

29 January 2014

Dear Councillor

## **SCRUTINY COMMITTEE**

A meeting of the Scrutiny Committee will be held at the Council Offices, London Road, Saffron Walden on Thursday 6 February 2014 at 7.45pm or at the conclusion of the question and answer session whichever is the earlier.

Yours faithfully

JOHN MITCHELL

Chief Executive

***Commencing at 7.30 pm, 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 two working days prior notice***

### **A G E N D A P A R T I**

- 1 Apologies for absence and declarations of interest.
- 2 Minutes of the meeting held on 26 November 2013 (attached). 4
- 3 Business arising.
- 4 Consideration of any matter referred to the Committee in relation to call in of a decision (standing item).
- 5 Responses of the Executive to reports of the Committee (standing item).
- 6 Scrutiny work programme. 14
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16	Any other items that the Chairman considers to be urgent.	

To: - Councillors G Barker, P Davies, I Evans, **E Godwin**, S Harris, S Howell, D Morson, E Oliver, J Rich and D Watson.

Lead Officer: Adrian Webb (01799 510421)

Democratic Services Officer: Rebecca Dobson (01799) 510433

### MEETINGS AND THE PUBLIC

Members of the public are welcome to attend any of the Council's Cabinet or Committee meetings and listen to the debate. All agendas, reports and minutes can be viewed on the Council's website [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk).

Members of the public and representatives of parish and town councils are now permitted to speak or ask questions at any of these meetings. You will need to register with the Democratic Services Officer by midday two working days before the meeting. An explanatory leaflet has been prepared which details the procedure and is available from the Council offices at Saffron Walden.

A different scheme is applicable to meetings of the Planning Committee and you should refer to the relevant information for further details.

Please note that meetings of working groups and task groups are not held in public and the access to information rules do not apply to these meetings.

The agenda is split into two parts. Most of the business is dealt with in Part 1 which is open to the public. Part II includes items which may be discussed in the absence of the press or public, as they deal with information which is personal or sensitive for some other reason. You will be asked to leave the meeting before Part II items are discussed.

You are entitled to see any of the background papers that are listed at the end of each report.

If you want to inspect background papers or speak before a meeting please contact either Peter Snow on 01799 510430, Maggie Cox on 01799 510369, or Rebecca Dobson 01799 510433 or by fax on 01799 510550.

Agenda and Minutes are available in alternative formats and/or languages. For more information please call 01799 510510.

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**SCRUTINY COMMITTEE held at COUNCIL OFFICES LONDON ROAD  
SAFFRON WALDEN at 7.30pm on 26 NOVEMBER 2013**

Present: Councillor E Godwin – Chairman.  
Councillors G Barker, I Evans, S Howell, D Morson and J Rich.

Also present: Councillor J Ketteridge (Leader), Councillor R Chambers (Portfolio Holder for Finance), Councillor H Rolfe (Portfolio Holder for Communities and Partnerships) and Councillor A Walters (Portfolio Holder for Community Safety).

Mrs D Cornell, Chairman of Tenants Regulatory Panel.  
Mr S Mills (Public Transport Development Manager) and  
Mr M Garner (Passenger Services Director) - Stansted Airport.

Officers: R Auty (Assistant Director Corporate Services), R Dobson (Principal Democratic Services Officer), P Evans (Housing Business & Performance Manager), R Harborough (Director of Public Services), S Jackson (Economic Development Officer), S Joyce (Assistant Chief Executive-Finance), M Perry (Assistant Chief Executive-Legal), J Pine (Planning Policy/DM Liaison Officer) V Taylor (Business Improvement and Performance Officer) and A Webb (Director of Corporate Services).

SC36

**AIRPORT RELATED PARKING**

Councillor Godwin welcomed Matthew Garner and Steve Mills of Manchester Airports Group, the owners of Stansted Airport.

Mr Garner gave a presentation on Stansted Airport Parking.

Members were informed that currently 17.67 million passengers per annum (mppa) were using the Airport, and that a new terminal transport project was to be implemented at a cost of £80 million. The presentation gave details of the Airport's current car parking estate and records showing the proportion of air passengers' journeys to the Airport made by different private and public forms of transport. Mr Garner drew attention to a reduction in private car transport to 35% (down from 52%); and to a significant increase in bus and coach transport (from 7% to 25%); and to the fact that rail continued at approximately 25% of all journeys to the airport.



Mr Garner said Stansted Airport's strategy would be to focus on the percentage of journeys between private car and bus or coach. An element of private car journeys were "kiss and fly". Stansted Airport was keen to reduce this proportion, as it was losing transport market share to kiss and fly, and because this type of journey represented 40% of the Airport's carbon footprint.

Mr Garner presented a slide showing numerous sites outside Stansted Airport boundaries which were purportedly being offered as airport parking.

Regarding fly parking, he said the Airport had a free hotline for to enable the public to report incidents of fly parking.

Mr Garner invited Members to put questions.

Councillor Godwin thanked Mr Garner for his presentation and put to him a number of comments. She said she had received many complaints from people in her ward, Birchanger, that the new car park arrangements were confusing. The signage was poor and the express parking area was too small. The drop-off period of 30 minutes was too short, resulting in people receiving fines through circumstances beyond their control.

Mr Garner said the drop off time was 60 minutes.

Councillor Godwin raised further issues. She said the concession pass, which the Airport claimed was available to local people, was almost impossible to obtain, and after trying to access it by telephone, online and by applying in writing she had given up. She felt Airport parking was not working for local residents. Public transport to the Airport was not a realistic option for many people in the district. Parking needed to be clearer and easier; the local concession scheme was very difficult to access; the telephone number for reporting Airport related parking was not sufficiently publicised.

Mr Garner accepted the signage was not good enough but he hoped this aspect would be addressed. Regarding the concession, this was the first time he had heard that it was not operating as it should; if this was confirmed to be the case he would tackle it. Regarding the flyparking hotline, it was periodically publicised through the parish councils and would be again. The hotline had been used 56 times this year so it was necessary to understand whether this related to a peak period or was representative of the frequency of calls generally.

Councillor Evans said one of the main concerns of residents related to the effectiveness of the hotline, as there was no feedback. She had seen a report which listed three calls from Meadowcroft in Stansted. She understood from the resident concerned that they felt frustrated that nothing seemed to happen, and the telephone line was a 'black hole'.

Mr Garner said a quarterly forum reviewed the data from the hotline to identify any pattern and whether it was in fact airport related or for other causes, such as rail users. Where there was a particular issue, action would be taken, an example being the residents' parking scheme in Takeley.

