



Uttlesford District Council

Council

Date: Thursday, 25 February 2016
Time: 19:30
Venue: Council Chamber
Address: Council Offices, London Road, Saffron Walden, CB11 4ER

Members: All Members of the Council

Public Speaking

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given notice by 12 noon two working days before the meeting.

AGENDA PART 1

Open to Public and Press

- 1 Apologies for absence and declarations of interest**
To receive any apologies for absence and declarations of interest.

- 2.1 Minutes of the meeting on 17 December 2015** 5 - 20
To consider the Minutes of the meeting on 17 December 2015.

- 2.2 Minutes of the Extraordinary meeting on 11 January 2016** 21 - 22
To consider the Minutes of the Extraordinary meeting on 11 January 2016.

- 3 Matters arising**

- 4 Chairman's announcements**
To receive any announcements from the Chairman

- 5 Reports from the Leader and members of the Executive**
To receive matters of report from the Leader and members of the Executive
- 6 Members' questions to the Leader, members of the Executive and chairmen of committees (up to 15 Minutes)**
To receive members questions
- 7 Matters received about joint arrangements and external organisations**
Matters concerning joint arrangements and external organisations
- 8 Matters received from committees and working groups (standing item)**
- 9 Update on Local Strategic Partnership**
To receive an oral report from Janet Drysdale, Chairman of the Employment, Economy, Skills, Environment and Transport Group.
- 10 Budget 2016/17** 23 - 32
To consider the budget for 2016/17.
- 11 Corporate Plan** 33 - 38
To consider and approve the Corporate Plan for 2016-2021.
- 12 Robustness of Estimates** 39 - 60
To consider a report on the robustness of estimates and the adequacy of reserves.
- 13 Medium Term Financial Strategy** 61 - 76
To consider the Medium Term Financial Strategy.
- 14 Treasury Management** 77 - 98
To consider a report on Treasury Management.
- 15 Capital programme** 99 - 110
To consider a report on the capital programme.

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| 16 | Housing Revenue Account
To consider a report on the HRA budget. | 111 - 126 |
| 17 | General Fund and Council Tax
To consider a recommendation from the Cabinet to approve the General Fund Budget and Council Tax requirement for 2016/17. Please note the Council Tax Resolution at appendix G of the report is to follow as the Essex Fire service is due to set its precept on the evening of 17 February. Please also note the requirement for a recorded vote to be taken on the calculation of council tax under procedure rule 14.7. | 127 - 164 |
| 18 | Pay Policy 2016-17
To consider the pay policy for 2016/17. | 165 - 184 |
| 19 | Interim Review of Polling Districts and Places
To consider a report making recommendations for changes to the designated polling places for Saffron Walden Castle East and Stansted East. | 185 - 188 |
| 20 | Timetable of Meetings 2016-17
To consider and approve the timetable of meetings for 2016/17. | 189 - 190 |
| 21 | Extraordinary Council meeting on 21 March 2016
To consider and agree by resolution to call an Extraordinary Council meeting on 21 March to consider a new settlement option for the local plan. | |
| 22 | Any other items which the Chairman considers to be urgent
To consider any items which the Chairman considers to be urgent. | |

MEETINGS AND THE PUBLIC

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COUNCIL MEETING held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 17 DECEMBER 2015 at 7.30pm

Present: Councillor S Harris – Chairman
Councillors A Anjum, K Artus, G Barker, S Barker, R Chambers, J Davey, A Dean, T Farthing, M Felton, M Foley, R Freeman, R Gleeson, J Gordon, N Hargreaves, E Hicks, S Howell, D Jones, B Light, J Lodge, J Loughlin, A Mills, S Morris, E Oliver, J Parry, V Ranger, J Redfern, H Rolfe, G Sell and L Wells

Officers in attendance: R Harborough (Director of Public Services), M Perry (Assistant Chief Executive – Legal), P Snow (Democratic and Electoral Services Manager) and A Webb (Director of Finance and Corporate Services)

C51 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Asker, Fairhurst, Goddard, Knight, Lemon, Parr and Ryles.

Councillors Anjum, R Freeman and Morris each declared a pecuniary interest as members of Saffron Walden Town Council in respect of the motion calling on the Council to reimburse the Town Council's costs in defending the Kier planning appeal.

Councillor S Barker declared an interest as a member of Essex County Council.

C52 MINUTES OF PREVIOUS MEETINGS

The Minutes of the meetings held on 13 October and 24 November 2015 were received and signed as a correct record, subject to the addition of Councillor Davey's name to the list of those present on 13 October, and the deletion of the final two paragraphs of Minute C48 as the question concerned, and the response to it, occurred after the close of the meeting.

C53 MATTERS ARISING

(i) Minute C45 – Local Plan Consultation

Councillor Lodge asked to clarify misunderstandings about the actions of councillors representing the Residents for Uttlesford group in respect of the Local Plan consultation. He wished to make clear that the issues raised at the meeting had concerned the content of the document and not the principle of consultation itself.

Councillor S Barker commented that Councillor Lodge had not been present at the meeting and so had not heard the comments made.

Councillor Light supported the statement made by Councillor Lodge. Her group was very much in favour of consultation but had wished to make the document more comprehensible. Councillor Artus supported this interpretation.

Councillor Rolfe then confirmed that the consultation presented for adoption had been pre-approved by all three group leaders. Points of clarification were acceptable but the Minutes reflected the discussion taking place.

The Chairman reiterated that it had now been agreed to remove the final two paragraphs of Minute 45 from the record of the meeting.

C54 REPORT OF THE INDEPENDENT REMUNERATION PANEL FOR 2016/17

The Chairman invited Janet Pearson, Chairman of the Independent Remuneration Panel, to present the Panel's report and recommendations for a member allowance scheme to operate in 2016/17.

She welcomed Jackie Anslow, who had acted as last year's Chairman, to her final meeting as her three year term of office was coming to an end. She thanked Mrs Anslow for the valuable contribution she had made during her period in office.

Janet Pearson then presented the Panel's report for 2016/17. She said the Panel had decided to concentrate upon four main strands in reviewing member allowances. These were: the reduction in size of the Council and the associated impact on member workload; the reduction in Cabinet size and the continuing role of executive members; the role of portfolio lead member introduced after the election; and finally the role of the main and other opposition group leaders.

Having examined the basic allowance, the Panel had concluded that some upward movement was justified after a long period when no increase had been applied, but this should stay within the limit of 1% set by the public sector pay cap. A small increase was felt justifiable in recognition of the perception that members' casework had increased since the new larger wards were introduced at the election.

The Panel had also looked at whether the ASHE index used to measure the basic allowance was still a viable unit of measurement and had concluded it was still the most relevant index available.

They had also examined the role of executive members bearing in mind the reduction in Cabinet size and had concluded the level of responsibility undertaken by individual executive members, which was acknowledged to be considerable, had not altered since the election. The lack of individual delegated powers had led to the final year of the three year plan to rebalance special responsibility allowances to be abandoned last year and nothing had since happened to alter that view.

The Leader had asked the Panel to assess the role of portfolio lead member introduced in May 2015. The panel had concluded that this new role was not yet

sufficiently well developed or defined to justify a new special responsibility allowance.

Finally, the Panel had signalled an intention last year to assess the role of opposition group leaders as evidence appeared to indicate allowances paid at Uttlesford were lagging behind those generally in place elsewhere.

In formulating their proposals, the Panel had consulted with group leaders and taken account of responses to the survey of councillors, as well as conducting the usual benchmarking exercise.

In summary, Mrs Pearson informed the meeting that the cost of implementing the proposed 1% increase in basic allowance and the uplift in SRAs to opposition group leaders would be in the region of £6,000 as against a reduction of £25,000 in the current year arising from the reduction in council size. She expressed hope the Council would approve the recommendations and offered to answer any questions members might have.

The Leader responded by commending Mrs Pearson and her team for their work in preparing the report. The Panel consisted of experts commissioned to review allowances on an independent basis and it would not be appropriate for the Council to tinker with the proposals put forward. He proposed approval of the recommendations and this was seconded by Councillor Chambers.

Councillor Light thanked Panel members for their work and recognised the time commitment involved. At a time of austerity she expressed the view that increases should not be accepted until circumstances changed.

Janet Pearson commented that it was the right of every member to decline any increase or the allowance altogether.

In contrast to the comment in the report about the lack of individual decision making by executive members, Councillor S Barker pointed out that she had made decisions on behalf of the Council.

Councillor Sell said he was pleased the Panel had recognised the importance of the work of opposition group leaders to the health of democracy and commended the report as fair and balanced.

Councillor Chambers called for a recorded vote on the motion.

For the motion: Councillors Artus, G Barker, S Barker, Chambers, Davey, Dean, Farthing, Felton, Foley, Gleeson, Gordon, Harris, Hicks, Howell, Jones, Loughlin, Mills, Oliver, Ranger, Redfern, Rolfe, Sell and Wells

Against the motion: Councillors Anjum, R Freeman, Hargreaves, Light, Lodge, Morris and Parry

The motion was declared carried by 23 votes to seven.

RESOLVED THE Council adopts for 2016/17 the allowances set out in the following table:

Type of allowance	Existing scheme £	Recommended scheme £
Basic allowance	5,000	5,050 (increase of 1%)
Special Responsibility Allowances		As Special Responsibility Allowances are expressed as a multiplier of the Basic Allowance, the recommendation is that all would be adjusted to reflect the proposed 1% increase in the Basic Allowance. The phrase “no change” used in this table below signifies there is no change to the multiplier, but that the 1% increase is to be applied.
Chairman	4,000 (80% of basic allowance) + civic expenses	4,040 (no change other than as a consequence of the proposed increased Basic Allowance) + civic expenses
Vice-Chairman	2,000 (40%)	2,020 (no change other than as a consequence of the proposed increased Basic Allowance)
Leader	12,250 (245%)	12,372.50 (no change)
Deputy Leader	6,500 (130%)	6,565 (no change)
Portfolio Holders	6,000 (120%)	6,060 (no change)
Overview/Scrutiny Committee Chairmen	3,500 (70%)	3,535 (no change)
Planning Committee Chairman	3,750 (75%)	3,787.50 (no change)
Planning Committee members	462 (6 days calculated at the daily rate with reference to the basic allowance)	466.62 (based on the rate originally calculated with reference to ASHE subject to an increase of 1%)
Licensing & Environmental Health Committee Chairman	3,750 (75%)	3,787.50 (no change)
Standards Committee Chairman	2,000 (40%)	2,020 (no change)

Area Forum Chairman	1,000 (20%)	0 (payments to be phased out following abolition of the Area Forums in May 2015 – in practice payments ceased at that time)
Main opposition group leader	1,250 (25%)	3,535 (70% of basic allowance)
Other opposition group leader(s)	750 (15%)	2,020 (40%)
Independent members of Standards Committee	500	505 (no change)
Panel members of Independent Remuneration Panel	500	505 (no change)
Approved duties	As set out in Schedule 3 Part 6 of the Constitution	To include in paragraph 2 of the list of Approved Duties reference to Portfolio Lead Members
All other elements of the scheme to remain unchanged. Only one Special Responsibility Allowance may be claimed.		

C55 LOCAL STRATEGIC PARTNERSHIP – CHILDREN AND FAMILIES GROUP

The Leader welcomed the Rev'd. David Tomlinson and Alan Hawkes to speak to the meeting about the work of the children and families group of the Local Strategic Partnership. This was one of four groups making up the LSP in Uttlesford, the others being those dealing with community safety (reporting to the previous meeting), health and wellbeing, and economic development, the environment and transport. The various LSP groups represented a lot of external work and it was right to channel back information to members on the progress being made.

David Tomlinson said the work of the children and families group was characterised by collaboration and was influenced by the impact of austerity. Effective collaboration was at the heart of what had been achieved enabling significant gains to be made.

The group had been supported and facilitated by the Council and this was due in large part to the backing provided by Councillor Rolfe. He also paid tribute to the work carried out by Gaynor Bradley, Kerry Vinton and Fiona Gardiner.

Child poverty was an emotive issue and he commented in some detail about the distribution of pockets of deprivation in the district, identifying those wards where the biggest need was known to be concentrated. In facing this challenge, his group had focussed on outcomes in a number of specific areas including school readiness, publicising an awareness project, and sponsoring a day conference for schools in Uttlesford.

These projects had especially showcased the work of the citizens' advice bureaux which had been instrumental in referring a number of cases for direct

assistance. The group had closely examined safeguarding issues and this had helped to highlight problems of trafficking, slavery and child exploitation.

They had supported a number of other collaborative enterprises including the support for the Uttlesford Save credit union and the monitoring of welfare reforms. A multi-agency centre would be starting soon.

In conclusion, Rev'd. Tomlinson urged the Council to continue its support for the work of his group.

Alan Hawkes then spoke about the work of the Foodbank initiated in July 2014. This was located at Shire Hill, Saffron Walden, with a number of distribution points such as at the Salvation Army Hall, The Hub in Great Dunmow and other parishes in Uttlesford including Takeley.

The Foodbank provided emergency assistance to those in acute need and a total of 109 individuals had been helped. Of that number more than half were living alone. Around 60% of those helped applied to the Food Bank only once and the majority of others on only two occasions. Many of those applying for assistance required help from other agencies.

Food parcels provided typically weighed 20 kilos for a single person and 30 kilos for two people. They were designed to last for three days but were carefully constructed so as to be lightweight enough to be carried by those in receipt of the parcels, most of whom did not have access to a vehicle.

Mr Hawkes described some of the problems associated with running the Foodbank such as dealing with outdated products and potential contamination issues. This caused some of the food donated to be disposed of.

At the close of the presentation, members asked a number of questions as summarised below:

- How much of the district is covered by the foodbank? *Answer: The Foodbank is Uttlesford wide but there is no specific large settlement in the south of the district and not enough people to justify the transport system that would be needed. A number of people in Great Dunmow have been assisted.*
- How much rural poverty is hidden? *Answer: No figures are currently available; please share all relevant information with us.*
- Could the travelling play bus be used for this project? *Answer: this suggestion will be followed up.*

The Chairman thanked David Tomlinson and Alan Hawkes for their time.

C56 CHAIRMAN'S ANNOUNCEMENTS

The Chairman informed members that, among other events, she had attended the staff long service awards and the annual carol service. These events had resulted in £220 and £340, respectively, being raised for her nominated charities and she was grateful to all those concerned.

C57 REPORTS FROM THE LEADER AND MEMBERS OF THE EXECUTIVE

Councillor Rolfe commented on three main topics of current concern. The budget process was continuing with a member workshop due on 11 January. The Local Plan consultation had finished and had been followed by the call for sites. He had circulated papers relating to the last devolution meeting and gave an assurance that no decisions would be made until the Council had been asked to form a view.

There was potential for more growth to be accommodated in Essex and a Greater Essex Independent Commission had now been established under the chairmanship of Andrew Sentance.

It had been confirmed that Dawn French would join the Council on 29 February. John Mitchell remained Chief Executive until 6 January.

He had asked Councillor Ranger to progress the member group set up to consider community engagement arrangements.

A cross-party group had been established to consider the training needs of new members.

Councillor Gleeson asked the Leader why the results of the Local Plan consultation had been published on 7 December without warning. He replied that officers had indicated in advance the results would be published on that date and the information was publicly available. He would make sure members were fully aware of future announcements

Councillor Howell reported on the outcome of the Chancellor's Autumn Statement on 25 November. In the circumstances, he intended to give a more detailed report to members than was usual at this stage of the budget process.

The impact on the Council's budget remained unclear although some individual matters had been clarified. It now appeared the Government's funding for local government at a macro level would reduce by 46% in cash terms. On the other hand the Government claimed that local government spending would increase by £2m in cash terms as a result of the changes in business rates and taking account of council tax increases.

The impact of the changes in funding would most severely affect district councils as money would be transferred to county councils to fund changes in social care provision.

A number of other changes would occur. New Homes Bonus would not now be frozen in 2016/17 and would remain at the current level. Thereafter the Government was consulting on NHB and was seeking to reduce the current six year scheme to four, three or two years. This seemed likely to reduce the level of NHB support by two thirds.

The government proposed to allow councils to retain 100% of their business rates in return for local government taking on some additional responsibilities. As this change seemed likely to coincide with the reduction in NHB the Council would be no better off.

The phased withdrawal of Revenue Support Grant would now be accelerated and would now end in 2017/18. The reduction in the 2016/17 budget was expected to be in the region of £550,000.

The budget would be submitted to the Cabinet on 12 January next year and this would be preceded by a budget briefing to which all members were invited. He had concluded that the budget position was manageable next year but would become difficult after that.

C58 MEMBERS' QUESTIONS TO THE LEADER, MEMBERS OF THE EXECUTIVE AND CHAIRMEN OF COMMITTEES

Councillor Dean said that a devolution proposal by authorities in Hampshire had been turned down even though it involved an increase in housing numbers. If Essex therefore stuck to the SHMA housing figures he asked Councillor Rolfe whether this would make the proposals look shaky.

He had been made aware of an intention by the southern unitary councils to go their own way. In addition there were indications that a group of authorities around Colchester might prefer to enter an arrangement with Suffolk and Norfolk. If cross border arrangements were permitted might Uttlesford be able to look towards Cambridgeshire and Hertfordshire?

The Leader said there was no intention to increase housing numbers beyond figures indicated in the constituent local plans. However, there was a clear difference between overall numbers and the rate of building. For example, the rate of house building had last year fallen behind the target both locally and nationally. The Government intended to increase construction levels but this would not affect the total numbers.

As for the second point, it was known that Braintree, Colchester and Tendring were in joint discussions about progressing a single settlement village garden development. The outcome of these discussions was as yet unknown.

In relation to cross-boundary arrangements, he needed to understand more about this might work before he could comment. Devolution proposals must suit all Essex authorities to meet Government aims and the intention was to keep all 15 councils in line. However, individual Essex authorities could choose to walk away if they wished.

C59 MATTERS RECEIVED FROM THE EXECUTIVE – LOCAL COUNCIL TAX SUPPORT SCHEME

Councillor Howell presented a recommendation from the Cabinet meeting on 10 December to approve the LCTS scheme as set out in full in the report. The

Council was required to consult annually and the final decision to adopt the scheme was taken by the Council.

The Council had decided to use its resources to support the scheme and had agreed to phase it in over an extended period. As a result the liability cap contribution level had been set at 12.5% which was the lowest percentage cap within Essex. This enabled a number of categories of claimants such as low income pensioners to be protected.

The proposal was to continue to freeze the contribution rate for the second successive year. It provided for a continued subsidy for town and parish councils as set out in the report. The third element of the scheme was to set Council Tax discounts at the same rate as in 2015/16.

The outcome of the consultation had been referred to the Scrutiny Committee and demonstrated strong support for the protection measures proposed.

He was proud of the compassionate approach adopted although it must be borne in mind that this was funded by the rest of the community. The burden of supporting the scheme in this way was likely to increase and might need to be reviewed in future years. He proposed adoption of the scheme as recommended by the Cabinet.

RESOLVED to approve the Local Council Tax Support scheme as set out in the report

C60 **MOTION ON THE KIER APPEAL DECISION COSTS**

The Council received the following motion submitted by Councillor Lodge:

“The Council has a duty to support the valid decisions of its Quasi-Judicial Planning Committee. The Planning Committee refused an application by Kier Homes for 300 dwellings off Thaxted Road in Saffron Walden and the applicant appealed to the Planning Inspector. A decision was taken then by UDC not to defend the Planning Committee’s decision at the subsequent hearing of the Planning Inspectorate on the basis that there were no grounds for refusal. At the hearing, Saffron Walden Town Council successfully defended the decision of the Planning Committee. The cost to SWTC was £47,000 and the motion is that UDC reimburses SWTC from the reserves set aside to cover such appeals.”

Councillor R Freeman asked for clarification about whether he was allowed to speak to the motion having declared a pecuniary interest as a member of Saffron Walden Town Council. The Assistant Chief Executive – Legal advised Councillor Freeman that he could speak and then should withdraw from the meeting.

Councillors Anjum and Morris then left the meeting as they had declared a pecuniary interest and had not requested to speak.

Councillor Lodge asked the Council to reimburse Saffron Walden Town Council the expenses incurred in defending the appeal by Kier Homes against the refusal of planning permission to build 300 homes off Thaxted Road in Saffron Walden.

The application had been considered and refused by the Planning Committee. The developer had then appealed and the planning inspector had held a full hearing lasting over two weeks.

He contended it was very unusual for the consideration of whether or not the appeal should be defended not to have been referred back to the Planning Committee. Instead, it was referred to Full Council for decision on the basis of two legal opinions stating that the appeal was not defensible under planning law.

Officers and Cabinet members had refused to give evidence to the Council and councillors were not allowed to see the legal opinions. This was wrong and the Planning Committee was entitled to expect full backing for the decision it had taken.

The appeal hearing then took place. Saffron Walden Town Council had decided to defend the appeal and the inspector's decision was to uphold the refusal of planning permission. The planning reasons given for refusal were upheld by the inspector and the decision of the Planning Committee shown to be correct.

A great deal of effort had gone into defending the appeal. The Town Council had spent £43,000 and should fairly be reimbursed for defending the interests of this Council and the district.

Councillor R Freeman said he had a great deal of experience of determining regulatory matters as a current member of the Planning Committee and a former member of both the Development Control and Licensing committees. He had deep concerns over the Council's failure to support its own planning committee and this led to suspicions about the process followed.

The Council had a duty to support the decisions of its own quasi-judicial body and should not countermand decisions it did not like. This was a bad principle and dangerous. The decision not to defend the appeal would have remained but the Town Council had decided to pick up the baton and do the Council's job. A small local town or parish council should not be expected to take such action.

There had been two counsels' opinion and both had proved to be wrong. The inspector had found against the decision of an unqualified body of elected members. The Council's decision had been wrong and had had a damaging effect on public trust.

Councillor R Freeman then left the meeting having earlier declared a pecuniary interest.

In responding to the debate, the Director of Public Services said that he wished to place the remarks made in support of the motion into a proper planning context.

The Planning Acts provided an opportunity for any party to an appeal to claim costs from another party if it could demonstrate the other party had acted unreasonably. Saffron Walden Town Council made no such application for costs in this case. Kier Homes did but the application was refused. The Inspector's

decision on Kier's claim stated the Council had acted reasonably by informing the applicants it would not contest the appeal before the statements of case were due.

The Town Council did not successfully defend the decision of the Planning Committee as the motion suggested as the case presented only overlapped in part with the reasons for refusal. The Inspector's principal reason for dismissing the appeal was his finding of a significant negative factor in the planning balance exercise: his conclusion of the effect of the proposal on the efficient operation of the local highway network. This had not been one of the reasons for refusal as the Planning Committee had accepted the advice of the highways authority that the impact could be acceptably mitigated through conditions and obligations.

At the time of determining the application and considering the Council's potential case at the appeal inquiry, the context for the proposals was the submission draft local plan, including provision for a full link road from Radwinter Road to Thaxted Road and other junction improvements. By the time of the appeal inquiry the draft local plan had been withdrawn and, with it, the basis for securing the delivery and funding of a traffic management solution.

Other aspects of the Town Council's case at the inquiry, such as the impact on the character and appearance of the area, on air quality and local infrastructure and services, and sustainability of the site's location, were not found to represent unacceptable harm.

He advised members that functions of town and country planning and development control were Council functions. They had been delegated to the Planning Committee but were exercisable by Full Council. In deciding not to contest the appeal, the Council was fully informed by two opinions from counsel who had independently reviewed the planning evidence. In considering the legal advice, copies of both opinions had been made available to all members in full.

In summary, the Director confirmed that the Town Council had not taken the opportunity at the end of the public inquiry to pursue a claim for costs. The planning authority had acted reasonably in deciding not to contest the appeal having taken account of counsel's advice.

Should the Council decide to support the motion, members would need to determine where the money would come from as it would be unbudgeted expenditure. The planning reserve covered only costs associated with Stansted Airport studies, planning appeals and the Local Plan and could not be used to fund the costs identified in the motion.

Councillor Dean seconded the motion.

Councillor Hargreaves said the motion was not just about the money. Saffron Walden people had taken on a task never attempted before and had thus incurred costs that should be this Council's responsibility. This was a matter of morals as the Council was seen to have behaved badly. It would therefore be an astute move to do the right thing and accept the motion.

Councillor S Barker said that the refused application represented a lost opportunity for infrastructure gains. In considering what to do the Council had taken legal advice and acted correctly. It would be quite wrong for this Council to reimburse the costs of the town council for a decision they had made.

Councillor Loughlin said she was a member of the Planning Committee that made the decision to refuse the application as well as four other members present at this meeting. It was the job of officers to recommend and for members to decide. The highways authority was a statutory consultee but had been wrong before and members were not obliged to follow the representations made.

The Planning Committee had decided against the application and committee members had then been obliged to come to a full Council meeting to be told they had acted wrongly. She would have defended the appeal but was unable to do so. Having been a planning committee member for 14 years she found it reprehensible and humiliating to be told she had no idea. The Planning Committee had made the right decision and it should have been supported.

Councillor Ranger said it would have been madness not to have accepted due legal advice. He was saddened that some members had been influenced by people in the Residents for Uttlesford campaign and the outcome was to lose the opportunity for a new school, highway improvements and sports facilities.

Councillor Hicks spoke as a member of the Planning Committee then and now. He said that some committee members had not been above politics and the decision on the Kier application was not independent. Those concerned should be called to account and shamed.

While Councillor Hicks was speaking, Councillor Loughlin objected to his remarks and left the meeting. She did not subsequently return.

The Chairman called for proper order and good behaviour in debate.

Councillor Chambers said he was not a member of the Planning Committee at the time of this application. He said that the Director of Public Services had pointed out why the Thaxted Road site had not been supported at appeal but two independent legal opinions had been taken to Council and the decision had been taken democratically. It was hypocritical to put forward this motion.

Councillor Howell said he was sorry Councillor Loughlin was not in the room. It was certainly not his intention to humiliate anyone. He was not a member of the Planning Committee but acknowledged these decisions were often challenging and difficult. In his professional life he had often instructed counsel and, with very few exceptions, had learnt the wisdom of only proceeding to court with an 80/20 chance of winning. The Council had accepted the advice given quite correctly. There was a duty to respect other opinions but not to support them.

Councillor Jones expressed sympathy for the Planning Committee at any time but could nevertheless not support the motion. Saffron Walden Town Council had decided on a course of action without discussion with this Council. He could not therefore vote committing the Council to meet any of the fees incurred.

Councillor Rolfe commented that the Council had twice voted to support the site at Thaxted Road as included in the Local Plan. The circumstances had changed after the Local Plan was withdrawn but the Council had made the decision not to contest the appeal. The town council had not applied for costs at the time and it would be an extraordinary step to support the motion.

Having seconded the motion, Councillor Dean considered the best approach would nevertheless be to enter into negotiations rather than to name a specific sum. Relationships had been impaired and needed to be rebuilt. Simply because a site was included in the Local Plan did not mean an application must be supported if considered unsound. There was a moral obligation to pay the expenses incurred or enter into a negotiated settlement.

The decision not to defend the appeal was highly political and an insult to members of the Planning Committee. They had been proved right on the judgement they had made at the time and the fees paid for legal advice was a waste of money. The Council should now do the proper thing.

In summing up the debate, Councillor Lodge observed that it had proved surprisingly heated. He was sorry that Councillor Loughlin had left. He commented on the remarks of Councillors Hicks and Chambers that the decision made by the Planning Committee had not been democratic and asked for these remarks to be withdrawn.

There was no direct response to Councillor Lodge's invitation but a recorded vote was requested.

For the motion: Councillors Dean, Foley, Gleeson, Hargreaves, Light, Lodge, Parry and Sell

Against the motion: Councillors Artus, G Barker, S Barker, Chambers, Davey, Farthing, Felton, Gordon, Harris, Hicks, Howell, Jones, Mills, Oliver, Ranger, Redfern, Rolfe and Wells

The motion was declared lost by 18 votes to eight.

Councillors Anjum, R Freeman and Morris then came back into the meeting.

C61 **MOTION ON LOCAL POLICE SERVICE**

The following motion was submitted by Councillors Sell and Dean:

“THE PUBLIC'S SAFETY MUST COME FIRST

Following the announcement of the Police and Crime Commissioner for Essex of the need for changes to Essex policing:

This Council opposes:

- *a proposed cut to Police Community Support Officers from 27 to 20 in Braintree and Uttlesford Saffron Walden Police*
- *the withdrawal from dealing with “low level crime”, including pavement parking and low level anti-social behaviour*

Supports:

- *the retention of a police station in Saffron Walden which is fit for purpose.*
- and to write to the Police and Crime Commissioner, the Chief Constable and Essex Police and Crime Panel accordingly.”*

Councillor Sell proposed the motion. He said the motion sought to prevent further erosion of the blue line. Law and order was fundamental to the quality of life enjoyed by residents in Uttlesford. Changes to the level of local policing should be measured by whether they contributed or detracted from the quality of life.

He understood the need to spend police resources on matters such as fighting terrorism and cyber-crime but the reality of what happened to one retired couple living near Maldon was of most relevance to local people. He recounted the circumstances of the incident concerned which had involved a house burglary and said the effect on the couple had been very severe, leaving them feeling alone and vulnerable.

The level of community policing had an effect on crime. The Council had match funded the provision of PCSOs in the district and this had had a positive effect in Stansted where regular visits had been made to the youth centre. This had now stopped and it seemed police visits now only occurred after a crime had been committed.

The Police must have the confidence of the community. If the planned cuts were to proceed he feared it would bring about a two tier police system operating in Essex. Already, residents in Tiptree had turned to a private security firm and the same was happening in Walton and Frinton.

The police station in Saffron Walden was the only one still operating in a small town in Essex. The Police service must be fit for purpose and he urged members to support the motion. This would send a message to the Police and Crime Commissioner that Uttlesford valued community policing.

Councillor Dean seconded the motion.

Councillor Ranger said he supported the aims of the motion but wished to propose an amendment. Great Dunmow did not presently have a police station counter for use by the public and this exposed the folly of building a new station on the edge of town so that people could only visit in person by catching a bus or driving there.

He proposed the following amendment to replace the third part of the motion:

The Council supports the retention of a manned police station facility in Saffron Walden, Great Dunmow and Stansted.

Councillor Jones seconded the amendment.

Councillor Sell indicated his acceptance of the amendment to be incorporated into the motion.

Councillor Rolfe said he accepted the spirit of what was being proposed. He read out comments made by the Police and Crime Commissioner about working with the Council to explore options to provide shared accommodation in Saffron Walden to retain front counter services and an operational base for the police service. This would have clear benefits for the Police, the Council and for local people and if a proposal were to be made the Commissioner has said it would receive urgent consideration. Councillor Rolfe was pleased to report that the option being considered was to provide a shared facility in the Lodge within the grounds of the Council Offices and this demonstrated a link between working effectively with the police, retaining a presence in Uttlesford and joining services together.

As for the first part of the motion, he understood the sentiments expressed but said that Councillor Sell's figures were not correct. Under the proposed arrangements there would only be six PCSOs covering Braintree and Uttlesford but, as members knew, the Police had fared better than expected in the Chancellor's Autumn Statement and this proposal had now been postponed. He was pleased to inform the meeting that this Council would be fully funding two additional PCSOs from April 2016.

He spoke about the Essex Police services new approach to anti-social behaviour prioritising high risk calls from the public concentrating on incidents involving vulnerability, a high risk of harm, and other factors including repeat victims or locations. Taking all these factors into account he proposed the following amendment to replace the wording in the first two parts of the motion:

"The Council proposes to discuss with the Chief Superintendent the level of PCSO support in Uttlesford to gain the best advantage available and to establish an operational plan for low level crime that involves partners and protects those most in need."

Councillor Sell confirmed he would support the proposed amendment.

Councillor Chambers then indicated he wished to propose a further amendment in the following terms:

"The Council requests that the Police and Crime Commissioner and the Chief Constable look at local policing in Uttlesford again in view of the Chancellor's announcement that no new cuts will be made to police funding in the next four years."

After further discussion, Councillor Sell agreed to accept the wording in the amendment. The effect of the acceptance by Councillor Sell of the three separate amendments was that the amended version would become the substantive motion requiring only one vote.

Councillor Gordon said the Council should be realistic in what could be achieved. The matters discussed were operational concerns within the remit of the Chief Constable and had implications across the county not just in Uttlesford. The Chief Constable had a responsibility to prioritise resources across Essex. In view of the concerns raised by members, he would make efforts to secure the attendance of senior officers to answer questions raised during this meeting. He also clarified that Essex Police would attend any reported incident of aggravated anti-social behaviour representing a threat to the preservation of life or property.

Councillor Light said she would be happy to support the attendance of senior police officers if this could be arranged. The accountability of the Police and Crime Commissioner to people in Essex should be noted.

The amended motion was then put to the vote and approved unanimously.

RESOLVED to adopt the following policy:

The Council proposes:

- To discuss with the Chief Superintendent the level of PCSO support in Uttlesford to gain the best advantage available and to establish an operational plan for low level crime that involves partners and protects those most in need
- Supports the retention of a manned police station facility in Saffron Walden, Great Dunmow and Stansted and will write to the Police and Crime Commissioner and Chief Constable accordingly
- Requests that the Police and Crime Commissioner and the Chief Constable look at local policing in Uttlesford again in view of the Chancellor's announcement that no new cuts will be made to police funding in the next four years

At the conclusion of the meeting, the Chairman wished members and officers a merry Christmas and a happy New Year.

The meeting ended at 9.50pm.

