EPPING FOREST DISTRICT COUNCIL
COMMITTEE MINUTES

Committee:	Finance and Performance Management Cabinet Committee	**Date:**	17 January 2011
Place:	Council Chamber, Civic Offices, High Street, Epping	**Time:**	7.00 - 10.45 pm

Members Present: C Whitbread (Chairman), R Bassett, Mrs D Collins, Mrs P Smith, D Stallan and Ms S Stavrou

Other Councillors: G Mohindra, K Angold-Stephens, W Breare-Hall, Ms J Hart, D Jacobs, D C Johnson, B Judd, Mrs C Pond, B Rolfe, Mrs M Sartin, Mrs J Sutcliffe, Mrs L Wagland, Ms S Watson, J M Whitehouse and D Wixley

Apologies: None.

Officers Present: D Macnab (Acting Chief Executive), J Gilbert (Director of Environment and Street Scene), A Hall (Director of Housing), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT), J Preston (Director of Planning and Economic Development), J Chandler (Assistant Director (Community Services and Customer Relations)), R Pavey (Assistant Director (Revenues)), M Tipping (Assistant Director (Facilities Management & Emergency Planning)), J Twinn (Assistant Director (Benefits)), T Carne (Public Relations and Marketing Officer), E Higgins (Insurance & Risk Officer), B Moldon (Principal Accountant), R Sharp (Principal Accountant), S Tautz (Performance Improvement Manager), A Hendry (Democratic Services Officer) and G J Woodhall (Democratic Services Officer)

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33. WEBCASTING INTRODUCTION

The Chairman announced that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

34. DECLARATIONS OF INTEREST

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

35. MINUTES

RESOLVED:

(1) That the minutes of the meeting held on 22 November 2010 be taken as read and signed by the Chairman as a correct record.

36. DETAILED DIRECTORATE BUDGETS 2011/12

The Assistant Director (Accountancy) presented the draft General Fund and Housing Revenue Account (HRA) Budgets for the financial year 2011/12. The budgets had been presented by Directorate, with accompanying notes highlighting areas where significant changes had occurred. The majority of savings had been found from budgets that had been traditionally underspent in previous years. They were presented to the Cabinet Committee to consider and make recommendations prior to the budget being formally set during February 2011.

(a) Office of the Chief Executive

The Acting Chief Executive reported that the original estimate for 2010/11 had been expenditure of £3.226million, with a probable outturn of £3.157million. The current draft estimate for 2011/12 was £3.061million, which represented a saving of £165,000 due primarily to an overall reduction in recharges to this budget for central overheads. No Continuing Services Budget (CSB) growth had been identified for 2011/12; a District Development Fund (DDF) item had been included for the Referendum on the General Election Voting System, but full re-imbursement of the costs was expected from the Government.

The position for the individual cost centres within the Office of the Chief Executive, in comparison to 2010/11, was as follows:

- Corporate Activities £192,000 reduction in expenditure;
- Elections £20,000 reduction in expenditure;
- Member Activities £95,000 increase in expenditure;
- Voluntary Sector Support £18,000 reduction in expenditure;
- Other Activities £30,000 reduction in expenditure; and
- Support Services £35,000 reduction in expenditure.

The Cabinet Committee felt that £166,010 was a high cost for Electoral Registration; It was agreed that some benchmarking would be performed to compare the Council's costs for Electoral Registration with other Councils of a similar size for the budget setting process in 2012/13.

The Cabinet Committee also queried the £237,490 budget provision for Grants to Voluntary Organisations. It was explained that these Grants could not be moved from the CSB to DDF as many Grants were agreed for a three-year period and therefore were not a one-off cost. It was acknowledged that working with the voluntary sector was a fundamental role for the Council, and that the Council's Grants were generous in comparison to others, but the Council was under pressure to make savings in all areas of its budget. Other assistance could be offered by the Council to Voluntary Sector Organisations, such as accommodation, rather than funding them directly. It was agreed that Voluntary Sector Grants would be another area that would be reviewed as part of the budget setting process for 2012/13.

(b) Corporate Support Services

The Director of Corporate Support Services reported that the original estimate for 2010/11 had been net income of £319,000, with a probable outturn of £203,000 net income. The current estimate for 2011/12 was net income of £1.711million, due primarily to the movement of additional net income of £1.392million from the transfer of Non-Housing assets comprising shops, public houses and a petrol station to the General Fund.

The position for the individual costs centres within the Directorate, in comparison to 2010/11, was as follows:

- Land & Property £1.395million increase in net income;
- Other Activities £7,000 reduction in expenditure;
- Regulatory Services £20,000 reduction in expenditure;

- Legal & Admin Services £174,000 reduction in expenditure;
- Accommodation Services £133,000 increase in expenditure; and
- Other Support Services £47,000 increase in expenditure.