Councillor Morson asked what feedback was given to those who reported flyparking. Mr Mills said feedback would not generally be given to each caller.

Councillor Howell thanked Mr Garner and Mr Mills for attending and said he was very much of the view that the Council was in partnership with the Airport. He considered Stansted should be "an airport in the countryside", with all airport parking within its confines. Regarding the drop-off time 5 minutes, this was too short in duration. "Kiss and fly" was the only option for most residents from his area of the district, and 15 minutes was not long enough, for example where people were dropping off an elderly relative.

Mr Garner said the average drop off duration was in fact between 3 and 7 minutes, so in the main the drop off arrangement worked smoothly. It would be possible to look at this but there were operational considerations to be taken into account regarding peak capacity at different times of day.

Councillor G Barker asked about parking for those using the railway station at the Airport. Mr Garner said he did not have that information and but that there was parking for season ticket holders.

Councillor Evans asked whether there was any data regarding use of trains going to Stansted Airport as it seemed most were by no means full and were often almost empty.

Mr Garner said the peak times for trains and for flights did not completely dovetail, so MAG was looking at a collaborative approach with Greater Anglia. The Transport Working Group was looking at data from the barrier system for parking for the next three years to build a picture from trend analysis.

Councillor Rich said there was frustration at the Airport's unwillingness to become a transport hub. The train service between Stansted Mountfitchet and Stansted Airport was four minutes' duration and ran once an hour; this was of no use to Stansted Mountfitchet residents. The scheduling of the train service could be very good for both local residents and the Airport, but he understood there were contractual restrictions on allowing trains to the Airport to stop also at Stansted Mountfitchet. This was one of the largest villages on the London line; many of the Airport's workforce lived in Stansted Mountfitchet. Councillor Rich said on the occasions when commuter trains were cancelled the Stansted Express should stop at the village, as last winter's experience should not be repeated.

Mr Mills said the scheduling of the trains was not within the control of the Airport but lay with the rail franchise holder and the Department for Transport.

Mr Garner said he was not aware of any contractual mechanism which imposed a financial penalty on Stansted Express trains if they stopped at Stansted Mountfitchet. A collaborative relationship was the aim but in reality these kind of improvements took time.

The Chairman asked about the discount for train travel available to staff at the Airport and asked whether this was also available to contractors, as at Birchanger there had recently been an incident when a number of vans had been parked up and their occupants had all then got into one van, presumably to save on parking costs at the Airport.

Mr Mills said the discount was available to all staff; 400 of these discount cards were sold each month, providing staff with a discount of 8%.

Councillor Evans said the lack of taxi competition at the Airport was a problem in that the price of a taxi from the Airport was incredibly high.

Matt Garner said he agreed with this view and Stansted Airport was keen to introduce competition for taxis.

Councillor Godwin asked a question on behalf of a member who could not be present tonight: at other airports in the world free parking was offered for local people within the Airport grounds – could this be introduced?

Mr Garner said the Airport offered an hour of free parking in Mid-Stay; local residents were also offered a 75% discount for set-down.

The Chairman said more clarity was needed. Mr Garner agreed.

Councillor Morson asked about the map showing commercial parking which was being offered illegally outside the Airport boundary.

Mr Garner said that he would be meeting with the Chief Inspector and Trading Standards to ensure this situation was monitored; four individuals had been arrested at the weekend and the police were clamping down; methods such as CCTV were being looked at so as to catch repeat offenders; and the Airport was aware of certain locations along the dual carriageway also subject to flyparking which raised questions of safety.

Mr Mills said there was a clear policy that there should be no parking outside the Airport boundary and Stansted Airport was working with enforcement officers.

The Chairman thanked Mr Garner and Mr Mills for attending, and asked if they would attend again next year to update the Committee.

SC37

## **TENANTS REGULATORY PANEL**

The Housing Business and Performance Manager presented a report giving details of the work of the Tenants Regulatory Panel which was producing a report on voids.

Mrs Daphne Cornell said the panel scrutinised the Council as an entirely independent entity, and its members felt they were able to express the tenants' perspective of the Council's housing service. The work involved was quite demanding, but the panel continued to benefit from and were very appreciative of assistance given by the Housing Business and Performance Manager. Mrs Cornell was hopeful the report could indicate ways in which the process could be improved to enable tenants on the waiting list to move into void properties more quickly. At its next full meeting in January officers and Tenant Forum members would have an opportunity to comment on the report.

Councillor Morson asked what the Tenants Panel would do differently if they had to go through this process again; whether the panel had chosen the subject of voids to scrutinise; and what future topic they would look into.

Mrs Cornell said tenants had tried their best to be independent, but had felt they were too far removed from officers, so there was a need to get this balance right. The panel had chosen voids as many other councils were doing so; future subjects for scrutiny would be discussed at the panel's meeting later this week.

Councillor Evans asked whether it had been difficult to find panel members. Mrs Cornell said it was not easy to recruit members, although advertisements which had twice been placed in *Housing News* had resulted in people coming forward with issues for the panel to consider.

The Chairman thanked Mrs Cornell for her report, and said she looked forward to receiving a future update.

SC38

## **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors P Davies, S Harris and E Oliver.

*Councillor G Barker declared a non pecuniary interest in relation to the item on rural broadband in that his home was served by broadband supplied by Buzcom.*

SC39

## **MINUTES OF PREVIOUS MEETINGS**

The Minutes of the meetings held on 15 October and 11 November 2013 were received, considered and signed by the Chairman as a correct record.

SC40 **MATTERS ARISING**

**(i) Extraordinary Meeting 11 November 2013**

The Minutes were amended to show that Councillor Rich was present.

SC41 **SCRUTINY WORK PROGRAMME**

The Assistant Director Corporate Services said items not currently scheduled and shown in red were yet to be allocated to meetings. They would be included on future agendas.

SC42 **RURAL BROADBAND**

The Committee considered a report on rural broadband, recommending that officers continue to monitor the progress of the wireless service provided by Buzcom in the district and that officers continue to work closely with the Broadband Delivery UK Superfast Essex programme.

The Economic Development Officer said superfast broadband was a necessity for many users in the district. The Government was supporting a superfast broadband service to rural areas through the Essex Superfast programme. In addition the Council had provided a grant of up to £30,000 to Buzcom to provide a wireless superfast broadband service. Officers considered the technology Buzcom provided was robust; feedback from businesses was positive and the company had over 700 customers in the district. On the negative side, coverage was not as comprehensive as had been envisaged as there had been problems siting equipment on two of the main towers serving the district, one at Barkway and one at High Garrett.

