
Service Enhancement Fund	-	(179)
	<b>226</b>	<b>2,521</b>
	<b>(586)</b>	<b>13,143</b>

## 11. TRANSFER TO SELF FINANCING RESERVE

A Self Financing Reserve was set up with the purpose of receiving a transfer of £3.18m per annum to accumulate enough funds to repay the £31.8m variable loan. Whilst this is the stated purpose of the fund the decision does not preclude the use of these funds for another HRA purpose. The balance on the Reserve as at 1 April 2016 was £12.72m, however it was agreed that in 2016/17 the contribution would be suspended leaving the year end balance unchanged.

## THE COLLECTION FUND

### INCOME AND EXPENDITURE ACCOUNT

		Council Tax	Non Domestic Rates	Collection Fund Total	Council Tax	Non Domestic Rates	Collection Fund Total
INCOME	Note	2016/17 £000	2016/17 £000	2016/17 £000	2015/16 £000	2015/16 £000	2015/16 £000
Council Tax	1	(83,186)	-	(83,186)	(79,403)	-	(79,403)
Non Domestic Rates	2	-	(36,509)	(36,509)	-	(35,465)	(35,465)
<b>TOTAL INCOME</b>		<b>(83,186)</b>	<b>(36,509)</b>	<b>(119,695)</b>	<b>(79,403)</b>	<b>(35,465)</b>	<b>(114,868)</b>
<b>EXPENDITURE</b>							
<b>Precepts and Demands:</b>							
Essex County Council		59,058	3,216	62,274	55,637	3,115	58,752
Essex Police		7,948	-	7,948	7,534	-	7,534
Essex Fire Authority		3,537	357	3,894	3,400	346	3,746
Epping Forest District Council		11,048	14,294	25,342	10,776	13,846	24,622
<b>Distribution of Estimated Collection Fund Surplus/(Deficit).</b>							
	3						
Essex County Council		1,420	(122)	1,298	1,095	(57)	1,038
Essex Police		192	-	192	145	-	145
Essex Fire Authority		87	(14)	73	67	(6)	61
Epping Forest District Council		275	(544)	(269)	211	(253)	(42)
<b>Non Domestic Rate</b>							
Payment to Central Government		-	17,868	17,868	-	17,306	17,306
Repayment of Deficit		-	(680)	(680)	-	(316)	(316)
Transitional Protection		-	45	45	-	322	322
Cost of Collection Allowance		-	172	172	-	171	171
Provision for Appeals		-	262	262	-	1,138	1,138
Provision for Non Payment		(25)	(62)	(87)	(102)	1	(101)
Write Offs		413	290	703	464	319	783
<b>TOTAL EXPENDITURE</b>		<b>83,953</b>	<b>35,082</b>	<b>119,035</b>	<b>79,227</b>	<b>35,932</b>	<b>115,159</b>
<b>DEFICIT / (SURPLUS) FOR YEAR</b>		<b>767</b>	<b>(1,427)</b>	<b>(660)</b>	<b>(176)</b>	<b>467</b>	<b>291</b>
<b>BALANCE BROUGHT FORWARD</b>		<b>(2,216)</b>	<b>1,514</b>	<b>(702)</b>	<b>(2,040)</b>	<b>1,047</b>	<b>(993)</b>
<b>BALANCE CARRIED FORWARD</b>		<b>(1,449)</b>	<b>87</b>	<b>(1,362)</b>	<b>(2,216)</b>	<b>1,514</b>	<b>(702)</b>

## 1. COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands, estimating 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council, Essex Police, Essex Fire Authority and this Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted discounts: 52,258 for 2016/17, 51,196 for 2015/16). The basic amount of Council Tax for a Band D property (£1,498.68 for 2016/17, £1,449.09 for 2015/16) is multiplied by the proportion specified for the particular band to give an individual amount due.

	Chargeable Dwellings	Chargeable Dwellings after Discount, Exemptions and Disabled Relief	Ratio to Band D	Band D Equivalents
Band A Disabled	1	1	5/9	1
Band A	1,663	1,434	2/3	956
Band B	4,824	4,022	7/9	3,128
Band C	11,277	10,128	8/9	9,003
Band D	13,680	12,698	1	12,698
Band E	9,467	8,889	1 2/9	10,864
Band F	6,740	6,403	1 4/9	9,249
Band G	5,741	5,535	1 2/3	9,225
Band H	1,114	1,072	2	2,144
<b>Total Band D</b>				<b>57,268</b>
Less Band D equivalents entitled to Council Tax Support				4,215
<b>Total Band D equivalents</b>				<b>53,053</b>
Less Adjustment for Collection Rate				795
<b>Council Tax Base</b>				<b>52,258</b>

Income of £83,186,116 for 2016/17 (£79,403,095 for 2015/16) was receivable from council tax payers. An amount of £22,995 (£57,923 in 2015/16) was clawed back from Council Tax payers and passed to the General Fund.