COUNCIL MEETING held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 11 JANUARY 2016 at 7.00pm

Present: Councillor S Harris – Chairman
Councillors, K Artus, H Asker, S Barker, R Chambers, J Davey, A Dean, P Fairhurst, T Farthing, R Freeman, J Gordon, N Hargreaves, E Hicks, S Howell, D Jones, M Lemon, B Light, J Lodge, J Loughlin, S Morris, V Ranger, J Redfern, H Rolfe, H Ryles, G Sell and L Wells

Officers in attendance: R Dobson (Principal Democratic and Electoral Services Officer), R Harborough (Director of Public Services and Interim Head of Paid Service), A Knight (Assistant Director - Finance), M Perry (Assistant Chief Executive – Legal and Monitoring Officer), and A Webb (Director of Finance and Corporate Services)

C62 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Anjum, G Barker, Davies, Felton, Foley, J Freeman, Gleeson, Goddard, Mills, Oliver, Parr and Parry.

C63 REPORT OF THE MONITORING OFFICER PURSUANT TO SECTION 5, LOCAL GOVERNMENT AND HOUSING ACT 1989

Members considered the report of the Monitoring Officer, which had been prepared in accordance with the statutory duty under section 5 of the Local Government and Housing Act 1989, to inform members of breaches of the Data Protection Act 1988.

The Monitoring Officer explained the circumstances of the breach, which related to a request for information under the Environmental Information Regulations, received in July 2015 for information relevant to the activities of Countryside Properties in Takeley. A voluminous amount of material had been collated and supplied, and much personal data relating to individuals had been redacted. However, the person dealing with the collation of the documents omitted to redact the name and email address of one individual, the name and telephone number of two others, and the names and postal addresses of two further individuals. Those details were therefore passed to the person making the request.

The Monitoring Officer explained that the disclosure of this information breached the Data Protection principles in the Data Protection Act 1988. He summarised the steps which he had taken once the failing had been drawn to his attention, in that he had written to the four individuals concerned, informing them of the breach and apologising to them on the Council's behalf and informing them of their right to complain to the Information Commission should they wish to do so. He had also written to the Information Commissioner informing him of the breach.

The Monitoring Officer said that he had not received a response from those whose details had been revealed. He said the report had been brought to Council for noting and invited questions.

Councillor R Freeman asked why members had been summoned to a meeting regarding a matter which he considered officers could have dealt with.

The Monitoring Officer said he had a statutory obligation to prepare a report for consideration by the Council.

Councillor Asker asked which senior officer should be responsible for this error.

The Monitoring Officer said this was a question which was not appropriate to answer in this forum. Officers were subject to certain disciplinary rules, and it would not be appropriate to disclose the name of the officer.

Councillor Jones said the request for information related to activities of Countryside Properties in Takeley. As the company had been active at Takeley since 2006, the response to the request for information should have been limited to more recent work, which would have resulted in a lesser volume of papers and therefore less chance of error. For these reasons, in future officers should try to limit the scope of any such responses.

Councillor R Freeman said he sympathised with the onerous nature of the Freedom of Information Act, and was not blaming officers. However, he felt the report could have been dealt with by email or at the next scheduled Council meeting. He asked how members could be assured the situation would not recur.

The Monitoring Officer said there was a statutory obligation for the Council to meet to consider the report, within a reasonable timescale, and this evening was the only date available as it was an occasion when members were attending another event already scheduled. Steps had been taken to ensure in future the nature of requests was not vexatious, and that in place of spot checks, full double checking of responses would take place.

Councillor Loughlin asked whether this case was similar to one previously brought to Council. The Monitoring Officer said that this report had been prepared on the same basis as a previous case.

Members noted the report.

Councillor Rolfe said he wished to welcome the Council's new Chief Executive, Dawn French, who was attending tonight in an informal capacity prior to taking up her post at the end of February.

The meeting ended at 7.10pm.

Committee: Council

Agenda Item

Date: 25 February 2016

10

Title: 2016/17 Budget – covering report

Portfolio Holder: Councillor Simon Howell

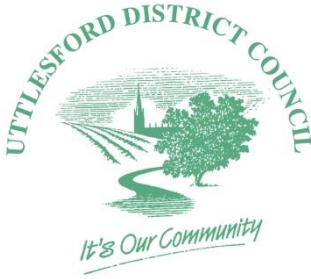
Item for information

Summary

1. On today's agenda are a series of reports containing proposals for the 2016/17 budget. The proposals were endorsed by the Scrutiny Committee on 9 February and approved by the Cabinet on 16 February for recommendation to the Council tonight
2. The reports and recommendations are as follows:

Report	Purpose	Recommendation(s)
Equalities Impact Assessment (attached to this covering report)	To demonstrate consideration of the impact on minority groups	
Draft Corporate Plan	To demonstrate the budget is aligned to the corporate priorities	That the draft Corporate Plan for 2016-21 be approved.
Robustness of Estimates and Adequacy of Reserves Reserves Strategy	A statutory report which sets out the key risks in the General Fund budget, and advice about safe levels of contingency reserves. This is a new report and sets out a new strategy for the reserves and details the purpose and lifespan of these reserves.	The Council is recommended to: a) Take account of the advice in the report when determining the 2016/17 General Fund budget and Council Tax. b) Approve the risk assessment relating to the robustness of estimates as detailed in the report. c) Set the minimum safe contingency level for 2016/17 at £1.234 million. d) Adopt the attached Reserves Strategy. e) Agree that no transfers to or from the Working Balance should be built into the 2016/17 budget.
Medium Term Financial Strategy	Sets out a five year plan for ensuring that the General Fund remains in a stable and sustainable position, including indicative levels of Council Tax.	The Council is recommended to approve the Medium Term Financial Strategy as attached.

Treasury Management Strategy	Details how cash flow will be managed, and a strategy for prudent borrowing and investment.	<p>The Council is recommended to approve the following items:</p> <ul style="list-style-type: none"> • Treasury Management Strategy 2016/17, Appendix A. • Prudential Indicators, Appendix A1. • Minimum Revenue Provision (MRP) Statement, Appendix A2 • Economic Forecast, Appendix A3
Capital Programme	A five year plan setting out capital expenditure on the Council's assets including buildings, vehicles and ICT and the associated financing of these programmes	The Council is recommended to approve, the Capital Programme and associated financing of the programme as set out in this report.
Housing Revenue Account Budget	<p>Covers spending plans for council housing in the district from 2016/17 with a 5 year forecast.</p> <p>The report contains proposals for increases in rents and service charges. The proposals have been endorsed by the Tenants Forum and Housing Board.</p> <p>2016/17 is the fifth year of the self-financing arrangements and the 30 year plan approved by the Council in 2012.</p>	The Council is recommended to approve, the HRA Revenue Budget and 5 Year Financial Strategy.
General Fund Budget and Council Tax	Detailed budget for all services except Council Housing, and proposals for the district council share of the Council Tax bill	<p>The Council is recommended to approve:</p> <ol style="list-style-type: none"> a) The General Fund Budget and Council Tax requirement of £4,827,584 summarised in paragraphs 15 – 19 and detailed in Appendices A - E. b) The schedule of fees and charges in Appendix F. c) The Council Tax Resolution as set out in Appendix G.



Uttlesford District Council

Fast-track equality impact assessment (EqIA) tool

What is this tool for?


This tool will help you to assess the impact of existing or new strategies, policies, projects, contracts or decisions on residents and staff. It will help you to deliver excellent services, by making sure that they reflect the needs of all members of the community and workforce.

What should be equality impact assessed?

You only need to equality impact assess strategies, policies, projects, contracts or decisions that are **relevant** to equality. If you are not sure whether your activity is relevant to equality take the 'relevance test' on Page 9.


How do I use the tool?





This tool is easy to use and you do not need expert knowledge to complete it. It asks you to make judgments based on evidence.

The tool uses a system of red flags  to give you an indication of whether or not your responses are identifying potential issues. Getting a red flag does not necessarily indicate a problem, but it does mean that your assessment is highlighting issues or gaps in data that may require further investigation or action.

If there is insufficient space to answer a question, please use a separate sheet.

▪ General information		
1	Name of strategy, policy, project, contract or decision.	2016/17 budget
2	What is the overall purpose of the strategy, policy, project, contract or decision?	To allocate financial resources to UDC services enabling corporate priorities, statutory requirements and policy objectives to be met
3	Who may be affected by the strategy, policy, project, contract or decision?	<input checked="" type="checkbox"/> Residents <input checked="" type="checkbox"/> Staff <input checked="" type="checkbox"/> UDC service users
4	Responsible department and Head of Division.	Angela Knight, Assistant Director Finance on behalf of CMT
5	Are other departments or partners involved in delivery of the strategy, policy, project, contract or decision?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes – all departments.
Gathering performance data		
6	Do you (or do you intend to) collect this monitoring data in relation to any of the following <u>diverse groups</u> ?	<input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Sex <input type="checkbox"/> Race <input type="checkbox"/> Gender Reassignment <input type="checkbox"/> Sexual Orientation <input type="checkbox"/> Religion & Belief <input type="checkbox"/> Pregnancy & Maternity <input type="checkbox"/> Marriage and Civil Partnerships <input type="checkbox"/> Rural Isolation

7	How do you (or how do you intend to) monitor the impact of the strategy, policy, project, contract or decision?	<input checked="" type="checkbox"/> Performance indicators or targets <input type="checkbox"/> User satisfaction <input type="checkbox"/> Uptake <input type="checkbox"/> Consultation or involvement <input type="checkbox"/> Workforce monitoring data <input type="checkbox"/> Complaints <input type="checkbox"/> External verification <input type="checkbox"/> Eligibility criteria <input checked="" type="checkbox"/> Other: Budget monitoring process; internal audit, external audit <input type="checkbox"/> None 
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Analysing performance data	
8	<p>Consider the impact the strategy, policy, project, contract or decision has already achieved, measured by the monitoring data you collect. Is the same impact being achieved for diverse groups as is being achieved across the population or workforce as a whole?</p>
	<p> <input checked="" type="checkbox"/> Yes * <input type="checkbox"/> No* <input type="checkbox"/> Insufficient  <input type="checkbox"/> Not applicable  </p> <p><i>*Please state your evidence for this, including full document titles and dates of publication for audit purposes. Where applicable please also state the nature of any issues identified:</i></p> <p>No specific groups are referred to in the documents and none of the information within the documents will have a differential impact on any group. There are no service cuts proposed.</p>
9	<p>Is uptake of any services, benefits or opportunities associated with the strategy, policy, project, contract or decision generally representative of <u>diverse groups</u>?</p>
	<p> <input checked="" type="checkbox"/> Yes * <input type="checkbox"/> No* <input type="checkbox"/> Insufficient  <input type="checkbox"/> Not applicable  </p> <p><i>*Please state your evidence for this, including full document titles and dates of publication for audit purposes. Where applicable please also state the nature of any issues identified:</i></p> <p>No specific groups are referred to in the documents and none of the information within the documents will have a differential impact on any group. There are no service cuts proposed.</p>

Checking delivery arrangements

10

You now need to check the accessibility of your delivery arrangements against the requirements below. Click on the hyperlinks for more detailed guidance about the minimum criteria you should meet.

If assessing a proposed strategy, policy, project, contract or decision, indicate 'Yes' if you anticipate compliance by launch of implementation.

Yes No  N/A

The [premises](#) for delivery are accessible to all.

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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[Consultation](#) mechanisms are inclusive of all.

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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[Participation](#) mechanisms are inclusive of all.


<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If you answered 'No' to any of the questions above please explain why giving details of any legal justification.

Checking information and communication arrangements

11 You now need to check the accessibility of your information and communication arrangements against the requirements below. Click on the hyperlink for more detailed guidance about the minimum criteria you should meet.

If assessing a proposed strategy policy, project, contract or decision, indicate 'Yes' if you anticipate compliance by launch of implementation.



	Yes	No 	N/A
Customer contact mechanisms are accessible to all.	<input type="checkbox"/>	<input type="checkbox"/>	X
Electronic, web-based and paper information is accessible to all.	X	<input type="checkbox"/>	<input type="checkbox"/>
Publicity campaigns are inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	X
Images and text in documentation are representative and inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	X

If you answered 'No' to any of the questions above please explain why, giving details of any legal justification.


Future Impact

12 Think about what your strategy, policy, project, contract or decision is aiming to achieve over the long term and the ways in which it will seek to do this. This is your opportunity to take a step back and consider the practical implementation of your strategy, policy, project, contract or decision in the future. As well as checking that people from diverse groups will not be inadvertently excluded from or disadvantaged by any proposed activities, it is also an opportunity to think about how you can maximize your impact, reach as many people as possible and really make a difference to the lives of everyone in Uttlesford regardless of their background or circumstances.

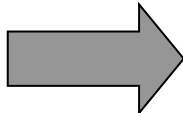


Is it likely to inadvertently exclude or disadvantage any diverse groups?

- No
- Yes * 
- Insufficient evidence 

*Please state any potential issues Identified.

Improvement actions	
13	<p>If your assessment has highlighted any potential issues or red flags, can these be easily addressed?</p> <p> <input type="checkbox"/> Yes <input type="checkbox"/> No*  <input checked="" type="checkbox"/> Not applicable </p> <p><i>*If Yes, please describe your proposed action/s, intended impact, monitoring arrangements implementation date and lead officer:</i></p>

Making a judgement – conclusions and next steps

14	<p>Following this fast-track assessment, please confirm the following:</p> <p> <input checked="" type="checkbox"/> There are no inequalities identified that cannot be easily addressed or legally justified  No further action required. Complete this form and implement any actions you identified in Q13 above </p> <p> <input type="checkbox"/> There is insufficient evidence to make a robust judgement.  Additional evidence gathering required (go to Q17 on Page 7 below). </p> <p> <input type="checkbox"/> Inequalities have been identified which cannot be easily addressed.  Action planning required (go to Q18 on Page 8 below). </p>
15	<p>If you have any additional comments to make, please include here.</p> <p> <input type="checkbox"/> None </p>

Completion	
16	<p>Name and job title (Assessment lead officer)</p> <p>Angela Knight Assistant Director - Finance</p>
	<p>Name/s of any assisting officers and people consulted during assessment:</p> <p>CMT</p> <p>Date:</p> <p>29 January 2016</p> <p>Date of next review:</p> <p>January 2017</p> <p><i>For new strategies, policies, projects, contracts or decisions this should be one year from implementation.</i></p>

Committee: Council

Agenda Item

Date: 25 February 2016

11

Title: The Corporate Plan 2016-21

Author: Cllr Rolfe

Item for decision

Summary

1. The corporate plan is updated annually, and because it is a 5-year plan, is subject to incremental change. The key themes are: sound management of the Council's finances, high quality services, sharing the benefits of growth with our communities and maintaining thriving communities. The major change from the focus over preceding years is the enhanced emphasis on health and wellbeing. The Plan retains its simplicity by being presented on a single page, with the overall goal of the Council now being "The High Quality and Low Tax Council".
2. The draft plan was endorsed by the Scrutiny Committee on 9 February and approved by the Cabinet on 16 February for recommendation to the Council tonight.

Recommendations

3. That the draft Corporate Plan for 2016-21 be approved.

Financial Implications

4. Any financial implications resulting from actions or projects in the corporate plan are identified in the budget, MTFs and divisional plans.

Background Papers

5. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

- 6.

Communication/Consultation	The plan is derived from ongoing actions in the 2015-20 corporate plan, which was itself the subject of community engagement and the budget consultation from late last year.
Community Safety	Any community safety implications resulting from actions or projects in the corporate

	plan will be identified in the service plans
Equalities	An EQIA is commenced. Any equalities implications resulting from actions or projects in the corporate plan will be identified in the service plans. The corporate plan can be made available in Braille, larger print or translated on request
Health and Safety	Any health and safety implications resulting from actions or projects in the corporate plan will be identified in the service plans
Human Rights/Legal Implications	There are no human rights implications. Any legal implications resulting from actions or projects in the corporate plan will be identified in the service plans
Sustainability	Any sustainability implications resulting from actions or projects in the corporate plan will be identified in the service plans. Copies of the new-format corporate plan can easily be printed. The plan will be made available via the website.
Ward-specific impacts	Any ward-specific impacts resulting from actions or projects in the corporate plan will be identified in the service plans.
Workforce/Workplace	Any workforce implications resulting from actions or projects in the corporate plan will be identified in the service plans.

Situation

7. The corporate plan sets out the priorities for the council over the next 12 months and beyond. These priorities were identified through contemporaneous consultation over the budget and are among the issues that matter most to the community. The plan builds on the directions set in the previous Corporate Plan but also seeks to address the priorities of central government.
8. From 2007 to 2013 the Council focused on four priorities - finance, partnerships, people and environment. In 2013 these were subsumed within the new priorities of low taxation, high quality, responsibility and prosperity, with the overall goal being "The Low Tax High Quality Council", and this continued into 2014. These themes are now slightly changed for the 2015 Plan, with "prosperity" replaced by "Thriving communities", and the strapline reconfigured to place "high quality" ahead of "low tax". The new plan has an enhanced emphasis on health and wellbeing which it is recognised runs throughout the organisation.
9. The Council continues to have an enviable record. For example, over the last year, Council Tax was cut by 3%, and whilst an increase of 1% is proposed this year it is well below the referendum limit of 3.36% that could have been applied. Uttlesford remains among the very best places to live in national

surveys and, yet again, we have one of the best financial settlements of any council in the country. Both are clear endorsements of the “High Quality, Low Tax” standards to which we aspire.

10. The Government’s main priorities are economic growth and devolution. The new plan reflects the Council’s response to these challenges by enhancing actions under the theme of thriving communities. Financial prudence and the delivery of high quality services remain at the heart of the plan and indeed at the heart of the culture of the whole organisation. And to this end we will continue to plan for a future in which there will be little or no government core funding. Although money is tight public expectations remain high. The Plan sets the framework for addressing these issues.
11. Pathways to implementation of the Plan will be set out in service plans, which will be monitored by the Corporate Management Team, and reported as necessary to the Performance and Audit Committee in the quarterly performance reports. This is in line with current practice.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The corporate plan fails to be published and the council proceeds with its work without clear direction	1	3	Performance management framework in place. Service plans produced and targets set for performance indicators. Budget and MTFs prepared in conjunction with Plan. The corporate plan ties all this information together providing coherent direction for the council in the year ahead.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

UTTLESFORD DISTRICT COUNCIL

CORPORATE PLAN 2016 - 2021

By 2021 we will:	We will do this by:
Have continued to maintain and improve sound management of the Council's finances	<p>Keeping the Council Tax as low as possible whilst maintaining or improving our services and providing support to the vulnerable</p> <p>Investing in income generating activities</p> <p>Increasing the emphasis on demonstrable value for money</p> <p>Planning for a future in which there will be little or no "core" Government funding.</p>
Continue to listen and respond to our communities so we focus on their health and wellbeing, together with the delivery of high quality key services that matter	<p>Effectively consulting with our partners and local communities, councils and the voluntary sector to ensure value for money, health and wellbeing, democracy and localism are at the heart of everything we do</p> <p>Working closely with the Armed Forces at Carver Barracks</p> <p>Keeping Uttlesford safe and healthy</p> <p>Focusing on key services that are deliverable so that what we do we do well</p> <p>Promoting equitable, diverse, healthy and safe living and working</p> <p>Setting a high example by exemplary corporate governance and standards</p>
Have shared the benefits of growth with our communities in a responsible way that protects and enhances our environment and promotes healthy living	<p>Having a flexible, robust and relevant Local Plan so we continue to meet local housing, health and prosperity needs, especially high quality affordable and local authority housing.</p> <p>Enabling communities to develop neighbourhood plans that protect and enhance local facilities</p> <p>Working closely with Essex CC including to ensure our roads and pavements are maintained to a high standard</p> <p>Delivering on our energy efficiency policies</p> <p>Improving environmental management and enforcement against planning contraventions and environmental crime</p> <p>Encouraging the renovation of heritage assets</p>
Be creating and maintaining healthy and thriving communities	<p>Supporting the creation of a Combined Authority for Greater Essex provided the benefits are right for Uttlesford residents and businesses</p> <p>Enhancing economic prosperity through partnerships of local authorities and businesses and working with local businesses to encourage future skills development and growth</p> <p>Working with Health Sector partners to ensure fair investment in the health needs of Uttlesford residents</p> <p>Working with partners to improve broadband and mobile telephony</p> <p>Promoting our town centres and enhancing town centre car park provision</p> <p>Working with the owners of Stansted Airport to ensure economic and social benefits – while maintaining vigilance against a 2nd runway</p>

Committee: Council

Agenda Item

Date: 25 February 2016

12

Title: Robustness of Estimates and Adequacy of Reserves

Portfolio Holder: Councillor Simon Howell

Item for decision

Summary

1. As part of the annual budget setting process, the Section 151 Officer is required to give the Council formal advice on the robustness of estimates and the adequacy of reserves. This is so Members can set a budget in full awareness of the risks and uncertainties, and ensure that adequate contingency reserves exist.
2. The advice, known as the "Section 25 report", was endorsed by Scrutiny Committee on 9 February and approved by Cabinet on 16 February for recommendation to the Council tonight.

Recommendations

3. The Council is recommended to:
 - a) Take account of the advice in the report when determining the 2016/17 General Fund budget and Council Tax.
 - b) Approve the risk assessment relating to the robustness of estimates as detailed in the report
 - c) Set the minimum safe contingency level for 2016/17 at £1.234 million.
 - d) Adopt the attached Reserves Strategy.
 - e) Agree that no transfers to or from the Working Balance should be built into the 2016/17 budget.

Financial Implications

4. No direct implications arise from the recommendations.

Background Papers

None.

Impact

Communication/Consultation	A comprehensive budget consultation exercise was undertaken with in excess of 800 responses
Community Safety	No specific implications
Equalities	No specific implications
Health and Safety	No specific implications
Human Rights	No specific implications
Legal implications	The report is prepared in order to comply with Section 25 Local Government Act 2003
Sustainability	No specific implications
Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications

Section 25 report

5. Section 25 of the Local Government Act 2003 requires each local authority, when setting its annual General Fund budget and level of Council Tax, to take account of a report from its Section 151 Officer on the robustness of estimates and adequacy of reserves. This document is the report made under Section 25 by the Director of Finance and Corporate Services, as UDC's Section 151 Officer, applicable to the setting of the General Fund budget and Council Tax for 2016/17.
6. The purpose of this requirement is to ensure that when deciding on its budget for a financial year, a local authority is formally made aware of any issues of risk and uncertainty by the Section 151 Officer. The local authority is then expected to ensure that its budget provides for a prudent level of reserves to be maintained.
7. The Director of Finance and Corporate Services has assessed that the minimum safe contingency level for the Working Balance is £1,234,000. This sum is calculated using the following formula
 (Total gross service expenditure + total gross service income + capital financing costs + investment income + recharge to HRA + HRA share of corporate costs) x 2%
 This for 2016/17 equates to

$$£33,695,000 + £23,800,000 + £2,497,000 + £119,000 + £1,331,000 + £335,000 = £61,777,000 \times 2\% = £1,235,540$$
 (this calculation uses rounded figures the actual outcome is £1,234,000)
8. Section 26 of the Act empowers the Secretary of State to set a minimum level of reserves for which a local authority must provide in setting its budget. Section 26 would only be invoked as a fallback in circumstances in which a local authority does not act prudently, disregards the advice of its Section 151 Officer, and is heading for financial difficulty.

Basis of advice for the Section 25 report

9. In forming the advice for this report, the Director of Finance and Corporate Services has considered the following:

- The requirement established in the Council’s Medium Term Financial Strategy to ensure that a safe level of contingency is maintained.
- The degree to which the Council’s financial plans are aligned to the Council’s statutory obligations, local priorities and policy objectives.
- The adequacy of the information systems underpinning the Council’s financial management processes.
- Risks associated with the Council’s activities, as identified within the risk register.
- The level of earmarked and unearmarked reserves within the General Fund.
- The degree to which uncertainties exist within the draft 2016/17 budget.

Robustness of Estimates

10. There has been detailed scrutiny, review and challenge of budgets by managers, finance officers and CMT. The aim has been to ensure that the budget is based upon realistic estimates, for example, ensuring that contractual commitments are provided for, salary budgets reflect the approved establishment and current staff in post, and income budgets are based on an assessment of price and demand.

11. No budget can ever be completely free from risk. Necessarily, assumptions are made which means that the budget will always have an amount of uncertainty. The analysis below sets out the major risks applicable to 2016/17 and an indication of the possible impact.

12. It is not possible to give a precise estimate of the impact of each identified risk. As a general guide, the following broad definitions have been used:

Probability	Low Medium High	Possible, but unlikely Probable Almost certain
Impact	Low Medium High	Possible variance of up to £100,000 Possible variance of £100,000 to £250,000 Possible variance of over £250,000

Risk item	Prob-ability	Impact	Overall Risk of budget variance
<p>a) Waste & Recycling – This continues to be one of the most complex financially and at greatest risk of volatility. Fuel costs are variable. Other budget risks have been identified regarding trade waste and green waste, all of which have income budgets that depend upon accuracy of forecasting activity levels. The Council maintains a Waste Management reserve to mitigate the risk. With the price of oil at a six year low the cost of disposing of dry recyclables has increased significantly. The budget is based on current disposal costs</p>	High	High (adverse or favourable)	High
<p>b) Localisation of Business Rates. The way in which Business Rates is accounted for increases the risk around the forecasts. However a review in the summer of 2015 now enables the council to use a realistic forecast rather than using the minimum guaranteed amount.</p>	Medium	High (adverse or favourable)	Medium
<p>c) Efficiency Savings. Work continues to find ways of achieving the same or improved outcomes at lower cost. It is probable that some savings opportunities will be realized with unbudgeted savings arising in 2016/17. In addition, the budget does not include the implementation costs that may arise, on the basis that these will be funded from the Transformation Reserve. Therefore it is probable that unbudgeted costs will arise. Where budgets have already been reduced because of identified savings, the revised budget level is untested so there is an inherent risk of adverse variances.</p>	Medium	Medium (adverse or favourable)	Medium
<p>d) Car Parks Income. The budget is based on the existing tariff and charging periods as detailed in the fees and charges section of the budget report. If at some point during the year the Council decides to make changes, this will affect the income. For example if the charging period is shortened, or if there is a repeat of Christmas/New Year free periods, income will reduce.</p>	Medium	Low (adverse)	Medium
<p>e) Fees & Charges income. If economic conditions deteriorate or demand fluctuates there may be unbudgeted loss of income. Building Control, Planning, Land Charges, Licensing, Lifeline and Food Imports are all income streams where risk of volatility has been noted.</p>	Medium	Low (adverse)	Medium
<p>f) Planning appeals. A risk of costs of defending appeals and the meeting of costs awarded against the planning authority. The current position of the Local Plan process raises the risk levels in this area.</p>	Medium	Low (adverse)	Medium

Risk item	Prob-ability	Impact	Overall Risk of budget variance
g) Treasury management. Investment risks are spread between public and private sector counterparties including UK banks systemically important to the UK economy. In the unlikely event of a banking failure, there could be a serious impact on the Council.	Low	High (adverse)	Medium
h) Reforms to Housing & Council Tax Benefit. The Council has approved a Local Council Tax Support Scheme that will require non-vulnerable working age people to pay more Council Tax than previously. The Council has committed to subsidise the LCTS scheme to ensure cost neutrality for major precepting authorities. This is based on estimates and subject to variation.	Medium	Low (adverse)	Low
i) Universal Credit – This was due to commence in early 2015/16 but was delayed and only started in late 2015/16. Implications of delay are primarily around the Working Balance level.	Medium	Low (adverse)	Medium
j) Local Plan – Additional consultancy spend or resources may be needed in order to take forward the Local Plan process. The Planning Service has budgets for the majority of this work; however the Planning Reserve exists to meet additional costs.	Medium	Low	Low
k) Fritch Green Community Centre. Risks have been identified with the Fritch Green community centre. This issue is unresolved and the Council may be required to incur further costs before the facility is transferred to the parish council.	Medium	Low (adverse)	Low
l) External funding. Due to inherent uncertainty about local authority budgets, there is a risk that funding for services such as the Highways Ranger could be reviewed or reduced.	Medium	Low	Low
m) Supplies & Services contracts. Where contracts have indexation clauses, estimates have been made of the inflationary increase that will be applied. In addition some contracts are due to be re-tendered during the year which could affect the base price. Accordingly there is an inherent risk of price volatility.	Medium	Low (adverse or favourable)	Low
n) Capital Financing costs. These are influenced by variable factors such as cash flow, variations in the Capital Programme and availability of capital receipts. In some circumstances greater revenue financing of capital expenditure may make economical sense over the longer term.	Medium	Low (adverse or favourable)	Low

13. Taking all of the above issues into consideration, the Director of Finance and Corporate Services is unable to provide a full assurance that there will be no unforeseen variances. This is an expected and acceptable situation for any organisation that has to deal with a large number of variables. Provided that the minimum safe level of balances is maintained (as set out in the attached Reserves Strategy), any variations arising as a result of any lack of robustness in the estimates should be manageable.
14. The risks identified will be proactively monitored and mitigating action taken as soon as reliable trends emerge. Budget monitoring reports to Members during the financial year will set out the latest position and action being taken, where applicable.

Adequacy of reserves

15. Attached is the Reserves Strategy which sets out the purpose, risks and calculation for each reserve held by the council.
16. It is the opinion of the Director of Finance and Corporate Services that the reserves as set out in the Strategy are adequate and appropriate.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
In general, actual events may differ from the assumptions and estimates used to produce the draft budget, which will lead to variances from the budget.	4 (variances will occur requiring action to be taken)	3 (potential impact which could adversely affect the council's financial position if not managed)	Budget monitoring and corrective action taken as necessary. Maintain sufficient reserves and Working Balance.

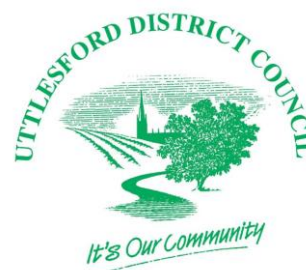


Uttlesford District Council

Reserves Strategy



Prepared by:
Finance Section
Uttlesford District Council
January 2016



Reserves Strategy

1 Background

- 1.1 Reserves are an essential part of good financial management. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. The level, purpose and planned use of reserves are important factors for the Council to consider in developing the Medium Term Financial Strategy (MTFS) and setting the annual budget.
- 1.2 In setting the budget, the Council decides what it will spend and how much income it needs from fees, charges and council tax to supplement government funding. The Council may choose to fund some of its spending from its reserves, or set aside some of its income to increase reserves for future spending.
- 1.3 Having the right level of reserves is important. If reserves are very low, there may be little resilience to financial shocks and sustained financial challenges.
- 1.4 There is no available guidance on the minimum level of un-earmarked reserves that should be maintained. In 2003 CIPFA stated that each authority should determine what a prudent level of reserves is based upon their own circumstances, risks and uncertainties.
- 1.5 Councils are therefore free to determine the level of reserves they hold, although Audit will report/give an opinion on what in their opinion is reasonable. Members are responsible for ensuring that the Council's reserves are part of the MTFS and need to be appropriate for our circumstances. The Section 151 Officer has a duty to provide members with advice on the level of reserves.
- 1.6 Councils face significant financial challenges. The unprecedented reduction in government funding from 2010/11 to 2016/17 and the inevitable continuation of that trend, a decline in other income, rising costs and growing demand for many services are all testing the Councils' financial management and resilience.
- 1.7 The introduction of local business rates retention and new arrangements for providing council tax support in 2013/14 have created additional risks to the Council's finances.
- 1.8 Current and future financial challenges pose significant, and increasing, risks for the Council. The Council can consider using reserves to balance competing pressures for example:
 - Using reserves to offset funding reductions and protect services – although this can only be a short-term strategy as reserves are a one-off funding resource – or invest in making changes that reduce the cost of providing services in the longer-term.
 - Increasing reserves to strengthen resilience against future, uncertain cost pressures.

2 The approach to setting the Reserves Strategy.

2.1 The Reserves Strategy is integral to the MTFs and the annual budget setting process. Therefore the MTFs will include:

- Information showing the current level of reserves.
- Consideration of the forward strategy for reserves needed to support the Council's MTFs.
- A summary of the financial risks facing the Council, how it will mitigate these risks, and the minimum and maximum level of residual risk for which the council may need to hold funds in its reserves.

2.2 Reserves will be monitored throughout the year as part of the routine financial monitoring and the level of reserves reported as part of the year-end accounting processes.

3 Why the Council holds reserves

3.1 We use different terms to refer to the reserves depending on why they are held. Terms we use in this report have the following meanings:

- Available earmarked reserves – funds we choose to set aside to meet known or predicted future spending or ring-fenced by previous Council decisions.
- Working balances (unallocated reserves) to manage cash flows, funds to protect annual budgets against multiple, less predictable, costs and uncommitted accumulated surpluses.
- Other reserves the Council holds but which are not available to fund their general spending: some reserves with statutory restrictions on how they can be spent, such as capital receipts or Housing Revenue Account reserves;
- Total reserves – the sum of earmarked and ring-fenced reserves.

3.2 Available earmarked reserves include funds for contingent spending that is hard to predict (risk-based reserves) – for example, Transformation Reserve to cover the cost of implementing changes in working practices including new ways of working and the costs associated with a reduction in staffing levels.

3.3 Reserves are distinct from provisions. Provisions are funds set aside for probable future liabilities where the timing and amounts are uncertain.

Ring-fenced income

3.4 The Council must spend some of its income on specific purposes, for example, some ring-fenced grants, or property developers' contributions for local environmental improvements. Spending ring-fenced income before the end of a financial year is not always possible or desirable. The Council will carry forward unspent ring-fenced income from one financial year to the next in its reserves.