Also the service had not been installed at customers' houses and premises the rate which had been hoped. Buzcom had taken on more staff in order to speed up the installation process. A further issue was the communication with those who had registered for the service which was not as effective as it could have been. For a rural area such as Uttlesford wireless technology was very important and in combination with other suppliers people should be able to access superfast broadband.

The Economic Development Officer showed information indicating coverage in the district. It was important that the Council continue to lobby the Essex Superfast programme as overlaying coverage with Buzcom would fill in the gaps which would otherwise not be covered until 2015. Buzcom was therefore very important for Uttlesford. The plan was to improve coverage from 40% to 65% with government funding; ultimately to achieve 90 – 95%.

Members commented on the importance of having 'line of sight' for wireless coverage to operate properly, and on the need to ensure this district's interests were not prejudiced by competition between authorities over strategic sites.

Councillor G Barker said it was important to emphasise that locations serving businesses rather than domestic users were the priority. The Economic Development Officer said the priorities for the Superfast programme were business parks and businesses in general.

The Director of Corporate Services said Buzcom would draw down £5,000 when the lease was finalised for the High Garrett tower. There had been some delay due to negotiations with Kent Police over the rates required. The contract between the Council and Buzcom made further provision for incentive payments of £10,000 when certain targets had been met. So far this money had not been requested.

The Economic Development Officer said the Council would shortly receive a further government funded application for 2G equipment to be installed on an existing mast in the district, which would contribute to filling in the mobile phone blackspots.

Councillor Evans asked how businesses in the district could find out which areas were in broadband blackspots. The Economic Development Officer said the Superfast Essex Programme website identified such areas.

Councillor Rolfe said it was of particular importance to Uttlesford that it should gain better broadband coverage due to the rural nature of the district. The work being done to improve this coverage was excellent, and it was the intention to continue to lobby to achieve as full a coverage as possible with BT and Buzcom by 2016.

The Chairman thanked Councillor Rolfe and Mr Jackson for the information they had given and asked for a further update to be provided to the Committee in the next few months.

SC43

## **2014/15 BUDGET PLANNING**

The Assistant Chief Executive-Finance presented a report giving an overview of the budget process and the documentation that would be coming forward for review. The report included a copy of the financial outlook and 2014/15 budget strategy report which had been approved by the Cabinet in October, together with the results of the public consultation process.

The Assistant Chief Executive-Finance said this report set the scene for discussion on the budget in February. He had included in the report non-prescriptive suggestions for how members might approach scrutiny of the budget.

The Assistant Chief Executive Finance drew attention to a number of points. He said the report on the Financial Outlook and 2014/15 budget Strategy set out what Cabinet wished to achieve. Forecasts for the next five years were set out in the budget model summary, and Members should note the great uncertainty regarding future Government funding, particularly as in 2015 there could be a change of government. It was sensible to plan for a £1.3 million deficit, and Cabinet had decided to plan for a reduction in funding of £300,000 per year, rather than attempt to address this deficit in one year.

The Assistant Chief Executive Finance referred Members to the consultation asking for residents' views on the priorities for setting the budget, which would be taken into account. However as only 61 people had submitted replies, the Cabinet would exercise caution in having regard to these responses, and it was for Scrutiny Committee Members to consider whether that was right, and whether the absence of any strong indications on budget priorities could be taken as an indication of an endorsement of policies. Members agreed this was a sensible approach.

The Assistant Chief Executive Finance said consultation had been conducted primarily only online, in contrast to previous years.

Councillor Chambers said the low response rate could reasonably be taken as an indication that people were happy with the current financial priorities. Future consultation would be carefully looked at to ensure more people were reached.

Councillor Godwin said the Council needed to have the security of knowing that people supported this budget.

Councillor Rich said it was inadvisable to rely on such an absurdly small number of responses. The Council should be cautious about giving the results disproportionate publicity.

The Assistant Chief Executive-Finance drew Members' attention to the key actions and budget strategy for 2014/15. He said unless there were to be a significant change in circumstances, the budget would not provide for cuts in services to make financial savings. Efficiency savings would continue to be sought.

Councillor Godwin asked a question about an unscheduled payment which she understood had been made in respect of the parking partnership. The Assistant Chief Executive-Finance said he was not aware of any payments that had not been contractually agreed.

*Councillor G Barker declared a disclosable pecuniary interest in that his wife was the Council's representative on the North Essex Parking Partnership.*

The Assistant Chief Executive-Finance said he would clarify the financial situation by means of a note to members, but he could assure members that there was no unplanned expenditure in connection with the partnership.

Councillor G Barker asked about the local plan statement referred to in relation to the New Homes Bonus. The Assistant Chief Executive-Finance said Councillor S Barker had requested that housing numbers be included in the report to provide context.

Councillor Chambers said the financial stability provided by the New Homes Bonus for the medium term was extremely important, but the government was currently proposing to top slice each authority's award and divert that funding to its Local Economic Partnership. This prospect was a cause for concern. The Council was making representations to the DCLG. It could be necessary for local government structure to change dramatically in the future to respond to financial pressures.

Councillor Godwin said the Government had to be realistic. The council was doing the best it could. She was pleased the indications were that Council Tax would not be increased in the next year.

Councillor Howell said Members were elected to make decisions, and it was exasperating then to have to engage in public consultation regarding how to reach those decisions. He endorsed the plan to freeze council tax. He supported the continuation of the Council's steady approach to reach a cumulative budget reduction of £1.3 million by 2018/19. Members needed to remind themselves that these were straitened times, and the Council faced a substantial challenge which it was necessary to address now.

Councillor Chambers said it would be important to look at the non-statutory services offered by the Council but there was no intention this year to cut services or to cut support to voluntary organisations.

The Assistant Chief Executive-Finance agreed with these comments. He said he hoped that for the next few years the budget would not prevent the Council from performing the same functions as currently, but in the 5 year plan there was inevitably a need to cease offering some aspects of the service. There were difficult decisions ahead for members in determining priorities. By the end of the decade the Council would be entirely dependent on income it generated itself, therefore a disciplined approach would be needed.

Councillor Godwin thanked the Assistant Chief Executive-Finance and Councillor Chambers for their report.

SC44

## **STATUTORY SERVICES**

Members considered a schedule identifying which services performed by the Council were statutory and which were non-statutory.



Councillor Howell said the information was very useful. The Director of Corporate Services said the Council's Corporate Management Team had reviewed all council-run functions. Members should be aware that there were some services which included both categories of functions. There were questions to be considered as to whether some statutory functions could be provided externally.