## 2. NON DOMESTIC RATES

Non Domestic Rates are organised on a national basis. The Government specifies an amount, 48.4p (small business) and 49.7p (others) in 2016/17, (48.0p (small business) 49.3p (others) in 2015/16) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

In 2013/14 the method of distributing and accounting for Business Rates changed. Prior to 1 April 2013 Non Domestic Rates were collected by the Council and paid over to Central Government who then redistributed the sums collected in the form of Non Domestic rates grant.

From 1 April 2013 Business Rates Retention was introduced whereby Local Authorities retain 50% of the Business Rates collected and pay the remainder over to Central government. The amount retained is shared between the Council (40%), Essex County Council (9%) and Essex Fire Authority (1%). In addition, the Government has set a level of Business Rates Funding deemed to be applicable to each area and every Council either receives a top up (where business rates are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding). In 2016/17 this Council paid a tariff of £10,314,922 (£10,230,000 in 2015/16).

If the Council increases its business rates base and therefore income it is allowed to retain a proportion of this increased income whilst paying up to 50% to Central Government. This payment is known as a levy payment.

If a reduction of business rates income of more than 7.5% of its funding baseline has occurred then the government will make up any difference between this and the actual loss in the form of a safety net payment.

The Council is part of the Essex Business Rates Pool. A pool is set up in order to minimise the potential levy on business rate growth that an individual authority might need to pay Central Government. A number of Authorities that are paying a tariff to the Government join a pool with an authority receiving a top up. In the case of the Essex Pool the County Council are receiving a top up and the districts are paying a tariff and by pooling their business rates can significantly reduce their levy rates from the 50% they would face if on their own.

The total non-domestic rateable value at the year-end was £86,591,046 (£86,608,906 in 2015/16).

## 3. CONTRIBUTIONS TO COLLECTION FUND SURPLUSES AND DEFICITS

The surplus or deficit on the Collection Fund arising from council tax and business rates transactions relates to this Council, other Major Precepting Authorities and Central Government. The surplus or deficit on the fund is estimated as at 15 January every year and paid over or recovered from the Council's General fund and major precepting authorities in the following Financial year. The balance on the Fund represents the difference between the estimated surplus or deficit and the actual position.

# Annual Governance Statement

## 1 Scope of Responsibility

Epping Forest District Council (EFDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has approved and adopted a Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the Council's Constitution. A copy of the Code is on our website at [www.eppingforestdc.gov.uk](http://www.eppingforestdc.gov.uk). This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 4 of the Accounts and Audit Regulations 2015, in relation to the publication of a Statement on Internal Control.

## 2 The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the Governance Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. It is also responsible for evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council's Code of Governance recognises that effective governance is achieved through the following seven CIPFA/SOLACE principles.

- (i) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- (ii) Ensuring openness and comprehensive stakeholder engagement.
- (iii) Defining outcomes in terms of sustainable economic, social and environmental benefits.
- (iv) Determining the interventions necessary to optimise the achievement of intended outcomes.
- (v) Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- (vi) Managing risks and performance through robust internal control and strong public financial management.
- (vii) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

At their February 2017 meeting the Audit and Governance Committee agreed a new Local Code of Corporate Governance, which was updated to reflect the latest CIPFA/SOLACE guidance. It is important the Council can demonstrate that its Annual Governance Statement is aligned with its Local Code.

The table below summarises the Council's Governance Framework (which includes the system of internal control) for the year ending 31st March 2017 and up to the date of approval of this Statement and the Statement of Accounts.