Delivering a balanced budget

- 3.5 The Council, in common with other organisations, needs financial reserves to help manage unforeseen circumstances and to smooth the impact of known spending requirements over time. The Council will use reserves for such purposes to enable it to manage variations between its planned and actual budgets that result from unpredictable spending and income. Reserves will also be used by the Council to plan its finances strategically to support activities over the medium and long term.
- 3.6 The Local Government Finance Act 1992 requires the Council to calculate its expected outgoings and income for the year – including any additions to or use of reserves. Where expected outgoings exceed expected income, the difference is the authority's council tax requirement for that year.
- 3.7 If unplanned costs are incurred during the year that are not funded externally – for example, by a grant from government or an insurance policy – or the Council experiences a shortfall in expected income, there will be few options if it is to deliver to budget. Raising extra income or making in-year savings may have an unacceptable impact on service users. Therefore the Council may want to consider using reserves to balance spending and income.
- 3.8 The 2016/17 Budget identifies a surplus which will be allocated to the Strategic Initiatives Fund.

4 Reserves and the management of risks

- 4.1 With regard to the Council's financial stability reserves are used to manage risks. There are certain earmarked reserves that have been set aside for specific risks, for example: Business Rates Retention. These reserves and the potential pressures that need to be managed are reviewed as part of the budget setting process.
- 4.2 The Council also manages unforeseen financial shocks by maintaining a Working Balance. For the General Fund the Council's agreed policy is to maintain working balances in line with the following formula;

(Total gross service expenditure + total gross service income + capital financing costs + investment income + recharge to HRA + HRA share of corporate costs) x 2%

For 2016/17 this is calculated as

$£33,695,000 + £23,800,000 + £2,497,000 + £119,000 + £1,331,000 + £335,000 = £61,777,000 \times 2\% = £1,235,540$ (this calculation uses rounded figures the actual requirement is £1,234,000)

For the HRA the same principal of 2% of total expenditure and 2% of total income is applied. For 2016/17 this is calculated as

$£4,240,000 + £15,455,000 + £6,042,000 + £17,000 + £1,331,000 + £335,000 = £27,420,000 \times 2\% = £548,950$. (this calculation uses rounded figures the actual requirement is £546,000)

Increasing Financial Risks

4.3 The risk environment for local government funding has significantly increased. This strategy identifies the following issues which have increased risk over recent years:

- The partial retention of locally collected business rates to replace some government funding – this means that future changes in funding will be linked to changes in the local business rates base, rather than to government assessment of need.
- The new system of business rate retention passes the risk of non-collection from Central Government to the Council.
- The Council has also taken responsibility for the settlement of any outstanding Business Rates appeals.
- The transfer of responsibility for council tax support to the Council.
- The necessity to pass on a proportion of the reduction in Council Tax Support to working age claimants may increase Council tax non-recovery risk.
- Welfare reforms including the benefits cap and the impact on Housing Benefit as part of the introduction of Universal Credit which could impact on rent collection and potentially increase the level of homeless people seeking accommodation in the district.
- The continued problems that the Government is experiencing managing the deficit and the likelihood of further spending reductions.
- Unexpected changes in grant regimes.

On-going risks in the current strategy.

4.4 In addition to the risks identified in 4.3 above there are still the risks that are normally managed within the MTFS:

- Service budgetary control.
- Service spending pressures, e.g. unavoidable demand.
- Exceptional inflation beyond that provided for within the annual budget.

4.5 The prospect of further grant reductions beyond 2016/17 means that it is prudent to retain sufficient reserves so that any future spending reductions can be implemented in a planned and efficient fashion.

5 Budgeted Reserves

5.1 The forecast value of General Fund Earmarked Reserves as at 31 March 2016 is £8million.

5.2 The table on the following page summarises the General Fund Reserves at the end of the last financial year and the forecast end position for the current year.

Reserves Strategy

	£000	1.4.2015 Actual	31.3.2016 Forecast
	USABLE RESERVES		
	<u>Financial management Reserves</u>		
C1	MTFS Reserve	1,000	1,000
C2	Transformation Reserve	1,000	960
	<u>Contingency Reserves</u>		
C3	Emergency Response	40	40
	<u>Service Reserves</u>		
C4	New waste depot site	1,500	600
C5	Planning	1,141	1,063
C6	Waste Management	379	130
C7	Homelessness	40	40
C8	Economic Development	244	194
C9	Elections	95	25
C10	Strategic Initiatives Fund/SPV	600	3,987
C11	Access Fund	200	0
	TOTAL USABLE RESERVES	6,239	8,039

5.3 It is also important to set out the criteria for the purpose, lifespan and risks associated with each reserve. This is attached as Appendix One.

5.4 It is anticipated that in 2016/17 there will be three new reserves established

- New Homes Bonus Contingency Reserve – depending upon the outcome of the consultation, it may be necessary to establish a reserve to offset risks around the loss of NHB following planning permission granted on appeal.
- Special Purpose Vehicle Reserve – to enable the formation and funding of the wholly owned company. The reserve will be established once the Articles of Association are agreed at Cabinet. The reserve will be funded from the Strategic Initiatives Fund.
- Pension Deficit Reserve – to enable the council to make a three year advance payment to the pension fund at a discounted rate.

General Fund Ring-fenced Reserves

5.5 These reserves are held for specific purposes and cannot be used for any other.

	£000	Purpose	1.4.2015 Actual	31.3.2016 Forecast
C12	General Fund Working Balance	Maintained to protect the Council's budget from unexpected risks, Calculation as set out in 4.2 above	1,282	1,200
C13	Business Rates Reserve	This is to manage the Collection Fund deficit, which is in part due to the appeals both lodged and anticipated	3,670	520
C14	Licensing	A reserve that can only be used within the taxi licensing service	31	16
C15	DWP Reserve	Amount of benefit subsidy currently being reviewed in light of the External Audit grant claim process	259	100
	TOTAL		5,242	1,836

Housing Revenue Account (HRA)

5.6 The table below summarises the HRA Reserves at the start of the 2015/16 financial year and the forecast end position for that year which forms the basis for the starting position for 2016/17.

£000		1.4.2015 Actual	31.3.2016 Forecast
	USABLE RESERVES		
H1	Transformation	180	200
H2	Capital Projects	3,537	3,426
H3	Potential Development Projects	800	800
H4	Revenue Projects	60	60
H5	Sheltered Housing Reserve	318	318
H6	Major Repairs Reserve	131	137
H7	Additional Resource Reserve	0	0
	TOTAL USABLE RESERVES	5,026	4,941

HRA Ring-fenced Reserve

5.7 This reserve is held for specific purposes and cannot be used for any other.

£000		Purpose	1.4.2015 Actual	31.3.2016 Forecast
H8	HRA Working Balance	Maintained to protect the Council's budget from unexpected risks, Calculation as set out in 4.2	463	536
	TOTAL		463	536

Capital Receipts

5.8 This reserve identifies capital receipts which are available to finance capital expenditure in future years.

	£000	01.04.2015 Actual	31.03.2016 Forecast
CR1	Capital Receipts	1,862	1,898

5.9 Under the Right to Buy 1-4-1 agreement, for each sale of council dwellings the local authority must replenish housing stock using the retained receipt held in the capital receipts reserve; this is to ensure the government's plan to provide further social housing is continued whilst increasing home ownership is fulfilled.

6. Total Reserves

6.1 The table below sets out the total of reserves in each element of the council finances.

£000	1.4.2015 Actual	31.3.2016 Forecast
General Fund Earmarked Reserves	6,239	8,039
General Fund Ring-fenced Reserves	5,242	1,836
Capital receipts	1,862	1,898
HRA Usable Reserves	5,026	4,941
HRA Ring-fenced Reserves	463	536
TOTAL	18,832	17,250

7. General Fund Reserves 5 year plan

7.1 The table below sets out the 5 year plan for the General Fund

	£000	1.4.2015 Actual	Year end 2015/16 Forecast	Year end 2016/17 Forecast	Year end 2017/18 Forecast	Year end 2018/19 Forecast	Year end 2019/20 Forecast
	USABLE RESERVES						
	<u>Financial management Reserves</u>						
C1	MTFS Reserve	1,000	1,000	1,000	1,000	1,000	1,000
C2	Transformation Reserve	1,000	960	960	960	960	960
	<u>Contingency Reserves</u>						
C3	Emergency Response	40	40	40	40	40	40
	<u>Service Reserves</u>						
C4	New waste depot site	1,500	600	0	0	0	0
C5	Planning	1,141	1,063	1,063	1,063	1,063	1,063
C6	Waste Management	379	130	200	200	200	200
C7	Homelessness	40	40	40	40	40	40
C8	Economic Development	244	194	194	194	194	194
C9	Elections	95	25	50	75	100	25
C10	Strategic Initiatives Fund/SPV	600	3,987	6,455	6,455	6,455	6,455
C11	Access Fund	200	0	0	0	0	0
	TOTAL USABLE RESERVES	6,239	8,039	10,002	10,027	10,052	9,977
	RING-FENCED RESERVES						
C12	Working Balance	1,282	1,200	1,234	1,167	1,098	890
C13	Business Rates Reserve	3,670	520	500	500	0	500
C14	Licensing Reserve	31	16	0	0	0	0
C15	DWP Reserve	259	100	50	0	0	0
	TOTAL RING-FENCED RESERVES	5,242	1,836	1,784	1,667	1,098	1,390
	TOTAL RESERVES	11,481	9,875	11,786	11,694	11,150	11,367

* The forecast underspend for 2017/18 is not shown in the 5 year Reserves Strategy above nor however are the identified shortfalls in the following years

** There is a £100,000 transfer from the DWP reserve to the SIF because the actual DWP repayment was less than the allocated reserve.

8. HRA Reserves 5 year plan

8.1 The table below sets out the 5 year plan for the HRA. The logic behind the reserves is contained within the HRA Business Plan.

£'000		31.3.2016 Forecast	2016/17 additions	2016/17 deductions	31.3.2017 Forecast	31.3.2018 Forecast	31.3.2019 Forecast	31.3.2020 Forecast	31.3.2021 Forecast
H1	Transformation	200	0	0	200	200	200	200	200
H2	Capital Projects	3,426	33	-3,426	33	1,058	1,087	375	904
H3	Potential Development Projects	800	20	-332	488	0	0	0	0
H4	Revenue Projects	60	0	0	60	60	60	60	60
H5	Sheltered Housing Reserve	318		-318	0	0	0	0	0
H6	Major Repairs Reserve	137	3,411	-3,436	112	116	120	124	128
H7	Additional Resource Reserve	0	0	0	0	0	0	0	0
H8	HRA Working Balance	536	10	0	546	547	548	550	556
	HRA RESERVES TOTAL	5,477	3,441	-7,512	1,439	1,981	2,015	1,309	1,848

Appendix One

No.	Reserve	Purpose and lifespan	Risks	Mitigation and Calculation
C1	MTFS Reserve	To offset the predicted shortfall in budgets the council is expected to encounter in the life of the plan whilst enabling the council to transform.	<p>1. New Homes Bonus – To minimise the impact of New Homes Bonus reduction whilst adjusting the budget to match the income.</p> <p>2. Universal Credit – The working balance assumes Universal Credit will be implemented on time. This reserve will assist should it not be implemented on time and therefore the working balance has to be reinstated at the current level</p> <p>3. Business Rates – Due to timing issues the BR reserve may be insufficient to meet demand</p>	<p>1. The NHB figures presented as part of the MTFS identified the deficit by the end of the plan to be £1m</p> <p>2. The Working Balance reduces by £390,000 over the remaining life of the plan</p> <p>Together this gives £1,390,000. It is reasonable to expect service efficiencies/additional income to play a part in addressing the shortfall during the plan however the quick win easy savings are gone, we will be looking at significant changes in the way in which the council operates and this takes time to achieve.</p>
C2	Transformation Reserve	To enable the council to change the way it operates in order to meet the financial challenges ahead.	<p>1. Universal Credit – The Department for Work and Pensions have announced that TUPE does not apply to those staff working in the Benefits Section. However it is possible that DWP will fund any related redundancy costs</p> <p>2. Resistance to change – it is essential the council adapts to new ways of working such as more automation of outgoing mail and better functionality and use of the council website. Failure to adopt new ways of working will seriously affect the future functioning of the council.</p> <p>3. As the council transforms it is likely that a number of services will cease to be provided. This will inevitably lead to statutory redundancy being paid</p>	The software alone for a single area is likely to cost in the region of £75,000 therefore the calculation allows for four large areas to be transformed and for necessary other costs to be included

No.	Reserve	Purpose and lifespan	Risks	Mitigation and Calculation
C3	Emergency Response	To enable the council to undertake an emergency response such as that encountered with the Lebanese evacuation.	<ol style="list-style-type: none"> 1. No such emergency arises 2. The reserve is insufficient 	<ol style="list-style-type: none"> 1. The likelihood of such an emergency is relatively low however as the council moves forward an budget pressures become significant a small reserve is appropriate. 2. The council learnt a lot from the Lebanese emergency and now has a policy to assist any such evacuees on their onward journey not to provide on-going support therefore the reserve should be sufficient.
C4	New waste depot site	The depot in the south of the district is in the centre of Great Dunmow. The council has had an aim to rent land to enable it to move however no such land has been found. It is now proposed to purchase land and provide the necessary buildings and utilities. The aim is to have identified and if possible purchased land during 2015/16	<ol style="list-style-type: none"> 1. No such piece of land is identified. 2. The reserve is insufficient to meet the total costs 	<ol style="list-style-type: none"> 1. The process has advanced and there are now a preferred option and a reserve site. 2. The land vacated would have residual value and whilst a proportion should be retained to provide additional income streams some could be sold to cover additional costs. <p>The figure in the reserve is a best estimate from an initial look at the market.</p>

No.	Reserve	Purpose and lifespan	Risks	Mitigation and Calculation
C5	Planning	<p>For three primary purposes</p> <ol style="list-style-type: none"> 1. Stansted Airport studies 2. Planning Appeals 3. Local Plan <p>The Council is expecting to receive an application from Stansted Airport to lift the cap on traveller movements. This will require careful consideration including the commissioning of specialist studies. Due to the buoyant housing market the Council is receiving large numbers of planning applications, some of which are taken to appeal. The development of the new Local Plan will require supporting studies to support its development. The reserve is expected to be used over the next few years.</p>	<p>1. The reserve is insufficient to meet the total costs</p>	<p>Current indications are that the amount allocated is sufficient to meet the needs of the service in respect of the three areas for which the reserve was established.</p>

No.	Reserve	Purpose and lifespan	Risks	Mitigation and Calculation
C6	Waste Management	This is a high profile service and by the nature of the work suffers from budget variances. To enable the council to smooth fluctuations in areas such as cost of disposal and agency staffing. The reserve will be reviewed in 12 months' time once the new cost for dry recyclables has been in place for a year.	<ol style="list-style-type: none"> 1. Agency staffing levels exceed the forecasted levels 2. Disposal costs increase 	<ol style="list-style-type: none"> 1. The amount of agency staffing required is calculated using actual figures from the last few years. 2. With a significant drop in the sale price of oil the cost of dry recycling disposal is increasing. The 2016/17 budget is based on current cost with any increase being met from this reserve.
C7	Homelessness	To assist with the fluctuating demand for homeless support. To be reviewed in March 2017.	1. The reserve remains unused	It is likely the reserve will not be used in 2015/16. If this remains the case in 2016/17 then the reserve will be closed.
C8	Economic Development	To assist with the promotion of economic development. To be used in 2016/17 to fund the development of rentable units within the Saffron Walden Council Offices	1. The reserve is not used in 2016/17	<ol style="list-style-type: none"> 1) Support to Town Teams from High Street Innovation funding to support marketing activities within the Towns: £30,000 total split between Saffron Walden and Great Dunmow. £10,000 support to Stansted Mountfitchet Business Group. 2) Development of Saffron Walden Business Improvement District proposal £30,000. 3) Support for inward investment and proactive marketing and promotion of sites £20,000. 4) Discretionary Rate relief support £60,000 5) To be able to rent out the four identified units within the Council offices a new door entry system, significant networking changes and walls reinstating work will need to be undertaken. Precise cost at the moment is unknown but it is likely to be in the region of £44,000.

No.	Reserve	Purpose and lifespan	Risks	Mitigation and Calculation
C9	Elections	Each year £25,000 is allocated to the reserve to fund future election costs. The reserve is used in election years	1. The costs exceed the reserve amount	The reserve is to offset the impact of the cost of elections not to fully cover it. The amount is felt to be sufficient
C10	Strategic Initiatives Fund / SPV	<p>The stated purposes of the Strategic Initiatives Fund are</p> <ol style="list-style-type: none"> a. Support for the local economy b. Partnership working with voluntary sector organisations c. Community initiatives and services in rural locations d. “Spend to save” projects to make the Council more efficient and more resilient to funding changes in future years e. Putting some Council services onto a more commercial footing. <p>The principle of a SPV was agreed at Cabinet in December 2015. When the company is created a separate reserve will be established to fund the company.</p>	1. Insufficient projects that meet the criteria are identified	<p>There are four key criteria that each project must meet to be considered for funding from the Strategic Initiatives Fund. The four criteria are</p> <ol style="list-style-type: none"> 1. The project demonstrably supports the Council’s corporate priorities, as set out in the Corporate Plan 2. The project fulfils at least one of the five suggested uses for the Fund, as set out above 3. The project results in tangible financial benefit to the Council, either by reducing future cost pressures, efficiency savings, or income generation 4. The project does not give the Council any additional ongoing revenue budget commitments beyond the 2016/17 financial year

No.	Reserve	Purpose and lifespan	Risks	Mitigation and Calculation
C11	Access Fund	This reserve was set up to pump prime the provision of cycle paths in the district. The intention is that the initial £200,000 would be replenished by appropriate S106 monies as they become available	1. No suitable S106 monies are available to continue the cycle path rollout	This is an Essex County Council responsibility which this council contributes to by way of S106 monies. If no such money is available the council will need to decide whether or not to invest more money from other reserves into this scheme
C12	Working Balance	Maintained to protect the Council's budget from unexpected risks, Calculation as set out in 4.2	1. Universal Credit does not have the forecasted impact on the Working Balance	There could be an adverse impact on the forecast of £390,000 by the end of the plan. Discussions are ongoing with DWP
C13	Business Rates Retention	This is to manage the Collection Fund deficit, which is mainly due to the large appeals both lodged and anticipated. Reserve should cease to be needed after 2016/17	1. Fund is insufficient to meet demand	This is based on central government calculations which make this unlikely to happen. However should it do so the MTFS reserve would be available to support the timing delay.
C14	Licensing	A ring-fenced reserve that can only be spent on the taxi licensing service.		The taxi licensing service must break even on a rolling basis. Accordingly any in-year surpluses are allocated to the reserve and drawn down in years of shortfall/reduced fees
C15	DWP	Amount of benefit subsidy currently being reviewed in light of the External Audit grant claim process.	1. DWP seek to recover more money than in the reserve	This is the amount identified by the auditors

Committee: Council
Date: 25 February 2016
Title: Medium Term Financial Strategy
Portfolio Holder: Councillor Simon Howell

Agenda Item

13

Summary

1. The purpose of the Medium Term Financial Strategy (MTFS) is to ensure the ongoing financial health and stability of the Council. The Strategy looks ahead in order to anticipate issues that may arise in the Council's finances. This enables measures to be taken and plans to be put in place ahead of the issues arising.
2. The Council is in a strong financial position, currently insulated from the widespread problems in local government due to a combination of prudent financial management and New Homes Bonus (NHB).
3. The Government has announced that NHB will continue for the foreseeable future however a consultation has started on a review of the scheme. The funding envelope for NHB is being reduced from about £1,460 million to about £660 million with the 'saved' £800 million being diverted to Social Care. Clearly the consultation is aimed at reducing the amount of NHB paid to local authorities and as this council was one of the best performing in terms of NHB reward it is at most risk of a substantial cut in the future. Any change to the scheme will most likely commence in 2017/18.
4. On the agenda tonight is the proposed response to the NHB consultation. The consultation closes in March and the outcome will be announced in June 2016. A revised MTFS will be brought to Cabinet in the autumn.
5. The Government has indicated that the preferred scheme is a 4 year one compared to the current 6 year. On the face of it this has a significant but manageable impact on the forecasts; however the 4 year scheme appears to also be unaffordable in terms of the new funding envelope. Accordingly this plan is based on what the council believes to be a realistic level of reward (£2million).
6. The way in which the Council prepares estimates for the Localisation of Business Rates has been reviewed; what is felt to be a realistic, rather than a minimum, level of income has been included in the model. However timing of release of the provision which is governed by accounting principles remains a challenge.
7. It is likely that the timing of the release of the provision will mean that the Council can have reasonable confidence that in the next two financial years (2016/17 and 2017/18) its total income will exceed the forecasted budget. This

gives opportunities to make meaningful investment in projects that benefit local communities and businesses.

8. During the next two years the Council should also give active consideration to investing in cost reduction and/or income generation schemes, ready for the challenges it may face from 2018/19 onwards.
9. The report were endorsed by the Scrutiny Committee on 9 February and approved by the Cabinet on 16 February for recommendation to the Council tonight.

Recommendations

10. The Council is recommended to approve the Medium Term Financial Strategy as attached.

Financial Implications

11. Detailed in the report.

Background Papers

None.

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	The Council has a legal duty to set a balanced budget.
Sustainability	None
None Ward-specific impacts	None
Workforce/Workplace	None

Forecasting the Council's Budget Requirement

12. It is relatively straightforward to forecast what the Council's costs and income will be, based on extrapolating the 2016/17 budget into future years, using prudent assumptions about inflation.
13. Where actual increases or reductions are not already known, the following annual inflation assumptions have been used:

Budget item	Annual inflation assumption used	Approx value of each 1% change
Salaries	1%	£90,000
Employer's pension	0.9% of salary	£85,000
Other staff costs	0%	£5,700
Members allowances	1%	£3,200
Utilities & fuel	3%	£6,500
Supplies & services (contractual)	3%	£33,000
Supplies & services (non-contractual)	0%	£16,000
Fees & charges income (except car parking)	2%	£33,000
Car parking income	0%	£8,600
Benefits case load	0%	£850
Benefits rent increases	5%	£850
Demand growth	£50,000 cumulative additional spend per year	n/a

14. The model also assumes that during the next few years, the Government will proceed with its policy intention to transfer Housing Benefit to the Universal Credit scheme. The model makes assumptions that benefits expenditure and related DWP subsidy grant income will be progressively removed from the Council's budget during the next few years. This has the effect of reducing gross expenditure and gross income, but the bottom line effect is slight because 98% of expenditure is met by grant.

15. Other assumptions:

- No changes to the Council's priorities; existing levels of service provision to continue.
- Capital financing costs based on the draft five year capital programme and allied financing strategy.

- Recharge of costs to HRA to remain at the current level.
- Investment income will remain constant at £120,000 per annum.

Strategic Solutions Workstreams

16. In 2009 the five workstreams were established and from 2010 a small corporate team was set up to secure the savings needed by the MTFs. The Workstreams are:

- Shared Services
- Devolution
- Income Generation
- Service Reduction
- Efficiency Savings

17. The workstreams have been successful to date, with cumulative annual savings of around £2.8 million delivered by the end of 2015/16.

18. There is more to do however. Because of the inherent volatility and conjecture in the MTFs projections, and in particular the risks highlighted for the post 2017/18 period, the Council must continue efforts to ensure it is well placed to meet future challenges.

19. The priorities for the workstreams in 2016/17 are as follows:

- Asset Management
- Review of grants
- Back office costs
- Online service delivery.

MTFs: Guiding principles

20. The Council will continue to exercise prudence and discipline in its financial management. Costs will be controlled and kept under review, and income will be maximised wherever appropriate. Work will continue to identify ways to deliver services at a lower cost.

21. Inevitably, resource allocation decisions will be required based upon changing circumstances and priorities. Some budgets will need to be increased, and some reduced. The Council will seek to safeguard those activities that it considers to be highest priority as stated in the Corporate Plan.

22. During the first two years of the plan the Council will endeavour to make savings in priority areas only if there is no significant adverse impact to quality and level of service provision. For example, the Council may find a more efficient means of delivering the service. Otherwise, the Council will not make savings that result in diminution in service quality in these areas unless there is no alternative e.g. inability to balance the budget.

23. The Council acknowledges the need to provide statutory services, and in many cases these will be consistent with Corporate Plan priorities. Where the link between the need to provide a statutory service and Corporate Plan priorities is not as strong, the Council will provide a level of service consistent with affordability. Efficiency gains and partnership working will be explored as means of providing statutory services to an acceptable level at a lower cost. In some circumstances, the Council will consider reducing the level of service in order to make savings and redirect resources to the Council's highest priorities.
24. Subject to the above, unavoidable and essential growth items will be funded by the making of savings from elsewhere within the Council budget, or the generation of additional income. The Council will not make ongoing revenue commitments from non-recurring funding sources
25. The Council will manage its budget as a corporate whole, if necessary transferring money from one activity to another if this is what is necessary to match limited resources to the highest priorities.
26. In ordinary circumstances the Council will not use reserves to fund any ongoing expenditure. In exceptional circumstances, the Council may use reserves for one-off items or to alleviate budget pressures within the context of an overall plan to achieve a balanced budget but will seek opportunities to replenish reserves consumed in this way.
27. The Council will ensure that all reserves are held for clearly defined purposes and the amounts kept under review as per the Reserves Strategy.
28. Investment in new initiatives and service improvements will be subject to a value for money assessment and a post-implementation review to assess whether the intended benefits were achieved.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actual experience differs from the assumptions in the budget and business plan	4 some variation is inevitable	3 sums involved are potentially significant	Ensure MTFS has element of flexibility Maintain adequate reserves Robust monitoring Half yearly review by Cabinet

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.



Uttlesford District Council

Medium Term Financial Strategy



Prepared by:
Finance Section
Uttlesford District Council
January 2016



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Financial Outlook

Budget planning this year is again characterised by uncertainty about Government funding and local government finance generally. Root and branch reform of the funding system continues apace with this being the third year of localisation of business rates and council tax support. The basis of local government funding has radically altered such that Councils' funding depends directly on growth and prosperity in their local economies.

There is major uncertainty in the five year forecast as the Government has commenced a consultation to radically reform New Homes Bonus (NHB). The proposals are varied and the implications potentially significant. The NHB figure for 2016/17 is though confirmed at £4.279m.

When preparing this document, a number of significant assumptions have been made. For clarity these are set out below along with potential consequences if the assumptions prove to be incorrect

- a) **New Home Bonus (NHB)** – The Government has announced that NHB will continue for the foreseeable future however a consultation has started on a review of the scheme. The funding envelope for NHB is being reduced from about £1,460 million to about £660 million with the 'saved' £800 million being diverted to Social Care. Clearly the consultation is aimed at reducing the amount of NHB paid to local authorities and as this council was one of the best performing in terms of NHB reward it is at most risk of a substantial cut in the future. Any change to the scheme will most likely commence in 2017/18. The Government has indicated that the preferred scheme is a 4 year one compared to the current 6 year. On the face of it this has a significant but manageable impact on the forecasts; however the 4 year scheme appears to be unaffordable in terms of the new funding envelope. Accordingly this plan is based on what the Council believes to be a realistic level of reward (£2million).
- b) **Localisation of Business Rates** – The way in which the Council prepares estimates for the Localisation of Business Rates has been reviewed; what is felt to be a realistic, rather than a minimum, level of income has been included in the model. However timing of release of the provision for appeals which is governed by accounting principles and remains a challenge.
- c) **Universal Credit** – It is assumed that Universal Credit will be implemented on the current timescales. If there is any delay this will have a significant impact on the council's budget as the forecasted reduction in the Working Balance Reserve is entirely due to the fact that the council budget will reduce following the introduction of Universal Credit. There is a high risk that the actual level of claims transferred to Universal Credit will be significantly lower than that expected, due to the large number of pensioner and other types of disregarded claims.

It is likely that the timing of the release of the localisation of business rates provision will mean that the Council can have reasonable confidence that in the next two financial years (2016/17 and 2017/18) its total income will exceed the forecasted budget. Thereafter the position is far less certain.

Budget Model

To inform the financial outlook for UDC, a detailed budget model is used. The following are key assumptions used in the model.

- a) **Gross service expenditure:** Uses the 2016/17 base budget as a starting point and one-off items removed. Assumptions about annual inflation for 2016/17 are used: staff pay 1%; utilities 3%; contractual indexation 3% (unless specified otherwise); price inflation 2%.
- b) **Gross Service Income:** Again uses the 2016/17 base budget as a starting point. Assumed price inflation 2% for fees and charges except where special arrangements apply e.g. car park charges and taxi licences.
- c) **Universal Credit** – assumed that Housing Benefits expenditure and subsidy will continue to phase out of the UDC budget in 2016/17 and this process to complete by 2020/21. This is shown by the reduction in Gross service expenditure and income.
- d) **Service demand** – due to growing population and housing numbers, it is prudent to assume greater demand for council services such as refuse and recycling, revenues collection, etc. A cumulative figure of £50,000 pa has been used.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Gross service expenditure	33,696	32,648	30,115	26,732	23,405	21,486
Gross service income	-23,800	-22,854	-20,194	-16,568	-12,993	-10,818
Demand growth	0	50	100	150	200	250
Net service expenditure	9,896	9,844	10,021	10,314	10,612	10,918

d) **Corporate items:**

- Pension Fund deficit payment – inflationary increase.
- Capital Financing Costs – in line with expected capital expenditure financing requirements.
- Investment income – nominal sum only due to continued low interest rates and prudent investment policy.
- Recharges to HRA – no change in methodology.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Capital financing costs	2,498	1,800	1,800	1,800	1,800	1,800
Pension fund - added years	92	502	527	552	577	602
Recharge to HRA	-1,666	-1,650	-1,650	-1,650	-1,650	-1,650
Investment Income	-119	-120	-120	-120	-120	-120
Total Corporate Items	805	532	557	582	607	632

- f) **Specific grants:** Assumed no change to PFI and Homelessness funding. Housing Benefits subsidy at 98% of expenditure, phased out from 2016/17. Benefits admin subsidy reduced to reflect onset of Universal Credit.

Medium Term Financial Strategy

- g) **Localisation of Business Rates** – A review of the Business Rates retention scheme was undertaken during the summer and a much more realistic approach has now been applied. The increased figure for 16/17 compared to previous years is because the council has joined the Essex Business Rates Pool. The pool has to be approved by government each year and with 100% Business Rates retention commencing in 2020 there is no indication the pooling scheme will continue beyond 2016/17.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Business Rates Retention	-2,689	-5,000	-2,528	-2,482	-2,434	-2,434

- h) **Formula Grant:** The Government has announced that Formula Grant (also known as Revenue Support Grant or RSG) will be phased out over a maximum of 4 years. For this Council the grant actually goes over 2 years.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Formula Grant	-684	-251	0	0	0	0

- i) **New Homes Bonus:** The model shows the announced figure for 2016/17 and then an assumed 'affordable' figure for central government for the remaining years of the plan.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
New Homes Bonus	-4,279	-1,936	-1,936	-1,936	-1,936	-1,936

Council Tax

The Administration has given instruction that UDC's Council Tax should be increased by 1% in 2016/17 and thereafter to plan on the basis of a 2% annual increase from 2017/18. The Administration shall be looking carefully at the council's finances during the next 2 to 3 years and will take appropriate and responsible decisions depending on the circumstances at the time. Tax base assumptions are in line with housing growth forecasts and an estimate of LCTS discounts. These assumptions give rise to the forecasts on the table below.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Tax Base	36,464	37,399	38,361	39,348	40,362	41,403
LCTS discounts	-2,013	-2,013	-2,013	-2,013	-2,013	-2,013
Tax Base (net)	34,451	35,386	36,348	37,335	38,349	39,390
UDC Band D	£140.13	£142.93	£145.79	£148.71	£151.68	£154.71
Planning assumptions	1%	2%	2%	2%	2%	2%
Council Tax income	£4,827,584	£5,057,784	£5,299,109	£5,552,052	£5,816,743	£6,094,080

Outcome of Budget Modelling

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Gross service expenditure	33,696	32,648	30,115	26,732	23,405	21,486
Gross service income	-23,800	-22,854	-20,194	-16,568	-12,993	-10,818
Demand growth	0	50	100	150	200	250
Net service expenditure	9,896	9,844	10,021	10,314	10,612	10,918
Capital financing costs	2,498	1,800	1,800	1,800	1,800	1,800
Pension fund - added years	92	502	527	552	577	602
Recharge to HRA	-1,666	-1,650	-1,650	-1,650	-1,650	-1,650
Investment Income	-119	-120	-120	-120	-120	-120
Total budget	10,701	10,376	10,578	10,896	11,219	11,550
Funding						
Business Rates Retention	-2,689	-5,000	-2,528	-2,482	-2,434	-2,434
Collection Fund Balance	-152	0	0	0	0	0
Formula Grant	-684	-251	0	0	0	0
New Homes Bonus	-4,279	-1,936	-1,936	-1,936	-1,936	-1,936
Total Funding	-7,804	-7,187	-4,464	-4,418	-4,370	-4,370
Net Operating Expenditure	2,897	3,189	6,114	6,478	6,849	7,180
Movement in Reserves	1,931	-42	-44	-183	-75	0
COUNCIL TAX REQUIREMENT	4,828	3,147	6,070	6,295	6,774	7,180
COUNCIL TAX INCOME	-4,828	-5,058	-5,299	-5,552	-5,817	-6,094
In year surplus (-) / deficit	0	-1,911	771	743	957	1,086

* The 16/17 budget has a surplus of £2.436m which is included in the movement of reserves figure and is allocated to the Strategic Initiatives Fund (SIF).