Members wished to look at how each service was delivered and whether there were alternative options. Comments were made regarding the process to be followed in looking at the services.

The Director of Corporate Services said such scrutiny should start with front-facing services.

It was agreed that Councillors Godwin and Morson would talk to officers to produce a work programme to enable the Committee to scrutinise all services.

SC45

## **PLANNING**

Members considered a scoping report on Planning. Councillor Howell said he was content with the approach proposed by this report, as he had had some concerns initially that reasons put forward by Councillor Watson for looking at Planning had related to individual planning applications. As Chairman of Performance and Audit Committee, he was very pleased to be able to report to Scrutiny Members that there was sustained good performance within the Planning Service which was continuing to achieve "green" status in its performance indicators.

Councillor Godwin congratulated the Director of Public Services on the Planning service's performance.

The scoping report was approved.

The meeting ended at 9.40am.

**Scrutiny Work Programme 2013/14**

Date	11 June 2013	3 September 2013	15 October 2013	11 November 2013 (call in)	26 November 2013	6 February 2014	29 April 2014
Standard agenda items	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in	Consideration of any decisions called in
	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee	Responses of the reports of the scrutiny committee
	Leaders forward plan	Leaders forward plan	Leaders forward plan	Leaders forward plan	Leaders forward plan	Leaders forward plan	Leaders forward plan
	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan	Scrutiny forward plan
Agenda items	NHS England	CCG progress – update – Toni Coles Health and Social Care planning – Colette Ovens	Police Crime Commissioner Update from the public meeting	Call in – LDF	Tenant Scrutiny Panel update	Dog Fouling	Health and Wellbeing Update
	East of England Ambulance Service Update Report & Presentation	Highways Strategic Partnership – written update from Peter Massie	Car Parking Task Group Final Report – Cllr Evans	Dog fouling – scoping report	Budget Process – Preparatory report and briefing (Stephen Joyce)	Budget (Stephen Joyce)	Statutory Services Review
	Tenant Scrutiny Panel Introduction	Highways Consultation Responses – written update from Planning	Airport related parking - scoping report (verbal)	Swimming pool provision – scoping report	Rural Broadband		Trade waste contracts and pricing
	Annual Report from the Leader	Planning Performance Review – written PI update	Septic Tanks – Roz Millership		Airport related parking.		NEPP- Audit Update
	Update from Car Park Task Group Chair	Sewage Works - Scoping Report	Trade waste contracts and pricing – scoping report		Planning process – scoping report		2013/14 Scrutiny review and forward plan
	Highways Strategic	Rural Broadband - Scoping Report		Page 14	Statutory Services List		

	Partnership - Scoping report						
		Police Crime Commissioner - Invite questions for public meeting on 19 September					
		Car Parking Update – written Cllr Evans					

- Planning provision for schools and school places
- NEPP – sustainability and audit review outcomes
- PCC - email questions to PCC and invite a senior police officer to a future meeting

## UTTLESFORD DISTRICT COUNCIL

### FORWARD PLAN

### KEY DECISIONS

Decision	Decision maker	Date of decision	Documents submitted to the decision maker for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
<p>To recommend to Council the following budgetary reports:</p> <p>Housing Revenue Account, Rent and Service Charge setting</p> <p>Treasury Management Policy</p> <p>Capital Programme</p> <p>Medium Term Financial Strategy</p> <p>Robustness of estimates and adequacy of reserves</p> <p>General Fund and</p>	Cabinet	18 February 2014	Reports not yet available	Cllr Robert Chambers	<p>Stephen Joyce, Assistant Chief Executive-Finance</p> <p><a href="mailto:sjoyce@uttlesford.gov.uk">sjoyce@uttlesford.gov.uk</a></p>

Decision	Decision maker	Date of decision	Documents submitted to the decision maker for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
Council Tax 2013/14 Budget Monitoring Report					
Corporate Plan 2014-19	Cabinet	18 February 2014	Report not yet available	Cllr J Ketteridge	John Mitchell, Chief Executive <a href="mailto:jmitchell@uttlesford.gov.uk">jmitchell@uttlesford.gov.uk</a>
Corporate Risk Register	Cabinet	18 February 2014	Report not yet available	Cllr J Ketteridge	John Mitchell, Chief Executive <a href="mailto:jmitchell@uttlesford.gov.uk">jmitchell@uttlesford.gov.uk</a>
Localism Act 2011 Community Empowerment	Cabinet	Ongoing		Cllr H Rolfe	John Mitchell, Chief Executive <a href="mailto:jmitchell@uttlesford.gov.uk">jmitchell@uttlesford.gov.uk</a>

## DECISIONS TO BE TAKEN IN PRIVATE

Decision	Decision maker	Date of decision	Reason for decision to be taken in private	Portfolio Holder	Contact officer from where the documents can be obtained
No decisions notified by 20 January 2014					

## OTHER DECISIONS

Non-Key Decision	Decision to be taken in private? (reason)	Decision maker	Date of decision	Documents submitted to the decision maker for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
Developments Contribution Guide	N	Cabinet	18 February 2014		Cllr Barker	Assistant Director Planning and Building Control <a href="mailto:ataylor@uttlesford.gov.uk">ataylor@uttlesford.gov.uk</a>
High Roding Conservation Area Appraisal	N	Cabinet	18 February 2014		Cllr Barker	Assistant Director Planning and Building Control <a href="mailto:ataylor@uttlesford.gov.uk">ataylor@uttlesford.gov.uk</a>
Bridge End Garden Culvert	N	Cabinet	on-going		Cllr Chambers	Director of Corporate Services <a href="mailto:awebb@uttlesford.gov.uk">awebb@uttlesford.gov.uk</a>
LBLC and adjoining land to rear of the Skate Park	N	Cabinet	on-going		Cllr Chambers	Director of Corporate Services <a href="mailto:awebb@uttlesford.gov.uk">awebb@uttlesford.gov.uk</a>
Essex Energy Consortium	N	Cabinet	On going		Cllr Redfern	Director of Public Services <a href="mailto:rharborough@uttlesford.gov.uk">rharborough@uttlesford.gov.uk</a>

**Committee:** Scrutiny

**Agenda Item**

**Date:** 6 February 2014

**8**

**Title:** **Dog fouling**

**Author:** Geoff Smith, Head of Environmental Health,  
01799 510582  
Ron Pridham, Head of Street Services, 01799  
510597

Item for information

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## Summary

1. The committee requested a report enabling it:
  - a. To establish what the current dog bin service is, how this is operated and how many bins we currently have.
  - b. To understand why some parts of Uttlesford have a district council-run system and some have a town/parish provision.
  - c. To ascertain what the costs are for the provision of the UDC service and if this is sustainable.
  - d. To establish the procedure for replacing old/damaged bins and installing new bins if required.
  - e. To understand what the current reporting procedures and campaigns are and if they have had any impact on the prevention of dog fouling.
  - f. To find out what dog control signage is currently offered and if this is effective.
  - g. To understand what happens to current offenders, what the current penalties are and if these are effective.
2. This report is intended to address that request.