No.	The Governance Framework
	The key elements of the Council's governance arrangements for 2016/17 were:
1	A Corporate Plan covering 2015-2020, setting out the Council's priorities and defining the goals to be achieved.
2	The Constitution, which is revised each year:
	2.1 Sets out the Council's decision-making framework.
	2.2 Gives a clear definition of the roles and responsibilities of Members, Committees, and the statutory officers (Head of the Paid Service, Section 151 Officer and Monitoring Officer);
	2.3 Includes a scheme of delegation of responsibility, financial regulations and contract standing orders; and
	2.4 Defines codes of conduct for Members and officers, and a protocol for how the two work together.
3	The Council facilitates policy and decision making via a Cabinet Structure with Cabinet Member portfolios. The Council's Local Code of Governance was refreshed during 2016/17.
4	There are Standing Scrutiny Panels to cover key policy areas, Task and Finish Panels to undertake specific reviews and a co-ordinating Overview and Scrutiny Committee.
5	A Standards Committee.
6	An Audit and Governance Committee.
7	A Management Board consisting of the Chief Executive, Deputy Chief Executive and Directors.
8	A Corporate Governance Group consisting of the Chief Executive, Deputy Chief Executive, Section 151 Officer, Monitoring Officer, Deputy Monitoring Officer, Director of Communities and the Chief Internal Auditor, meeting monthly
9	A Corporate Risk Strategy managed by a Risk Management Group meeting quarterly.
10	A standard committee report format that includes specific consideration of all legal, financial, professional and technical considerations.
11	A Medium Term Financial Strategy which informs service planning and budget setting.
12	A compliments and complaints procedure.
13	A risk-based approach to internal audit, emphasising the need for sound control and good value.
14	A robust whistle blowing policy and process along with supporting documents outlining the Council's zero tolerance approach to fraud and corruption, which include anti bribery and anti money laundering policies.

### 3 Review of effectiveness

The Council is responsible for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the various sources noted below and concludes that the arrangements continue to be regarded as fit for purpose in accordance with the council's governance framework:

- Directors governance statements, which provide appropriate management assurance that the key elements of the system of internal control are operating effectively. For the first time, these were completed by the Directors in conjunction with their Assistant Directors;
- Documentary evidence of processes, procedures and standards:
- A Corporate Fraud Team, which supports the Council's counter fraud and corruption framework in taking action to prevent, detect and investigate fraud.
- The Chief Internal Auditor's annual opinion on the Council's control environment, delivered to the Audit and Governance Committee, as the body charged with governance. Audit reports issued along with the assurance ratings of substantial, limited or no assurance, on the adequacy and effectiveness of the Council's control environment, including key financial systems;
- The work undertaken by the External Auditor reported in their annual audit and inspection letter and other review reports;
- Significant governance issues from previous years and from 2016/17.

This final part of the Annual Governance Statement (AGS) outlines the actions taken, or proposed, to deal with significant governance issues identified. The Council's Corporate Governance Group, who monitors and reviews the corporate governance framework, has ensured that the issues raised in the previous AGS have been addressed as detailed in Table one below.

**Table One: Progress on significant governance issues identified in the 2015/16 AGS**

No.	Significant issue identified in 15/16 AGS	Action taken in 2016/17 to address the issue
1	<p><b>Procurement Rules</b></p> <p>A common theme coming out of 2014/15 internal audit reviews was non-compliance with Contract Standing Orders as these had developed over time and were difficult to follow.</p> <p>On 26 April 2016 Council approved the new Procurement Rules, which replaced the Council's previous Contract Standing Orders. These provide a more flexible approach and are more responsive to the current and future procurement needs of the Council.</p>	<p>A wide range of staff were trained on the Council's new Procurement Rules and a review of their effectiveness, led by the Director of Communities, concluded the new rules were generally being followed, being easier to follow.</p> <p>Refresher training will take place during 2017/18 following minor amendments proposed as a consequence of the review.</p>
2	<p><b>Corporate Policies</b></p> <p>A need to raise awareness of, and communicate changes to, corporate policies e.g. Whistleblowing Policy and Officer Code of Conduct was a common theme coming out of this years' Service Assurance Statements.</p>	<p>Partially completed as there have been periodic reminders in the staff newsletter (District Lines) on whistleblowing. The anti-fraud and corruption policy is currently being updated and a staff awareness programme will initiated to promote its contents once approved.</p>
3	<p><b>Project Management</b></p> <p>Service Assurance Statements also identified a need to develop project management processes and provide training in this area.</p>	<p>A Project and Programme Management project team was set up, sponsored by the Chief Executive, and has been meeting monthly. Via the project team an IT system solution is currently being rolled out which will include both system and project management training.</p>



In preparing this statement and reviewing the effectiveness of the Council’s governance arrangements, the following areas have been identified for improvement or require careful monitoring. These are set out in the table below, together with the steps to be taken to address them.