The Director added that the reduced figures currently under discussion for the Planned Maintenance Programme would be used for the relevant property budgets when it had been agreed. The £56,000 allocation for Support Services at the Brooker Road Industrial Estate was felt to be expensive in comparison to the Council's other properties. It was highlighted that Support Service charges for each holding were primarily derived from the time spent by Estates & Valuations Officers on each particular property. The Director undertook to provide a further detailed breakdown of these costs for members of the Cabinet Committee. The Acting Chief Executive highlighted the results of an external review of the Estates & Valuations service, which had stated that the Council was obtaining good value for money given the size and diversity of the property portfolio. The Legal & Estates Portfolio Holder acknowledged that a more efficient method of dealing with queries from Councillors on behalf of tenants had to be implemented, and that this would be examined after the budget process had been completed.

The Director further reported that the operation of the Reprographics Section had been reviewed following a recent report by Internal Audit. As the majority of the Section's costs were fixed, it was now being more extensively advertised internally to generate more business, and modern technology was being utilised to further reduce costs. The Cabinet Committee felt that this was another area to be reviewed during the 2012/13 budget setting process.

The Acting Chief Executive reminded the Cabinet Committee that £94,000 allocated for Council Asset Rationalisation would be predominantly spent on the potential development of the Langston Road Depot, for which the likely returns had been previously reported.

(c) Office of the Deputy Chief Executive

The Acting Chief Executive reported that the original estimate for 2010/11 had been expenditure of £1.703million, with a probable outturn of £1.658million. The current estimate for 2011/12 was £1.627million, which represented a saving of £76,000. This had included savings of £100,000 from the recent Leisure & Wellbeing Portfolio Holder report to Cabinet on 6 December 2010, a further saving of £33,000 from identifying underspends based on the averaging of the last three years actuals, and new income of £17,000 from the new all-weather pitch at Townmead in Waltham Abbey. The North Weald Airfield Strategy Action Plan and redevelopment of Limes Farm Hall were the main DDF items.

The position for the individual cost centres within the Office of the Deputy Chief Executive, in comparison to 2010/11, was as follows:

- Arts & Museum £39,000 reduction in expenditure;
- Sports Development etc £57,000 reduction in expenditure;
- Other Activities £20,000 increase in expenditure; and
- Support & Trading Services £20,000 reduction in expenditure.

The Acting Chief Executive explained that the 10% increase in the Public Relations budget had been due to the appointment of a temporary fixed term Website Officer, but this was currently being treated as DDF rather than CSB. Although Sports Development and Community Development were both listed with small increases, both sections were being actively reviewed, in particular with respect to the provision for young people. The Council actively encouraged compliments and complaints from the public, and a full-time Officer was employed to deal with any received. It was regarded as a support service under the CIPFA guidance, hence there were no direct employee costs listed.

(d) Environment & Street Scene

The Director of Environment & Street Scene reported that the original estimate for 2010/11 was £10.226million, with a probable outturn of £10.076million. The current estimate for 2011/12 was £10.104million, which represented a saving of £122,000. The main CSB item for 2011/12 was the reduction in the Leisure Management fees following the Cabinet's decision to provide capital investment in exchange for a reduction in management fees. Whilst the main DDF items related to the Avoided Disposal payment, which was expected to stop by March 2012.

The position for the individual cost centres within the Directorate, in comparison to 2010/11, was as follows:

- Environmental Health £38,000 reduction in expenditure;
- Waste Management £188,000 increase in expenditure;
- Highways £10,000 increase in expenditure;
- Off-Street Parking £114,000 reduction in expenditure;
- Land Drainage & Sewerage £57,000 reduction in expenditure;
- Safer Communities £4,000 increase in expenditure;
- Leisure Facilities £11,000 reduction in expenditure;
- Parks & Grounds No change;
- North Weald Airfield £104,000 increase in net income; and
- Support & Trading Services £29,000 increase in expenditure.

The Director asked the Committee to note that a significant proportion of the increases in Waste Management and Safer Communities was related to changes in the way that government grants were accounted for, and that these increases would not generate any increases in Council Tax. The final report of the Intensification Study for North Weald Airfield, to be considered by the Cabinet at its meeting on 7 March 2011, would separate the income received from the Airfield into the Market and other rents, and the costs between Aviation activities and the Market. Pollution Control was a statutory duty for the Council and the staff supporting this function was classified as a support service under the CIPFA guidance. Of the Pollution Control Support Service allocation of £183,990 for 2011/12, approximately £110,000 was employee related. As a general point, the Cabinet Committee requested a full analysis of all employee costs within the Support Service allocation for cost centres.