## Recommendations

3. For information only

## Financial Implications

4. None

## 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	Limited representation is received on this issue, as indicated in the body of the report
Community Safety	
Equalities	
Health and Safety	Dog fouling is a public health issue
Human Rights/Legal Implications	
Sustainability	Dog fouling detracts from the environmental quality of public spaces
Ward-specific impacts	
Workforce/Workplace	

## Situation

7. The provision and servicing of dog bins should be considered in the broader context of initiatives to address fouling of public spaces by dogs. This includes trying to raise awareness that fouling is problem, and getting dog owners to keep public spaces clean by removing dog waste. This can be done through initiatives to change behaviours, persuading owners to take waste home with them for disposal in their residual domestic waste bin and action to enforcement the law (Dogs (Fouling of Land) Act 1996).

Issue a): To establish what the current dog bin service is, how this is operated and how many bins we currently have

8. In the past, dog bins have been supplied to Parish Council's through the Animal Warden, with the Parish being recharged for the cost of providing the bin/s (£110 incl. VAT). Bins are then regularly emptied by Street Services as part of the district council's street cleansing operations. There are approximately 250 dog bins provided by the district council in this way throughout the District.
9. Servicing an ever growing number of dog bins in response to community requests however diverts resources from other aspects of street cleansing, in particular litter picking. Dog bins are essentially unnecessary as dog waste can be disposed in litter bins or householders' residual domestic waste bins if dog walkers can be persuaded to carry the bagged waste home with them rather than to a dog waste bin. Unfortunately provision of dog bins does not necessarily persuade walkers to clear up after their dog and consequently can be of limited effectiveness in dealing with the main issue.



Issue b): To understand why some parts of Uttlesford have a district council-run system and some have a town/parish provision

10. The district council has been taking a selective approach to requests for additional bins and limited further provision to sites with a significant fouling problem where a new bin can be readily emptied, such as close to a road which is cleaned of litter relatively frequently. Where town and parish councils have nevertheless locally felt they wish to provide bins, they have supplemented any district council facilities, entering into their own contracts for supply and emptying these bins. This has happened in some newer parts of Uttlesford such as Priors Green and Flitch Green. Some Parishes consequently have both contracted bins and older bins emptied by UDC Street Services. New bins are generally not being installed unless contracted by a Parish. There is a local company which supplies this service.

Issue c): To ascertain what the costs are for the provision of the UDC service and if this is sustainable

11. The costs of dog waste collection are covered by the street cleansing budget, which also includes pavement sweeping, gully sweeping and litter picking. Street cleansing is not disaggregated for budget estimate or monitoring purposes. The direct expenditure budget in 2013/14 is £386,200.

Issue d): To establish the procedure for replacing old/damaged bins and installing new bins if required

12. Old or damaged bins (serviced by UDC) are replaced and the costs recharged (as before) to each Parish. A small stock of dog bins is held for this purpose at Shire Hill.

Issue e): To understand what the current reporting procedures and campaigns are and if they have had any impact on the prevention of dog fouling

13. The Animal Warden relies on members of the public to report instances of dog fouling and, if the culprit can be identified, a warning letter can be issued. While dog fouling is an issue that causes public disquiet and attracts media interest, the actual number of complaints made to Environmental Health is in fact quite low.
14. Reported incidences of fouling are passed to Street Services for a clean up to be carried out where possible.
15. About 2 to 3 calls are received a week especially in the winter regarding dog fouling but most are advisory calls stating where fouling has occurred rather than offers from members of the public willing or able to make an official report and of an incident and provide evidence. These calls are followed up by the Animal Warden and if she detects a problem area, or is asked to visit and post notices or leaflet drop, then she records the call as a complaint. For the year 2012/13, there were 24 recorded complaints, with 12 owners being identified and letters sent out. The remaining complaints had no culprit identified. Street Services raised 6 requests/tickets last year relating to cleaning dog mess but it is acknowledged that this probably under records the situation as other instances will have been passed directly to the street cleaner at the time.
16. 2013/14 has seen a similar number of complaints so far and 11 letters have been sent out by way of warning.

17. Information on dog fouling and the control of dogs including how to make a complaint is published on the Council's website at <http://www.uttlesford.gov.uk/article/1986/Areas-of-Environmental-Enforcement>
18. Recent campaigns (2013) have included a poster competition in local schools. While the number of schools and posters entered was small (two primary schools and 12 posters) it did result in the winning poster being used in Thaxted and a radio interview by Essex Radio about fouling in 'Dog Poo Alley'.
19. Patrols of 'hotspots' are carried out weekly by the Animal Warden but it is almost impossible to be in the right place at the right time when covering the whole District.
20. Dog poop scoop bags are available free of charge from the Saffron Walden Offices, Thaxted CIC and Dunmow Library. We usually supply around 40,000 bags a year at a cost to the Council of approximately £600 pa. The rationale for providing free bags on a regular basis on request may be an issue that the Committee wishes to consider.

Issue f): To find out what dog control signage is currently offered and if this is effective

21. Signage is mainly provided in the form of adhesive 'No Fouling' signs that can be used on metal lamp posts, and these can be effective. Where these cannot be used, laminated A4 posters are provided but are affected by fading, vandalism and the weather. Consequently they need replacing on a regular basis and as such are not as effective.
22. Where regular complaints or hotspots are identified, a local signage campaign and leafleting of dog walkers and neighbouring residents is carried out. Anti-dog fouling information has also been promoted at events attended by the Animal Warden such as micro-chipping events and Fun days or Road shows organised by the council or outside organisations.