**Table Two: Areas for improvement or monitoring during 2017/18**

No.	Issue	Management response
1	<p><b>General Data Protection Regulations (GDPR)</b> It is imperative that businesses and public bodies are prepared for the GDPR which will apply in the UK from 25 May 2018. The government has confirmed that the UK’s decision to leave the EU will not affect the commencement of the GDPR.</p>	<p>Work is already in hand to ensure Epping Forest is compliant with the requirements of the GDPR ahead of May 2018 and beyond.</p>
2	<p><b>Corporate Policies</b> For the second year, Service Assurance Statements identified a need to raise awareness of, and communicate changes to, corporate policies in particular Officer Code of Conduct, data protection policies, anti-fraud and Whistleblowing.</p>	<p>A staff awareness campaign will be devised and implemented to address this and will include use of metacompliance to ensure staff have read relevant policies, articles in the monthly staff newsletter District Lines, and reminders at staff briefings.</p>

We propose over the coming year to continue to improve matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for any improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed .....  
Glen Chipp  
Chief Executive

Signed .....  
Councillor Chris Whitbread  
Leader of the Council

For the purposes of this Statement of Accounts, the following definitions have been adopted:

#### **ACCRUALS**

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

#### **BALANCE SHEET**

This statement sets out an authority's financial position at the year-end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness and the fixed and net current assets employed in its operations together with summarised information on the fixed assets held.

#### **CAPITAL EXPENDITURE**

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing asset.

#### **CAPITAL ADJUSTMENT ACCOUNT**

This account records the accumulated amount of set aside receipts and minimum revenue provision together with capital expenditure financed by way of capital receipts and revenue contributions. Set against these amounts are adjustments to the revenue account for depreciation and capital expenditure written off to revenue during the year. This, therefore, ensures that only actual expenses are charged to revenue in year.

#### **CAPITAL FINANCING REQUIREMENT**

This measures the change in and the underlying need for the council to borrow to finance Capital expenditure. Where all capital expenditure is financed by resources generated by the council the Capital Financing Requirement will remain unchanged.

#### **CASH FLOW STATEMENT**

This statement summarises the cash flows of the authority for capital and revenue spending as well as the cash flows used to finance these activities.

#### **COLLECTION FUND**

This account reflects the statutory requirement for billing authorities to maintain a separate collection fund which shows the transactions of the billing authority in relation to non-domestic rates and the council tax and illustrates the way in which these have been distributed to other authorities (preceptors) and the general fund.

#### **COMMUNITY ASSETS**

Assets that the local authority intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

#### **CONSISTENCY**

The accounting treatment of like items within an accounting period and from one period to the next is the same.

#### **CONTINGENCY**

A condition that exists at the balance sheet date where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

## **CONTINGENT LIABILITIES**

A contingent liability is either:

- (i) a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the authority's control; or
- (ii) a current obligation arising from past events where it is not probable (but not impossible) that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

It is considered that a contingent liability below £50,000 need not be disclosed, as any such amounts would not be significant.

## **CONTINGENT GAINS**

A contingent gain (or asset) is a possible economic gain arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control.

## **INTANGIBLE ASSETS**

Expenditure which may properly be defined as being capital expenditure, but which does not result in a physical asset being created. For expenditure to be recognised as an intangible asset it must yield future economic benefits to the council.

## **REVENUE EXPENDITURE CHARGED TO CAPITAL UNDER STATUTE**

Expenditure of a capital nature that does not result in a fixed asset being created. An example of such an item would be expenditure on a former HRA property held on a long lease by a third party. The expenditure is written off in the year that it is incurred.

## **DEPRECIATION**

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset whether arising from use, passage of time or obsolescence through technological or other changes. The useful life is the period over which the local authority will derive benefit from the use of a fixed asset.

## **FAIR VALUE**

The fair value of an asset is the price at which it could be exchanged in an arms length transaction less, where applicable, any grants receivable towards the purchase or use of the assets.

## **FINANCE LEASE**

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if, at the inception of the lease, the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

## **PROPERTY, PLANT AND EQUIPMENT**

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

## **GENERAL FUND**

This statement records the information of all the authority's activities, excluding those in relation to the Housing Revenue Account and Local Council precepts.

## **GOING CONCERN**

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

## **GOVERNMENT GRANTS**

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

## **HOUSING REVENUE ACCOUNT**

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure such as maintenance, administration, rent rebates and capital financing costs, and how these are met by rents subsidy and other income.

## **IMPAIRMENT**

An impairment occurs when a fixed asset suffers a loss in value either due to a fall in market values generally, or as a result of use of the asset other than normal wear and tear.