Sufficient reserves should be maintained to cover the eventualities that may arise from 2018/19. The Council should proactively look for service savings and cost-sharing options. Because of the degree of estimation involved and the longer term projections referred to in the preceding paragraphs, it will be absolutely essential to maintain strong financial discipline around all aspects of the council's costs and income. The council must ensure it is in a strong position to anticipate and adapt to funding outcomes that differ from what is currently assumed. Therefore any decision to incur additional costs (e.g. service investment) or to reduce income (e.g. fees & charges reductions) must be fully funded by sustainable cost savings and/or additional income elsewhere in the council's budget.

Medium Term Financial Strategy

Reserves

Total General Fund usable reserves during this five year model are estimated to increase from £6.2m to £10.0m. This excludes any in-year surpluses or deficits. A schedule of forecasted reserves balances is set out below.

£000	31.3.2015 Actual	31.3.2016 Forecast	2016/17 change	31.3.2017 Forecast	31.3.2018 Forecast	31.3.2019 Forecast	31.3.2020 Forecast
USABLE RESERVES							
<u>Financial management Reserves</u>							
MTFS Reserve	1,000	1,000	0	1,000	1,000	1,000	1,000
Transformation Reserve	1,000	960	0	960	960	960	960
<u>Contingency Reserves</u>							
Emergency Response	40	40	0	40	40	40	40
<u>Service Reserves</u>							
New waste depot site	1,500	600	-600	0	0	0	0
Planning	1,141	1,063	0	1,063	1,063	1,063	1,063
Waste Management	379	130	70	200	200	200	200
Homelessness	40	40	0	40	40	40	40
Economic Development	244	194	0	194	194	194	194
Elections	95	25	25	50	75	100	25
Strategic Initiatives Fund/SPV	600	3,987	2,468	6,455	6,455	6,455	6,455
Access Fund	200	0	0	0	0	0	0
TOTAL USABLE RESERVES	6,239	8,039	1,963	10,002	10,027	10,052	9,977
RING-FENCED RESERVES							
Working Balance	1,282	1,200	34	1,234	1,167	1,098	890
Business Rates Reserve	3,670	520	-20	500	500	0	500
Licensing Reserve	31	16	-16	0	0	0	0
DWP Reserve	259	100	-50	50	0	0	0
TOTAL RING-FENCED RESERVES	5,242	1,836	-52	1,784	1,667	1,098	1,390
TOTAL RESERVES	11,481	9,875		11,786	11,694	11,150	11,367

* The forecast underspend for 2017/18 is not shown in the 5 year Reserves Strategy above nor however are the identified shortfalls in the following years.

It will be necessary to revisit the Reserves Strategy once the outcome of the New Homes Bonus consultation is known. It is likely that the following reserves will be established during 2016/17

- New Homes Bonus Contingency Reserve – depending upon the outcome of the consultation, it may be necessary to establish a reserve to offset risks around the loss of NHB following planning permission granted on appeal.
- Special Purpose Vehicle Reserve – to enable the formation and funding of the wholly owned company. The reserve will be established once the Articles of Association are agreed at Cabinet. The reserve will be funded from the Strategic Initiatives Fund.
- Pension Deficit Reserve – to enable the council to make a three year advance payment to the pension fund at a discounted rate.

Housing Revenue Account

2016/17 shall be the fifth year of self-financing. The HRA Business Plan, re-written in January 2016, sets out estimates of revenue headroom and how this will be invested.

A number of financial assumptions, including interest rates, rent setting, void rates, bad debt levels and repair costs have been used in the Business Plan. These and other assumptions will be kept under review to ensure that the plan remains a robust tool in the delivery of the council's priorities.

An HRA investment programme has been developed based on these financial assumptions. Alongside investment in existing stock and new housing, a range of actions are planned to deliver value for money service improvements.

The key issues for the HRA will be:

- ensuring that delivery of the HRA Business Plan is on course
- maintaining clear plans which demonstrate how headroom is to be used.
- applying UDC rent setting policy and ensuring that income is maximised where appropriate
- monitoring the effects of Right To Buy invigoration
- ensuring that the Housing Service has the capacity to deliver the plan.

In the event of slippage in the use of revenue headroom, the Council will need to consider whether to pay off a proportion of the £88.4m debt it has been required to take on under the self-financing reform. The debt has been structured so that it is repaid in years 6 to 30 i.e. from 2017/18 to 2041/42. However, up to £10m can be paid off early without financial penalty.

Equally, as the Council progresses with its development plans it may be necessary to re-profile the debt so as to enable this work to continue. Timing around interest rates and requirements is critical and the Council will be working closely with its financial advisers to maximise the opportunity for the Council.

Committee: Council

Date: 25 February 2016

Title: Treasury Management Strategy 2016/17

Portfolio Holder: Councillor Simon Howell

Agenda Item

14

Item for decision

1.0 Summary

- 1.1 The Council's cash-flow management, use of banks, investments and borrowing is governed by the Treasury Management Strategy (TM strategy).
- 1.2 The CIPFA Code of Practice for Treasury Management in Public Services (the "TM Code") requires the Council to determine its Treasury Management Policy and Strategy for 2016/17 and the following 2 years. However a five year strategy has been prepared to be consistent with the Medium Term Financial Strategy period.
- 1.3 The Local Government Act 2003 also requires Local Authorities to adopt Prudential Indicators and Minimum Revenue Provision Statements, see Appendices A1 and A2.
- 1.4 The TM strategy, Appendix A, will continue to give priority to security and liquidity of investment capital over return. It will also be prudent and transparent.
- 1.5 The strategy assumes no new external borrowing. Investments will continue to be prudent and diversify Council surplus cash within the parameters permitted.
- 1.6 The Treasury Management report was endorsed by the Scrutiny Committee on 9 February and approved by the Cabinet on 16 February for recommendation to the Council tonight.

2.0 Recommendations

- 2.1 The Council is recommended to approve the following items:
 - Treasury Management Strategy 2016/17, Appendix A.
 - Prudential Indicators, Appendix A1.
 - Minimum Revenue Provision (MRP) Statement, Appendix A2
 - Economic Forecast, Appendix A3

3.0 Impact

Communication/Consultation	No specific implications
Community Safety	No specific implications
Equalities	No specific implications
Finance	The financial impact and the associated arrangements for managing risk are included in the body of the report.
Health and safety	No specific implications
Human Rights	No specific implications
Legal implications	The strategy fulfils requirements of the LGA 2003
Ward-specific impacts	No specific implications
Workforce /Workplace	No specific implications

4.0 Background

4.1 The 2016/17 Strategy (Appendix A) has incorporated updates to our current strategy; these are in line with recommendations by our independent Treasury Management Advisors (Arlingclose). The key changes are:

- The use of Money Market Funds to include non UK-Domiciled Funds
- Increased cash and time limits

4.2 The Treasury Management counterparty list is outlined below with recommended changes for 2016/17 included within brackets.

General Counterparty list *	Credit Rating	Cash limit	Time limit
Banks and other organisations whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	£2m (£3m)	365 days
	AA+	£2m (£3m)	365 days
	AA	£2m (£3m)	365 days
	AA	£2m (£3m)	365 days
	AA-	£2m (£3m)	365 days
	A+	£2m (£3m)	182 days (365 days)
	A	£2m (£3m)	182 days (365 days)
	A-	£2m (£3m)	182 days (365 days)
	BBB+	£1m	100 days
Council's General bank account if it fails to meet the above criteria, excluding fixed term deposit accounts		£1.5m (£2m)	next day
UK Central Government (irrespective of credit rating)	AA+	unlimited	50 years
UK Local Authorities including Fire and Police (irrespective of credit rating), per authority	N/A	£3m	182 days (365 days)
UK Building Societies without credit ratings	N/A	£1m	100 days (365 days)
Saffron Building Society	N/A	£0.5m	100 days
Money Market Funds, UK Domiciled per fund (non UK-domiciled funds)	AAA	£1m (£3m)	next day

- 4.3 The Council has adopted the TM Code which requires the Council to approve a Treasury Management Strategy before the start of each financial year.
- 4.4 In addition, the Department for Communities and Local Government (DCLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Council to approve an Investment Strategy before the start of each financial year.
- 4.5 The Treasury Management Strategy fulfils the Council’s legal obligation under the *Local Government Act 2003* to have regard to both the TM Code and the DCLG Guidance.
- 4.6 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council’s Treasury Management Strategy and to mitigate these risks.

5.0 Background Papers

5.1 None

Risk Analysis			
Risk	Likelihood	Impact	Mitigating actions
Credit/Liquidity/Refinancing and Market risks	2 – Our advisors will alert us to any future or possible risks	2 – Some action may be necessary to ensure that funds are secure	<p>Council compliance with the legal framework as set out in the local Government Act 2003 (as amended), associated regulations and professional Codes of Practice/guidance.</p> <p>Compliance monitored regularly through:</p> <ul style="list-style-type: none"> • adoption of TM Policy and Strategy • Mid year TM progress report to Cabinet/Council • Annual TM outturn Report to Cabinet/Council. • TM procedures

1 = Little or no risk or impact

Treasury Management Strategy

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Treasury Management Strategy

2016/17

Contents

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2. Policies & Objectives	Appendix A2. MRP Statement
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10. Governance Arrangements	
11 Treasury Management Procedures	



1.0 - Introduction

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management requires the preparation of an annual Treasury Management Strategy Statement (TMSS).

1.2 Treasury Management activities are defined by CIPFA as:

“The management of the Council’s investments, borrowing and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimal performance consistent with those risks.”

1.3 The Council regards the successful identification, monitoring and control of risk to be prime criteria by which the effectiveness of its treasury management activities will be measured. Therefore, any reporting of treasury management activities will focus on the

risk to the Council and the management of such risks.

1.4 The main risks to the Council’s treasury activities are:

- Liquidity risk (inadequate cash resources)
- Market or interest rate risk (fluctuations in interest rates)
- Inflation risk (exposure to change in prices)
- Credit and counterparty risk (security of investments)
- Refinancing risks (impact of debt maturing in future years)
- Legal and regulatory risk (i.e. non-compliance with requirements)

1.5 The main changes from the strategy adopted in 2015/16 are:

The counterparty list has been closely aligned to the recommendation and list provided by the council’s Treasury Management consultants.

The strategy overall has expanded the number of counterparties, without compromising the risk. It will continue to diversify the surplus of cash in order to reduce the risk the Council is exposed to within the financial markets and increase interest earned.

In terms of money market funds the previous strategy only approved UK domiciled funds which in effect restricted UDC to invest with only 2 money market funds. The new strategy will now include non-UK domiciled funds as recommended by the Council’s Treasury Management consultants.

Finally the new strategy will allow the Council to increase its investment in current accounts with other banks. These are also callable the next day and highly liquid investment options.

2.0 - Policies and Objectives

2.1 The Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and services objectives. Therefore, it is committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques within the context of effective risk management.

2.2 The Council's borrowing will be affordable, ensuring appropriate provision is made within the revenue budget to repay debt. It should also be sustainable and prudent, consideration being given to the management of interest rate risk and risks associated with refinancing. Also, the Council's borrowing activities will be transparent as will its control of its debt.

2.3 With regards to the Council's Investment Strategy the key focus and order of priority will be as follows:

- 1) Security
- 2) Liquidity
- 3) Return

3.0 - Reporting Requirements

3.1 In line with best practice, Members are required to receive and approve, as a minimum, three main reports each year. The report which should accompany the Council’s budget strategy and Medium Term Financial Strategy (MTFS) is to be reviewed by Scrutiny Committee prior to approval by Cabinet and referral to Full Council. The main reports to be reviewed during the year are:

a) Mid-Year Treasury Management Report:

updating Cabinet with progress on the capital position, amending the prudential indicators or Investment Counterparty list as necessary and in general revising the TM strategy if need be.

b) An Annual Treasury Management Outturn Report:

Providing details of actual prudential and treasury indicators and actual treasury operations compared to the estimates included in the strategy. The report will be presented to Cabinet in September 2016 after the financial year end.

c) Treasury Management Regular Reports:

included within the General Fund, Housing Revenue Account and Capital Programme budget monitoring reports received by the Cabinet as scheduled in the Committee reporting timetable.

4.0 - External Context

- 4.1 There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP. However, inflationary pressure is benign and is likely to remain low in the short-term. There have been large falls in unemployment but levels of part-time working, self-employment and underemployment are significant and nominal earnings growth remains weak and below inflation.
- 4.2 The MPC's focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee.
- 4.3 Credit outlook: The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, the credit risk associated with making unsecured bank deposits will increase relative to the risk of other investment options available to the Authority.
- 4.4 Interest rate forecast: The Council's treasury advisor Arlingclose projects the first 0.25% increase in UK Bank Rate in the third quarter of 2016, rising by 0.5% a year thereafter, finally settling between 2% and 3% in several years' time.
- 4.5 A more detailed economic and interest rate forecast provided by the Arlingclose is attached at **Appendix A3**.

5.0 - Borrowing Strategy

- 5.1 The Council maintained an ‘under-borrowed’ position up until 28th March 2012. This means that the Capital Financing Requirement was not funded with new external debt as cash supporting the Council’s reserves balances and cash flow have been used. This position changed with the need to borrow to finance the HRA ‘Self Financing’ payment.
- 5.2 The Medium Term Financial Strategy (MTFS) is based on the following borrowing assumptions for the next five years:
- *To finance capital expenditure by continuing to run down cash balances and forego interest income at historically low interest rates.*
 - *The Council has signed up for the Government’s new ‘certainty rate’ for local authorities of 0.2% below the standard PWLB rates but the arrangement will not be required for 2016/17 as the intention is to use internal borrowing which is currently more cost effective.*
- *If there is a significant risk of a sharper rise in long and short term rates than forecast then the debt portfolio position will be reappraised; with consideration given to fixed rate funding whilst rates are still relatively cheap.*
- 5.3 Given the significant cuts to public expenditure and in particular to local government funding, the Council’s borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 5.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustainable in the medium-term.
- 5.5 In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.
- 5.6 The approved sources of long-term and short-term borrowing are:
- Public Works Loan Board and its successor body
 - UK local authorities
 - any institution approved for investments
 - any other bank or building society authorised by the Prudential Regulation Council to operate in the UK
- 5.7 The Council has previously raised £88.407m of long-term borrowing from the Public Works Loan Board.

6.0 - Debt Rescheduling

- 6.1 The Council’s debt portfolio can be restructured through the premature repayment of loans and refinancing to reduce interest rate risk and make savings in the revenue budgets.
- 6.2 The Council currently pays approximately £2.6m each year towards interest cost for the £88.407m loan borrowed from PWLB.
- 6.3 The Council has the option of paying off some of the loans prior to maturity in order to benefit from discount rates and save on future interest rate payments if cash flow forecast permits. Following discussions with the Council’s Treasury Management consultants it is agreed that the Council could benefit from future discount rates offered by Public Works Loan Board (PWLB) and overall reduce cost to the Council. With the assistance of the Council’s treasury advisors, the debt portfolio will be kept under review to take advantage of any rescheduling opportunities.

January 2016 – Fixed Rate Loans Only

Final Payment	Balance Outstanding	Loan Rate	Discount Rate
28/03/2018	2,000,000	0.65	0.66
28/03/2019	2,000,000	0.65	0.66
28/03/2020	2,000,000	0.65	0.66
28/03/2021	2,000,000	0.65	0.66
28/03/2022	2,000,000	0.65	0.66
28/03/2023	2,000,000	2.56	1.30
28/03/2024	3,000,000	2.70	1.40
28/03/2025	3,000,000	2.82	1.49
28/03/2026	3,000,000	2.92	1.57
28/03/2027	3,000,000	3.01	1.64
28/03/2028	3,000,000	3.08	1.70
28/03/2029	3,000,000	3.15	1.76
28/03/2030	4,000,000	3.21	1.82
28/03/2031	4,000,000	3.26	1.88
28/03/2032	4,000,000	3.30	1.93
28/03/2033	4,000,000	3.34	1.98
28/03/2034	4,000,000	3.37	2.02
28/03/2035	4,000,000	3.40	2.06
28/03/2036	4,000,000	3.42	2.09
28/03/2037	5,000,000	3.44	2.12
28/03/2038	5,000,000	3.46	2.15
28/03/2039	5,000,000	3.47	2.17
28/03/2040	5,000,000	3.48	2.18
28/03/2041	5,000,000	3.49	2.20
28/03/2042	5,407,000	3.50	2.20
88,407,000			

7.0 - Investment Strategy

- 7.01 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council’s outstanding investment balance has ranged between £26m and £52 million, and similar levels are expected to be maintained in the forthcoming year.

7.04 Given the increasing risk and continued low returns from short term unsecured bank investments the Council aims to diversify into more secure and/or higher yield during 2016/17.

7.07 For liquidity reasons and to ensure optimum interest the Council should hold no more than £2m of cash overnight on the Barclay Bank General Bank, i.e. callable account, excluding the deposit account
- 7.02 Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

7.05 Current Account:

The Council banks with Barclays plc which meets the Council’s minimum credit criteria, BBB+. Even if the banks credit rating fell below the Council’s minimum rating the bank would continue to be used to facilitate short term liquidity requirements (overnight and weekend investments) and to provide business continuity arrangements.

7.08 The Council will also have the flexibility to open accounts with other banks subject to meeting Council’s minimum credit criteria and the parameters listed within the Counterparty list. The Council will be able to hold cash balances of up to £2m, excluding fixed term deposits, per callable account with other Banks. Therefore cash balances in these accounts can be requested on the same day to help with Council’s cash flow requirements during the year and earn interest returns at the same time.
- 7.03 The Council may invest its surplus funds with any of the counterparties in section page 11 subject to the cash, credit rating and time limits shown.

7.06 In determining the maximum investment with Barclays plc the Council will need to exclude the balance on the Deposit and General account which are all non-fixed cash balances and are callable at any time.

7.09 This level of diversification will ensure security and liquidity of the investments the Council makes on a daily basis as part of its treasury management arrangements.

7.10 Banks Unsecured:

These are accounts, deposits and building societies. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investments with banks rated BBB or BBB- are restricted to overnight deposits at the Authority’s General Bank Account with Barclays plc.

7.11 Government:

These are loans, bonds and bills issued or guaranteed by national governments, regional and local authorities. These investments are not subject to bail-in and there is an insignificant risk of insolvency. Investments with the UK central Government may be made in unlimited amounts for up to 50 years.

7.12 Money Market Funds

These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Fees between 0.10% and 0.20% per annum are deducted from the interest paid to the Council. Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts. In 2015/16 the Council only invested in the public sector deposit fund as it was one of the two UK domiciled money market fund.

7.13 Use of Financial Instruments

Although legislation has opened up the ability of Councils to operate in a similar manner to a corporate body (General Power of Competence – Localism Act 2011) and use financial derivatives to manage its treasury management risks. The Council does not at present intend to use derivative financial instruments to manage treasury management risk.

7.14 Treasury-Bills (T-Bills):

These are short term securities issued by HM Treasury on a discount basis. For example a £100 coupon will be issued below its value to the investor and on maturity the investor will receive £100. The difference will be the interest received. The security can also be cashed before maturity in the active secondary market giving the lending party more freedom to cash in the T-bill before maturity date. The Council has invested in T-Bills in 2014/15 using Barclays Plc as the Custodian account.

7.15 Government Gilts:

Conventional gilt is a liability of the Government which guarantees to pay the holder of the gilt a fixed cash payment (coupon) every six months until the maturity date, at which point the holder receives the final coupon payment and the return of the principal. The Council has not invested in Gilts in 2015/16.

7.16 Specified Investments:

The CLG Guidance defines specified investments as those denominated in pound sterling and due to be repaid within 12 months of arrangement. Also not defined as capital expenditure by legislation, and invested with the UK Government, a UK local Authority, or a body or investment scheme of “high credit quality”.

7.17 Non-specified Investments:

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares.

7.18 Given the Council’s current risk appetite in the current economic climate the Council is not willing to consider ‘Non Specified’ investments.

7.19 Investment Limits

The Council’s revenue reserves (usable reserve) available to cover investment losses are forecast to be 8.039 million on 31st March 2016.

Counterparty list:

General Counterparty list *	Credit Rating	Cash limit	Time limit
Banks and other organisations whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	£3m	365 days
	AA+	£3m	365 days
	AA	£3m	365 days
	AA	£3m	365 days
	AA-	£3m	365 days
	A+	£3m	365 days
	A	£3m	365 days
	A-	£3m	365 days
	BBB+	£1m	100 days
Council's General bank account if it fails to meet the above criteria, excluding fixed term deposit accounts		£2m	next day
UK Central Government (irrespective of credit rating)	AA+	unlimited	50 years
UK Local Authorities including Fire and Police (irrespective of credit rating), per authority	N/A	£5m	365 days
UK Building Societies without credit ratings	N/A	£1m	365 days
Saffron Building Society	N/A	£0.5m	100 days
Money Market Funds, per fund	AAA	£3m	next day

* This list is the maximum risk appetite the Council is willing to take and is within the limit set by Arlingclose Counterparty list. For practicality UDC cash limit is set prior to start of the year. The time limit set by Arlingclose in their regularly updated counterparty report will not be exceeded even if its shorter than the limit shown above

7.20 Approved Instruments:

The Council may lend or invest money using any of the following instruments:

- interest-bearing bank accounts
- fixed term deposits and loans,
- Government Treasury Bills (T-Bills)
- Money Market Funds and other pooled funds.

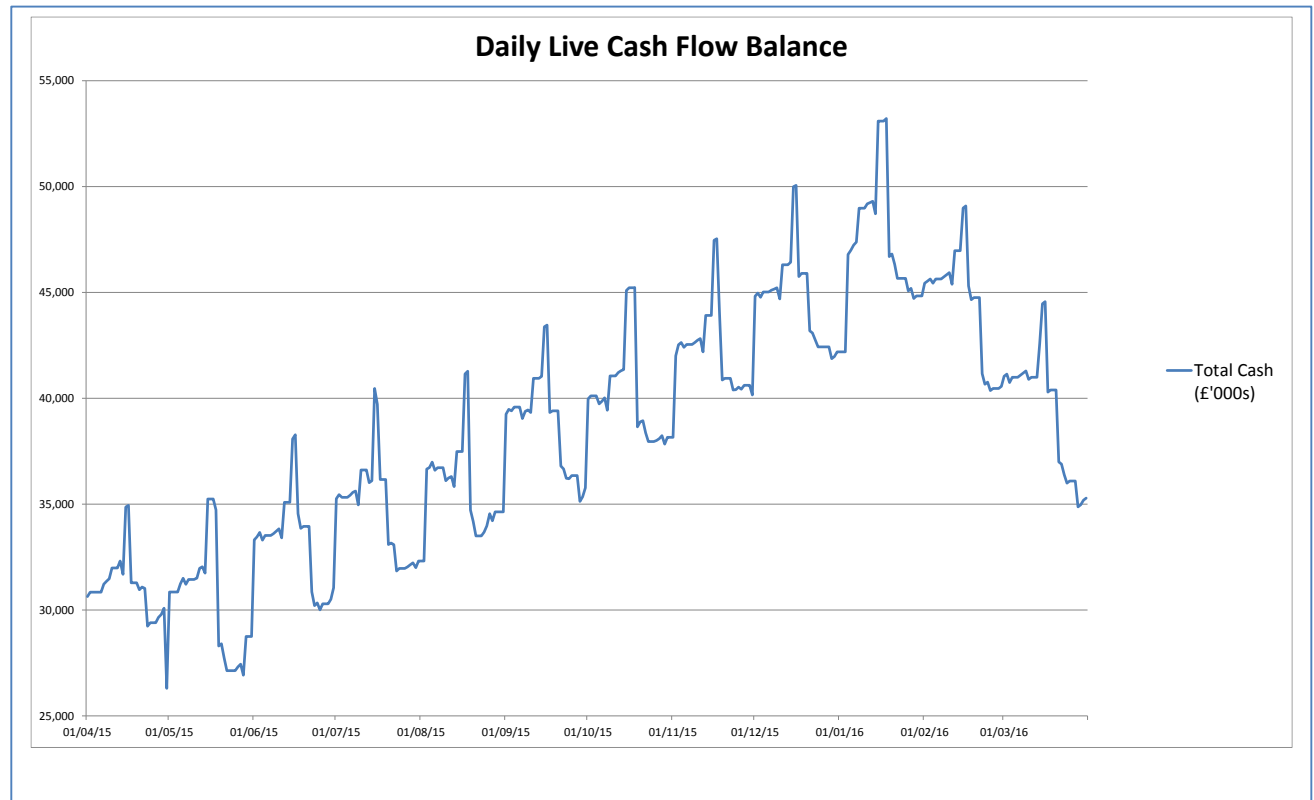
7.21 Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

8.0 - Risk Assessment

- 8.1 Where applicable, the Council uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody's Investors Service and Standard & Poor's Financial Services to assess the risk of investment default. The lowest available counterparty credit rating will be used to determine credit quality, unless an investment-specific rating is available. Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 8.2 Credit rating:
- The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 8.3 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.
- 8.4 The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

9.0 - Liquidity Management

- 9.1 The Council uses cash flow forecasting spreadsheets to determine the maximum period for which funds may prudently be committed.
- 9.2 The forecast is compiled on a prudent basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium term financial plan and cash flow forecast.



* *The fall in income during the last two months of the financial year is due to the fact that the Council receives most of its Council Tax and Business Rates income in the first 10 months of the year.*

10.0 - Governance Arrangements

10.1 Treasury Management Scheme of Delegation:

The following lists the main treasury management responsibilities in relation to the relevant individual/Committee:

Full Council:

Approval of the Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision.

Cabinet:

Reviews the Treasury Management Strategy and recommends the Strategy for approval by Full Council.
Receive reports on Treasury Management activities.

Performance and Audit Committee:

Monitors compliance with the Council's Financial Regulations.

Scrutiny Committee:

Assists in the development of budget and policy framework. Reviews and scrutinises policy objectives and performance targets.

S151 Officer – Director of Finance and Corporate Services:

Implements and monitors the Treasury Management Strategy. Reports to Cabinet no less than three times in each financial year on treasury management activities and the relevant delegated powers.

One activity report must comprise the annual treasury management outturn report. To be reported to Cabinet by the October following the end of the financial year.

11.0 - Treasury Management Procedures

11.1 Treasury Management Procedures (TMP’s) will be reviewed on an annual basis prior to the commencement of the financial year and will be in compliance with CIPFA’s guidance on Treasury Management Practices.

11.2 Role of Treasury Management Advisors:

The Council uses Arlingclose as its treasury management advisors, which provides access to specialist skills/resources in the following areas:

- Credit Advice
- Investment advice
- Technical advice
- Economic and interest rate forecasts
- Workshops and training events
- HRA support and other support

11.3 The quality of the service provided by Arlingclose reviewed by the Chief Finance officer and other relevant staff members.

11.4 In applying the Council’s agreed terms of appointment and undertaking timely reviews of the service provided; the value added from the appointment can be assessed and properly documented.

11.5 The Council recognises that the responsibility for treasury management decisions remains with the Council at all times and will ensure that the appropriate training and decision making process does not place undue reliance on the advisors.

11.6 Training:

CIPFA’s Code of Practice requires the S151 Officer to ensure that all officers and members tasked with treasury management responsibilities, including scrutiny of the TM function receive appropriate training and understand fully their roles and responsibilities.

12.0 – Existing Investment & Debt Portfolio Position

Forecast Investment and Debt Portfolio Position	
As at 31st March 2016	
Balance Sheet Extract	Forecast £'000
External Borrowing:	
Variable Rate PWLB	10,000
Fixed Rate PWLB	78,407
Total External Borrowing	88,407
Other Long Term Liabilities:	
PFI	4,967
Finance Leases	11
Pension Liability	0
Total Long Term Liabilities	4,978
Total Gross Debt	93,385
Investments	
Long Term Investments	0
Short Term Investments	21,000
Cash and Cash Equivalents	2,416
Total Investments	35,527
Net Borrowing	57,858

Committee: Council

Agenda Item

Date: 25 February 2016

15

Title: Capital Programme 2016/17 – 2020/21

Portfolio Holder: Councillor Simon Howell

Item for decision

Summary

1. The Capital programme is for the next 5 years, 2016/17 to 2020/21.
2. Capital Expenditure relates to spending on schemes and assets that have a long term value and exceeds cost of £10,000.
3. The programme details planned Capital Expenditure on the Council's buildings, vehicles and ICT assets.
4. The programme includes Capital Grants to other organisations and individuals.
5. The programme is for both General Fund and Housing Revenue Account assets and schemes.
6. The report was endorsed by the Scrutiny Committee on 9 February and approved by the Cabinet on 16 February for recommendation to the Council tonight.

Recommendation

7. The Council is recommended to approve the Capital Programme and associated financing of the programme as set out in this report.

Financial Implications

8. The revenue costs of financing the Capital Programme have been built into the HRA and General Fund budgets detailed elsewhere on the agenda.

Background Papers

9. None

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Capital Programme 2016/17 – 2020/21

10. Appendix A shows a summary table of all the capital projects and their costs for each year.
11. Appendix B details all the capital programmes by Portfolio and gives details of the type of expenditure and the scheduled programme of works for each year.
12. The Capital Programme is an evolving and rolling programme year on year.
13. Appendix C details the financing of the Capital Programme.
14. The schemes of works detailed in the programme are proposed to be funded by the following means:
 - Grants
 - Revenue contributions
 - Capital receipts and internal borrowing
 - The HRA will also use the 'Financial Headroom' available
15. No external borrowing is required to finance the 5 year Capital Programme detailed in this report.
16. The HRA capital financing includes a contribution from the Major Repairs Reserve which is the equivalent to the annual depreciation charge on council dwellings and other HRA assets. This funding is used to support the annual capital repairs budget.

17. A regular update on the capital programme and associated financing is included in the Budget Monitoring reports presented to Cabinet throughout the year.

18. The robustness of the capital programme and a review of each scheme have been undertaken by the officers of the Capital Programme Working Group at regular intervals.

Capital Programme – Key points

19. General Fund

- The purchase of land to enable the extension of Lower Street Car Park in Stansted is planned for 2016/17.
- There is a rolling programme of significant works planned for London Road Offices over the next 5 years.
- The second stage of the relocation of the Dunmow Depot is due to be completed in 2016/17.