It was explained to the Cabinet Committee that the income derived from the Council's Leisure Centres did not cover the operating costs, thus the Council's Leisure Contract provider retained all the income and the Council paid a management fee to cover the difference. This management fee was subject to an annual inflation based uplift as part of the contract. However, if the income generated exceeded a prescribed level, then the Council was entitled to a share of that excess. The Leisure Centre at Loughton was the most modern and efficient, therefore it required the lowest management fee expenditure. The £53,600 Support Service allocation for the Loughton Leisure Centre primarily met the cost of the contract monitoring performed by the Council and landlord maintenance responsibilities.

The £473,390 allocation for Neighbourhoods and Rapid Response dealt with noise complaints, fly tipping and out of hours services, plus a few other environmental nuisance services including the Rapid Response Vehicle.

(e) Finance & ICT

The Director of Finance & ICT reported that the original estimate for 2010/11 was £2.543million, with a probable outturn of £2.411million. The current estimate for 2011/12 was £1.711million, which represented a saving of £832,000. This included savings of £629,000 due to the transfer of Concessionary Fares to Essex County Council from 1 April 2011, £75,000 from an increase of 0.5% on the Salary Vacancy Allowance, and an overall reduction of £133,000 in unallocated recharges for central overheads. CSB items in 2011/12 included a saving of £10,000 for a decrease of 0.1% in pension contributions, and £24,000 for general Directorate savings from postage and stationery and Essex Procurement Hub costs.

The position for the individual cost centres within the Directorate, in comparison to 2010/11, was as follows:

- Housing Benefits — £57,000 reduction in expenditure;
- Local Taxation — £20,000 increase in expenditure;
- Other Activities — £795,000 reduction in expenditure (includes Concessionary Fares);
- Finance Support Services — £61,000 increase in expenditure; and
- ICT Support Services — £143,000 increase in expenditure.

In response to queries from the Members present, the Director added that the Vacancy Allowance had been increased to give a more realistic position, but that no amendments had been made in respect of the proposed Recruitment Freeze. Under current legislation, the District Council was the collection authority for Council Tax and therefore could not recharge the County Council and Parish or Town Councils for collecting their precepts. The Cabinet had recently approved a new ICT Equipment Replacement Policy, which was now being implemented. This would reduce the Council's costs by replacing old servers with new, more energy efficient servers that used less electricity. The proposed budget of £579,000 for Telephones was considered a high cost, and it was agreed that this area should be reviewed during the 2012/13 budget setting process. The savings generated from being a member of the Essex Procurement Hub had been reflected within the individual budgets for each Directorate. It was requested that a paragraph be added to the principal Budget report highlighting the total savings gained from membership of the Hub, and the Director agreed to present a report to the next meeting of the Cabinet Committee outlining the total savings in detail.

(f) Housing General Fund

The Director of Housing reported that the original estimate for 2010/11 was £1.49million, with a probable outturn of £1.613million. The current estimate for 2011/12 was £1.886million, which represented an increase of £396,000. This included capital expenditure of £379,000 and an increase of £17,000 for Direct Services.

The position for the individual cost centres within the Directorate, in comparison to 2010/11, was as follows:

- Private Sector Housing — £261,000 increase in expenditure, of which £219,000 was capital expenditure;
- Homelessness — £5,000 reduction in expenditure; and
- Other Activities — £140,000 increase in expenditure, of which £160,000 was capital expenditure.

The Director added that an additional allocation had not been made for the expected extra work in respect of Homelessness in 2011/12, as the grant received from the

Government had been increased. A report on this matter would be considered at the next scheduled meeting of the Cabinet.

(g) Planning & Economic Development

The Director of Planning & Economic Development reported that the original estimate for 2010/11 was £3.201million, with a probable outturn of £3.055million. The current estimate for 2011/12 was £3.096million, which represented a saving of £105,000. This included a £100,000 increase in planning application income, a saving of £13,000 for Countrycare and general savings of £40,000 from within the Directorate.

The position for the individual cost centres within the Directorate, in comparison to 2010/11, was as follows:

- Economic Development £18,000 reduction in expenditure;
- Conservation Policy £35,000 reduction in expenditure;
- Countrycare £85,000 reduction in expenditure;
- Environmental Coordination No change
- Forward Planning £45,000 increase in expenditure;
- Town Centre Enhancements £8,000 reduction in expenditure;
- Planning Appeals £79,000 reduction in expenditure;
- Enforcement £13,000 reduction in expenditure;
- Development Control £100,000 increase in expenditure;
- Building Control (Fees) No change;
- Building Control (Non-Fee) £11,000 reduction in expenditure;
- Planning Administration £26,000 reduction in expenditure; and
- Planning Policy No change.