Issue g): To understand what happens to current offenders, what the current penalties are and if these are effective

23. Fixed Penalty Notices can be served for failing to clean up dog fouling in a dog control area but require the incident to be witnessed either by an officer authorised to issue FPNs, or a signed statement to be obtained from a witness prepared if necessary to take part in magistrate court proceedings. Authorised staff have been trained to issue Fixed Penalty Notices. Unfortunately though the likelihood of an officer directly witnessing an incident is low. Designated Dog Control Areas in Uttlesford comprise:

All land within the administrative area of the District of Uttlesford which is open to the air, including covered land which is open to the air on at least one side, and to which the public are entitled or permitted to have access with or without payment, and which falls within the following categories and descriptions:-

- a. All carriageways with a speed limit of 40 mph or less;
- b. All footpaths, verges and land adjacent carriageways with a speed limit of 40 mph or less;
- c. All public footpaths, and land adjacent to public footpaths, and any other footpath, footway, walkway, access way, back street, road or

carriageway whether privately maintained or adopted to which the public have access

24. The Fixed Penalty Notice fine is £75.00 (reduced to £40 for prompt payment). No such Notices for failing to clean up dog fouling have been issued in 2013/14. If a FPN is issued and not accepted, or if there are circumstances which would justify it, a prosecution could be brought which carries a fine of up to £1000.
25. Further information on dog control orders and environmental enforcement is published on the council's website at <http://www.uttlesford.gov.uk/article/1986/Areas-of-Environmental-Enforcement> and <http://www.uttlesford.gov.uk/dogcontrolorder>

### Risk Analysis

26.

Risk	Likelihood	Impact	Mitigating actions
None			

- 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:** Scrutiny Committee

**Agenda Item**

**Date:** 6 February 2014

**9**

**Title:** 2014/15 Budget – covering report

**Author:** Stephen Joyce  
Assistant Chief Executive - Finance

Item for decision

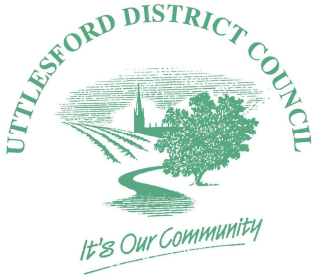
### Summary

1. Under a Cabinet system of governance, it is best practice for the Scrutiny Committee to review the draft budget proposals prior to consideration by the Cabinet and Full Council.
2. This is a proactive measure so that the Scrutiny Committee has an opportunity to make comments and suggestions that the Cabinet may take into account when determining its budget recommendations for Full Council.
3. The budget consists of a series of reports, all on today's agenda, as follows:

Report	Purpose
Equalities Impact Assessment (attached to this covering report)	To demonstrate consideration of the impact on minority groups
Housing Revenue Account	Covers spending plans for council housing & relates services for 2014/15 with a 5 year outlook.  2014/15 is the third year of the self-financing arrangements and the 30 year business plan approved by the Council in 2012.  The report contains proposals for increases in rents and service charges. The proposals have been endorsed by the Tenants Forum and Housing Board.
Treasury Management Strategy	Details how cash flow will be managed, and a strategy for prudent borrowing and investment
Capital Programme	A five year plan setting out capital expenditure on the Council's assets including buildings, vehicles and ICT
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
Robustness of Estimates and Adequacy of Reserves	A statutory report which sets out the key risks in the General Fund budget, and advice about safe levels of contingency reserves
General Fund Budget and Council	Details the proposed budget for all services except

Tax	Council Housing, and proposals for the district council share of the Council Tax bill
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4. The budget reports, annotated with the Scrutiny Committee's comments, will be submitted to the Cabinet on 18 February and Full Council on 27 February.
5. The Scrutiny Committee received a briefing on the budget process at its November meeting along with suggestions of the areas it may wish to examine. For ease of reference the suggestions are reproduced in the individual reports.



# 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.	2014/15 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.	Stephen Joyce, Assistant Chief Executive – 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. Where the budget requires a service reduction (Museum), the service has carried out an EQIA with no issues arising.</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
<a href="#">Customer contact</a> 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?

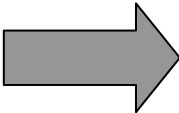
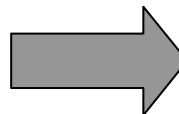
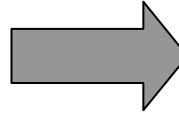
- No
- Yes \* 
- Insufficient evidence 

\*Please state any potential issues Identified.

### Improvement actions

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

14	Following this fast-track assessment, please confirm the following:		
	<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
	<input type="checkbox"/> There is insufficient evidence to make a robust judgement.		Additional evidence gathering required (go to Q17 on Page 7 below).
	<input type="checkbox"/> Inequalities have been identified which cannot be easily addressed.		Action planning required (go to Q18 on Page 8 below).
15	If you have any additional comments to make, please include here.	<input type="checkbox"/> None	

### Completion

16	Name and job title (Assessment lead officer)	Stephen Joyce Assistant Chief Executive - Finance
	Name/s of any assisting officers and people consulted during assessment:	CMT
	Date:	28 January 2014
	Date of next review:	January 2015
	<i>For new strategies, policies, projects, contracts or decisions this should be one year from implementation.</i>	

**Committee:** Scrutiny Committee

**Agenda Item**

**Date:** 6 February 2014

**10**

**Title:** Housing Revenue Account 2014/15 Budget and 5 year Business Plan Strategy

**Author:** Roz Millership – Assistant Director Housing and Environmental Services  
Angela Knight – Accountancy Manager

Item for decision  
**Yes**

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## Summary

1. This report sets out the following proposals for consideration:
  - a. A proposed Housing Revenue Account (HRA) budget and reserves position for 2014/15.
  - b. HRA dwelling rents continue to converge with Formula rents, such that the average rent increase in 2014/15 will be 5.05%.
  - c. Garage rents are increased by 3.2%.
  - d. Heating, Service and Sewerage charges are increased in line with actual costs.
  - e. Service charges for common services in sheltered schemes continue to be subsidised for tenants at 31<sup>st</sup> March 2012 who are not in receipt of housing benefit.
  - f. Charge for Sheltered support services increased by 3.2%.
  - g. Sheltered support services for tenants as at 31<sup>st</sup> March 2003 who are not eligible for supporting people grant continue to receive transitional relief protection.
  - h. Lifeline basic charge is increased by 3.2%.
  - i. Introduction of a subsidised welfare garden service for tenants
  - j. A proposed 5 year financial forecast for the period from 2014/15 to 2018/19.
2. 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.
3. Housing Board and The Tenants Forum have reviewed the Housing rent and service charge increases and recommended the proposals for approval by Cabinet and Full Council.