20. HRA

- Mead Court is due to be completed in 2016/17.
- Reynolds Court programme of works is planned for 2016/17 and to be completed in 2017/18.
- Hatherley Court redevelopment is planned to be completed in 2016/17.
- The redevelopment of the Walden Place sheltered units are planned for redevelopment over 2016/17 and 2017/18.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Failure to identify capital budget pressures and/or funding not realised	2- Unlikely as all projects fully funded	2 – would require a drawdown on reserves	Ongoing review of the spend via budget monitoring and capital officers working group

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project

APPENDIX A – 5 YEAR CAPITAL PROGRAMME SUMMARY

	2015-16 Forecast £	2016-17 Forecast £	2017-18 Forecast £	2018-19 Forecast £	2019-20 Forecast £	2020-21 Forecast £	Total £
Community Partnerships and Engagement	353,000	145,000	110,000	110,000	110,000	110,000	938,000
Environmental Services	352,000	1,395,000	794,000	245,000	2,031,000	503,000	5,320,000
Finance Administration	2,085,000	962,000	187,000	148,000	260,000	145,000	3,787,000
Housing and Economic Development	785,000	725,000	640,000	640,000	640,000	640,000	4,070,000
Total General Fund	3,575,000	3,227,000	1,731,000	1,143,000	3,041,000	1,398,000	14,115,000
HRA Capital Fund	3,412,000	3,330,000	3,492,000	3,591,000	3,445,000	3,585,000	20,855,000
HRA Business Plan Items	3,959,000	9,190,000	2,220,000	1,300,000	2,100,000	600,000	19,369,000
Total Housing Revenue Account	7,371,000	12,520,000	5,712,000	4,891,000	5,545,000	4,185,000	40,224,000
Total Capital Programme	10,946,000	15,747,000	7,443,000	6,034,000	8,586,000	5,583,000	54,339,000

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

COMMUNITY AND PARTNERSHIPS

	2015-16 Forecast Spend £	2016-17 Forecast £	2017-18 Forecast £	2018-19 Forecast £	2019-20 Forecast £	2020-21 Forecast £	Total £
Community Projects Grants	148,000	110,000	110,000	110,000	110,000	110,000	698,000
Saffron Walden Castle	200,000	0	0	0	0	0	200,000
CCTV Stansted	5,000	0	0	0	0	0	5,000
CCTV Thaxted	0	35,000	0	0	0	0	35,000
Total Community Partnerships and Engagement	353,000	145,000	110,000	110,000	110,000	110,000	938,000

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

ENVIRONMENTAL SERVICES

	2015-16 Forecast Spend £	2016-17 Forecast £	2017-18 Forecast £	2018-19 Forecast £	2019-20 Forecast £	2020-21 Forecast £	Total £
Vehicle Replacement Programme	0	1,147,000	684,000	135,000	1,921,000	393,000	4,280,000
Household Bins	70,000	70,000	70,000	70,000	70,000	70,000	420,000
Kitchen Caddies	7,000	10,000	10,000	10,000	10,000	10,000	57,000
Garden Waste Bins	6,000	20,000	20,000	20,000	20,000	20,000	106,000
Trade Waste Bins	16,000	10,000	10,000	10,000	10,000	10,000	66,000
Swan Meadow Car Park	13,000	0	0	0	0	0	13,000
Cycle ways Grant	200,000	0	0	0	0	0	200,000
Flood Prevention	30,000	0	0	0	0	0	30,000
Repair and Renew - Flood Scheme	10,000	0	0	0	0	0	10,000
<u>New Schemes</u>							0
Lower St Car Park Extension	0	102,000	0	0	0	0	102,000
On-board Vehicle Weighing System	0	36,000	0	0	0	0	36,000
Total Environmental Services	352,000	1,395,000	794,000	245,000	2,031,000	503,000	5,320,000

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

	2015-16 Forecast Spend £	2016-17 Forecast £	2017-18 Forecast £	2018-19 Forecast £	2019-20 Forecast £	2020-21 Forecast £	Total £
<u>ICT Schemes</u>							
Members IT Equipment	18,000	0	0	0	18,000	0	36,000
Minor Items IT	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Citrix Upgrade	8,000	0	0	0	0	0	8,000
PSN CoCo	38,000	30,000	30,000	30,000	30,000	0	158,000
Mobile working ICT set up - Housing	35,000	0	0	0	0	0	35,000
Mobile working ICT set up - Planning and Environmental Health	69,000	0	0	0	0	0	69,000
Telephone System	100,000	0	0	0	0	0	100,000
Revenues and Benefits server	30,000	0	0	0	0	0	30,000
PCI Compliance - cash receipting	35,000	0	0	0	0	0	35,000
PCI Compliance - Direct debit	20,000	0	0	0	0	0	20,000
UPS -Server (disaster recovery)	50,000	0	0	0	0	0	50,000
<u>New Schemes</u>							
Committee Management System	0	20,000	0	0	0	0	20,000
Laptops and Tablets	0	20,000	0	0	0	0	20,000
CCTV - London Rd	0	30,000	0	0	0	0	30,000
Scanning Stations	0	10,000	0	0	0	0	10,000
<u>Council Assets</u>							
London Road Building works	224,000	119,000	58,000	57,000	94,000	80,000	632,000
London Rd Electrical	0	0	54,000	0	37,000	0	91,000
London Rd Heating	26,000	36,000	0	16,000	0	0	78,000
Museum Buildings	80,000	52,000	0	0	36,000	20,000	188,000
Day Centres Cyclical Improvements	20,000	25,000	25,000	25,000	25,000	25,000	145,000
Hill Street Conveniences	120,000	0	0	0	0	0	120,000
Stansted Conveniences - Grant	30,000	0	0	0	0	0	30,000
Museum Storage Facility	91,000	0	0	0	0	0	91,000
Dunmow Depot	900,000	600,000	0	0	0	0	1,500,000
Shire Hill Solar Panels	150,000	0	0	0	0	0	150,000
Mead Court Temporary Accommodation	21,000	0	0	0	0	0	21,000
Total Finance Administration	2,085,000	962,000	187,000	148,000	260,000	145,000	3,787,000

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

HOUSING AND ECONOMIC DEVELOPMENT

	2015-16 Forecast Spend £	2016-17 Forecast £	2017-18 Forecast £	2018-19 Forecast £	2019-20 Forecast £	2020-21 Forecast £	Total £
Disabled Facilities Grants	390,000	260,000	260,000	260,000	260,000	260,000	1,690,000
Empty Dwellings	40,000	60,000	50,000	50,000	50,000	50,000	300,000
Private Sector Renewal Grants	5,000	55,000	30,000	30,000	30,000	30,000	180,000
Compulsory purchase order	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Superfast broadband	50,000	50,000	0	0	0	0	100,000
Housing and Economic Development	785,000	725,000	640,000	640,000	640,000	640,000	4,070,000

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

HOUSING							
	2015-16 Forecast Spend £	2016-17 Forecast £	2017-18 Forecast £	2018-19 Forecast £	2019-20 Forecast £	2020-21 Forecast £	Total £
<u>HRA Fund</u>							
HRA Capital Repairs	3,276,000	3,180,000	3,255,000	3,345,000	3,295,000	3,435,000	19,786,000
UPVC Fascia's and Guttering	88,000	100,000	100,000	100,000	100,000	100,000	588,000
Cash Incentive Scheme Grants	26,000	50,000	50,000	50,000	50,000	50,000	276,000
Light Vans Replacement programme	22,000	0	87,000	96,000	0	0	205,000
<u>HRA Original Business Plan Schemes</u>							
New builds							
Unidentified Sites	212,000	586,000	1,200,000	1,300,000	2,100,000	600,000	5,998,000
Catons Lane	750,000	150,000	0	0	0	0	900,000
Mead Court - Phase 1	50,000	0	0	0	0	0	50,000
Redevelopments							
Mead Court - Phase 2	1,263,000	505,000	0	0	0	0	1,768,000
Sheltered redevelopments							
Reynolds Court	864,000	5,786,000	620,000	0	0	0	7,270,000
Hatherley Court	300,000	1,463,000	0	0	0	0	1,763,000
Walden Place	0	400,000	400,000	0	0	0	800,000
Other schemes							
Energy Efficiency improvement schemes	375,000	150,000	0	0	0	0	525,000
Review of potential internet cafes in sheltered schemes	25,000	0	0	0	0	0	25,000
ICT							
Service charges planned repair system - (mobile solutions)	65,000	0	0	0	0	0	65,000
Housing contractors portal & module software	55,000	0	0	0	0	0	55,000
Resurfacing trunk/access roads	0	150,000	0	0	0	0	150,000
HRA Housing Total	7,371,000	12,520,000	5,712,000	4,891,000	5,545,000	4,185,000	40,224,000

APPENDIX C – GENERAL FUND 5 YEAR CAPITAL FINANCING

Financing - General Fund	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Forecast Spend	Forecast Budget	Budget	Budget	Budget	Budget
	£	£	£	£	£	£
Disabled Facilities Grant	(103,000)	(103,000)	(103,000)	(103,000)	(103,000)	0
Museum Storage Funding	(47,000)	0	0	0	0	0
English Heritage Funding for Castle	(200,000)	0	0	0	0	0
Flood grants	(40,000)	0	0	0	0	0
PLACE scheme funding	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
General Fund Capital Receipts	(76,000)	(34,000)	0	0	0	0
Internal Borrowing	(557,000)	(1,277,000)	(734,000)	(185,000)	(1,989,000)	(413,000)
Direct Revenue Contributions (including reserves)						
Revenue Contributions to Capital - Community and Partnerships	(153,000)	(145,000)	(110,000)	(110,000)	(110,000)	(110,000)
Revenue Contributions to Capital - Environmental	(312,000)	(214,000)	(110,000)	(110,000)	(110,000)	(110,000)
Revenue Contributions to Capital - Finance & Admin	(1,405,000)	(832,000)	(137,000)	(98,000)	(192,000)	(125,000)
Revenue Contribution - Housing and Economic Development	(382,000)	(322,000)	(237,000)	(237,000)	(237,000)	(340,000)
Total Financing	(3,575,000)	(3,227,000)	(1,731,000)	(1,143,000)	(3,041,000)	(1,398,000)

APPENDIX C – HOUSING REVENUE ACCOUNT 5 YEAR CAPITAL FINANCING

Financing - Housing Revenue Account	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Forecast Spend	Forecast Budget	Budget	Budget	Budget	Budget
	£	£	£	£	£	£
Business Plan Schemes						
Funded from reserves	(708,000)	(4,514,000)	0	0	(712,000)	0
HCA grant funding	0	(902,000)	0	0	0	0
Capital Receipts - RTB	(304,000)	(221,000)	(360,000)	(390,000)	(630,000)	(180,000)
HRA Financial Headroom - Specific Schemes	(2,947,000)	(3,447,000)	(1,850,000)	(910,000)	(662,000)	(322,000)
Other MRR reserve cont	0	(106,000)	(9,000)	0	(96,000)	(98,000)
	(3,959,000)	(9,190,000)	(2,219,000)	(1,300,000)	(2,100,000)	(600,000)
Other Schemes						
Major Repairs Reserve Contribution	(3,209,000)	(3,280,000)	(3,356,000)	(3,432,000)	(3,395,000)	(3,537,000)
Other MRR reserve cont	(125,000)	(50,000)	(137,000)	(146,000)	(50,000)	(48,000)
HRA Revenue Funding	(78,000)	0	0	(13,000)	0	0
	(3,412,000)	(3,330,000)	(3,493,000)	(3,591,000)	(3,445,000)	(3,585,000)
Total Financing	(7,371,000)	(12,520,000)	(5,712,000)	(4,891,000)	(5,545,000)	(4,185,000)

Committee: Council

Agenda Item

Date: 25 February 2016

16

**Title: Housing Revenue Account 2016/17 Budget
and 5 year Business Plan Strategy**

**Portfolio Holders: Councillor Simon Howell
Councillor Julie Redfern**

Item for decision

Summary

1. This report sets out the following:

- A proposed Housing Revenue Account (HRA) budget and reserves position for 2016/17.
- A proposed 5 year financial forecast for the period from 2016/17 to 2020/21.
- HRA rents for general needs properties are decreased by 1% in line with new government guidance.
- HRA rents for sheltered accommodation is increased by CPI + 1% in line with government statement issued on 27 January that the 1% reduction will be deferred for 12 months for supported accommodation.
- Garage rents are increased by 0.8% in line with RPI as at September 2015.
- Heating, Service and Sewerage charges are increased in line with actual costs.
- Service charges for common services in sheltered schemes continue to be subsidised for tenants at 31st March 2012 who are not in receipt of housing benefit. Subsidy reducing by 25% annually.
- Charges for the council's sheltered housing scheme management service (funded from HRS charges and Intensive Housing Management charges) to be set at:
 1. Sheltered: £15.80 per week
 2. Sheltered plus: £17.80 per week
 3. Bronze service (to be continued for existing users): £13.80 per week
- Housing related support services for tenants as at 31st March 2003 who are not eligible for Housing Related Support grant continue to receive transitional relief protection.

2. The Housing Board and the Tenants Forum have reviewed the housing rent and service charge proposals and recommended these for approval by Cabinet and Full Council.

3. The Housing Board has reviewed the Housing Revenue Budget and 5 year financial strategy and recommended the reports for approval by Cabinet and Full Council.

4. The report was endorsed by the Scrutiny Committee on 9 February and approved by the Cabinet on 16 February for recommendation to the Council tonight.

Recommendations

5. The Council is recommended to approve, the HRA Revenue Budget and 5 Year Financial Strategy.

Financial Implications

6. Financial implications are included in the body of this report.
7. The full impact of national changes to social housing and welfare policy, such as the levy for compulsory sales of council stock to fund the Right to Buy scheme for Housing Associations, is still to be determined, but could be severe.

Background Papers

8. None

Impact

Communication/Consultation	Tenants Forum reviewed the rent and heating, service and sewerage charges
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	Affordable rent levels and appropriate housing supply are an important factor in the sustainability of local communities and in particular rural communities
Ward-specific impacts	None
Workforce/Workplace	None

Background

9. The HRA budget for 2016/17 reflects the service arrangements and investments in relation to the council's housing services for the fifth year under 'Self Financing'.
10. The new financial arrangements enable the service to stand alone financially and take 'local' decisions for housing services.
11. Decisions about the level of expenditure in the Housing Revenue Account continue to be made in the context of a 30 year HRA Business Plan.
12. The fully updated Business Plan, approved at Cabinet in January 2016, sets the financial strategy for the HRA for 2016/17, and reflects the budget proposals in this report.

13. The Business Plan has been framed in the light of:
- Estimated rental income in line with the Government's guidance at the time
 - Appropriate capital investment in maintaining the quality of the housing stock through planned maintenance and replacement works
 - The new build programme
 - One for one replacement of Right to Buy sales
 - Servicing and repaying debt so that new borrowing is available for future maintenance works or investment in further new build schemes
 - Remodelling and modernising sheltered housing schemes
 - Service improvements
14. Following government policy changes the authority no longer has discretion to set rents at a local level, but instead are required to comply with a national approach where rents will be reduced by 1% per year, for four years, from April 2016, with the exception of sheltered accommodation where rents will continue to be raised at CPI + 1% until next year.
15. This change, alongside other national changes in housing policy, removes flexibility over longer-term decision making.
16. Income and expenditure is budgeted on an incremental and inflationary basis to reflect the financial and operational needs of the housing service, using 2015/16 as a base.

Housing Revenue Account Budget 2016/17

17. The budget identifies a net operating surplus of £3,490,000 made up of total income of £15,455,000 and total expenditure of £11,965,000. The surplus has been allocated to fund agreed projects as detailed in the Business Plan.
18. The budget has included the reduction in grant funding from Essex County Council for Housing Related Support (formerly known as Supporting People Grant) and the discontinuation of the funding for the home based alarm systems (lifeline). The budget also includes the assumptions as detailed in an earlier report (12 January 2016) which shows full recovery of the costs for these services from users. Charges for the council's sheltered housing scheme management service (funded from HRS charges and Intensive Housing Management charges) will be set at:
- i. Sheltered: £15.80 per week
 - ii. Sheltered plus: £17.80 per week
 - iii. Bronze service (to be continued for existing users): £13.80 per week
19. A contribution from the revenue budget of £7,503,000 which includes £4,013,000 of reserves has been allocated to support the capital programme of planned works.

Budget Summary

20. The table below summarises the HRA budget for 2016/17, a more detailed breakdown is shown in Appendix A.

HRA SUMMARY - 2016/17	2015/16 Restated Budget £'000	2016/17 Original Budget £'000	Increase / (Decrease) £'000
Dwelling Rents	(14,672)	(14,335)	337
Rents and Charges (other)	(1,188)	(1,120)	69
Service Income	(15,860)	(15,455)	406
Housing Finance & Business Management	414	179	(235)
Housing Maintenance and Repairs Service	3,124	3,032	(92)
Housing Management and Homelessness	1,149	1,029	(120)
Service Expenditure	4,687	4,240	(447)
Recharge from General Fund	1,372	1,666	294
Depreciation and Impairment	3,455	3,427	(28)
Interest/Costs re HRA Loan	2,625	2,625	(0)
Other (net)	249	7	(242)
Non-Service Expenditure	7,701	7,725	23
Operating Surplus	(3,472)	(3,490)	(18)
Funding of Capital Programme from HRA	5,935	7,503	1,568
Transfers to/from(-) Reserves	(2,463)	(4,013)	(1,550)
HRA (Surplus)/Deficit	0	0	0

Dwelling Rents

21. The average weekly rent in 2015/16 was £100.60 and in 2016/17 has decreased to £100.04, a decrease of £0.56 per week.

22. The rent increase for Supported Accommodation is a 0.9% increase (CPI + 1%, at September 2015 = -0.1%), which equates to an average rental increase of £0.75p per week.

Budget Movements

23. The table below details budget movements for Services.

	Income changes	Inflation	Service Investment	Efficiencies	Adjustment	Net Service Total
	£ '000	£ '000	£ '000	£ '000	£ '000	
Dwelling Rent	337					337
Garage Rent		(24)				(24)
Services and Facilities	101				(8)	93
Business Performance and Mgt			34	(127)	(182)	(275)
Rent, Rates and Property					40	40
Common Services Flats					(23)	(23)
Estate Maintenance					(148)	(148)
Housing Repairs		69	6		59	134
Property Services		8		(55)	(7)	(54)
Housing Services		15	55			70
Sheltered Housing					(190)	(190)
	438	68	95	(182)	(459)	(40)

Budget Variances (Greater than £10,000)

24. The budget variances where these are greater than £10,000 are detailed below.

Service	£ '000	Reason for budget variance
Dwelling Rents	337	Reduction in rent collected due to the government imposed reduction of 1%
Garage Rents	(24)	Inflationary increase
Charges for Services & Facilities	(100)	Income from the new support structure for tenants in sheltered housing
	33	Net change in income for Sheltered services recharge
Business & Performance Management	(119)	Admin team restructure, posts and associated costs moved to Housing repairs, Sheltered Housing and Housing Services
	(62)	Rent recovery posts moved to central recovery team in the General Fund
	(58)	Net effect of reduction of 2 posts no longer required and creating graduate trainee post
	(35)	Two administrative posts frozen for 4 years during government enforced rent reduction
Housing Rates & Property	11	Utility costs relating to void properties
	28	Council tax charge relating to void properties
Common Services Flats	(15)	Reduction in utility costs for communal areas
Estate Maintenance	(150)	Road resurfacing costs funded from capital expenditure
Housing Repairs	25	Admin team post restructure from Business Performance and Mgt
	23	Equipment renewal cost increases
	27	Increased work relating to asbestos removal as per new legislation
	(18)	Reduction in overtime
	69	Inflationary and incremental increase in staff pay
Housing Services	55	Admin team posts restructure from Business Performance and Mgt
	13	Inflationary and incremental increase in staff pay
Property Services	(55)	Two posts frozen for 4 years due to rent reduction savings required and reduced resource requirement due to IT module implemented to assist with the stock condition survey role
	24	Admin team post restructure from Business Performance and Mgt
Sheltered Housing	31	New lease agreements for white goods
Sheltered Housing	(60)	Reduction in Housing Related Support (supporting people grant) and previous finance support provided by the HRA
	(21)	Net minor service changes/budget movements
	(41)	
Non-Service		
Bad debt Provision	(200)	Decrease to the low impact of Universal Credit and the 1% rent reduction
Recharge from General Fund/share of Corporate Core	294	Directly relates to the General Fund cost of central and corporate services budget and the allocation of support to the Housing service
Investment Income	(31)	Increased return based on slightly better interest rates
Depreciation and Impairment	(30)	Accounting adjustment to the value of stock and other assets
RTB Administrative Allowance	(10)	Element to administer the RTB scheme
	23	
Total Budget Variance	(18)	

Movement in Reserves

25. The table below details the movement in reserves and this includes the Major Repairs Reserve.

	Actual Balance 1 April 2015 £ '000	Forecast transfer from HRA £ '000	Forecast transfer to HRA £ '000	Estimated Balance 31 March 2016 £ '000	Forecast transfer from HRA £ '000	Forecast transfer to HRA £ '000	Transfers between Reserves £ '000	Estimated Balance 31 March 2017 £ '000
RINGFENCED RESERVE								
Working Balance	463	73		536	10			546
USABLE RESERVES								
Major Repairs Reserve	131	3,340	(3,334)	137	3,411	(3,436)		112
Revenue Projects	60			60				60
Transformation Reserve	180	20		200				200
Revenue Reserves	371	3,360	(3,334)	397	3,411	(3,436)		372
Capital Projects	3,537	597	(708)	3,426	53	(3,666)	240	53
Potential Projects Reserve	800			800		(92)	(240)	468
Sheltered Housing Projects Reserve	318			318		(318)		0
Capital Reserves	4,655	597	(708)	4,544	53	(4,076)	0	521
TOTAL USABLE RESERVES	5,026	3,957	(4,042)	4,941	3,464	(7,512)	0	893
TOTAL RESERVES	5,489	4,030	(4,042)	5,477	3,474	(7,512)	0	1,439

*The £53k surplus has been added to the Capital Projects Reserve

HRA Business Plan and 5 Year Strategy

26. The Housing Service prepared a 30 year HRA Business Plan in line with the Self-Financing Agreement; from this business plan a 5 year working plan has been extracted detailing specific priorities/projects up until 2020/21. This is a rolling programme and is continuously updated.

- Appendix B – details all planned projects for the 5 year period 2016/17 – 2020/21
- Appendix C – identifies the capital financing for the period 2016/17 – 2020/21

27. A 5 year budget forecast summary table, Appendix D and a 5 year reserves forecast, Appendix E shows that the HRA budgets over the medium term are fully sustainable and the HRA is fully able to meet loan repayments and manage the projects in the business plan along with providing a consistent level of services to residents. The assumptions made in preparing the 5 year forecast are listed below;

- A decrease of 1% each year for 4 years for general needs housing (as per government guidance) in rental income and then an increase of 1% in year 5 based on low CPI values predicted.
- An increase of CPI + 1% for supported housing in 2016/17.
- No impairment to the HRA from non-dwellings due to an increase in the value of garages for the previous year and the development of garage sites for new build properties.
- Bad debt to stay consistently low due to the low risk impact of universal credit.
- CPI at 1.5% has been assumed for the medium term.

28. The authority is continuing to deliver a significant programme of investment in the first five years of the HRA business plan - the largest investment in the stock, new development and the service for many years. To date the Council has made around £27 million of investment since the introduction of self-financing to improve the standard and availability of council housing.

29. Key achievements to date against actions identified in the HRA Business Plan are listed in Appendix E.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Changes in legislation may alter the assumptions contained in the proposed 2015/16 Budget and HRA Business Plan	2	2	Prudent budget management and assumptions are built into the budget predictions. This is supported by the minimum operational balance and earmarked reserves to provide a short term contingency
Rent arrears increase	1 - due to the 1% reduction it is expected that arrears will not increase	2	Housing officers provide Tenant support for those in financial difficulty.
Vulnerable people at risk due to loss of supporting people grant and discontinued support from ECC for Lifeline alarms	3 – residents may struggle financially to self-fund	3 – extra support from officers and possible increased claims for benefits and/or hardship grants	Increased officer support for those tenants affected - will need help with their finances. Residents on HB can claim for supported services within their claim.
Failure to deliver major housing and development projects	2 – the council has an ambitious development programme	3 – schemes do not progress	Robust project planning and resources aligned to deliver projects
Increase in interest rates	1 – not anticipated that rates will increase in the next year	3 – increase in loan repayment	Prudent budget management. To closely manage the situation with the support of our Financial Consultants, Arlingclose and consider fixed rate alternatives
Increases in Right to Buy discounts present	2 – Sales are already	2 – Repayment of capital receipt to	Continuous review of the Business Plan and possible

a risk as the Council may be unable to replace stock at the same rate as sales	higher than estimated in the business plan	government	options for new build housing
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendices

Appendix A – 2016/17 Summary Budget

Appendix B – Capital Programme (5 year)

Appendix C – Capital Financing Requirement (5 year)

Appendix D – 5 year Budget Summary (2016/17 – 2020/21)

Appendix E – Business Plan – Key Achievements

APPENDIX A

HRA Budget Summary 2016/17

£'000	2015/16 Original Budget	2015/16 Restated Budget	2016/17 Original Budget	Increase / (Decrease)
Housing Revenue Income				
Dwelling Rents	(14,672)	(14,672)	(14,335)	337
Garage Rents	(184)	(184)	(208)	(24)
Other Rents etc	(3)	(3)	(3)	(0)
Charges for Services & Facilities	(835)	(1,001)	(908)	93
Contributions towards Expenditure	0	0	0	0
TOTAL INCOME	(15,695)	(15,860)	(15,455)	406
Housing Finance & Business Management				
Business & Performance Management	378	378	103	(275)
Rents, Rates & Other Property Charges	36	36	76	40
	414	414	179	(235)
Housing Maintenance & Repairs Service				
Common Service Flats	241	249	226	(23)
Estate Maintenance	293	293	145	(148)
Housing Repairs	2,190	2,190	2,324	134
Housing Sewerage	54	54	53	(1)
Newport Depot	11	11	11	0
Property Services	320	327	273	(54)
	3,109	3,124	3,032	(92)
Housing Management & Homelessness				
Housing Services	324	324	394	70
Sheltered Housing Services	595	825	635	(190)
Supporting People	53	0	0	0
	972	1,149	1,029	(120)
Total Service Expenditure	4,495	4,687	4,240	(447)
Other Costs				
Bad Debt Provision	250	250	50	(200)
Depreciation - Council Dwellings (transfer to MRR)	3,209	3,209	3,281	72
Depreciation - Other Assets (transfer to MRR)	146	146	146	0
HRA Share of Corporate Core	234	234	335	101
Impairment - Other Assets	100	100	0	(100)
Interest/Costs re HRA Loan	2,625	2,625	2,625	(0)
Investment Income	(21)	(21)	(52)	(31)
Pension Costs - Added Years	20	20	19	(1)
Recharge from General Fund	1,138	1,138	1,330	192
RTB Administrative Allowance	0	0	(10)	(10)
Total Non-Service Expenditure	7,702	7,701	7,725	24
TOTAL EXPENDITURE	12,197	12,388	11,965	(424)
OPERATING (SURPLUS)/DEFICIT	(3,498)	(3,472)	(3,490)	(18)
Funding of Capital Programme from HRA				
Funding of Action Plan Capital Items	3,745	5,696	7,503	1,807
Funding of Capital from Revenue	1,066	239	0	(239)
	4,811	5,935	7,503	1,568
Transfers to/from(-) Reserves				
Capital Projects	(514)	(514)	(3,613)	(3,099)
Change Management Reserve	0	0	0	0
Potential Developments	(620)	(778)	(92)	686
Sheltered Housing Reserve	(221)	(1,213)	(318)	895
Transformation Reserve	42	42	0	(42)
Working Balance	0	0	10	10
	(1,313)	(2,463)	(4,013)	(1,550)
Total Use of Reserves/Funding	3,498	3,472	3,490	18
(SURPLUS)/DEFICIT	0	0	0	0

APPENDIX B

HRA Capital Programme – 5 Year Forecast

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
	Forecast Spend	Forecast	Forecast	Forecast	Forecast	Forecast	
	£	£	£	£	£	£	£
HRA Fund							
HRA Capital Repairs	3,276,000	3,180,000	3,255,000	3,345,000	3,295,000	3,435,000	19,786,000
UPVC Fascia's and Guttering	88,000	100,000	100,000	100,000	100,000	100,000	588,000
Cash Incentive Scheme Grants	26,000	50,000	50,000	50,000	50,000	50,000	276,000
Light Vans Replacement programme	22,000	0	87,000	96,000	0	0	205,000
HRA Original Business Plan Schemes							
New builds							
Unidentified Sites	212,000	586,000	1,200,000	1,300,000	2,100,000	600,000	5,998,000
Catons Lane	750,000	150,000				0	900,000
Mead Court - Phase 1	50,000	0	0	0	0	0	50,000
Redevelopments							
Mead Court - Phase 2	1,263,000	505,000	0	0	0	0	1,768,000
Sheltered redevelopments							
Reynolds Court	864,000	5,786,000	620,000	0	0	0	7,270,000
Hatherley Court	300,000	1,463,000	0	0	0	0	1,763,000
Walden Place	0	400,000	400,000	0	0	0	800,000
Other schemes							
Energy Efficiency improvement schemes	375,000	150,000	0	0	0	0	525,000
Review of potential internet cafes in sheltered schemes	25,000	0	0	0	0	0	25,000
ICT							
Service charges planned repair system - (mobile solutions)	65,000	0	0	0	0	0	65,000
Housing contractors portal and module software	55,000	0	0	0	0	0	55,000
Resurfacing trunk/access roads	0	150,000	0	0	0	0	150,000
HRA Total	7,371,000	12,520,000	5,712,000	4,891,000	5,545,000	4,185,000	40,224,000

HRA Capital Financing – 5 year forecast

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Forecast Spend	Forecast	Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£
Business Plan Schemes						
Funded from reserves	(708,000)	(4,514,000)	0	0	(712,000)	0
HCA grant funding	0	(902,000)	0	0	0	0
Capital Receipts - RTB	(304,000)	(221,000)	(360,000)	(390,000)	(630,000)	(180,000)
HRA Financial Headroom - Specific Schemes	(2,947,000)	(3,447,000)	(1,850,000)	(910,000)	(662,000)	(322,000)
Other MRR reserve cont	0	(106,000)	(9,000)	0	(96,000)	(98,000)
Internal Borrowing	0	0	0	0	0	0
	(3,959,000)	(9,190,000)	(2,219,000)	(1,300,000)	(2,100,000)	(600,000)
Other Schemes						
Major Repairs Reserve Contribution	(3,209,000)	(3,280,000)	(3,356,000)	(3,432,000)	(3,395,000)	(3,537,000)
Other MRR reserve cont	(125,000)	(50,000)	(137,000)	(146,000)	(50,000)	(48,000)
HRA Revenue Funding	(78,000)	0	0	(13,000)	0	0
	(3,412,000)	(3,330,000)	(3,493,000)	(3,591,000)	(3,445,000)	(3,585,000)
Financing Total	(7,371,000)	(12,520,000)	(5,712,000)	(4,891,000)	(5,545,000)	(4,185,000)

APPENDIX D

HRA Summary – 5 Year Forecast 2016/17 – 2020/21

£ '000	2016/17 Original Budget	2017/18 Original Budget	2018/19 Original Budget	2019/20 Original Budget	2020/21 Original Budget
Dwelling Rents	(14,335)	(14,159)	(14,017)	(13,877)	(14,016)
Garage Rents	(208)	(196)	(202)	(207)	(209)
Other Rents etc	(3)	(3)	(3)	(3)	(4)
Charges for Services & Facilities	(909)	(868)	(896)	(918)	(927)
Contribution towards expenditure	0	0	0	0	0
Total Income	(15,455)	(15,226)	(15,119)	(15,006)	(15,156)
Housing Finance & Business Management					
Business & Performance Management	103	105	106	108	109
Rents, Rates & Other Property Charges	76	77	78	79	81
	179	182	184	187	190
Housing Maintenance & Repairs Service					
Common Service Flats	226	229	233	236	240
Estate Maintenance	145	147	149	152	154
Housing Repairs	2,324	2,359	2,394	2,430	2,467
Housing Sewerage	53	54	55	55	56
Newport Depot	11	11	11	12	12
Property Services	273	277	281	285	290
	3,032	3,077	3,124	3,170	3,218
Housing Management & Homelessness					
Housing Services	394	400	406	412	418
Sheltered Housing Services	635	645	654	664	674
Supporting people	0	0	0	0	0
	1,029	1,044	1,060	1,076	1,092
Other Costs					
Depreciation - Council Dwellings	3,282	3,356	3,432	3,518	3,606
Depreciation - Other Assets	146	150	150	150	154
Bad Debt Provision	50	50	50	50	50
Recharge from General Fund	1,330	1,350	1,370	1,391	1,412
HRA Share of Corporate Core	335	340	345	350	356
Interest/Costs re HRA Loan	2,625	2,625	2,625	2,625	2,625
Investment Income	(52)	(20)	(11)	(11)	(11)
HRA Loan Repayments	0	2,000	2,000	2,000	2,000
Pension Costs	19	0	0	0	0
Right to Buy admin allowance	(10)	(10)	(10)	(10)	(10)
	7,725	9,841	9,951	10,063	10,181
Total Expenditure	11,965	14,145	14,319	14,496	14,681
OPERATING (SURPLUS)/DEFICIT	(3,490)	(1,082)	(800)	(510)	(475)
Transfer to(+)/from(-) Capital receipts	0	(1,793)	(152)	(152)	(376)
Transfer to(+)/from(-) Working Balance	10	0	0	0	0
Revenue balance available for capital financing	(3,480)	(2,875)	(952)	(662)	(851)
Capital and Reserves					
Capital Spend	12,520	5,712	4,891	5,545	4,185
Transfer to(+)/from(-) Capital receipts (1-4-1 and other)	(221)	(360)	(390)	(630)	(180)
Transfer to(+)/from(-) reserves grants/contributions	(902)	0	0	0	0
Transfer to(+)/from(-) reserves for Major Repairs	(3,426)	(3,502)	(3,578)	(3,541)	(3,683)
Transfer to(+)/from(-) reserves for Capital Schemes	(4,071)	1,025	29	(712)	529
Transfer to(+)/from(-) reserves for Potential Developments	(92)	0	0	0	0
Transfer to(+)/from(-) reserves for Sheltered Housing Projects	(318)	0	0	0	0
Surplus Transfer	0	0	0	0	0
Capital spend financed by RCCO	3,490	2,875	952	662	851
(SURPLUS)/DEFICIT	0	0	0	0	0

Key achievements to date against actions identified in the HRA Business Plan

- Successfully delivered 21 new council homes for rent through the following schemes:
 - Holloway Crescent
 - Mead Court (Phase I)
- Plans in place to deliver the following schemes:
 - Mead Court (Phase II) - construction of 16 properties. On site and progressing well
 - Catons Lane, Saffron Walden - construction of 6 properties. On site and progressing well
 - Hatherley Court, Saffron Walden – planning permission for construction of 4 new flats and remodelling of existing sheltered scheme.
 - Reynolds Court, Newport – planning permission for redevelopment of sheltered scheme to provide 41 flats. Start on site programmed for January 2016
- Delivered one of the largest stock investment programmes in the council's history. Since April 2012 capital investment of £15m has been delivered which includes expenditure on:
 - 296 new kitchens
 - 210 new bathrooms
 - 905 replacement boilers
 - 1542 electrical rewires
- Obtained significant external funding (£½ million) towards the costs of energy efficiency measures to council properties, work included:
 - Installing external wall insulation to 158 properties
 - Installing 845 new front doors
 - Installing new energy efficient communal boilers at all sheltered schemes
- Upgraded 6 sheltered housing schemes with the provision of 'internet lounges'
- Implemented an improved integrated monitoring, response and maintenance service for sheltered schemes and Lifeline users
- Delivered service improvements including:
 - Re-structured housing property services department - 98% of repair request now dealt with as 'first time fix'
 - Produced new tenants handbook
 - Produced repairs booklet for tenants
 - Implemented annual tenancy inspections
- Completed a comprehensive review of the Allocations Policy which resulted in a number of changes including increasing the time that housing applicants have to be living in the District to go on the Housing Register

Key achievements to date against actions identified in the HRA Business Plan

- Reviewed and updated the council's Anti-Social Behaviour Policy and Procedures that established a corporate approach to implementing the Anti-Social Behaviour, Crime and Policing Act 2014
- Developed a downsizing / decant policy that explains the level of compensation that will be paid to tenants when they are decanted. The policy also details the payments that will be made to tenants who decide to downsize from a property that is larger than their needs to one of a more suitable size as defined in the Council's Allocation Policy
- Developed a Void Management Policy. This policy outlines how the council intends to provide high quality homes and sustainable lettings by delivering a cost efficient void management service
- Developed a Tenancy Strategy that enabled fixed term tenancies to be offered to meet an identified need and make better use of the asset
- Set up a tenant regulatory panel and delivered a comprehensive co-regulatory framework. Supported the Panel to complete its first review of the void property process which resulted in a number of recommendations being implemented. Continuing to support the panel's ongoing programme of reviews
- Re-launched the tenant participation service under the 'Get Involved' banner

Committee: Council

Agenda Item

Date: 25 February 2016

17

Title: General Fund and Council Tax 2016/17

Portfolio Holder: Councillor Simon Howell

Summary

1. This budget must be considered alongside the report made by the Director of Finance and Corporate Services under Section 25 of the Local Government Act 2003, to be received by the Cabinet earlier in the agenda. The budget is consistent with the Medium Term Financial Strategy also to be considered earlier on the agenda.
2. The proposals were endorsed by the Scrutiny Committee on 9 February and approved by the Cabinet on 16 February for recommendation to the Council tonight.