In response to Member queries, the Director added that income for Building Control had reduced and a small deficit was predicted for the current year. The section had made a small profit in 2009/10 and a number of measures had been taken this year to mitigate the expected reduction in income. Although there were fewer major planning applications at the current time, there was still the possibility that the Building Control account would break even or make a small profit. The Leader of the Council added that the Building Control sections of Harlow and Uttlesford Councils were losing more money than Epping Forest, so there would be no benefit for the Council in sharing the service.

The Cabinet Committee felt that it was important to treat the Community Infrastructure Levy as a priority, following its implementation in April 2010, and also increase the money gained from Section 106 agreements.

(h) Housing Revenue Account

The Director of Housing reported that the original estimate for Housing Revenue Account (HRA) expenditure in 2010/11 was £32.4million, with a probable outturn of £32.8million. The current estimate for 2011/12 was £33.7million, which represented an increase of £1.3million. The original estimate for Housing Subsidy in 2010/11 was £10.052million, with a probable outturn of £9.726million. The current estimate for 2011/12 had been £11.428million, before it was revised down to £11.312million following a final subsidy determination being issued on 10 January 2011, which represented an increase of £1.26million. The original estimate for HRA Income in 2010/11 was £30.639million, with a probable outturn of £30.341million. The current estimate for 2011/12 was £30.482million, which represented a reduction of £157,000. The balance of the HRA was predicted to be £5.501million at 31 March 2012.

The following cost centres within the Directorate, in comparison to 2010/11, were highlighted:

- General Supervision & Mgmt £495,000 reduction in expenditure;
- Special Supervision & Mgmt £134,000 reduction in expenditure;
- Rents, Rates & Taxes £6,000 increase in expenditure;
- Depreciation No overall effect;
- Property Related Income £157,000 reduction in income; and
- Interest Income £251,000 increase in income.

The Director added that the average rent increase in 2011/12 would be 7.2%, however there would be no increase in real terms for the approximately 60% of the Council's tenants who received full Housing Benefit.

RECOMMENDED:

(1) That the detailed Directorate budget for the Office of the Chief Executive be recommended to the Cabinet for approval;

(2) That the detailed Directorate budget for Corporate Support Services be recommended to the Cabinet for approval;

(3) That the detailed Directorate budget for the Office of the Deputy Chief Executive be recommended to the Cabinet for approval;

(4) That the detailed Directorate budget for Environment & Street Scene be recommended to the Cabinet for approval;

(5) That the detailed Directorate budget for Finance & ICT be recommended to the Cabinet for approval, subject to the addition of a paragraph to the final budget report highlighting the total savings made during 2010/11 from the use of the Essex Procurement Hub;

(6) That the detailed Directorate budget for the Housing General Fund be recommended to the Cabinet for approval;

(7) That the detailed Directorate budget for Planning & Economic Development be recommended to the Cabinet for approval;

(8) That the detailed Directorate budget for the Housing Revenue Account be recommended to the Cabinet for approval;

(9) That the following areas of the Council's budget be further reviewed during the 2012/13 budget setting process:

(a) Electoral Registration within the Office of the Chief Executive, to be benchmarked with other Councils of a similar size;

(b) Grants to Voluntary Organisations within the Office of the Chief Executive;

(c) Reprographics within the Corporate Support Services Directorate; and

(d) Telephones within the Finance & ICT Directorate;

(10) That a report be submitted to the meeting of the Cabinet Committee scheduled for 21 March 2011 detailing the total savings made by the Council through its membership of the Essex Procurement Hub; and

(11) That the Support Service cost of each Cost Centre be further analysed in future budgets to show the proportion of Officer salaries included within it.

Reasons for Decision:

To review the detailed directorate budgets prior to their approval and adoption by the Cabinet and Council.

Other Options Considered and Rejected:

None; the Council was under a statutory obligation to agree its budget for 2011/12 before the end of February.

37. COUNCIL BUDGETS 2011/12

The Director of Finance & ICT presented a report detailing the proposed Council Budget for 2011/12, which enabled the Council's policy on the level of reserves to be maintained throughout the period of the Medium Term Financial Strategy, despite the proposed use of £0.25million from the reserves. The budget was based upon the assumptions that Council Tax would not increase for two years and housing rents would increase by 7.2% in 2011/12.