Scrutiny Committee 6 February 2014 Housing Revenue Account 2014-15 and 5 year Business Plan strategy

4. There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives. Examples of the questions Scrutiny may wish to consider are:
- a. Do the proposals have the support of the Council Tenants?
  - b. Is the rationale for proposed rent and service charge increases clearly explained and justifiable?
  - c. Are there clear plans for the use of the financial headroom that deliver useful outcomes within reasonable timescales?

**Recommendations**

5. The Scrutiny Committee is requested to endorse the following recommendations to Cabinet, or suggest alternatives.
6. The Cabinet is requested to approve, for recommendation to Full Council the HRA Revenue Budget and 5 year financial Strategy.

**Financial Implications**

7. These are included in the body of the report.

**Background Papers**

8. 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

**Background**

9. The HRA budget for 2014/15 reflects the service arrangements and investments in relation to the council's housing services for the third year under 'Self Financing'.
10. The new financial arrangements enable the service to stand alone financially and take 'local' decisions for housing services.
11. As part of the self- financing agreement and the Right to Buy scheme we are required to implement a 1 for 1 housing replacement programme.
12. The Council's overall aims and objectives for housing services over a 30 year period is reflected in the HRA Business Plan which was approved by Housing Board in January 2012.
13. The dwelling rental income has increased by an average of 5.05%.
14. Income and expenditure budgeted on an incremental and inflationary basis to reflect the financial and operational needs of the housing service, using 2013/14 as a base.
15. The HRA budget is detailed in Appendix A.

### Housing Revenue Account Budget 2014/15

16. The budget identifies a net operating surplus of £3.4m made up of total income of £15.4m and total expenditure of £12.0m. The surplus has been allocated to fund agreed projects as detailed in the Business Plan. The tables below give a breakdown of the budget and associated variances.

#### Budget Summary

	<b>2013/14 Restated Budget £'000</b>	<b>2014/15 Original Budget £'000</b>	<b>Increase / Decrease (-) £'000</b>
Dwelling Rents	(13,520)	(14,390)	(870)
Other income	(984)	(1,000)	(16)
<b>Income</b>	<b>(14,504)</b>	<b>(15,390)</b>	<b>(886)</b>
Housing Finance & Business Management	476	503	26
Housing Maintenance & Repairs Service	3,026	2,872	(154)
Housing Management & Homelessness*	838	865	28
<b>Expenditure Direct Services</b>	<b>4,340</b>	<b>4,240</b>	<b>(100)</b>
Capital Repairs	3,118	3,261	143
Interest on HRA Loan	2,632	2,625	(7)
Pension Cost	86	217	131
General Fund Recharge	1,285	1,464	179
Bad Debt Provision	130	150	20
Supporting People	45	53	8
Pay Award	4	20	16
<b>Other Costs</b>	<b>7,300</b>	<b>7,790</b>	<b>490</b>
<b>Total Expenditure</b>	<b>11,640</b>	<b>12,030</b>	<b>390</b>
<b>Operating (Surplus)</b>	<b>(2,864)</b>	<b>(3,360)</b>	<b>(496)</b>
<b>Working Balance</b>	<b>0</b>	<b>(132)</b>	<b>(132)</b>
<b>Allocation of Headroom</b>	<b>2,719</b>	<b>3,492</b>	<b>773</b>
<b>Total</b>	<b>(145)</b>	<b>0</b>	<b>145</b>

\*This is the management cost of the service rather than the actual service cost for homelessness which is funded from the General Fund Account.

#### Dwelling Rents

17. Current Government policy is to bring all national social housing rents in line with 'Formula Rents'. This has been in place since 2002 and is the basis of developing a fairer system of affordable rents for all social housing nationally.

18. Government policy also applies specific caps and limits to protect tenants from excessive annual increases; the restriction applied is RPI 3.2% + 0.5% + £2 per



Scrutiny Committee 6 February 2014 Housing Revenue Account 2014-15 and 5 year Business Plan strategy

week. RPI value is taken as at the September of the preceding year of actual rent increase.

19. Based on current detailed calculations it is expected that 72.9% (2,059) of properties will converge to formula rents by the target date of 2015/16. We calculate that 99% of properties will converge by 2020/21.

20. New build properties are excluded from the 'Formula Rents' calculation. New build properties will be charged at 'Affordable (Market) Rent' and increased by RPI annually.

### Financial Impact of Proposed Rent Increases

21. The current average weekly rent is £93.60 and this will increase based on the rent setting policy and central government guideline calculations in 2014/15 to £98.33 a proposed increase £4.73.

Average Rent Increase per week	Minimum Rent Increase per week	Maximum Rent Increase per week	Average weekly Rent	Estimated Gross income to HRA 2014/15
5.05%	3.61%	6.59%	£98.33	£14.4m

### Tenancies Affected

22. The average weekly rent increase will have the following impact on the HRA's total tenancies:

< £3 increase per week		> £3 and < £5 per week		> £5 per week	
No. of tenancies	% of total stock	No. of tenancies	% of total stock	No. of tenancies	% of total stock
132	4.67	1,307	46.27	1,386	49.06

### Garage Rents

23. The Council manages a total of 555 garages, of these 297 are rented by private residents. The annual rent is increased by RPI of 3.2% as at September 2013. The current rent is £9.12 and increasing to £9.41 (excluding VAT) for 2014/15.

### Sheltered/Lifeline Charges

24. Tenants are offered 3 levels of sheltered support service, Bronze, Silver and Gold; these have been increased in line with RPI at 3.2%.

25. Tenants as at 31<sup>st</sup> March 2003 paying sheltered support service charges and ineligible for supporting people grant assistance continue to receive transitional relief protection funded by the HRA.

<b>Service Level</b>	<b>Charge for 2013/14 (£)</b>	<b>Proposed Charge for 2014/15 (£)</b>
Gold	15.76	16.26
Silver	13.94	14.39
Bronze	11.15	11.51

### **Lifeline Charges**

26. Lifeline charges were introduced in 2013/14 on a tiered level 1, 2 and 3. The basic charge for the service is £3.94 and this is proposed to be increased at the September 2013 RPI of 3.2%. The enhancement of the basic service will remain at £1 per extra enhancement.

- a. Basic level - £3.94 increasing to £4.07
- b. Extra sensors (up to 4) - £1
- c. Evening and Weekend response - £1

### **Heating, Service and Sewerage Charges**

27. The Council manages leasehold and freehold properties where service and sewerage charges are payable and these will continue to be calculated in line with actual costs.

28. General needs and sheltered housing service charges are calculated on the same basis as leasehold/freehold properties. Tenants as at 31<sup>st</sup> March 2012 in sheltered accommodation and not in receipt of Housing Benefit will continue to receive transitional relief protection funded by the HRA.