Recommendations

3. The Council is recommended to approve:
 - a) The General Fund Budget and Council Tax requirement of £4,827,584 summarised in paragraphs 15 – 19 and detailed in Appendices A - E.
 - b) The schedule of fees and charges in Appendix F.
 - c) The Council Tax Resolution as set out in Appendix G

Background Papers

4. None.

Financial Implications

5. The financial implications are included in the main body of this report.

Impact

Communication/Consultation	Consultation carried out is summarised below.
Community Safety	No specific implications
Equalities	An EQIA is included with the agenda papers
Finance	Detailed in the report
Health and Safety	No specific implications
Human Rights	No specific implications

Legal implications	The recommendations fulfil the legal requirement to set a balanced budget.
Sustainability	No specific implications
Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications

Introduction

6. This report provides detailed revenue estimates for the General Fund and Council Tax for 2016/17.
7. The estimates, as summarised in Appendix A, show a Council Tax Requirement of £4,827,584, which balances to the level of Council Tax yield, assuming an increase of 1% in Council Tax.
8. The Cabinet is required to determine a recommended budget for consideration by the Council on 25 February.
9. The estimates in this report are based on the recommended Capital Programme, Treasury Management Strategy and Housing Revenue Account budget for 2016/17 that were considered earlier in today's agenda. Any changes may have a marginal effect on the revenue estimates and these will be reflected in the material that is prepared for Full Council.

2016/17 Budget Strategy

10. On 12 January 2016, the Cabinet determined its strategy for the 2016/17 budget and this was formed based on the resident's consultation responses. The table in point 13, Residents Consultation, summarises the priorities and the draft 2016/17 budget has been prepared where possible in line with the consultation.

Residents Consultation

11. During the summer 2015, a consultation on the Council's budget priorities was completed using multiple methods in order to obtain a wider body of opinion than in previous years. The consultation comprised of a telephone survey of over 500 residents, online and paper questionnaires and face-to-face surveys carried out in the district's main towns and villages. A copy of the survey was also included in the summer Citizens Panel questionnaire.

	Survey respondents' priority	Consistency with budget
Highest Priority	Keep Council Tax at the same level. Majority view was no increases and no decreases	The budget has been prepared with Council Tax increasing by 1%. Central Government has calculated Local Authority funding with the assumption that all councils will increase council tax by the maximum amount each year, which for UDC this is 3.35%. The Council has taken residents consultation responses

		into account and only implemented a 1% increase.
<i>Statutory Services (in order of priority)</i>		
1st	Refuse collection, emptying bins and to include litter and dog waste bins	<p>Capital monies allocated for a phased procurement programme of new collection vehicles, and a new depot for the southern part of the district. New vehicles will support the reliability of the service provided to residents.</p> <p>Proposed budget includes additional resources for expansion of the kerbside garden waste collection services to meet demand. The cost will be covered by subscription charge income.</p> <p>Responsible dog ownership campaign took place in February prior to introduction of mandatory dog registration and microchipping from April.</p>
2nd	Planning development of the local area – housing and business growth and where this will be located	<p>Local plan is in development and the budget has been prepared to ensure that all associated work and consultations are funded.</p> <p>The Economic development service will continue to be included in the budget.</p>
3rd	Sweeping the streets, litter picking, clearing up fly-tipping and keeping district council-owned land tidy	<p>Uttlesford actively participated in the Cleaner Essex campaign which ran from end of August until October. Pre and post campaign monitoring has been carried out to determine the impact of the campaign. UDC achieved a 50% reduction in fast food litter over the period with Stansted Lower Street car park seeing the most notable improvement with a 73% reduction in fast food litter between the pre and post campaign monitoring periods. The campaign will continue in 2016/17.</p>
Lowest Priority	Running car parks and on-street parking such as residents permit schemes	<p>The running of the Car Parks within Uttlesford is administered by the North Essex Parking Partnership (NEPP) on behalf of the district.</p>
<i>Non Statutory Services (in order of priority)</i>		
1st	Helping older/vulnerable people live independently by providing the Lifeline service, through which users can raise an alarm if assistance is required	<p>The Council is continuing to provide the Lifeline Service. The withdrawal of funding from Essex County Council for the equipment has made it necessary for the cost of this service to be fully recovered from residents using the service.</p>

2nd	Working with the police and other organisations to keep Uttlesford safe	The Council is maintaining the Community Safety budget to ensure that continued support can be provided. Uttlesford prides itself on the positive working relationships it has built with the police. The Police are also moving into the UDC site and will be based in the Lodge next to the main office buildings.
3rd	Educating young people about the dangers of drugs and alcohol	A new structure has been created to support 'Health and Wellbeing'; within this area is a budget specifically for this function.
Lowest Priority	Running Saffron Walden Museum	The Museum will continue to be supported at the current budget level. Since 2008/09 the budget has reduced by 44%.

2016/17 resources available

12. By law the budget (Council Tax Requirement) has to balance to the expected Council Tax income receivable.
13. The Director of Finance and Corporate Services (s151 Officer), under delegated authority, has approved the Council Taxbase to be used when setting the 2016/17 draft Council Tax. The Taxbase, expressed in Band D equivalents, is 36,463.81, an increase of 1.94% on the 2015/16 figure of 35,770.40. Deducted from the 36,463.81 figure is an adjustment to reflect the level of Local Council Tax Support Discounts. The estimate of these discounts in Band D equivalent terms is 2,013.06. This produces a Taxbase for budget setting purposes of **34,450.75**.
14. The 2015/16 UDC Band D Council Tax was £138.74. In accordance with the Cabinet's guidance, an increase of 1% has been assumed for the purpose of preparing this report, this give a Band D figure for 2016/17 of **£140.13**. Multiplied by the taxbase, this would produce a Council Tax yield of **£4,827,584**.
15. The Council is therefore required to balance its net budget to a **Council Tax Requirement of £4,827,584**.

	2015/16	2016/17	% Change
Taxbase (gross)	35,770.40	36,463.81	1.94%
LCTS Discounts	(2,230.60)	(2,013.06)	-9.75%
Taxbase (net)	33,539.80	34,450.75	2.72%
Band D	£138.74	£140.13	1.00%
Council Tax Yield	4,653,312	4,827,584	3.72%

16. The Council Tax Yield is higher than the equivalent sum for 2015/16, as explained below:

	£ '000
2015/16 Council Tax Requirement	4,653,312
Additional income arising from Taxbase increases	126,385
Additional income arising from UDC 1% increase	<u>47,887</u>
2016/17 Council Tax Requirement	<u>4,827,584</u>

17. The £4,827,584 figure represents estimated Council Tax income, but for budget purposes it is treated as a UDC levy on the Collection Fund and is therefore a reliable figure. Inevitably the actual amount of Council Tax income will differ from the assumed amount. This will give rise to a surplus or deficit on the Collection Fund which will be taken into account as part of next year's budget setting.

Indicative District Council Tax for 2016/17

18. Assuming an increase of 1% in Council Tax, the amount of Uttlesford DC Council Tax, by each Council Tax band, is shown below.

Band	Chargeable Dwellings		Proportion of Band D	2015/16	2016/17	Increase 1% £/year
	No.	%		UDC Council Tax £	UDC Council Tax £	
A	1,023	2.99%	6/9ths	92.49	93.42	0.93
B	3,586	10.47%	7/9ths	107.91	108.99	1.08
C	7,889	23.04%	8/9ths	123.32	124.56	1.24
D	6,784	19.81%	9/9ths	138.74	140.13	1.39
E	6,153	17.97%	11/9ths	169.57	171.27	1.70
F	4,317	12.61%	13/9ths	200.40	202.41	2.01
G	4,084	11.93%	15/9ths	231.23	233.55	2.32
H	404	1.18%	18/9ths	277.48	280.26	2.78
Total	34,240	100%				

General Fund Budget

19. The 2016/17 budget has a surplus of £2,436,000 which has been allocated to the Strategic Initiatives Fund Reserve subject to the approval of the reserves strategy earlier in the agenda. The key factors attributing to the surplus are the increased taxbase due to new developments and properties brought back into use, New Homes Bonus and an increased level of income generated from the Business Rates Retention Scheme.
20. A summary of the 2016/17 General Fund budget is shown in the table below. Further details are set out in the budget summary in Appendix A and Appendix B provides details on each portfolio.

	2015/16 Original Budget £ '000	2015/16 Restated Budget £ '000	2016/17 Original Budget £ '000	Increase / (Decrease) £ '000
<u>Portfolio budgets</u>				
Net Service Expenditure	9,600	9,369	9,896	527
<u>Corporate items</u>				
Capital Financing Costs	3,454	2,199	2,497	298
Recharge to HRA	(1,372)	(1,372)	(1,666)	(294)
Corporate Items other (net)	52	52	(26)	(78)
Net Expenditure	11,733	10,248	10,701	453
<u>Funding</u>				
New Homes Bonus - Grant	(3,598)	(3,598)	(4,279)	(681)
Business Rates Retention	(1,303)	(1,303)	(2,689)	(1,386)
Revenue Support Grant	(1,234)	(1,234)	(684)	550
Council Tax - Collection Fund Balance	(89)	(89)	(152)	(63)
Net Operating Expenditure	5,509	4,024	2,897	(1,127)
Strategic Initiatives Reserve	1,034	1,920	2,368	448
Net Transfers to/(from) other earmarked reserves	(1,890)	(1,290)	(437)	853
Council Tax Requirement	4,653	4,653	4,828	175
Council Tax (precept levied on Collection Fund)	(4,653)	(4,653)	(4,828)	(175)
	0	0	0	0

21. A subjective analysis of net service expenditure is below.

	2015/16	2016/17	
	Restated	Original	Increase /
	Budget	Budget	Decrease (-)
	£ '000	£ '000	£ '000
Employees	9,243	9,735	493
Premises	677	704	27
Transport	645	632	(13)
Supplies & Services	5,153	5,303	150
Third Party Payments	250	248	(2)
Transfer Payments	17,311	17,073	(239)
Expenditure	33,279	33,696	417
External Funding	(1,344)	(1,541)	(197)
Fees & Charges	(4,853)	(4,364)	489
Specific Govmt Grants	(17,405)	(17,239)	166
Other Income	(308)	(656)	(348)
Income	(23,910)	(23,800)	110
Net portfolio expenditure	9,369	9,896	527

22. The following table is a reconciliation of the movement from the 2015/16 budget to the 2016/17 estimates. Details of all adjustments are given in Appendix C.

	£ '000	£ '000
Council Tax Requirement - 2015/16		4,653
<u>Portfolio budget changes (where greater than £5k)</u>		
Changes to Income	(195)	
Efficiency Savings	(112)	
External Funding Loss	39	
Inescapable Growth	698	
Service Investment	253	
Service Reductions	(28)	
Other Adjustments	(146)	
Minor Variances < £5k	19	
	<u>528</u>	
<u>Corporate Items</u>		
Capital Financing costs	298	
Increase in HRA Share of Corporate/Central costs	(294)	
	<u>4</u>	
<u>Funding Items</u>		
Net Impact of Collection Fund Transactions	(1,449)	
New Homes Bonus Increase	(681)	
Revenue Support Grant Reduction	550	
	<u>(1,580)</u>	
Net Decrease on use of Earmarked Reserves	1,291	
Other Net Adjustments	(68)	
	<u>1,223</u>	
		175
Council Tax Requirement - 2016/17		<u><u>4,828</u></u>

Note: The above table includes savings and favourable budget adjustments of £400,000 identified as part of the budget setting process.

Key budget items

23. The key service items to note in the budget changes are as follows:

Budget Movement	
£ '000	Description
305,000	Net salary increases which include the national insurance contracting out rebate being phased out and councils having to cover the salary cost implications.
246,000	Disposal fees increased for the disposal of recyclable waste materials.
65,000	Reduction in planning income.
60,000	Loss of rental income for the top floor of London Road Offices.
44,000	Providing an additional crew on the Green Waste kerbside collection for the growth in uptake from residents.
22,000	Enforcement Post - One year contract
(127,000)	Increased income share relating to the Essex Sharing Agreement based on better collection rates and increases in the taxbase.
(74,000)	Increased income from the Essex Fraud and Compliance Business Case.
(51,000)	Due to current collection rates an increase in the recovery of housing benefit overpayments.

24. The other key item to note in the budget is the Business Rates income; this is based on setting the level of income as per the baseline funding level set by Central Government. Uttlesford has also joined the Essex Business Rate Pool which based on current information will reduce the levy payment due to Central Government.

Risks and Assumptions

25. The key areas of risk both adverse and favourable are shown below, a full analysis of all risks and assumptions have been included in Appendix D.

- Business Rates is the key area of significant impact to the stability of the budget, there are two specific areas of risk
 - Stansted Airport Appeal – the outcome of this appeal is expected to be confirmed sometime in 2016/17. The risk of the appeal was identified in 2013/14 and a provision was created to cover the potential future cost. In discussions with External Audit and following their guidance the provision was held at a value of £8m. Once the appeal is settled this provision will be released back into the accounts to cover the cost of the appeal which will be backdated to 2005. The risk is that the provision is either over or under provided for, this will affect the level of income we will have coming into the General Fund and could impact either favourably or adversely. It is impossible to obtain an accurate estimate of the cost of the appeal and as such we have set the Business Rate income on the basis that the provision is at a right level.

- NHS Trust - have recently written to the DCLG requesting to be classified as 'Charitable Organisations' as such this would entitle the Trusts to 80% Mandatory Business Rate Relief. This request has been supported by a QC legal opinion and the DCLG are considering this request. As this is not an appeal and if the DCLG grant the new classification there is uncertainty about whether there is limitations on the amount of time this could be backdated. As this issue has only arisen in the last 2 weeks we are awaiting DCLG guidance and we are assessing the impact this could have on us as an Authority and the effect on the expected benefits of the Business Rate Pool.

Local Government Finance Settlement

26. On the 17 December the Council received provisional notification of the settlement for 2016/17. Final figures are expected to be confirmed in mid-February.
27. The Settlement comprises of the following:
 - Revenue Support Grant (RSG)
 - Localised Business Rates Retention (BRR)
 - New Homes Bonus (NHB)
28. There is uncertainty about the level of funding in future years and this is discussed in more detail in the Medium Term Financial Strategy (MTFS) earlier in the agenda.
29. The Government is currently running a consultation on the future of New Homes Bonus, which the Council will be providing a detailed response, this is detailed elsewhere in the agenda. What we do know is the following:
 - RSG reduction of £550,000 in 2016/17, a further £430,000 reduction in 2017/18 and reducing to zero in 2018/19.
 - 100% BRR from 2020, but this will come with added responsibilities but at the current time we do not know what these will be.
 - NHB is confirmed at £4,279,632 as per the original scheme criteria for 2016/17, with no cuts or adjustments, future years are uncertain and it is expected that there will be new criteria applied and overall reductions.

General Fund Reserves

30. The report made by the Director of Finance and Corporate Services (s151 Officer) under Section 25 of the Local Government Act 2003, received earlier in today's agenda, and recommended that the Working Balance be maintained at £1,234,000. The forecast on the Working Balance as at 1 March 2016 is set to ensure that we meet the minimum contingency requirement. The 2016/17 budget therefore includes a provision to increase the Working Balance by £34,000, in line with the recommendations in the Section 25 report.
31. Appendix E shows a summary of the current reserves, a detailed breakdown of the reserves transfers is shown within the MTFS in The Reserves Strategy.

Fees and Charges review

32. Officers have reviewed fees & charges in line with the Council's Pricing and Concessions policy and Cabinet decisions where relevant. A schedule of proposed charges is included at Appendix F.
33. Where services are operating in competition with other commercial providers, for example trade waste, the service manager needs to have authority to negotiate as required where it is the Council's best interests to do so.

Outstanding Issues

34. At the time of writing this report, the following issues were outstanding; the updated position will be reported verbally.
 - Confirmation of the Funding settlement for 2016/17
 - Final notifications of the formal precept figures from Essex County Council, Essex Police and Essex Fire.

Risk Analysis

35. The formal risk analysis of the budget is set out in the report earlier on today's agenda, "Robustness of Estimates and Adequacy of Reserves".

Risk	Likelihood	Impact	Mitigating actions
Actual events may differ from the assumptions and estimates used to produce the draft budget, which will lead to variances from the budget.	3 (some risk that variances will occur requiring action to be taken)	2 (potential impact which could adversely affect the council's financial position if not managed)	Budget monitoring and corrective action taken as necessary.

List of Appendices

- Appendix A – General Fund Budget Summary
- Appendix B – Portfolio Budgets
- Appendix C – Schedule of Budget Adjustments
- Appendix D – Risks and Assumptions
- Appendix E – General Fund Reserves Summary
- Appendix F – Fees and Charges
- Appendix G – Council Tax Resolution

APPENDIX A – GENERAL FUND SUMMARY 2016/17

	2015/16 Original Budget £ '000	2015/16 Restated Budget £ '000	2016/17 Original Budget £ '000	Increase / (Decrease) £ '000
Portfolio budgets				
Communities & Partnerships	1,018	1,005	902	(103)
Environmental Services	2,075	2,002	2,380	378
Finance & Administration	5,254	5,146	5,217	71
Housing & Economic Development	1,253	1,216	1,397	181
Sub-total – Portfolio Budgets	9,600	9,369	9,896	527
Corporate items				
Capital Financing Costs	3,454	2,199	2,497	298
Investment Income	(50)	(50)	(119)	(69)
Pension Fund - Added Years	102	102	92	(9)
Recharge to HRA	(1,138)	(1,138)	(1,331)	(193)
HRA Share of Corporate Core	(234)	(234)	(335)	(101)
Sub total - Corporate Items	2,133	879	805	(74)
Sub total - Budget	11,733	10,248	10,701	453
Funding				
Council Tax - Collection Fund Balance	(89)	(89)	(152)	(63)
New Homes Bonus - Grant	(3,598)	(3,598)	(4,279)	(681)
NNDR - UDC share (net of tariff)	(1,303)	(1,303)	(2,407)	(1,104)
NNDR - Levy Payment/(Safety Net Reimbursement)	0	0	505	505
NNDR - Section 31 Funding	(459)	(459)	(402)	57
NNDR - Collection Fund Balance	3,148	3,148	(231)	(3,379)
NNDR - Renewable Energy Schemes	0	0	(134)	(134)
NNDR - Transfer to/(from) Ringfenced Reserve	(2,689)	(2,689)	(20)	2,669
Settlement Funding	(1,234)	(1,234)	(684)	550
Sub-total – Funding	(6,224)	(6,224)	(7,804)	(1,580)
Sub-total - Net Operating Expenditure	5,509	4,024	2,897	(1,127)
Transfers to/from(-) Reserves				
DWP Reserve	(175)	(175)	50	225
Economic Development Reserve	(50)	(50)	0	50
Elections Reserve	(75)	(75)	25	100
Licensing Reserve	(22)	(22)	(16)	6
MTFS Reserve	(28)	(28)	0	28
Strategic Initiatives Reserve	1,034	1,920	2,368	448
Waste Depot Relocation Project	(1,500)	(900)	(600)	300
Waste Management	(30)	(30)	70	100
Working Balance	0	0	34	34
Sub-total - Movement in Earmarked Reserves	(846)	640	1,931	1,291
Section 106 Funding - Transfers to/(from) S106 reserves	(10)	(10)	0	10
Sub-total - Movement in Other Reserves	(10)	(10)	0	10
COUNCIL TAX REQUIREMENT (BOTTOM LINE)	4,653	4,653	4,828	175
Council Tax (precept levied on Collection Fund)	(4,653)	(4,653)	(4,828)	(175)
OVERALL NET POSITION	0	0	0	0

APPENDIX B

COMMUNITY PARTNERSHIPS AND ENGAGEMENT PORTFOLIO

	2014/15 Outturn	2015/16 Original Budget	2015/16 Restated Budget	2016/17 Original Budget	Increase / (Decrease)
	£ '000	£ '000	£ '000	£ '000	£ '000
Assisted Travel	1	0	0	0	0
Community Information Centres	46	48	48	47	(1)
Community & Leisure Management	46	49	49	0	(49)
Day Centres	30	55	42	35	(7)
Emergency Planning	48	44	44	44	0
Grants & Contributions	351	377	377	373	(4)
Leisure & Performance	68	95	95	77	(18)
Leisure PFI	(77)	10	10	30	20
Museum Saffron Walden	159	167	167	179	12
New Homes Bonus	76	117	117	117	0
Renovation Grants	(1)	0	0	0	0
Sports Development	73	56	56	0	(56)
Portfolio Total	820	1,018	1,005	902	(103)

APPENDIX B continued..

ENVIRONMENTAL SERVICES

	2014/15 Outturn	2015/16 Original Budget	2015/16 Restated Budget	2016/17 Original Budget	Increase / (Decrease)
	£ '000	£ '000	£ '000	£ '000	£ '000
Animal Warden	33	31	31	32	1
Car Parking	(646)	(618)	(618)	(613)	5
Community Safety	55	171	171	149	(22)
Depots	63	59	59	60	1
Development Management	(184)	(434)	(434)	(364)	70
Environmental Management & Admin	105	110	91	112	21
Grounds Maintenance	159	224	224	223	(1)
Highways	(16)	(13)	(13)	(13)	0
Housing Strategy	91	95	95	114	19
Licensing	(122)	(115)	(129)	(125)	4
Local Amenities	(88)	8	8	8	0
Pest Control	25	28	28	0	(28)
Planning Management & Admin	426	388	388	388	0
Planning Policy	337	244	244	278	34
Planning Specialists	211	219	219	182	(37)
Public Health	171	467	446	521	75
Street Cleansing	285	299	299	294	(5)
Street Services Management & Admin	253	319	300	277	(23)
Vehicle Management	357	372	372	378	6
Waste Management - Expenditure	2,182	2,291	2,291	2,463	172
Waste Management - Income	(2,148)	(2,070)	(2,070)	(1,984)	86
Portfolio Total	1,549	2,075	2,002	2,380	378

APPENDIX B continued..

FINANCE AND ADMINISTRATION

	2014/15 Outturn £ '000	2015/16 Original Budget £ '000	2015/16 Restated Budget £ '000	2016/17 Original Budget £ '000	Increase / (Decrease) £ '000
Benefit Administration	(265)	(202)	189	201	12
Business Improvement & Performance Team	76	78	78	80	2
Central Services	377	380	380	382	2
Conducting Elections	(7)	96	1	1	0
Conveniences	18	21	21	21	0
Corporate Management	722	657	657	668	11
Corporate Team	99	114	90	102	12
Council Tax Benefits	23	0	0	0	0
Electoral Registration	14	45	45	60	15
Enforcement	174	150	150	174	24
Financial Services	867	927	927	1,050	123
Housing Benefits	76	145	145	152	7
Human Resources	215	221	221	228	7
Information Technology	1,207	1,121	1,179	1,181	2
Internal Audit	110	115	115	114	(1)
Land Charges	(84)	(61)	(61)	(75)	(14)
Legal Services	(4)	99	99	99	0
Local Council Tax Support	40	91	91	(23)	(114)
Local Tax Collection	(193)	(50)	(50)	(90)	(40)
Non Domestic Rates	(152)	21	(29)	(145)	(116)
Offices	345	274	274	354	80
Office Cleaning	154	166	166	179	13
Revenues Administration	730	846	458	504	46
Portfolio Total	4,542	5,254	5,146	5,217	71

APPENDIX B continued..

HOUSING AND ECONOMIC DEVELOPMENT – GENERAL FUND

	2014/15 Outturn	2015/16 Original Budget	2015/16 Restated Budget	2016/17 Original Budget	Increase / (Decrease)
	£ '000	£ '000	£ '000	£ '000	£ '000
Building Surveying	(79)	(81)	(81)	(95)	(14)
Committee Administration	165	165	165	208	43
Communications	242	255	255	266	11
Customer Services Centre	332	351	351	384	33
Democratic Representation	353	336	330	326	(4)
Economic Development	136	135	104	130	26
Energy Efficiency	41	47	47	47	0
Health Improvement	0	0	0	111	111
Homelessness	231	167	167	175	8
Housing Grants	10	10	10	10	0
Lifeline	(133)	(132)	(132)	(165)	(33)
Portfolio Total	1,298	1,253	1,216	1,397	181

APPENDIX C – BUDGET ADJUSTMENTS

INESCAPABLE GROWTH			
Portfolio	Service	Description	£ '000
All portfolios	Various services	Net inflationary increase in salaries (including effect of contracting out rebate being phased out)	305 Ongoing
Environment	Waste Management	Processing fees for disposal of recyclable materials	246 Ongoing
Finance & Administration	Financial Services	Insurance contract - inflationary rises in premiums	49 Ongoing
Environment	Waste Management	Trade waste disposal charges	25 Ongoing
Finance & Administration	Information Technology	Support costs	25 Ongoing
Communities & Partnerships	Leisure PFI	Leisure PFI contractual inflation (net rise for unitary payments / rental income)	22 Ongoing
Housing & Economic Development	Homelessness	Utility cost rises	15 Ongoing
Communities & Partnerships	Community Information Centres	Additional rental payable in respect of ECC library	6 Ongoing
Environment	Car Parks	Utility cost rises	5 Ongoing
			<u>698</u>
SERVICE INVESTMENT AND REDUCTIONS			
Portfolio	Service	Description	£ '000
Finance & Administration	Financial Services	Net investment in establishment (to cover maternity / statutory processes for closedown)	51 One-off
Environment	Waste Management	Additional driver and loader for kerbside collection	44 Ongoing
Housing & Economic Development	Customer Services	CSC Officer	28 Ongoing
Housing & Economic Development	Economic Development	Business Support Officer FTC (until December 2016)	25 One-off
Finance & Administration	Enforcement	Fraud work	22 One-off
Finance & Administration	Offices Commercial	Increase private hire such as wedding services	20 Ongoing
Environment	Environmental Management	Admin Assistant FTC - growth bid to make post permanent	19 Ongoing
Environment	Public Health	Empty Homes & Private Sector Housing Officer FTC - growth bid to make post permanent	16 Ongoing
Finance & Administration	Revenues Admin	SPD & Empty Homes Review	16 Ongoing
Finance & Administration	Information Technology	Support costs	12 Ongoing
			<u>253</u>
Environment	Pest Control	Service ceased with effect from January 2015	(28) Ongoing
			<u>(28)</u>
			<u>225</u>

APPENDIX C – BUDGET ADJUSTMENTS

EFFICIENCY SAVINGS			
Portfolio	Service	Description	£ '000
Environment	Street Services Management	One administrative post deleted in new staffing structure	(35) Ongoing
Communities & Partnerships	Leisure & Performance	Funding for 'Access to Services' budget removed	(20) Ongoing
Finance & Administration	Local Council Tax Support	Funding for major preceptors being removed from base budget	(19) Ongoing
Finance & Administration	Revenues Admin	Net reduction in employee costs (including £10k saving in agency due to settled structure)	(13) Ongoing
Finance & Administration	Local Council Tax Support	Funding for parish preceptors being reduced in base budget (in line with no. of LCTS claims)	(12) Ongoing
Finance & Administration	Information Technology	Establishment savings arising from Phase 1 restructure process	(11) Ongoing
Finance & Administration	Legal Services	Reduction in Publications budget	(5) Ongoing
Environmental	Waste Management	Waste Transfer station - net savings arising (reduction in bulking costs + no Haverhill costs)	(122) Ongoing
Environmental	Waste Management	Waste Transfer station - net income loss (no tipping away income + loss in ECC IAA funding)	125 Ongoing
			<u>(112)</u>

OTHER ADJUSTMENTS - MATERIAL ITEMS			
Portfolio	Service	Description	£ '000
Increases			
Finance & Administration	Housing Benefits	Increase in rent rebates expenditure	64 Ongoing
Environment	Planning Policy	Increase in consultancy requirement (in line with current trend)	28 Ongoing
Finance & Administration	Housing Benefits	Increase in bad debt provision	20 Ongoing
Finance & Administration	Electoral Registration	Additional budget requirement for canvassers	10 Ongoing
Various	Various	Net effect of health structure	14 Ongoing
Finance & Administration	Corporate Team	Additional budget requirement for Corporate HR officer post	9 Ongoing
			<u>145</u>
Decreases			
Finance & Administration	Non-Domestic Rates	Discretionary Rate Relief - budget being removed as now accounted for in Collection Fund	(116) Ongoing
Finance & Administration	Local Taxation / Non-Domestic Rates	Removal of bad debt provisions accounted for in Collection Fund	(57) Ongoing
Finance & Administration	Housing Benefits	Net increase in proportion of rent allowances expenditure which can be recovered by subsidy	(26) Ongoing
Environment	Various	Transport related savings (Diesel etc)	(23) Ongoing
Environment	Waste Management	Processing fees - budgetary adjustment element	(20) Ongoing
Environment	Waste Management	Reduction in weekend casual employees	(11) Ongoing
Environment	Development Management	Reduction in advertising budget	(10) Ongoing
Environment	Planning Management & Admin	Reduced hours for Planning & Building Control Support Officer	(8) Ongoing
Environment	Public Health	Net staffing adjustment	(7) Ongoing
Environment	Street Cleansing	Disposal charges reduction (based on revised tonnage calculations)	(7) Ongoing
Finance & Administration	Corporate Management	External audit fees reduction	(6) Ongoing
			<u>(291)</u>
		Net Total	<u>(146)</u>

APPENDIX C – BUDGET ADJUSTMENTS

LOSS OF EXTERNAL FUNDING			
Portfolio	Service	Description	£ '000
Finance & Administration	Benefits Admin	Loss of DWP admin grant loss	33 Ongoing
Communities & Partnerships	Saffron Walden Museum	Grant from Museum Society has ceased	6 Ongoing
			<u>39</u>
CHANGES TO INCOME			
Portfolio	Service	Description	£ '000
Increases			
Finance & Administration	Local Council Tax Support	Additional income arising from 3 year sharing/technical agreement with preceptors	(127) Ongoing
Finance & Administration	Revenues Administration	Collection Investment (including hardship admin) plus fraud and compliance investment	(74) Ongoing (2nd of 3 years)
Finance & Administration	Housing Benefits	Additional recovery of housing benefit overpayments	(51) Ongoing
Environment	Waste Management / Street Cleaning	Net ECC recycling credits increase (including inflationary element)	(38) Ongoing
Housing & Economic Development	Lifeline	Net increase in fee income arising from inflationary rises & small decrease in estimated usage	(34) Ongoing
Housing & Economic Development	Building Surveying	Increase in fee income	(30) Ongoing
Environment	Waste Management	Green waste kerbside income	(13) Ongoing
Finance & Administration	Legal Services	Additional cost income	(10) Ongoing
Environment	Planning Management & Admin	Street naming fees	(10) Ongoing
Environment	Public Health	Net additional border inspection fees	(10) Ongoing
Environment	Waste Management	Net increase in Trade waste income (including inflationary element)	(9) Ongoing
Communities & Partnerships	Community Information Centres	Additional rental income in respect of ECC library	(7) Ongoing
Finance & Administration	Local Council Tax Support	Hardship Fund - funding from preceptors	(5) Ongoing
			<u>(418)</u>
Decreases			
Environment	Development Management	Net planning income	65 Ongoing
Finance & Administration	Offices	Loss of rental for top floor office space (ECC)	60 Ongoing
Environment	Public Health	Net reduction to budget arising from cessation of green beans / peas inspections	51 Ongoing
Environment	Waste Management	Green waste weekend service	31 Ongoing
Finance & Administration	Local Tax Collection	Reduced court costs recovery expected due to pending legal case	10 Ongoing
Finance & Administration	Non-Domestic Rates	Reduced court costs recovery expected due to pending legal case	6 Ongoing
			<u>223</u>
		Net Total	<u>(195)</u>

APPENDIX D

RISKS AND ASSUMPTIONS – ADVERSE AND FAVOURABLE

Code	Budget Item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
	<i>Business Rates</i>	<i>Stansted Airport Appeal – the outcome of this appeal is expected to be confirmed sometime in 2016/17. The risk of the appeal was identified in 2013/14 and a provision was created to cover the potential future cost. In discussions with External Audit and following their guidance the provision was held at a value of £8m. Once the appeal is settled this provision will be released back into the accounts to cover the cost of the appeal which will be backdated to 2005. The risk is that the provision is either over or under provided for, this will affect the level of income we will have coming into the General Fund and could impact either favourably or adversely. It is impossible to obtain an accurate estimate of the cost of the appeal and as such we have set the Business Rate income on the basis that the provision is at a right level.</i>	H	H	H
GBA	<i>DWP Grant</i>	<i>It is assumed that the Housing Benefit Subsidy Grant will be paid at similar levels to 2015/16. The notification of grant amounts however will not be made until the end of November 2015. There is therefore a risk that the amount budgeted may change with a more likely adverse rather than favourable impact.</i>	M	L	L
GHB	<i>Rent Rates Expenditure</i>	<i>It is assumed that Rent Rebate Expenditure will remain stable. There are no current plans to significantly increase the level of HRA stock and the implementation of Universal Credit is anticipated to initially affect small numbers of claimants during the 2016/17 financial year. There is an adverse risk however that a large employer in the district may cease trading which could increase the amount of Housing Benefit claims made. Due to means testing calculations, there is also an adverse risk that the changes in Welfare Reform, such as changes in Tax Credits, could increase claimants housing benefit entitlements to compensate. With the implementation of Universal Credit, there is however a favourable risk that Rent Rebate expenditure may decrease if cases are migrated across quicker than currently projected.</i>	M	L	H
GHB	<i>Rent Allowance Expenditure</i>	<i>As above with the exception of HRA stock assumption and an additional risk of cost of rents significantly increasing in the Uttlesford area.</i>	M	L	H
GHB	<i>Rent Rebate Subsidy</i>	<i>It is assumed that Rent Rebate Subsidy can continue to be claimed in line with levels reflected in previous years. There is a risk however that an increase in new burdens and requirements to increase the identification of fraud and error, could incur adverse subsidy implications due to limited percentages of overpayment amounts being able to be claimed. There is also a risk that, if local authority error overpayment exceed the DWP stated upper threshold, no subsidy could be claimed for these amounts</i>	M	L	H
GHB	<i>Rent Allowance Subsidy</i>	<i>As above</i>	M	L	H
GDC	<i>Planning Fees</i>	<i>It is assumed that planning applications will continue to come in at the current rate. There is a risk that activity will slow down due to the recession.</i>	M	L	H
GPH	<i>Income from Green Bean imports via Stansted Airport</i>	<i>There is a possibility that green beans from Kenya will come back onto the EU list of high risk products from April 2016. If this does occur additional income will be generated from the associated inspection fees. This is offset by higher staff and laboratory costs but overall there would be a net income gain to the Council.</i>	L	M	L
GRA	<i>Autumn Budget</i>	<i>It is assumed that the Autumn statement will not affect the Business Rate grant however we may have a cut or increase which will affect income</i>	L	L	M
GSA	<i>Police Community Support Officers</i>	<i>Risk that the funding for the PCSOs is not taken up by the Police</i>	L	M	L

APPENDIX D continued...