## **INVESTMENTS**

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments that do not meet the above criteria should be classified as current assets.

## **INVESTMENT PROPERTIES**

An interest in land and / or buildings:

- (i) in respect of which construction work and development have been completed; and
- (ii) which is held for its investment potential, any rental income being negotiated at arms length.

## **MINIMUM REVENUE PROVISION (MRP)**

Local authorities are required by statute to set aside a minimum revenue provision for the redemption of external debt. The method of calculation is defined by statute and does not relate to actual external debt outstanding. Statute requires MRP of 2% of the housing credit ceiling and 4% of the non-housing credit ceiling, offset by an adjustment for debts commuted in relation to old improvement grants.

## **NET BOOK VALUE**

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

## **NET CURRENT REPLACEMENT COST**

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

## **NET REALISABLE VALUE**

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

## **NON-OPERATIONAL ASSETS**

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties, assets that are surplus to requirements pending sale or redevelopment and assets under development or construction.

## **OPERATING LEASES**

Leases other than a finance lease.

## **OPERATIONAL ASSETS**

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility. Operational assets comprise Council dwellings, other land and buildings, vehicles plant and equipment, infrastructure and community assets.

## **POST BALANCE SHEET EVENTS**

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the responsible financial officer signs the Statement of Accounts.

## **PRIOR YEAR ADJUSTMENTS**

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

## **PROVISIONS**

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. Provisions are required to be recognised when:

- (i) the local authority has a present obligation (legal or constructive) as a result of a past event;
- (ii) it is probable that a transfer of economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision should be recognised.

A constructive obligation is an obligation that derives from an authority's actions where;

- (i) by an established pattern of past practice, published policies or sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities; and
- (ii) as a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

## **PRUDENCE**

The concept that revenue is not anticipated until received in the form either of cash or of other assets, or a reliable estimate of the cash realisation can be assessed with reasonable certainty.

## RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- (i) the purchase, sale, lease, rental or hire of assets between related parties;
- (ii) the provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- (iii) the provision of services to a related party, including the provision of pension fund administration services;
  
- (iv) transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the authority but also in relation to its related party.

## REVALUATION RESERVE

This account was created on 31 March 2007. The purpose of which is to hold all revaluations occurring to fixed assets subsequent to that date.

## STOCKS

Comprise the following categories:

- (i) Goods or other assets purchased for resale;
- (ii) consumable stores;
- (iii) raw materials and components purchased for incorporation into products for sale;
- (iv) products and services in intermediate stages of completion;
- (v) long-term contract balances; and
- (vi) finished goods.

## UNAPPORTIONABLE CENTRAL OVERHEADS

These are overheads for which no user now benefits and should not be apportioned to services.

## ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- (i) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or
- (ii) the actuarial assumptions have changed

## CURRENT SERVICE COST

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

## CURTAILMENT

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- (i) termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- (ii) termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

## DEFINED BENEFIT SCHEME

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

## DEFINED CONTRIBUTION SCHEME

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

## DISCRETIONARY BENEFITS

Retirement benefits that the employer has no legal, contractual or constructive obligations to award and which are awarded under the authority's discretionary powers, such as the Local Government (Discretionary Payments) regulations 1996.

## EXPECTED RATE OF RETURN ON PENSION ASSETS

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

## IAS19

International Accounting Standard 19 (IAS19) ensures that organisations account for employee retirement benefits when they are committed to pay them, even if the actual payment may be years into the future.

## **INTEREST COST (PENSIONS)**

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

## **INVESTMENTS (NON-PENSIONS FUND)**

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments, other than those in relation to the pensions fund, which do not meet the above criteria should be classified as current assets.

## **INVESTMENTS (PENSIONS FUND)**

The investments of the Pensions Fund will be accounted for in the statements of the fund. However authorities (other than town and community councils) are also required to disclose, as part of the transitional disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

## **PAST SERVICE COST**

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

## **PROJECTED UNIT METHOD**

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- (i) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- (ii) the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

## **RETIREMENT BENEFITS**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

- (i) an employer's decision to terminate an employee's employment before the normal retirement date, or
- (ii) an employee's decision to accept redundancy in exchange for those benefits,

because these are not given in exchange for services rendered by employees.