The Director stated that the revised Medium Term Financial Strategy (MTFS) had assumed a 9% decrease in Government funding for 2011/12 with further decreases of 8% in 2012/13 and 2013/14. The actual reductions announced by the Government had been 15.7% in 2011/12 and 11.4% in 2012/13. In addition, the Council would be eligible for a grant equivalent to a 2.5% increase in the Council Tax if the actual Council Tax was not increased, and a New Homes Bonus if further residential development took place within the District during the year. As no details regarding the New Homes Bonus had been issued by the Government, this income had not been included within the Budget. The transfer of Concessionary Fares to the County Council had only resulted in a £20,000 loss of income for the Council.

It was proposed to reduce the target for the 2011/12 Continuing Services Budget (CSB) to £16.45million, from an initial £17.1million, following the confirmation of arrangements for the transfer of Concessionary Fares. The largest growth item was an additional £63,000 for the increase in national non-domestic rates on the Council's buildings. A number of CSB income streams had been affected by the downturn in the Housing Market, including Local Land Charges, Building Control and Development Control. However, other income streams had exceeded expectations, including MOT income from Fleet Operations, and Licensing income. The Council's investment income had also been adversely affected by £350,000 due to the continuing low level of interest rates.

The Director of Finance advised that, following the decision to transfer commercial property from the Housing Revenue Account (HRA) to the General Fund, the estimated £1.4million loss to the HRA would be offset by an interest payment of £300,000; this would result in a net benefit of £1.1million to the General Fund.

The use of capital receipts on non-revenue generating assets had been highlighted in the Council's Risk Register. The Capital Programme anticipated the balance of capital receipts reducing from £21.1million to £6.5million over the next four years.

The triennial valuation of the Local Government Pension Scheme (LGPS) in March 2010 had resulted in a small reduction for the Council's ongoing contributions, from

13.1% to 13%. Applications for the capitalisation of pension deficit payments in the sums of £1.187million for the General Fund and £557,000 for the HRA had been submitted to the Department of Communities & Local Government for 2010/11; the Secretary of State had limited directions to 38% of the amounts applied for and it was intended to charge £176,000 to the DDF for the General Fund and £82,000 to the HRA to make up for the deficits.

In respect of the District Development Fund (DDF), the Director reported that the largest items of expenditure were £395,000 for the generation of the Local Development Framework, £363,000 for reduced investment income and £152,000 for the Planned Building Maintenance Programme. The current DDF programme of £1.143million exceeded the guideline by £243,000. However, as the DDF was perennially underspent, this was not considered significant.

The Cabinet Committee was advised that the updated Medium Term Financial Strategy had assumed no increase in the Council Tax for the next two years. Current projections indicated that the Council's reserves would be £5.763million by 2014/15; 25% of net budget requirement would £3.678million and thus it was not envisaged that this particular budget guideline would be breached.

For the Housing Revenue Account (HRA), the Director explained that the balance was expected to be £5.5million at 31 March 2012, following an anticipated deficit of £83,000 in 2010/11. The average rent increase for Council dwellings in 2011/12 was proposed at 7.2%, which would further narrow the gap between Council and Housing Association rent levels. The report of the Chief Financial Officer required under section 25 of the Local Government Act 2003 would be reported to the Council at its meeting on 22 February 2011. The Council's Prudential Indicators and Treasury Management Strategy 2011/12 would be a separate report at the Cabinet meeting on 31 January 2011. The only significant change had been the appointment of Arlingclose to replace Butlers as the Council's Treasury Management consultants.

In response to questions from the Cabinet Committee, the Director stated that no official figures had been released for the expected level of Government support in the years 2013/14 and 2014/15, so the stated figures were 'best guesses'. The Strategy was based upon the use of reserves in the short to medium term whilst still retaining reserves that were still equivalent to at least 25% of the net budget requirement. The advice from Arlingclose was that interest rates were liable to remain at their current low level for the foreseeable future, with a resultant effect upon the Council's investment income. It was reiterated that there was no date scheduled for the announcement of the details for the proposed New Homes Bonus from the Department of Communities and Local Government; hence there had been no inclusion of any potential bonus due to this uncertainty.

The Cabinet Committee noted that the proposed transfer of commercial properties, if agreed by the Secretary of State, would be of considerable benefit to the General Fund, and that substantial subsidies from the Council's Reserves were planned for during the current four-year term of the financial strategy. Further savings of £1.3million would be required for 2012/13, in addition to those found for 2011/12, which would require the close scrutiny of every potential allocation during the budget setting process.

