

Report to the Council

Committee: Cabinet

Date: 27 September 2011

Subject: Finance and Economic Development Portfolio

Portfolio Holder: Councillor Gagan Mohindra

Recommending:

That the report of the Finance & Economic Development Portfolio

Holder be noted

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. Members will be aware from previous reports to Cabinet and Council that as part of Self Financing for the Housing Revenue Account the Council will have to make a payment of £180 million to DCLG in late March 2012. As a payment of this size cannot be financed from our existing resources a substantial amount of borrowing will be necessary. The exact method of borrowing is still to be determined but the preparatory work is continuing. On 24 August three other Portfolio Holders and I interviewed credit rating agencies and decided to appoint Moody's to provide a credit rating for the Council.

To inform Members about the different borrowing options a training event was held on 1 September. The training was provided by the Council's external treasury management advisers, Arlingclose. I am pleased to report that the event was well attended and I am sure that the 16 Members present will have found it informative.

Benefits

There has been a lot of coverage in the press recently about Welfare Reform in general and about the changes to Council Tax Benefit (CTB) in particular. The Government wants to save 10% (£490 million) on the national cost of CTB by localising it from 2013/14. It will be for each local authority to determine their scheme of CTB but they will only receive 90% of the current cost. The exact details are still to be confirmed and as part of this process the Government issued a consultation paper on 2 August. The consultation paper is 58 pages long, with 46 detailed questions and a response date of 14 October. To comply with this timetable a response to the consultation will be considered at the Finance and Performance Management Scrutiny Panel on 20 September and I would encourage Members to attend this meeting.

Revenues

It seems to be the consultation season at the moment and Revenues staff are working on a response to the Local Government Resource Review: Proposals for Business Rates Retention. The Government is seeking to increase the financial independence of local authorities and provide a financial incentive to local authorities to promote business growth. The main consultation paper was launched on 18 July

and is a 46 page document with 33 detailed questions. This document has been supplemented by eight technical papers, issued on 19 August, which run to more than 200 pages and contain another 63 questions. The response date for this consultation is 24 October. To comply with this timetable a response to the consultation will be considered at the Overview and Scrutiny Committee on 18 October and again I would encourage Members to attend this meeting.

Economic Development

The highly successful Future Jobs Fund West scheme is coming to an end with over 180 young people placed on 6 month work experience programmes with twenty local employers across west Essex. This has also brought in over £350,000 of external investment to voluntary and community groups and the public sector in the district at a time of increased need. Initial figures from Jobcentre Plus are showing that 60% of those passing through the scheme are either in work or full time education following their participation. The government has announced its Single Programme to replace Future Jobs and a raft of other individual schemes with a joined up programme to support unemployed people back into work. A meeting with the government's new contractor in the Eastern Region is being held to explore the potential for working in partnership to deliver the Single Programme and the opportunity to sub contract work.

A new West Essex Skills and Employment Forum is being established with the support of the district following a successful meeting of almost 30 training providers across West Essex on 24 August. This body will share information and best practice, and try to join up and manage in a more coherent manner all the various training and skills services and funds on offer. If appropriate it will also prepare joint bids for support from government and other agencies.

The Council is working with Epping Forest College, the Federation of Small Businesses and the local Chamber of Commerce on a range of other initiatives.

On September 15 the Local Strategic Partnership will launch the Business Charter at the White Water Centre. This seeks to establish a set of principles and pledges which will define how public sector organisations and local business will work to support the local economy, including prompt payment and use of local contractors and service providers to carry out work.

A 'shop at my local' website to support local independent traders is being developed following a similar successful scheme in Rochford. This will allow local traders to register and shoppers to find out about what's on offer locally and access discounts from participating traders. This is seen as a major initiative to support independent traders to compete with new and existing shopping centres/destinations.

Regular monthly meetings have now been established with the Economic Development officers of Epping Forest, Harlow and Uttlesford Councils to ensure that the opportunities for growth and investment flowing from the Enterprise Zone can be shared and managed in a joined up way across West Essex. This group will also look at the opportunities for joint economic development work across the three districts.

Plans are also being developed to set up a Retail Forum in the district to promote and support retailing and try to increase the percentage of money Epping Forest residents spend in the district from its current levels. An event is being planned at Epping Forest College in October to get the Forum underway.

The White Water Centre Economic Development study was presented to the Legacy Board in July. The officer work streams have been consolidated and are Regeneration & Economic Development, Tourism, Communications and Marketing, Sports & Community Development. Terms of reference and actions plans are in place for the groups. A report on the study and follow up projects will be presented to the Local Development Framework Cabinet Committee on 3 October.

Performance Management

At the June meeting of the Finance and Performance Management Scrutiny Panel Members commented on the importance of ensuring that comments made within performance reports were written in a way that would be able to be understood by public visitors to the Council's website. I am pleased to report that the Key Performance Indicator definitions and associated terminology have been re-written in a more user friendly way and will be presented to the Finance and Performance Management Scrutiny Panel on 20 September.

The September meeting of the Finance and Performance Management Scrutiny Panel will also receive the first quarter monitoring information on the Key Performance Indicators.

Facilities Management & Estates

Civic Offices Energy Performance

Since 2009 the Council has been required to publish information about how efficiently the Civic Offices are being managed in relation to energy consumption. This information is published in the form of a Display Energy Certificate or DEC.

Within the DEC a buildings' energy performance operational rating is expressed in one of seven bands A to G with A being the most efficient and G being the least efficient. The first assessment of the Civic Offices in March 2009 attracted a G rating, the least efficient that could be achieved.

In September 2010 on re-examination this improved to an E rating and I am pleased to announce that following the most recent assessment in June 2011 the energy performance operational rating has improved still further to a D rating. Within the D rating the Building has a points score of 95 and the typical score for this type of building would be 100 points.

This continual improvement has been achieved through a combination of better energy management of lighting, heating and comfort cooling systems, improved insulation, and sustained investment to replace old and obsolete systems with modern energy efficient systems.

In financial terms in the last two years the Council has saved £77,311 or 43% on its gas and electricity costs for the Civic Offices over what it paid in 2008/09. In statistical terms for the same period there has been a reduction in consumption of 552,751 kilowatt hours of gas and electricity.

More work is planned through which it is hoped that a further gain can be made to the energy performance operational rating in 2012. However it must be acknowledged that having attained the typical rating for this type of building it will become increasingly more difficult to achieve further improvement.

Brooker Road/Cartersfield Road Industrial Estate Waltham Abbey

Following my report at the last Council meeting about a significant increase in rent where a long standing ground lease had expired and a full rack rent had been concluded, I am pleased to announce, that subject to contract, another significant renewal has recently been agreed, at £24,000 per annum.

This was originally let as a ground lease in 1952 for a period of 52 years at £75 per annum; the substantial increase again is due to the new lease reflecting the full market value of the buildings on the site. This second example highlights the continuing role of the Estates and Valuation Section in generating additional income for the Council.