## SCHEME LIABILITIES

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

## SETTLEMENT

An irrecoverable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

- (i) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits
- (ii) the purchase of an irrevocable annuity contract sufficient to cover vested benefits, and
- (iii) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

## VESTED RIGHTS

In relation to a defined benefit scheme, these are:

- (i) for active members, benefits to which they would unconditionally be entitled on leaving the scheme;
- (ii) for deferred pensioners, their preserved benefits, and
- (iii) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependents.

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## ***Report to Council***

***Date of meeting: 26 September 2017***

**Subject: Overview and Scrutiny Report to Council**

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

**Committee Secretary: Adrian Hendry, ext.4246**

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### **Recommendations/Decisions Required:**

**That the Overview and Scrutiny progress report from July 2017 to the present be noted.**

### **Report:**

#### **Overview and Scrutiny Committee Meeting – 18 July 2017**

1. At our meeting on Tuesday 18<sup>th</sup> July, we reviewed the Forward Plan of Key Decisions; when the Committee considered the Council's corporate priorities and programme of key decisions for 2017/18. The committee went through the plan page by page asking questions as appropriate.
2. We then had The Head of Transformation, Mr Bailey, introduce his report on the Corporate Plan for 2018 – 2023. This new Corporate Plan would run from 2018 to 2023 and it sought to lay out the journey the Council would take to transform the organisation to be 'ready for the future'. This plan strived to link the key external drivers influencing Council services, with a set of corporate aims and objectives, grouped under three corporate ambitions. An annual Corporate Specification would detail how the Corporate Plan would be delivered through a set of operational objectives for that year. Committee members reviewed and commented on the new Corporate Plan for 2018-2023 and noted that this would also be going to each of the four Select Committees for comment.
3. We then went on to consider our ongoing scrutiny of external organisations, noting that the Barts Health NHS Trust had agreed to attend our next meeting at the end of October.
4. We also noted that TfL had been asked to make a return visit to us and we discussed what we would like them to cover. The Committee agreed they would like specialists from TfL to attend to update us on the Central Line and on the bus services served by TfL. Also there were access issues on the Central Line, especially at Buckhurst Hill which we would like to be covered.

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## **Report to the Council**

**Date:** 26 September 2017

**Subject:** Appointments to Committees & Outside Organisations 2017/18

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### **1. OVERVIEW AND SCRUTINY COMMITTEE**

#### **Recommending:**

**That the Council make appointment to the vacancy on the Overview and Scrutiny Committee arising from the appointment of Councillor S. Kane as the Safer, Greener and Transport Portfolio Holder, for the remainder of the 2017/18 municipal year.**

- 2.1 Following the death of Councillor G. Waller earlier in the year, Councillor S. Kane has been appointed by the Leader of the Council as the Safer, Greener and Transport Portfolio Holder.
- 2.2 Councillor Kane is currently a member of the Overview and Scrutiny Committee. However, the Council's Constitution provides (Article 6, Paragraph 5) that members of the Executive may not be members of the Committee.
- 2.3 The Council is therefore requested to make appointment to the vacancy on the Overview and Scrutiny Committee arising from the appointment of Councillor S. Kane as the Safer, Greener and Transport Portfolio Holder.

### **2. REPRESENTATION ON OUTSIDE ORGANISATIONS**

#### **Recommending:**

**That the Council appoint representatives to the following external organisations: for the remainder of the 2017/18 municipal year:**

- (a) **Epping Forest Community Transport Board of Trustees;**
- (b) **Essex Police and Crime Panel (Council appointment); and**
- (c) **Stansted Airport Consultative Committee (Deputy).**

- 2.1 Arising from the death of former Councillor Waller, it is also necessary to appoint new representatives to the following external organisations on which Councillor Waller previously represented the Council:
  - Epping Forest Community Transport Board of Trustees;
  - Essex Police and Crime Panel; and
  - Stansted Airport Consultative Committee (Deputy).
- 2.2 The Leader of the Council has appointed members to the following external organisations carrying out executive functions, where Councillor Waller was previously the Council's appointed representative:
  - Civil Enforcement of Parking and Traffic Regulations Outside London - Adjudication Joint Committee;
  - Epping Forest District Community Safety Partnership;
  - Epping Forest District Local Strategic Partnership (LSP) - Safer Communities Partnership;
  - Essex Waste Partnership - Inter-Authority Member Working Group (Deputy);

- Harlow-Stansted Gateway Transportation Board; and
- North Essex Parking Partnership.

2.3 The appointment of members to the external organisations listed in paragraph 2.1 is a matter reserved to the Council. The Council is therefore requested to appoint appropriate member representatives to these organisations for the remainder of the 2017/18 municipal year.