RISKS AND ASSUMPTIONS - ADVERSE

Code	Budget Item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Adverse Impact (L, M, H)
	<i>Business Rates</i>	<i>NHS Trust - have recently written to the DCLG requesting to be classified as 'Charitable Organisations' this would entitle the Trusts to Mandatory Business Rate Relief'. This request has been supported by a QC legal opinion and the DCLG are considering this request. As this is not an appeal and if the DCLG grant the new classification there are uncertainty about whether there is limitations on the amount of time this could be backdated. As this issue has only arisen in the last 2 weeks we are awaiting DCLG decision and we are assessing the impact this could have on us as an Authority and the effect on the expected benefits of the Business Rate Pool.</i>	L	M
GBA	<i>Agency Staff</i>	<i>It is assumed that benefits team staffing will become more stable in terms of staffing during 2016/17. There is a risk however that additional agency staff or overtime of current staff may be required to cover any vacant posts or additional work demands due to new or increased burdens being imposed.</i>	L	L
GHB	<i>DWP Discretionary Funding</i>	<i>It is assumed that the governments Discretionary Housing Payment Funding will remain stable, if not slightly increase, for the 2016/17 financial year. There is a risk however that the amount granted will not meet local requirements following the implementation of welfare reform changes and therefore the authority may need to 'top the fund up' out if it's own finances (up to a maximum of 2.5 times DWP amount) if required.</i>	L	M
GHC	<i>Disposal Costs</i>	<i>Braintree and EWD charges may increase</i>	L	M
GHW	<i>Highway Ranger Funding</i>	<i>Funding from ECC will be withdrawn</i>	L	H
GLC	<i>Local Land Charges Income</i>	<i>The Land Registry is looking to take over responsibility for local land charges and is currently running pilot schemes. If this comes about the fee for local searches will be lost. It is unlikely that this will come about in the next 12 months but could be a significant risk for the future</i>	L	H
GOF	<i>Rent</i>	<i>Unable to get tenant for bottom floor of building</i>	L	H
GCP	<i>White Street Car Park</i>	<i>Remedial work needed to an underground Tar Pit that has the potential to leak into surrounding soil and water course. No cost estimate at the moment, but cost is definite with works likely to take place in the summer. It will be a capital expenditure.</i>	H	M
GRA	<i>Sharing Agreement</i>	<i>It is assumed that ECC, Police and Fire continue to fund the collection investment, technical changes and Fraud and compliance work. It is unlikely funding will be withdrawn unless the return on investment reduces, at the current time this is unlikely</i>	L	M
GRA	<i>GTB Fund</i>	<i>There is an assumption that DCLG admin grant of £50,000 will be moved to GBA if this happens income on this fund will be lower than predicted and more money will need to be allocated to subsidise the parishes LCTS Tax base protection</i>	H	M

APPENDIX D continued...

RISKS AND ASSUMPTIONS – FAVOURABLE

Code	Budget Item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)
GLC	Local Land Charges Income	The European Court of Justice has just agreed that local authorities can charge for staff time for dealing with EIR requests which may enable the council to recover additional fees. Detailed analysis of the judgement is currently underway	M	M
GPF	PFI Unitary Charge	Budget follows PFI Model, however past few years outturn has been less than budgeted, a review of the model is required to ascertain reasons for variances	M	L

Impact levels

L = up to £100,000

M = £100,000 to £250,000

H = over £250,000

APPENDIX E

GENERAL FUND RESERVES 2016/17

	Actual Balance	Forecast Transfers			Estimated Balance	Forecast Transfers			Estimated Balance
	1st April 2015 £ '000	From General Fund £ '000	To General Fund £ '000	Between reserves £ '000	31st March 2016 £ '000	From General Fund £ '000	To General Fund £ '000	Between reserves £ '000	31st March 2017 £ '000
RINGFENCED RESERVES									
Business Rates	3,670	336	(2,338)	(1,148)	520	470	(490)		500
DWP Reserve	259	100	(259)		100	50	(100)		50
Licensing Reserve	31		(15)		16		(16)		0
Working Balance	1,282		(82)		1,200	34			1,234
	5,242	436	(2,694)		1,836	554	(506)	(100)	1,784
USABLE RESERVES									
Financial Management Reserves									
MTFS Reserve	1,000		0		1,000				1,000
Transformation Reserve	1,000		(40)		960				960
	2,000	0	(40)		1,960	0	0	0	1,960
Contingency Reserves									
Emergency Response	40				40				40
	40	0	0		40	0	0	0	40
Service Reserves									
Access Reserve	200		(200)		0				0
Economic Development	244		(50)		194				194
Elections	95	25	(95)		25	25			50
Homelessness	40				40				40
Neighbourhood Planning	139		(15)		124				124
Planning	1,002		(63)		939		0		939
Strategic Initiatives	600	2,293	(54)	1,148	3,987	2,436	(68)	100	6,455
Waste Depot Relocation Project	1,500		(900)		600		(600)		0
Waste Management	379		(249)		130	180	(110)		200
	4,199	2,318	(1,626)		6,039	2,641	(778)	100	8,002
TOTAL USABLE RESERVES	6,239	2,318	(1,666)		8,039	2,641	(778)	100	10,002
TOTAL RESERVES	11,481	2,754	(4,360)		9,875	3,195	(1,284)	0	11,786

The estimated 2015/16 outturn surplus and the 2016/17 surplus have been included in the Strategic Initiatives Reserve

Uttlesford District Council

2016/17 Fees & Charges

With effect from 1 April 2011, the Council's general policy is to allow a 25% discount for customers in receipt of UDC-administered Housing Benefit and LC-Tax Support. Certain exemptions to the policy and additional discounts apply in some cases. Building Regulations Charges and Car Parking charges are not covered by the policy.

APPENDIX F continued...

FEES AND CHARGES

Building surveying other charges	2015/16 charge £	2016/17 charge £	Does the charge include VAT?	Note
Provision of Energy Performance Certificates	240.00	250.00	Yes	Standard Charge
Copying charges	10p a sheet + £25 per hour officer time if job exceeds 1 hour	10p a sheet + £25 per hour officer time if job exceeds 1 hour	Yes	Statutory limitations

Street Naming and Numbering	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
<u>*new charging structure</u>			
Name or number change to existing dwelling	72.00	N/A*	No
1 new dwelling name or number change - existing road	102.50	N/A*	No
2 to 10 dwelling name or number change - existing road	175.00	N/A*	No
Over 10 dwellings name or number - existing road	205.00	N/A*	No
Over 10 dwellings name or number on existing road - extra charge per dwelling	20.50	N/A*	No
1 to 10 dwellings on a new road	307.50	N/A*	No
Over 10 dwellings name or number on new road - extra charge per dwelling	20.50	N/A*	No
Parish/Town Council initiated scheme to re name/number on existing road	52.00	N/A*	No
Parish/Town Council initiated scheme to re name/number on existing road extra charge per dwelling	20.50	N/A*	No
Street Renaming (residents request)	257.00	N/A*	No
Street Renaming (residents request, extra charge per dwelling)	20.50	N/A*	No
Change of Building Name (e.g. block of flats)	154.00	N/A*	No
<u>Charge per dwelling/unit</u>			
Name change/renumber	N/A*	75.00	No
New dwelling/unit	N/A*	110.00	No
2-5 dwellings/units	N/A*	75.00	No
6 - 25 dwellings/units	N/A*	55.00	No
26 - 75 dwellings/units	N/A*	45.00	No
76 plus dwellings/units	N/A*	35.00	No
New Street Name	N/A*	200.00	No
Name of block or block of flats of industrial estate	N/A*	175.00	No
Confirmation of plot or postal address for utility company (charged to utility companies only)	N/A*	35.00	No

APPENDIX F continued...

FEES AND CHARGES

STANDARD CHARGES SCHEDULE 1- NEW DWELLINGS Dwelling houses and Flats						
Code	<u>New Build Houses or Bungalows Not Exceeding 250m²</u>		Plan Charge	Inspection Charge*	Building Notice*	Regularisation Charge*
HO1	1 Plot	Fee	£260.00	£385.00	£695.00	£868.75
		VAT	£52.00	£77.00	£139.00	
		Total	£312.00	£462.00	£834.00	
HO2	2 Plots	Fee	£330.00	£590.00	£970.00	£1,212.50
		VAT	£66.00	£118.00	£194.00	
		Total	£396.00	£708.00	£1,164.00	
HO3	3 Plots	Fee	£395.00	£785.00	£1,260.00	£1,575.00
		VAT	£79.00	£157.00	£252.00	
		Total	£474.00	£942.00	£1,512.00	
HO4	4 Plots	Fee	£465.00	£960.00	£1,525.00	£1,906.25
		VAT	£93.00	£192.00	£305.00	
		Total	£558.00	£1,152.00	£1,830.00	
HO5	5 Plots	Fee	£520.00	£1,085.00	£1,700.00	£2,125.00
		VAT	£104.00	£217.00	£340.00	
		Total	£624.00	£1,302.00	£2,040.00	
<u>New Build Flats Not Exceeding 250m² and Not More Than 3 Storeys</u>						
FL1	1 Plot	Fee	£260.00	£385.00	£695.00	£868.75
		VAT	£52.00	£77.00	£139.00	
		Total	£312.00	£462.00	£834.00	
FL2	2 Plots	Fee	£330.00	£590.00	£970.00	£1,212.50
		VAT	£66.00	£118.00	£194.00	
		Total	£396.00	£708.00	£1,164.00	
FL3	3 Plots	Fee	£395.00	£785.00	£1,260.00	£1,575.00
		VAT	£79.00	£157.00	£252.00	
		Total	£474.00	£942.00	£1,512.00	
FL4	4 Plots	Fee	£465.00	£960.00	£1,525.00	£1,906.25
		VAT	£93.00	£192.00	£305.00	
		Total	£558.00	£1,152.00	£1,830.00	
FL5	5 Plots	Fee	£520.00	£1,085.00	£1,700.00	£2,125.00
		VAT	£104.00	£217.00	£340.00	
		Total	£624.00	£1,302.00	£2,040.00	
<u>Conversion to</u>						
COH	Single dwelling house (Where total floor area does not exceed 150m ²)	Fee	£220.00	£320.00	£590.00	£737.50
		VAT	£44.00	£64.00	£118.00	
		Total	£264.00	£384.00	£708.00	
COF	Single Flat (Where total floor area does not exceed 150m ²)	Fee	£220.00	£320.00	£590.00	£737.50
		VAT	£44.00	£64.00	£118.00	
		Total	£264.00	£384.00	£708.00	
Notifiable Electrical work (in addition to the above, where applicable.)						
DNE	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Fee	£220.00	This charge relates to a first fix pre-plaster inspection of the wiring and final testing on completion. Re- visits/testing will be subject to further charges. For regularisation applications a full appraisal and testing will be carried out		
		VAT	£44.00			
		Total	£264.00			

Where Standard Charges are not applicable please contact Building Control on 01799 510539

Please note that the charges marked with an * have been reduced to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equal to the discount (see DNE below)

APPENDIX F continued...

FEES AND CHARGES

STANDARD CHARGES						
SCHEDULE 2 WORK TO A SINGLE DWELLING						
Limited to work not more than 3 storeys above ground level						
Full Plans						
Code	Extension and New Build		Plan Charge	Inspection Charge*	Building Notice Charge*	Regularisation Charge*
DX1	Separate single storey extension with floor area not exceeding 40m ²	Fee	£140.00	£295.00	£455.00	£568.75
		VAT	£28.00	£59.00	£91.00	
		Total	£168.00	£354.00	£546.00	
DX2	Separate single storey extension with floor area exceeding 40m ² but not exceeding 100m ²	Fee	£155.00	£365.00	£545.00	£681.25
		VAT	£31.00	£73.00	£109.00	
		Total	£186.00	£438.00	£654.00	
DX3	Separate extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m ²	Fee	£145.00	£325.00	£495.00	£618.75
		VAT	£29.00	£65.00	£99.00	
		Total	£174.00	£390.00	£594.00	
DX4	Separate extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m ² but not exceeding 100m ²	Fee	£200.00	£380.00	£615.00	£768.75
		VAT	£40.00	£76.00	£123.00	
		Total	£240.00	£456.00	£738.00	
DG0	A building or extension comprising solely of a garage, carport or store not exceeding 100m ²	Fee	£100.00	£220.00	£315.00	£393.75
		VAT	£20.00	£44.00	£63.00	
		Total	£120.00	£264.00	£378.00	
DNH	Detached non-habitable domestic building with total floor area not exceeding 50m ²	Fee	£100.00	£220.00	£315.00	£393.75
		VAT	£20.00	£44.00	£63.00	
		Total	£120.00	£264.00	£378.00	
Conversions						
DLC	First and second floor loft conversions	Fee	£155.00	£350.00	£560.00	£700.00
		VAT	£31.00	£70.00	£112.00	
		Total	£186.00	£420.00	£672.00	
DOC	Other work (e.g. garage conversions)	Fee	£60.00	£130.00	£190.00	£237.50
		VAT	£12.00	£26.00	£38.00	
		Total	£72.00	£156.00	£228.00	
Alterations (inc underpinning)						
DTH	Renovation of a thermal element	Fee	£40.00	£80.00	£115.00	£143.75
		VAT	£8.00	£16.00	£23.00	
		Total	£48.00	£96.00	£138.00	
DRW	Replacement windows, rooflights, roof windows or external glazed doors	Fee	£40.00	£80.00	£115.00	£143.75
		VAT	£8.00	£16.00	£23.00	
		Total	£48.00	£96.00	£138.00	
DA1	Cost of work not exceeding £5000 (inc Renewable Energy Systems)	Fee	£60.00	£110.00	£165.00	£206.25
		VAT	£12.00	£22.00	£33.00	
		Total	£72.00	£132.00	£198.00	
DA2	Cost of work exceeding £5000 but not exceeding £25000	Fee	£115.00	£220.00	£330.00	£412.50
		VAT	£23.00	£44.00	£66.00	
		Total	£138.00	£264.00	£396.00	
DA3	Cost of work exceeding £25000 but not exceeding £100000	Fee	£165.00	£375.00	£590.00	£737.50
		VAT	£33.00	£75.00	£118.00	
		Total	£198.00	£450.00	£708.00	
DA4	Cost of work exceeding £100000 but not exceeding £250000	Fee	£230.00	£530.00	£785.00	£981.25
		VAT	£46.00	£106.00	£157.00	
		Total	£276.00	£636.00	£942.00	
Notifiable Electrical work in addition to the above, where applicable.						
DNE	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Fee	£220.00			This charge relates to a first fix pre-plaster inspection of the wiring and final testing on completion. Re-visits/testing will be subject to further charges. For regularisation applications a full appraisal and testing will be carried out
		VAT	£44.00			
		Total	£264.00			

Where Standard Charges are not applicable please contact Building Control on 01799 510539

Please note that the charges marked with an * have been reduced to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equal to the discount (see DNE below)

APPENDIX F continued...

FEES AND CHARGES

STANDARD CHARGES					
SCHEDULE 3- ALL OTHER NON-DOMESTIC WORK					
Limited to work not more than 3 storeys above ground level					
<u>Code</u>	<u>Extensions and New Build</u>		<u>Plan Charge</u> £	<u>Inspection Charge</u> £	<u>Regularisation Charge</u> £
NX1	Single storey with floor area not exceeding 40m ²	Fee	£135.00	£320.00	£568.75
		VAT	£27.00	£64.00	
		Total	£162.00	£384.00	
NX2	Single storey with floor area exceeding 40m ² but not exceeding 100m ²	Fee	£155.00	£385.00	£675.00
		VAT	£31.00	£77.00	
		Total	£186.00	£462.00	
NX3	With some part 2 or 3 storey in height and a total floor area not exceeding 40m ²	Fee	£220.00	£445.00	£831.25
		VAT	£44.00	£89.00	
		Total	£264.00	£534.00	
NX4	With some part 2 or 3 storey in height and a total floor area exceeding 40m ² but not exceeding 100m ²	Fee	£260.00	£580.00	£1,050.00
		VAT	£52.00	£116.00	
		Total	£312.00	£696.00	
<u>Alterations</u>					
NO1	Cost of work not exceeding £5000	Fee	£60.00	£130.00	£237.50
		VAT	£12.00	£26.00	
		Total	£72.00	£156.00	
NO2	Replacement windows, rooflights, roof windows or external glazed doors (not exceeding 20 units)	Fee	£60.00	£130.00	£237.50
		VAT	£12.00	£26.00	
		Total	£72.00	£156.00	
NO3	Renewable energy systems (not covered by an appropriate Competent Persons scheme)	Fee	£60.00	£130.00	£237.50
		VAT	£12.00	£26.00	
		Total	£72.00	£156.00	
NO4	Installation of new shop front	Fee	£60.00	£130.00	£237.50
		VAT	£12.00	£26.00	
		Total	£72.00	£156.00	
NO5	Cost of work exceeding £5000 but not exceeding £25000	Fee	£125.00	£245.00	£462.50
		VAT	£25.00	£49.00	
		Total	£150.00	£294.00	
NO6	Replacement windows, rooflights, roof windows or external glazed doors (exceeding 20 units)	Fee	£125.00	£245.00	£462.50
		VAT	£25.00	£49.00	
		Total	£150.00	£294.00	
NO7	Renovation of thermal elements	Fee	£125.00	£245.00	£462.50
		VAT	£25.00	£49.00	
		Total	£150.00	£294.00	
NO8	Installation of Raised Storage Platform within an existing building	Fee	£125.00	£245.00	£462.50
		VAT	£25.00	£49.00	
		Total	£150.00	£294.00	
NO9	Cost of works exceeding £25000 but not exceeding £100000	Fee	£165.00	£400.00	£706.25
		VAT	£33.00	£80.00	
		Total	£198.00	£480.00	
N10	Fit out of building up to 100m ²	Fee	£155.00	£385.00	£675.00
		VAT	£31.00	£77.00	
		Total	£186.00	£462.00	
N11	Cost of works exceeding £100000 but not exceeding £250000	Fee	£230.00	£555.00	£981.25
		VAT	£46.00	£111.00	
		Total	£276.00	£666.00	

Where Standard Charges are not applicable please contact Building Control on 01799 510539

APPENDIX F continued...

FEES AND CHARGES

Car Parking	2015/16 charge £	2016/17 charge £	Does the charge include VAT ?
<u>Saffron Walden</u>			
<i>Fairycroft</i>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
3 Hours	2.00	2.00	Yes
<i>Common</i>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
3 Hours	2.00	N/A	Yes
4 Hours	3.00	N/A	Yes
<i>Rose & Crown</i>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
<i>Swan Meadow</i>			
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
4 Hours	2.00	2.00	Yes
6 Hours	2.50	2.50	Yes
10 Hours	3.50	3.50	Yes
Season Tickets (6 months)	175.00	175.00	Yes
Season Tickets (per annum)	300.00	300.00	Yes
<u>Coaches</u>			
5 Hours	3.00	3.00	Yes
10 Hours	6.00	6.00	Yes
<u>Great Dunmow</u>			
<i>WhiteStreet</i>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
4 Hours	N/A	2.00	Yes
5 Hours	2.40	2.40	Yes
10 Hours	3.50	3.50	Yes
Season Ticket (6 months)	175.00	175.00	Yes
Season Ticket (per annum)	300.00	300.00	Yes
<i>New Street/Chequers & Angel Lane</i>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
<u>Stansted Mountfitchet</u>			
<i>Lower Street</i>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
6 Hours	2.40	2.40	Yes
10 Hours	4.00	4.70	Yes
Coaches	6.00	6.00	Yes
<i>Crafton Street</i>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
10 Hours	3.00	3.00	Yes
Season Ticket - Local Business & employee (6 months)	130.00	130.00	Yes
Season Ticket - Local Business & employee (per annum)	250.00	250.00	Yes
Season Ticket - Non business (6 months)	200.00	200.00	Yes
Season Ticket - Non business (per annum)	420.00	420.00	Yes

APPENDIX F continued...

FEES AND CHARGES

Environmental Health	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Food and Water Safety			
Food Safety course - level 2 certificate	75.00	80.00	No
Health Certificate for Export	85.00	85.00	No
Voluntary Surrender Certificate	75.00	75.00	No
Water Samples (Airport)	25.00	25.00	Yes
Private water supply sample collection fee (plus laboratory charges)	25.00	25.00	Yes
Private water supply carrying out of Risk Assessment - per hour	45.00	54.00	No
Investigation (each visit)	N/A	54.00	No
Analysis under reg 10	N/A	25.00	No
EIR information	N/A	108.00	No
Contaminated land	N/A	108.00	No
Officer charges for works in default - per hour	N/A	54.00	No
Chemical Water Samples on request	Charged at Cost	Charged at Cost	Yes

Imported Food Inspection Charges			
Organic Produce Certificate - office hours (per certificate)	70.00	70.00	No
Organic Produce Certificate - outside office hours	250.00	250.00	No
POAO per CVED (Products of animal origin) (per consignment)	175.00	175.00	No
POAO per CVED Out of Hours additional fee (Products of animal origin)	75.00	75.00	No
High Risk NAO per CED (Non animal origin)	55.00	55.00	No
High Risk NAO sampling fee + laboratory charges	60.00	60.00	No
High Risk NAO per CED Out of Hours	65.00	65.00	No
High Risk NAO Out of Hours sampling fee + laboratory charges	95.00	95.00	No
High Risk destruction charge + disposal costs	60.00	60.00	No
IUU Catch Certificate EEA	25.00	25.00	No
IUU Catch Certificate non EEA	50.00	50.00	No

Animals			
Micro chipping - Pets - Microchip event	16.50	16.50	Yes
Stray dog - admin and call out fee - (kennel fees additional charge)	50.00	50.00	No

Environmental Health	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Other charges			
Licensing of Houses of Multiple Occupancy (HMO) std fee for up to 5 bedrooms	350.00	355.00	No
5 letting rooms or more - charge per additional room	40.00	41.00	No
Housing Immigration Inspection	150.00	153.00	No
Housing improvement notice - per hour	N/A	54.00	No
Suspended improvement notice - per hour	N/A	54.00	No
Prohibition order - per hour	N/A	54.00	No
Suspended prohibition order - per hour	N/A	54.00	No
Emergency prohibition order - per hour	N/A	54.00	No
Emergency remedial action notice - per hour	N/A	54.00	No
Copy of Food Register - Whole - (hourly charge or part thereof)	70.00	70.00	Yes
Copy of Food Register - Single Entry	25.00	25.00	Yes

APPENDIX F continued...

FEES AND CHARGES

Land Charges

For the current schedule of land charges, please visit the Uttlesford District Council website:

<http://www.uttlesford.gov.uk/article/1910/Local-Land-Charges-and-Searches>

Lifeline (Council Tenants and Private Residents)	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Lifeline units - Level 1 - Weekly charge - including evening and weekend emergency response visits	4.99	5.04	Yes*
Lifeline units - Level 2 - Extra Sensors (up to a maximum of 4, customers requiring more than 4 extra sensors will be charged at the rate of 50p per extra sensor)	6.19	6.24	Yes*

**a zero rating for VAT will apply if the customer can provide evidence that they have a disability*

APPENDIX F continued...

FEES AND CHARGES

Museum	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Admission Charge adult	1.50	2.50	Yes
Admission Charge discount	0.75	1.25	Yes
Admission Charge children	0.00	0.00	n/a
Season Ticket adult	5.00	8.00	Yes
Season Ticket discount	2.50	4.00	Yes
School visits per pupil	3.00	3.00	Yes
School visits minimum charge	48.00	48.00	Yes
<u>Reproduction Charges</u>			
<u>Fee for providing images of collections for commercial publications</u>			
One country / language	108.00	108.00	Yes
Two or more countries	134.40	134.40	Yes
Regional publication	54.00	54.00	Yes
Local publication	14.40	14.40	Yes
Still image for regional TV	134.40	134.40	Yes
Still image for national TV	270.00	270.00	Yes
Film and video, regional TV	96.00	96.00	Yes
Film and video, national TV	192.00	192.00	Yes
Facility fee for use as "set"	162.00	162.00	Yes
<u>Hire of premises (corporate and private)</u>			
Museum - Hire for first hour	75.00	75.00	No
Museum - Hire per hour after first hour	50.00	50.00	No
School Room - Hire for first hour	20.00	20.00	No
School Room - Hire per hour after first hour	10.00	10.00	No
<u>Other Charges</u>			
School Loan and Reminiscence Boxes	N/A	12.00	Yes
Talks for local groups - within district	N/A	50.00	No
Talks for local groups - outside district	N/A	60.00	No
<u>Museum Store visits</u>			
Group bookings per hour (special tours/study sessions/workshops)	N/A	12.00	Yes
Individual visit per hour (weekdays) plus 30mins set-up and clear-up	N/A	12.00	Yes
Individual visit per hour (evenings and weekends)	N/A	24.00	Yes
Individual visit (evenings and weekends) half-day/3hr session	N/A	90.00	Yes
Individual visit (Saturday) whole day	N/A	174.00	Yes

APPENDIX F continued...

FEES AND CHARGES

Licensing	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
<u>Taxi Licensing (pre October 2015)</u>			
Drivers	40.00	N/A	No
Operators	60.00	N/A	No
Vehicles	70.00	N/A	No
<u>Taxi Licensing (from 1 October 2015)</u>			
Drivers (licence valid for 3 years)			
- New Application	140.00	140.00	No
- Renewal	129.00	129.00	No
Operators (licence valid for 5 years)			
- New Application	350.00	350.00	No
- Renewal	346.00	346.00	No
Vehicles (licence valid for 1 year)			
- New Application	50.00	50.00	No
- Renewal	42.00	42.00	No
Vehicle Licence Transfer Fee	23.00	23.00	No
CRB checks	Charged at cost	Charged at cost	No
<u>Caravan Site Licence Fees</u>			
<u>New Applications</u>			
1-5 pitches	N/A	405.00	No
6-10 pitches	N/A	405.00	No
11-20 pitches	N/A	486.00	No
21-50 pitches	N/A	569.00	No
51-100 pitches	N/A	747.00	No
>100 pitches	N/A	810.00	No
<u>Annual Fee/Admin and Monitoring of site licenses</u>			
1-5 pitches	N/A	-	No
6-10 pitches	N/A	220.00	No
11-20 pitches	N/A	220.00	No
21-50 pitches	N/A	301.00	No
51-100 pitches	N/A	382.00	No
>100 pitches	N/A	544.00	No
Variation/Transfer	N/A	100.00	No
Laying of site rules	N/A	25.00	No

APPENDIX F continued...

FEES AND CHARGES

Licensing	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
<u>Licences</u>			
Animal boarding establishment	135.00	169.00	No
Home boarding	N/A	137.00	No
Dog breeding establishment	135.00	137.00	No
Riding establishment	235.00	238.00	No
Pet shop	135.00	137.00	No
Dangerous wild animals	265.00	268.00	No
Zoo licence (5 years)	680.00	690.00	No
Skin piercing, acupuncture and electrolysis premises & 1 p	170.00	180.00	No
Skin piercing, acupuncture and electrolysis person licence	70.00	80.00	No
<u>Scrap Metal</u>			
Grant of a site or collectors licence	365.00	365.00	No
- each additional site after first site	79.00	79.00	No
Renewal of a site or collectors licence	276.00	276.00	No
- each additional site after first site	79.00	79.00	No
Variation of a site or collectors licence	157.00	157.00	No
- each additional site being added to the licence	79.00	79.00	No
<u>Alcohol Licensing Act 2003</u>			
For the current schedule of statutory fees, please visit the Uttlesford District Council website:			
http://www.uttlesford.gov.uk/article/2295/Licensing-Act-2003---Personal			
http://www.uttlesford.gov.uk/article/2023/Licensing-Act-2003---Premises			
<u>Gambling Act 2005</u>			
For the current schedule of fees, please visit the Uttlesford District Council website:			
http://www.uttlesford.gov.uk/article/2292/Gambling-Act-2005			

APPENDIX F continued...

FEES AND CHARGES

Planning Applications
For the current schedule of planning application fees, please visit the Uttlesford District Council website: http://www.uttlesford.gov.uk/article/2160/Planning-Application-Fees

Planning Pre-application advice	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
<u>Non-Residential</u>			
500-999 m2 Commercial	1000.00	N/A*	Yes
1000-9999m2 Commercial	1650.00	N/A*	Yes
10,000 m2 or above commercial	2400.00	N/A*	Yes
<u>Residential</u>			
1-9 units	500.00	N/A*	Yes
10-30 units	1000.00	N/A*	Yes
31-100 units	1650.00	N/A*	Yes
101-300 units	2400.00	N/A*	Yes
301+ Units	POA	N/A*	Yes
New Building or change of use	500.00	N/A*	Yes
Listed Building Advice (all types excl. Householder)			
Written	150.00	N/A*	Yes
Meeting in office	350.00	N/A*	Yes
Meeting on site	400.00	N/A*	Yes
<u>Listed Building Householder</u>			
Written	125.00	N/A*	Yes
Meeting in office	300.00	N/A*	Yes
Meeting on site	350.00	N/A*	Yes
* New Charging Structure			
<u>Householder</u>			
Written Advice	N/A*	60.00	Yes
Meeting 1/2 hr and written advice	N/A*	150.00	Yes
Listed Building written advice	N/A*	175.00	Yes
Listed Building meeting 1 hr and written advice	N/A*	300.00	Yes
<u>Non-Residential inc. change of use</u>			
less than 1000 sq. m. written	N/A*	150.00	Yes
less than 1000 sq. m. meeting	N/A*	300.00	Yes
1000-1999 sq.m. written	N/A*	300.00	Yes
1000-1999 sq.m. meeting	N/A*	750.00	Yes
2000 - 4999 sq. m. meeting	N/A*	1250.00	Yes
Over 5000 sq. m.	N/A*	POA	Yes
<u>Residential</u>			
1 dwelling	N/A*	250.00	Yes
1 Listed dwelling	N/A*	400.00	Yes
2-9 dwellings	N/A*	500.00	Yes
10-30 dwellings	N/A*	1000.00	Yes
31-100 dwellings	N/A*	1650.00	Yes
101-300 dwellings	N/A*	2400.00	Yes

APPENDIX F continued...

FEES AND CHARGES

Other Planning fees and charges	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Documents provided under Local Government Access to Information Act 1985	10p a sheet plus £25 per hour if job exceeds 1 hour	10p a sheet plus £25 per hour if job exceeds 1 hour	Yes
Documents - TPO, BPN, LB			
Planning & Building Regulation Decision Notices			
Uttlesford Local Plan Adopted 2005	25.00	25.00	Yes
Weekly list of Planning Application Submissions	321.00	N/A	Yes

Saffron Walden Offices	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
<u>Room charges - non wedding - minimum 2 hour charge applies</u>			
Room hire - chairman's room (per hour)	N/A	48.00	Yes
Room hire - chairman's room (per hour) Charity Rate	N/A	25.00	Yes
Room hire - committee room (per hour)	60.00	84.00	Yes
Room hire - committee room (per hour) Charity Rate	25.00	25.00	Yes
Room hire - Council Chamber (per hour)	78.00	96.00	Yes
Refreshments - per 10 people	13.20	13.20	Yes
<u>Room charges - wedding</u>			
Chairman's Room Mon-Thur	N/A	74.00	Yes
Chairman's Room Friday	N/A	114.00	Yes
Chairman's Room Saturday a.m.	N/A	149.00	Yes
Chairman's Room Saturday p.m.	N/A	175.00	Yes
Chairman's Room Sunday/B.Holiday	N/A	250.00	Yes
Committee Room Mon-Thur	N/A	100.00	Yes
Committee Room Friday	N/A	140.00	Yes
Committee Room Saturday a.m.	N/A	175.00	Yes
Committee Room Saturday p.m.	N/A	200.00	Yes
Committee Room Sunday/B.Holiday	N/A	275.00	Yes
Council Chamber Mon-Thur	N/A	150.00	Yes
Council Chamber Friday	N/A	190.00	Yes
Council Chamber Saturday a.m.	N/A	225.00	Yes
Council Chamber Saturday p.m.	N/A	250.00	Yes
Council Chamber Sunday/B.Holiday	N/A	300.00	Yes
Chamber + Chairman's Mon-Thur	N/A	175.00	Yes
Chamber + Chairman's Friday	N/A	265.00	Yes
Chamber + Chairman's Saturday a.m.	N/A	325.00	Yes
Chamber + Chairman's Saturday p.m.	N/A	375.00	Yes
Chamber + Chairman's Sunday/B.Holiday	N/A	500.00	Yes
Chamber + Committee Mon-Thur	N/A	200.00	Yes
Chamber + Committee Friday	N/A	280.00	Yes
Chamber + Committee Saturday a.m.	N/A	350.00	Yes
Chamber + Committee Saturday p.m.	N/A	400.00	Yes
Chamber + Committee Sunday/B.Holiday	N/A	550.00	Yes

APPENDIX F continued...