RECOMMENDED:

(1) That, in respect of the Council's General Fund Budgets for 2011/12, the following guidelines be adopted:

(a) the revised revenue estimates for 2010/11, and the anticipated reduction in the General Fund balance of £307,000;

(b) a reduction in the target for the 2011/12 CSB budget from £17.1million to £16million (including growth items);

(c) an increase in the target for the 2010/11 DDF net spend from £900,000 to £1.1million;

(d) no change in the District Council Tax for a Band 'D' property to retain the charge at £148.77;

(e) the estimated reduction in General Fund balances in 2011/12 of £248,000;

(f) the four year capital programme 2011/12 – 2014/15;

(g) the Medium Term Financial Strategy 2011/12 – 2014/15; and

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

(2) That, including the revised revenue estimates for 2010/11, the 2011/12 HRA budget be agreed;

(3) That the application of the rent increases and decreases proposed for 2011/12, in accordance with the Government's rent reforms and the Council's approved rent strategy, by an average overall increase of 2.4% be noted; and

(4) That the established policy of capitalising deficiency payments to the pension fund be maintained, in accordance with the partial Capitalisation Direction obtained from the Department for Communities and Local Government.

Reasons for Decision:

To assist the Cabinet in determining the budget that would be recommended to the Council for agreement on 22 February 2011.

Other Options Considered and Rejected:

To not approve the recommended figures and instead specify which growth items to be removed from the lists, or request that further items be added.

38. CORPORATE PLAN 2011 - 2015 AND KEY OBJECTIVES 2011/12

The Performance improvement Manager presented a report upon the adoption of the Council's Corporate Plan 2011-15 and the Council's Key Objectives fro 2011/12.

The Cabinet Committee was informed that the Council Plan for the period 2006/07 to 2009/10 had been the Council's key strategic planning document, which had set out service delivery priorities over the four-year period, with strategic themes matching the Community Strategy for the District. As the Council Plan had now concluded, work had been undertaken on the development of a new strategic plan for the period 2011-15. The structure of the former Council Plan had been largely based around the Council's Medium-Term Priorities adopted in 2002. As part of the development of the new Corporate Plan, the Cabinet had previously identified a range of new Medium-Term Aims for 2010/11 to 2013/14. It was also now necessary to adopt the Council's

Key Objectives for 2011/12, however these were not ranked in any particular order of priority.

The Leader of the Council added that much work and effort had gone into the production of the Corporate Plan as there had been many previous versions. A small amendment was agreed to page 23 of the Plan, in that the ongoing projects listed were for only part of St John's Road in Epping and part of Langston Road in Loughton.

The Portfolio Holder for Performance Management felt that further work was required before the Key Objectives could be formally adopted. A number of the objectives were actually goals, and there appeared to be no ownership or deadlines for some of the objectives. The current total of 12 Key Objectives listed could be further reduced to approximately nine as a number of them were clearly linked and could be combined.

Further comments were made about objective 1(a), the establishment of a temporary depot at North Weald Airfield for the services currently located at Langston Road, and whether the Council would achieve value for money if the cost was in excess of £2million. The Environment Portfolio Holder stated that no firm decision had yet been made, and the comments for this objective should be revised. It was also highlighted that the proposed parking review for Debden Broadway had not been included in Objective 8,and that risk management considerations should be added to objective 9 regarding the maintenance of the Council's sound financial position. It was also generally felt that the document should be more specific in measuring the achievements for each objective.

The Portfolio Holder for Finance & Economic Development reminded the Cabinet Committee that the Key Objectives could be further revised before they were formally adopted. The Acting Chief Executive agreed to further review the Key Objectives for 2011/12 and assured the Cabinet Committee that they would form an essential part of the Directorate Business Plans for 2011/12.

RESOLVED:

(1) That the Council's draft Corporate Plan for the period 2011-15 be approved, subject to an amendment on page 23 of the Plan whereby only parts of St John's Road in Epping and Langston Road in Loughton were possible redevelopment sites; and

(2) That the Council's draft Key Objectives for 2011/12 be further revised and presented to the next meeting of the Cabinet for further consideration.

Reasons for Decision:

The identification of the Council's service delivery priorities over the four-year period of the new Corporate Plan, and the annual adoption of Key Objectives for each year of the Plan, provided an opportunity for the Council to focus specific attention on how areas for improvement would be addressed, opportunities exploited and better outcomes delivered for local people.

Other Options Considered and Rejected:

No other options were appropriate. Failure to monitor and review performance against Key Objectives and outcomes, and to take corrective action where necessary, could have negative implications for the Council's reputation and for judgements made about the authority in corporate assessment processes.

39. KEY PERFORMANCE INDICATORS 2010-11 - REVIEW

The Performance Improvement Manager presented a report upon the review of the Key Performance Indicators adopted for 2010/11 and their retention or deletion for 2011/12.

The Performance Improvement Manager reminded the Cabinet Committee that, under the Local Government Act 1999, the Council was required to make arrangements to secure continuous improvement in the way in which its functions and services were exercised, with regard to economy, efficiency and effectiveness. As part of this duty, a range of Key Performance Indicators (KPI) relevant to the Council's activities and key objectives were adopted each year.

The Performance Improvement Manager reported that four KPIs were under review for retention or deletion in 2011/12. NI 157(c), measured the number of planning applications dealt with within eight weeks of the Council receiving the application. The speed of delivery of planning decisions had been considered an important measure of performance and had been included as a National Indicator. With the imminent abolition of the National Indicator set, this indicator was recommended for retention as a KPI in 2011/12. Local Performance Indicator (LPI) 39, Rent Arrears (Commercial & Industrial Property), and LPI 40, Occupation Rate (Commercial & Industrial Property), gave a complete picture of the performance of the Council's commercial property portfolio and therefore were recommended for retention as KPIs in 2011/12. LPI 41, Rental Value (Commercial & Industrial Property), was not considered particularly meaningful as it was too dependent upon the total asset value of the properties, and consequently was recommended for deletion as a KPI in 2011/12.

The Director of Planning & Economic Development reminded the Cabinet Committee that it was still a statutory requirement for the Council to process planning applications within eight weeks of receiving them, and that reinstating this indicator as a KPI would aid the Council in meeting this target. The Cabinet Committee requested that some of the comments in the table accompanying the report be moderated before its final publication.

RESOLVED:

(1) That NI 157(c), Processing of Planning Applications, be reinstated as a Key Performance Indicator in 2011/12;

(2) That LPI 39, Rent Arrears (Commercial & Industrial Property) and LPI 40, Occupation Rate (Commercial & Industrial Property), be retained as Key Performance Indicators in 2011/12; and

(3) That LPI 41, Rental Value (Commercial & Industrial Property), be deleted as a Key Performance Indicator in 2011/12.

Reasons for Decision:

The Council was still under a statutory obligation to process planning applications within eight weeks of receiving them. The level of rent arrears and occupation gave a good indication of the Council's performance with its commercial and industrial properties, whilst the rental value did not as it was too heavily dependent upon the asset value.

Other Options Considered and Rejected:

To not reinstate NI 157(c), Processing of Planning Applications, or to retain LPI 41, Rental Value (Commercial & Industrial Property) as Key Performance Indicators in 2011/12.

40. RISK MANAGEMENT - CORPORATE RISK REGISTER & RISK MANAGEMENT DOCUMENTS

The Senior Finance Officer (Risk & Insurance) presented a report concerning the review of the Corporate Risk Register and the Council's Risk Management documents.

The Senior Finance Officer reported that the Corporate Risk Register and the Council's Risk Management documents had been considered by both the Risk Management Group on 29 November 2010 and the Corporate Governance Group on 8 December 2010. These reviews had not indentified any required amendments to the Corporate Risk Register and only some minor changes to the Council's Risk Management documents. The Terms of Reference for the Risk Management Group had been amended to include Business Continuity Planning, whilst the Risk Management Policy Statement had had the reference to the Corporate Executive Forum removed. The Risk Management Strategy had also been updated to include Business Continuity Planning, review the provision of training and delete the reference to Brokers.

The Cabinet Committee felt that the risk related to Fraud (risk number 22) should be further reviewed, due to the expansion of the Charity and Voluntary Sector. The Corporate Governance Group was requested to investigate further and examine the different approaches that could be used to prevent fraud, before reporting back to the Cabinet Committee at its next meeting, scheduled for 21 March 2011.

RECOMMENDED:

(1) That Risk 22, Fraud, be further investigated by the Corporate Governance Group for examination of the different approaches to the prevention of fraud and reported back to the Cabinet Committee on 21 March 2011;

(2) That the current tolerance line on the risk matrix be considered satisfactory and not be amended;

(3) That the Corporate Risk Register be recommended to the Cabinet for approval;

(4) That the updated Risk Management Strategy be adopted; and

(5) That the updated Risk Management Policy Statement be adopted; and

RESOLVED:

(6) That the updated Terms of Reference for the Risk Management Group be noted.

Reasons for Decision:

It was essential that the Corporate Risk Register was regularly reviewed and kept relevant to the threats faced by the Council.

The annual review of the Corporate Risk Management documents ensured that the Risk Management process remained relevant and current.

Other Options Considered and Rejected:

To suggest the inclusion of further risks or amend the rating of existing risks if necessary.

To request further amendments to any or all of the documents.