FEES AND CHARGES

Print Room	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Printing services for town & parish councils, voluntary organisations, clubs & societies. Hourly charge. Materials charged on top. * Addition of VAT varies depending on what is being printed.	37.00	38.00	No*

Health Improvement	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Nordic Walking Evening	N/A	3.00	No
Nordic Walking drop in weekly	4.00	4.00	No
Nordic Walking 4 week courses	39.00	39.00	No
Nordic Walking Card 5 walks	20.00	20.00	No
Nordic Walking Card 3 months	40.00	40.00	No

Refuse Collection & Recycling	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Bulky waste	16.00	16.50	No
Kerbside Garden Collection	40.00	40.00	No
Town/Parish Council Garden Waste weekend collection (per hour)	53.83	66.00	No
<u>Trade Waste</u>			
Trade sacks (3 cubic feet)	1.87	1.92	No
Bins 240 litres	5.14	5.29	No
Bins 660 litres	11.87	12.28	No
Eurobins 1100 litres	18.28	18.96	No
6 cu yd	112.44	115.27	No
8 cu yd	132.18	135.94	No
Light Containers - 12 cubic yard	132.18	135.94	No
Heavy Containers - 12 cubic yard	207.29	212.93	No

Committee: Council
Date: 25 February 2016
Title: Pay Policy
Portfolio Holder: Cllr Simon Howell

Agenda Item

18

Item for decision

Summary

1. There is a requirement under the Localism Act 2011 for authorities to publish a pay policy and to review it annually. The policy sets out the pay and remuneration schemes in place and sets the criteria for the forthcoming year.
2. The Pay Policy was approved for recommendation to Council by the Cabinet on 16 February.

Recommendations

3. The Council is recommended to approve the Pay Policy as set out in Appendix One.

Financial Implications

4. There are no implications for the council's budget beyond those approved as part of the 2016/17 budget setting process.

Background Papers

5. None

Impact

Communication/Consultation	Staff have been made aware of the requirement to publish this information. Unison have been provided with a copy of the document
Community Safety	No specific implications
Equalities	No change from 2015/16
Health and Safety	No specific implications
Human Rights/Legal Implications	No specific implications
Sustainability	No specific implications
Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications as the policy only combines in to one document polices already in place

Background

6. The Localism Act 2011 put in place a requirement for councils to approve a Pay Policy before the start of each financial year. The policy will be used for the forthcoming year to determine recruitment, retention and reward for both existing and new staff.
7. All relevant government directives and guidance notes have been used to compile this policy.
8. It is possible to amend the policy during the year but any amendments must be approved by Full Council.
9. In accordance with the councils wish to demonstrate transparency, and to comply with the requirements of the Act, the policy and associated documents will be published on the internet.
10. An Equalities Impact Assessment has been completed and is attached as Appendix Two.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The policy is not approved by 31 March	1 The report is being presented at Cabinet in advance of the deadline	2 Failure to comply with the Localism Act	Policy is before Members in advance of the deadline
The policy hinders recruitment during the forthcoming year	1 The policy reflects the current employment criteria	2 The council may lose suitable staff	It is possible to amend the policy subject to Full Council approval.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Pay Policy

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The aims of this policy

Uttlesford District Council (UDC) is committed to providing clear guidance on matters of policy all our employees, promoting a culture of fair treatment, respect and dignity, irrespective of individual differences.

This policy aims to provide managers and employees with clear guidance on how these policies will be managed and maintained in the workplace. It also meets the statutory requirements of the Localism Act 2011 with regard to the transparency of our pay and remuneration policies and the way we implement these throughout the authority.

Due to the nature of its content, it is intended that this policy will be used in conjunction with a number of existing policies within the organisation. Where relevant these documents will be referenced accordingly.

All relevant government directives and guidance notes have been used to compile this policy.

The contents of the policy and the application of them will be reviewed and approved on an annual basis by Full Council to ensure a consistent and fair approach to the remuneration of staff at all levels. Staff will only be paid in accordance with the conditions outlined in this document.

In managing the application of this policy, consideration should be given to the individual's requirements and circumstances in relation to the protected characteristics as detailed under the Equality Act 2010.

In January 2015 UDC became an accredited Living Wage employer.

This policy applies to all UDC employees.

Any employee who requires this policy in an alternative format or language should contact HR Admin.

Associated Documents:

HRP 6	Secondment Policy
PPN 7	Job Evaluation Scheme
HRP 8	Essential User Policy
HRP 9	Excess Travelling Time and Expenses Policy
HRP 12	U-Perform Appraisal Process
HRP 13	Acting-Up Payments
HRP 15	Standby and Recall to Work Payment Policy
HRP 24	Organisational Change Policy
HRP 33	Standard Conditions of Service
HRP 47	General Allowances and Subsistence Rates
HRP 48	Long Service Award Policy

Introduction

UDC recognises that to attract, retain and motivate quality staff, fair and equitable pay and reward processes need to be adopted and managed. These processes should be based on the current and future requirements of the organisation. They should also recognise that changes in both employee expectations and motivational needs, along with influential external factors such as labour market conditions, need to be continually considered and managed through these policies.

Robust pay and reward processes provide clarification and understanding of what contributions and responsibilities are required of employees at all levels and how their input is recognised and rewarded. It also supports the identification of the required values, behaviours and performance levels of the organisation in order for it to meet its key corporate and operational goals.

All of the policies referred to in this document have been formulated in accordance with local and national pay and reward standards and guidance. UDC works in partnership with Essex County Council's Human Resources (HR Partnership) therefore all policies will be implemented and managed with direct support from this group.

Policy Framework

1. Definitions

For the purpose of this policy only the term 'Chief Officer' is defined as follows:

- Any member of the Corporate Management Team (CMT)
- Any senior role evaluated between the pay Bands 1 – 4 (see section 3 below)

The term 'lowest paid staff' is defined as follows:

- Those staff members whose role is evaluated at Scale 2 on the NJC pay scale chart (see section 2 below)

2. Job Evaluation

UDC adopts job evaluation processes that aim to maintain fairness and equity in the grading of posts throughout the authority (see PPN 7). Jobs are only subject to evaluation if they are new posts or where a current post has significantly changed in relation to responsibilities and/or reporting lines.

UDC has two formal review processes that it applies dependant upon the expected outcome of the role being evaluated:

- | | |
|--------------------------------|------------------------|
| • UDC Job Evaluation Scheme | From Scale 2 to PO 16 |
| • Hay System of Job Evaluation | From Scale SM2 upwards |

UDC Job Evaluation Scheme

The scheme focuses on the content and responsibilities of the role and not the person doing the job. It compares elements of the job against pre-determined factors ensuring

that jobs are measured logically and fairly. Job Evaluation Panels are held on a frequent basis at the Authority and organized by the UDC HR team. This process is actioned by a core team of trained officers from within the authority. One member of each evaluation panel must be a representative of the union. Also a representative from the HR Partnership will be present at each panel and chair the proceedings, making notes of the decisions and helping with the decision-making process. Following CMT approval, Managers must submit a job profile along with a supporting questionnaire and structure chart which is then evaluated by the team where points are allocated against a number of factors.

Hay System of Job Evaluation

Where a role is anticipated to be graded above PO 16, it will be submitted to the HR Partnership for evaluation through the Hay System. This process is adopted for senior roles within the authority as it allows for greater emphasis on key management factors. It uses a points allocation system.

Job Evaluation and Salary

The salary of any given UDC role is determined by an evaluation process. Salary bands are identified against the level of points awarded to a role. UDC policy is that there is no restriction upon the position in a salary band at which new recruits can be appointed. Appointing managers or members may use any point within the evaluated salary scale to recognise a successful applicant's experience, qualification, technical knowledge, technical skills and market value.

3. Pay

Salary Bands

UDC adopts the recognised National Joint Council (NJC) salary bands for its lower paid roles as detailed in the 'Green Book' (see HRP 33). These are developed through negotiations with Local Government employers and trade unions and are updated and applied in line with national circumstances. These pay bands are structured through a series of Spinal Column Points (SCP).

Roles that are evaluated at a Chief Officer level have an independent salary band scheme applied to them.

The salary bands are as follows:

Role	Band	Minimum	Maximum
Chief Executive	BAND 1	£ 100,000	£ 110,000
Directors	BAND 2	£ 75,812	£ 84,237
Statutory Officers	BAND 3	£ 68,062	£ 75,812
Assistant Directors	BAND 4	£ 48,920	£ 68,061

For all Chief Officers, with the exception of the Chief Executive, there is an annual 'cost of living' rise which, when known, will be added to the Band 2, 3 and 4 ranges.

Information on actual sums paid to Chief Officers is contained within the annual Statement of Accounts which is published on the council website each June. A link to the relevant page is below

<http://www.uttlesford.gov.uk/finance>

Average Salaries

At the time of issue of this policy, the approximate average salary for all 'Green Book' salaried employees is £21,660 and the median salary is £20,849.

Due to the introduction of the Living Wage the Council has no one employed by the authority on the Scale 1 'Green Book'. All of our employees start on at least Scale 2, which is currently £15,523 FTE.

The current average salary for Chief Officers is £69,481 and median is £55,625.

Salary Ranges

It is the council's policy that the salary range for the role of Chief Executive will normally be no greater than eight times the average salary of a Scale 1 'Green Book' employee. .

It is the council's policy that the salary range for the role of Director will normally be no greater than six times the average salary of a Scale 1 'Green Book' employee.

It is the council's policy that the salary range for the role of Statutory Officer will normally be no greater than five and a half times the average salary of a Scale 1 'Green Book' employee.

It is the council's policy that the salary range for the role of Assistant Director will normally be no greater than five times the average salary of a Scale 1 'Green Book' employee.

All starting salaries commence at Scale 2 so all requirements are met.

All annual salaries are paid pro rata to part time working officers based on the number of hours they are contracted to work.

Increments in Pay

For 'Green Book' roles, increments in pay normally occur on an annual basis, subject to satisfactory performance within the role. The increment reflects a move to the next level SCP within a band. Once a role has reached the highest SCP within a band there will be no further incremental pay awards.

Increments in pay for Chief Officers will only be awarded through the Chief Officer Performance and Reward Scheme (see section 6 below).

Annual 'cost of living' award may also be awarded to all officers, with the exception of the Chief Executive, as a result of negotiations between the Local Government Employers and trade unions.

Pay Protection

UDC operates a pay protection policy which provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change, job evaluation or redeployment. Pay protection will apply to permanent employees from the effective date of the change of grade for a period of two years as follows:

Where the alternative suitable employment within UDC is at a lower grade, pay protection will be up to a maximum of one grade only from the highest SCP of that lower graded post regardless of the employee's grade in their previous role for the first year following redeployment. Pay protection for the second year will reduce to 50% of the amount paid in the first year.

Living Wage

In January 2015, The Living Wage Foundation accredited Uttlesford District Council as a Living Wage Employer. The Living Wage commitment will see that everyone working at UDC, regardless of whether they are permanent employees or third-party contractors and suppliers; receive a minimum hourly wage of £8.25 (significantly higher than the national minimum wage of £6.70).

The Living Wage is an hourly rate set independently and updated annually. The Living Wage is calculated according to the basic cost of living using the "Minimum Income Standard" for the UK.

4. Additional Payments

Returning Officer Payment

The Council has a duty to appoint a Returning Officer for all elections that it runs. For District and Parish elections, the Returning Officer fee is met by the District Council. This fee, and the fees of all other people employed by the Returning Officer, is paid in accordance with the Council's agreed scale of fees and expenses for elections.

Acting up payments

Acting up payments are awarded where officers temporarily undertake duties at a higher grade (see HRP 13). Payment is usually made where an officer is covering over 20% of the duties of the higher-grade post. The amount payable is calculated by assessing the percentage of the higher-level post covered and the difference between the officer's current salary and the salary band minimum of the grade of the post covered.

Secondments

The authority provides the opportunity for officers to undertake roles on a secondment basis (see HRP 6). In most cases the secondee will be paid at the same level as their substantive post however, where the secondment post is of a higher pay band than their current role, a higher salary may be applied for the secondment period. This salary will be agreed by all relevant managers and HR representatives.

Essential User Car Allowance and Mileage Rates

The authority pays an Essential User Car Allowance to roles that meet the specified criteria. Where officers require the use of a vehicle to complete their day-to-day responsibilities, business mileage can be claimed (see HRP 8 & 47). Essential user

allowance is only available to those qualifying people on salary grades up to and including PO13-16

Any such allowances and mileage payments are calculated and applied in accordance with HM Revenue & Customs rates.

UDC Allowance

The authority has previously paid a local UDC allowance to all staff, on Scale 6 or below, after one year's continuous service. The allowance of £561 is paid in addition to an annual salary payment. Following a corporate review of allowances in 2011, this allowance is no longer paid to any staff commencing employment within the authority.

If an employee moves from one role to another within the council the employee will cease to be entitled to the UDC Allowance. The only exception to this is where the move is part of a section reorganisation with an associated consultation process. In this case where the employee is required to move role the allowance will continue to be paid providing the original scheme criteria remain i.e. the new role is evaluated at Scale 6 or below.

Excess Travel Allowance

Additional travelling expenses can be claimed by employees when their work base is changed by circumstances beyond their control or they are transferred to a new work base (see HRP 9). The Officer is paid an allowance equal to the difference between the cost of travelling from their home to their new work place and from their home to their original workplace. The allowance is paid for a maximum period of three years from the date of transfer.

The UDC Excess Travelling Expenses Scheme is agreed within the scope of 'Green Book' conditions.

Meeting Allowances

Officers graded at 'Green Book' Senior Officer 1 (SO1) to Principal Officer (PO16) can claim an allowance for attendance at evening and out of hours meetings relating to council business.

Standby and Recall to Work Payments

Officers are eligible for these payments if in respect of their contracted duties they are required, or volunteer, to be on a call out rota or list, or respond to calls outside of normal working hours. Eligibility for standby and recall to work payments will be confirmed in the terms and conditions of the officer's contract of employment and details are set out in HRP15.

Market Supplements

Following the corporate review of allowances in 2011 the authority does not apply market supplement payments to any role. If however, the employment market dictates the need to apply a supplement to particular roles, these will be applied in accordance with relevant protocol.

Long Service Awards

The authority acknowledges the importance of employees who are committed to their work and wishes to reward the loyalty of those officers who have Long Service with

UDC. Long Service Awards are given upon the successful completion of 20, 30 and 40 continuous service at UDC or one of its predecessor authorities.

Awards are made as follows:

20 years service	Vouchers to the value of £250
30 years service	Vouchers to the value of £500
40 years service	Vouchers to the value of £750

Staff Suggestion Scheme

The authority has since 2007 run a staff suggestion scheme, U-Suggest where members of staff are invited to come up with good ideas for improving the way the authority works. Where suggestions are innovative, cash prizes may be linked to the amount of any savings the council makes as a result of putting them into practice. Suggestions can receive awards of between £10 and £250. There may also be encouragement awards given of up to £25 for ideas which show merit or special effort. To date a total award of £1,160 has been paid to officers through the scheme.

Vine Extras

From April 2016, the authority will be subscribing to Vine Extras; this is a reward gateway to a large number of retailers where employees can make savings on purchases. The cost to the authority will be £4.00 per employee.

5. Recruitment

All officers recruited by UDC will be given a formal written contract detailing the particulars of their employment and the compensation they will receive in exchange for the work they perform. These contracts will reflect the status of the employee's employment i.e. permanent, temporary, casual etc.

The specific terms of the contracts are detailed in a Written Statement of Particulars for Local Government Employees (Scale 1 – P016) which will accompany the contract.

The Statement of Written Particulars for staff on SM2 and Chief Officer Grades will reflect the different terms and conditions that apply to those roles.

Chief Officers will normally be appointed at the bottom of the appropriate pay scale. However the Chief Executive has the authority to appoint above the bottom of the appropriate pay scale should the need arise.

Any changes to terms and conditions of employment will follow consultation and, where necessary, negotiation with individuals and recognised trade unions.

6. Reward & Recognition

To monitor the performance of all 'Green Book' officers, the authority adopts a local appraisal process, U-Perform (see HRP12). Performance will be reviewed and graded against the achievement of a number of key objectives and the demonstration of relevant values and behaviours. There are no additional monetary rewards other than incremental progression within the officer's pay band for acceptable performance within this scheme. Alternative rewards such as additional leave and recognition letters may be awarded for 'very good' or 'exceptional' performance.

For all Chief Officers, with the exception of the Chief Executive, a local Performance and Reward scheme was proposed in 2007 but has not been implemented. Chief Officers only receive the salary as set out in section 3 above, they do not receive performance related pay nor do they receive bonuses.

Increments in pay for the Chief Executive may be awarded by the Leader of the Council following scheduled performance reviews.

7. Career Progression Schemes

In some areas of the authority officers are offered progression in their roles through a career progression scheme. Within such schemes, progression is usually awarded after successful completion of particular qualifications or work experience. Details of the scheme and how it will be applied to an individual will be documented in their contract of employment.

The authority also offers opportunities for apprenticeships and other national schemes such as school work experience placements. Apprenticeships have their own national pay scheme and are therefore outside of this policy.

8. Pension

The Local Government Pension Scheme (LGPS) is open to all new and existing employees of the authority.

The government has introduced new overriding pension legislation to make it easier for people to save for their retirement.

It requires all employers to Auto Enroll all eligible jobholders into a workplace pension scheme who are:

- not already in a workplace pension scheme and or previously opted out;
- earning over £10,000 gross per year (or £192 per week or £833 per month) - These figures relate to Tax year 2015/16 and are reviewed on an annual basis each April
- aged 22 or over;
- and under State Pension Age.

An employee may decide at any time to opt out of membership of the LGPS but will be automatically be re-enrolled into the scheme on what is called the "re-enrolment date" if, on that date, an employee is aged at least 22, under State Pension Age and earning more than £10,000 (current figure), or pro-rata per pay period, exception to this is if an employee has opted out within 12 months prior to the "re-enrolment date". At that point an employee will not be re enrolled until the next "re enrolment date"

The workplace pension scheme provided is the Local Government Pension Scheme (LGPS) which is a qualifying pension scheme, which means it meets or exceeds the government's standards.

9. Severance

On cessation of employment from the authority, officers including Chief Officers will only receive compensation:

- (a) in circumstances that are relevant e.g. redundancy
- (b) in the application of any employer discretions provided by the LGPS and/or
- (c) that complies with the specific term(s) of a Settlement Agreement.

The authority adopts an early retirement policy (see HRP 25)

Settlement Agreements (previously known as Compromise Agreements)

In exceptional circumstances to avoid or settle a claim or potential dispute, the authority may agree payment of a settlement sum through the issue of a Settlement Agreement. All cases will be overseen by the Legal Department in conjunction with the relevant line manager to ensure all legal, financial and contractual responsibilities have been met.

More information and help

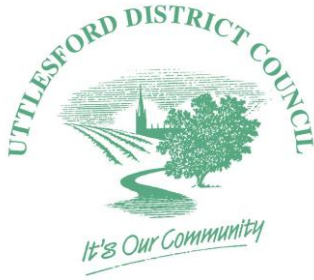
Associated documents

All associated documents listed in this policy are available on request

Contact for more information

HR: Tel: 01799 510424

Email: humanresources@uttlesford.gov.uk



Uttlesford District Council

Fast-track equality impact assessment (EqIA) tool

What is this tool for?


This tool will help you to assess the impact of existing or new strategies, policies, projects, contracts or decisions on residents and staff. It will help you to deliver excellent services, by making sure that they reflect the needs of all members of the community and workforce.

What should be equality impact assessed?

You only need to equality impact assess strategies, policies, projects, contracts or decisions that are **relevant** to equality. If you are not sure whether your activity is relevant to equality take the 'relevance test' on Page 9.


How do I use the tool?

This tool is easy to use and you do not need expert knowledge to complete it. It asks you to make judgments based on evidence.





The tool uses a system of red flags  to give you an indication of whether or not your responses are identifying potential issues. Getting a red flag does not necessarily indicate a problem, but it does mean that your assessment is highlighting issues or gaps in data that may require further investigation or action.

If there is insufficient space to answer a question, please use a separate sheet.

General information		
1	Name of strategy, policy, project, contract or decision.	Pay Policy
2	What is the overall purpose of the strategy, policy, project, contract or decision?	To allocate financial resources to UDC services enabling corporate priorities, statutory requirements and policy objectives to be met
3	Who may be affected by the strategy, policy, project, contract or decision?	<input type="checkbox"/> Residents <input checked="" type="checkbox"/> Staff <input type="checkbox"/> UDC service users
4	Responsible department and Head of Division.	Adrian Webb, Director of Corporate Services on behalf of CMT
5	Are other departments or partners involved in delivery of the strategy, policy, project, contract or decision?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes – all departments.
Gathering performance data		
6	Do you (or do you intend to) collect this monitoring data in relation to any of the following <u>diverse groups</u> ?	<input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Disability <input checked="" type="checkbox"/> Sex <input checked="" type="checkbox"/> Race <input checked="" type="checkbox"/> Gender Reassignment <input checked="" type="checkbox"/> Sexual Orientation <input checked="" type="checkbox"/> Religion & Belief <input checked="" type="checkbox"/> Pregnancy and Maternity <input checked="" type="checkbox"/> Marriage and Civil Partnerships <input checked="" type="checkbox"/> Rural Isolation

7	How do you (or how do you intend to) monitor the impact of the strategy, policy, project, contract or decision?	<input type="checkbox"/> Performance indicators or targets <input type="checkbox"/> User satisfaction <input type="checkbox"/> Uptake <input type="checkbox"/> Consultation or involvement <input checked="" type="checkbox"/> Workforce monitoring data <input type="checkbox"/> Complaints <input type="checkbox"/> External verification <input type="checkbox"/> Eligibility criteria <input type="checkbox"/> Other: Budget monitoring process; internal audit, external audit <input type="checkbox"/> None 
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Analysing performance data


<p>8</p>	<p>Consider the impact the strategy, policy, project, contract or decision has already achieved, measured by the monitoring data you collect. Is the same impact being achieved for diverse groups as is being achieved across the population or workforce as a whole?</p>	<p> <input checked="" type="checkbox"/> Yes * <input type="checkbox"/> No* <input type="checkbox"/> Insufficient  <input type="checkbox"/> Not applicable  </p> <p><i>*Please state your evidence for this, including full document titles and dates of publication for audit purposes. Where applicable please also state the nature of any issues identified:</i></p> <p>No specific groups are referred to in the documents and none of the information within the documents will have a differential impact on any group.</p>
<p>9</p>	<p>Is uptake of any services, benefits or opportunities associated with the strategy, policy, project, contract or decision generally representative of <u>diverse groups</u>?</p>	<p> <input checked="" type="checkbox"/> Yes * <input type="checkbox"/> No* <input type="checkbox"/> Insufficient  <input type="checkbox"/> Not applicable  </p> <p><i>*Please state your evidence for this, including full document titles and dates of publication for audit purposes. Where applicable please also state the nature of any issues identified:</i></p> <p>No specific groups are referred to in the documents and none of the information within the documents will have a differential impact on any group.</p>

Checking delivery arrangements																	
10	<p>You now need to check the accessibility of your delivery arrangements against the requirements below. Click on the hyperlinks for more detailed guidance about the minimum criteria you should meet.</p> <p><i>If assessing a proposed strategy, policy, project, contract or decision, indicate 'Yes' if you anticipate compliance by launch of implementation.</i></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 10%; text-align: center;">Yes</th> <th style="width: 10%; text-align: center;">No </th> <th style="width: 10%; text-align: center;">N/A</th> </tr> </thead> <tbody> <tr> <td>The premises for delivery are accessible to all.</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Consultation mechanisms are inclusive of all.</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Participation mechanisms are inclusive of all.</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </tbody> </table> <p>If you answered 'No' to any of the questions above please explain why giving details of any legal justification.</p>		Yes	No	N/A	The premises for delivery are accessible to all.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Consultation mechanisms are inclusive of all.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Participation mechanisms are inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Yes	No	N/A														
The premises for delivery are accessible to all.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>														
Consultation mechanisms are inclusive of all.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>														
Participation mechanisms are inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>														

Checking information and communication arrangements

11 You now need to check the accessibility of your information and communication arrangements against the requirements below. Click on the hyperlink for more detailed guidance about the minimum criteria you should meet.

If assessing a proposed strategy policy, project, contract or decision, indicate 'Yes' if you anticipate compliance by launch of implementation.



	Yes	No 	N/A
Customer contact mechanisms are accessible to all.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Electronic, web-based and paper information is accessible to all.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Publicity campaigns are inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Images and text in documentation are representative and inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you answered 'No' to any of the questions above please explain why, giving details of any legal justification.


Future Impact

12 Think about what your strategy, policy, project, contract or decision is aiming to achieve over the long term and the ways in which it will seek to do this. This is your opportunity to take a step back and consider the practical implementation of your strategy, policy, project, contract or decision in the future. As well as checking that people from diverse groups will not be inadvertently excluded from or disadvantaged by any proposed activities, it is also an opportunity to think about how you can maximize your impact, reach as many people as possible and really make a difference to the lives of everyone in Uttlesford regardless of their background or circumstances.




Is it likely to inadvertently exclude or disadvantage any diverse groups?

- No
- Yes * 
- Insufficient evidence 

*Please state any potential issues identified.

Improvement actions	
13	<p>If your assessment has highlighted any potential issues or red flags, can these be easily addressed?</p> <p> <input type="checkbox"/> Yes <input type="checkbox"/> No*  <input checked="" type="checkbox"/> Not applicable </p> <p><i>*If Yes, please describe your proposed action/s, intended impact, monitoring arrangements implementation date and lead officer:</i></p>

Making a judgement – conclusions and next steps

14	<p>Following this fast-track assessment, please confirm the following:</p> <p> <input checked="" type="checkbox"/> There are no inequalities identified that cannot be easily addressed or legally justified  No further action required. Complete this form and implement any actions you identified in Q13 above </p> <p> <input type="checkbox"/> There is insufficient evidence to make a robust judgement.  Additional evidence gathering required (go to Q17 on Page 7 below). </p> <p> <input type="checkbox"/> Inequalities have been identified which cannot be easily addressed.  Action planning required (go to Q18 on Page 8 below). </p>
15	<p>If you have any additional comments to make, please include here.</p> <p> <input type="checkbox"/> None </p>

Completion

16	Name and job title (Assessment lead officer)	Adrian Webb Director of Finance and Corporate Services
	Name/s of any assisting officers and people consulted during assessment:	CMT
	Date:	16 February 2016
	Date of next review:	February 2017
	<i>For new strategies, policies, projects, contracts or decisions this should be one year from implementation.</i>	

Committee: Full Council

Agenda Item

Date: 25 February 2016

19

Title: Interim Review of Polling Districts and Places

Author: Peter Snow, Democratic and Electoral Services Manager, 01799 510430

Item for decision

Summary

1. The Council approved a scheme of polling districts and places for Parliamentary and local elections in November 2014 following the completion of a statutory review. The Returning Officer is obliged to arrange for polling stations at all elections and referendums to be located in the polling places specified in the polling scheme.
2. In making arrangements for the PCC election in May 2016, it has become apparent that two of the polling places designated in the scheme are either no longer available for polling or have undergone significant changes requiring review. The buildings concerned are identified in the following report and recommendations are made for changes to be made to the scheme until such time as a proper review can be carried out.

Recommendations

3. The Council is recommended to amend the polling scheme as proposed in the text of this report for the reasons stated.

Financial Implications

4. None. There are no costs associated with this recommendation.

Background Papers

5. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

- 6.

Communication/Consultation	As far as time has allowed, consultation has been carried out with interested parties including councillors, parish and town councils and political parties.
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Community Safety	Not applicable
Equalities	Not applicable except insofar as the Council's statutory duty is concerned to designate for polling only those buildings compliant with legislation providing for suitable accessibility for disabled electors.
Health and Safety	Not applicable
Human Rights/Legal Implications	Not applicable
Sustainability	Not applicable
Ward-specific impacts	Saffron Walden Castle Ward and Stansted North Ward
Workforce/Workplace	Not applicable

Situation

7. In the course of booking polling accommodation for the PCC election in May 2016, the following changes of circumstances became apparent:
 - a. **Saffron Walden Castle East polling district:** The School Administrator at Dame Bradbury's School in Saffron Walden, on behalf of the Head, has made it clear the School is no longer prepared to allow the school to be used as a polling station. The reasons given are major health and safety concerns and alleged "serious problems" last time the sports hall was used. As the school is independent, the Returning Officer does not have the automatic right to use the school for polling as is the case with state funded schools. The school is therefore within its rights to refuse to comply with the booking request but the lack of co-operation shown at very short notice is deeply regrettable.
 - b. **Stansted East polling district:** The Adult Community Learning service no longer has responsibility for the Peter Kirk Centre in Stansted having vacated the site in September 2015. Responsibility for the site has transferred to the Land and Property service at Essex County Council and there are plans to redevelop the site as a school. As the site has been vacated first indications were that the location would not be available for the PCC poll.
8. In view of the circumstances outlined in paragraph 7 above, alternative polling location options have been explored for both Castle East and Stansted East polling districts. In normal circumstances a full interim review would have been conducted but there has been insufficient time to do that. Instead, limited consultation has been carried out based on options explored by officers using knowledge and experience of the localities concerned. Statutory

reviews are carried out every five years and so the next full review is not due until 2019.

9. The main difficulty in the **Saffron Walden Castle East** area is the lack of any community facility apart from Dame Bradbury's School. Various options have been explored and the favoured option being proposed for adoption is to designate the Homebase site off Elizabeth Way as the polling place. Agreement has been reached with the manager at Homebase to place a mobile unit in a corner of the car park serving the Homebase store. The site is central to the population being served and it is considered represents the best available solution to the unavailability of Dame Bradbury's School, or of any permanent building.
10. In respect of **Stansted East**, detailed discussions have been held with the Land and Property Office at Essex County Council and agreement reached to make the Peter Kirk building available for the PCC poll. However, special arrangements will need to be put into place to enable the site to be made habitable for polling even though it is known that neither heating nor hot water will be available for the benefit of the polling staff.
11. As the use of this site will not be fully satisfactory and some certainly of availability is needed for the prospect of the EU Referendum poll later in the year (possibly as soon as 23 June) other possibilities have been explored. One of these is St John's Church Hall next door to the Peter Kirk site off St John's Road. A further possible option is the Youth Centre building at Lower Street although this is not favoured as it is considered to be both inferior in terms of accessibility and less central to the population being served.
12. As discussions are continuing, it is not possible to make a recommendation in this report and a verbal update will therefore be given at the meeting.
13. The position is therefore as set out below:
 - a. It is recommended the Council agrees to designate the Homebase site off Elizabeth Way in Saffron Walden as the polling place for the **Castle East** polling district, to replace the Sports Hall at Dame Bradbury's School.
 - b. Depending on the outcome of further discussions to be reported to this meeting, either the Peter Kirk site (former Adult Learning Centre) or St John's Church hall be designated as the polling place for **Stansted East** polling district.

Risk Analysis

14.

Risk	Likelihood	Impact	Mitigating actions
3 – A decision is required to enable the Council’s statutory duties to be discharged	3 – As stated in the adjoining box, a decision is needed to enable the PCC election to proceed without risk of legal challenge.	3 - The impact of a failure to provide adequate or agreed polling facilities in the polling districts concerned would be severe for electors in those areas and would expose the Council/Returning Officer to risk of criticism and possibly even legal action.	Within the time constraints imposed by the PCC election timetable, take action to identify all possible polling locations that would meet statutory obligations, carry out limited consultation and provide the most suitable polling facilities possible.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

COMMITTEE TIMETABLE 2016/17

	Day	Time	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Council	Tue	7.30pm	17 AC		26			18		15 (Thur)		23 (Thur)		4	16 AC
Cabinet*	Thurs	7.00pm	26		14		15	26 (Wed)		7 (Wed)	12	16	30		25
Scrutiny (reserved for call in)	Mon	7.30pm		6	25		26		7	19	23	27		10	
Scrutiny	Tues	7.30pm	3		5		6		22		17	7		11	
Performance and Audit	Thur	7.30pm	19		21		29		15 (Tues)			9			
Planning	Wed	2.00pm	4	1 29	27	24	21	19	16	14	11	8	8	5	10
Licensing & Env Health	Wed	7.30pm					14				25			12	
Standards	Mon	4.00pm			4				7				20		

*Not required to be agreed by Council. Cabinet meetings are scheduled at the Leader's discretion and are included here for information. All meetings normally held at Saffron Walden.