41. HOUSING BENEFIT OVERPAYMENT RECOVERY POLICY

The Assistant Director (Benefits) presented a report regarding the recovery of Housing Benefit overpayments and requested that Overpayment Officers be given the authority to negotiate the repayment of Housing Benefit sundry debts over 2 years old where all other methods of recovery had been exhausted.

The Assistant Director reported that the majority of overpayments arose either from the claimant failing to report a change in circumstances or as a result of fraud. In both these cases, the Council received a subsidy from the Government amounting to 40% of the overpayment. When overpayments had occurred, there were several recovery options available, but there were always debtors that were hard to trace, or who were on low incomes and being pursued by several different agencies for debts. There had been a number of situations recently whereby the ability to negotiate would have recovered a large proportion of the debt, but these debts were now considered irrecoverable.

The Assistant Director proposed that for debts which were over two years old and the only other option was to write the debt off, Overpayment Officers be delegated authority to negotiate with the Debtor the level of debt to be repaid. Any offer of a negotiated amount would have to be for a minimum repayment of 60% of the outstanding debt and paid at the time of the offer or the debt would revert to the full amount. This would ensure that the Council would not suffer financially, due to the Government subsidy, and any repayment over 60% would result in a profit. It was considered that the ability to negotiate the payment of old debts would result in an increase of income for the Council with fewer debts being written off.

The Assistant Director added that the majority of the debts that would be covered by the new procedure were in the sum of approximately £200. The Cabinet Committee were in general agreement with the proposals and requested an update report in 12 months time on the results of the implementation of the policy.

RECOMMENDED:

(1) That Overpayment Officers be delegated authority to negotiate with debtors to clear their Housing Benefit Overpayment debt to the Council in the following circumstances:

(a) the debt had been outstanding for two or more years;

(b) all recovery options had been attempted and the only other option was to write the debt off;

(c) any negotiated sum with the debtor to be a minimum of 60% of the outstanding debt; and

(c) any offer of a negotiated sum to be paid at the time of the agreement by the debtor or the debt would revert to the full amount; and

(2) That a progress report upon the results of the implementation of the policy above be presented to the Cabinet Committee at its meeting in March 2012.

Reasons for Decision:

To increase the recovery rates for debts which might otherwise ultimately be written off.

Other Options Considered and Rejected:

To not allow the Overpayment Officers to negotiate the level of repayment of debts and to always seek repayment of the full debt.

42. INTRODUCTION OF CREDIT CARD PAYMENTS

The Assistant Director (Revenues) presented a report upon the introduction of Credit Card payments.

The Assistant Director stated that credit card payments were currently not accepted by the Council for the payment of bills such as Council Tax or Housing Rents. The current position had been agreed in 2002 due to the relatively high transaction costs for processing Credit Card payments, and concern over whether, legally, these costs could be passed onto customers for payments of statutory bills such as Council Tax. In addition, payments made by Credit Cards could encourage people to borrow money on their credit card and incur high interest charges. The legal position was ambiguous as there had not been a test case, and the Council's Legal Services had confirmed that this was an uncertain area of the law at the current time. The Cabinet was requested to consider whether credit card payments should now be accepted and whether a surcharge of 1.6% should be applied to the credit card payment by the customer to cover the transaction cost incurred by the Council. There would also be a cost of £11,010 to implement the necessary module to process any surcharges across all the Council's systems of payments.

In response to questions from the Members present, the Assistant Director added that the quote of £11,010 to implement the further module required for the Capita system was disappointing and further discussion would take place with the supplier. Devices that allowed payments to be made at the doorstep would be useful, especially in recovering outstanding debts, however these were still being tested and were not yet available. The 1.6% surcharge was lower than the previous contract – which was 2.1% - and could not be amended during the current contract. If the proposal was agreed then any surcharge liable would be charged to the customer in future.

The Cabinet Committee was concerned about the consequence for the Council if the proposals for credit card payments were implemented, but the application of surcharges was subsequently ruled unlawful. It was felt that the proposals should be deferred to the Cabinet with the Council's Solicitor in attendance to clarify the legal position.

RESOLVED:

(1) That the proposals for introducing credit card payments be deferred to a future meeting of the Cabinet when the Council's Solicitor was in attendance to advise upon the legal position for the application of surcharges.

Reasons for Decision:

The decision to implement payment by credit card should not be made until the Council's Solicitor was in attendance to advise upon the legality of surcharges being applied to customers, to cover the transaction charge.

Other Options Considered and Rejected:

To not introduce payment by credit card, or to not apply the transaction surcharge to the customer.

43. ANY OTHER URGENT BUSINESS

There was no other urgent business for the Cabinet Committee to consider.

CHAIRMAN