### **Welfare Garden Service**

29. The Garden Welfare Service for tenants is subject to the criteria laid down in the Welfare Garden and Re-decoration Policy. Current tenants using this service will be protected for 1 year. The proposed charges are listed below:

- a. One off clearance - £20
- b. One off large clearance - £45 (substantial clearance where the majority of the garden is higher than 1 meter, this includes brambles, grass and weeds)

Scrutiny Committee 6 February 2014 Housing Revenue Account 2014-15 and 5 year Business Plan strategy

- c. Grass cutting throughout the growing season and up to 2 hedge cuts a year - £3 per week

**For future consideration**

30. Central Government is in consultation regarding the calculation for formula rent increases. The basis of this consultation is to move away from RPI + 0.5% + £2 and adopt the calculation of CPI + 1%. If this policy is approved it will be effective from 1<sup>st</sup> April 2015, information on the financial implications will be distributed at a later date as this does not affect the budget for 2014/15 but will have an impact on the HRA Business plan.

**Budget Movements**

	<b>Inflation £'000</b>	<b>Service Investment £'000</b>	<b>Efficiencies £'000</b>	<b>Adjustments £'000</b>
Rates and Property charges	0	0	0	(859)
Business and Performance	6	51	(13)	(20)
Estate Maintenance	1	0	0	(20)
Common Services Flats	0	0	0	(10)
Housing Services	5	0	(7)	(3)
Property Services	5	140	(30)	0
Depot	0	0	0	2
Housing Repairs	35	115	(9)	(381)
Sheltered Housing	(2)	21	0	(17)
Supporting People	0	0	0	8
Housing Sewerage	0	0	0	4
Other Costs	0	0	0	490
Sum of immaterial variances				-8
<b>Total Budget movements</b>	<b>50</b>	<b>327</b>	<b>(59)</b>	<b>(814)</b>

**Variations (Greater than £10k)**

	<b>Variance £'000</b>	<b>Reason for variance</b>
Dwelling Rents income	(870)	Formula rent uplift (average 5.05%) and reduction in void properties
Garage Rents	10	Loss of income due to sites being demolished for future new housing development
Sheltered Support service income	(19)	Current trend shows higher level of users
Business and Performance Staffing	37	Increase in administration posts by 1.6 FTE
Property Services Staffing	109	2.6 FTE increase to cover business plan actions, includes a redefinition/grading of 2 current posts
Housing Repairs	33	2 FTE increase plus savings generated from re-grading due to retirement
	72	Electrical testing survey for health and safety in housing stock
	(425)	Presentational adjustment of the internal fees charges and works completed internally instead of using external contractors. Increased budget to reflect realistic fees
Sheltered Housing staffing	20	1 FTE increase
General Fund recharge for central services	135	Increase in support mainly from Financial and Corporate services to reflect extra resource for the self –financing and business plan requirement
Pension costs	131	Additional upfront payment to achieve a saving for the 3 year (see reserves table for draw down to offset future years payments)
Pay award	16	Estimated at 1%
Bad Debt provision	20	Minor uplift for anticipated rent arrears

**Movement in Reserves**

Reserve	2013/14				2014/15		
	Opening Balance	Use of Reserves	Additions to Reserves	Closing Balance	Use of Reserves	Additions to Reserves	Closing Balance
Working Balance (note 1)	680			680	(132)		548
Major Repairs	0		140	140		125	265
Change Mgt	200	(23)		177			177
Potential Projects	800		991	1,791			1,791
Revenue Projects	60	(40)		20			20
Sheltered Housing (note 2)				0		798	798
Capital Projects (note 3)	1,223	(600)		623	(550)		73
<b>Total</b>	<b>2,963</b>	<b>(663)</b>	<b>1,131</b>	<b>3,431</b>	<b>(682)</b>	<b>923</b>	<b>3,672</b>

**Notes:**

- 1 - Working Balance - The Council is required to make arrangements to pay off the pension deficit within the period specified by the County Council (based on actuarial advice); this is currently 30 years, this arrangement is reviewed and recalculated every three years. Different options have been provided based on the principle that paying larger sums earlier can reduce the costs overall, reserves have been used to smooth the budgetary impact and achieve best value.
- 2 - Sheltered Housing Reserve – for continued redevelopment of sheltered housing stock
- 3 - Capital Projects Reserve – balance of financing requirement not met by Capital receipts for Mead Court.

**HRA Business Plan and 5 Year Strategy**

31. 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 2018/19. This is a rolling programme and is continuously updated. The Capital programme and the capital financing tables show that all projects have been fully financed from within the HRA reserves.

- Appendix B – details all planned projects for the 5 year period 2014/15 – 2018/19
- Appendix C – identifies the capital financing for the period 2014/15 – 2018/19

32. A 5 year budget forecast summary table, Appendix D, shows that the HRA budgets over the medium term are stable and the HRA is fully able to meet loan payments and fund the projects in the business plan along with providing a consistent level of services to residents.

33. 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/service for many years. To date the Council has made around £11.2million of investment since the introduction of self-financing to improve the standard and availability of council housing. Progress with the priorities identified in the HRA business plan is attached in Appendix E. In summary as a landlord the council has delivered the following:

- Developed a housing asset management and development strategy
- Improved the information on the housing stock
- Decent homes – all housing stock now meets this national standard
- Completed 8 new build council houses Holloway Crescent - let from June 2013
- Implemented an improved integrated monitoring, response and maintenance service for sheltered schemes and Lifeline users
- Reduction of rent arrears
- Achieved re-letting times which are substantially quicker, placing the council among the top performers (and improvers) for reducing void rent loss
- Reviewed Housing Allocations Scheme to take advantage of new opportunities and flexibilities provided by the Localism Act 2011
- Introduced fixed term tenancies
- Developed a Housing Regulation Panel to scrutinise the performance of the Housing Service and to undertake service reviews

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Changes in legislation may alter the assumptions contained in the proposed 2014/15 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	2	2	Increased officer support to tenants now in place and successfully reduced arrears in 2013/14
Failure to deliver major housing and development projects	2	2	Robust project planning and resources aligned to deliver projects

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 – 2014/15 Summary Budget

Appendix B – Capital Programme (5 year)

Appendix C – Capital Financing Requirement (5 year)

Appendix D – 5 year Budget Summary (2014/15 – 2018/19)

Appendix E – Action Plan/Progress/Priorities

Appendix A

HRA SUMMARY - 2014/15

£'000	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at PS 13/14)	2014/15 Original Budget	Increase / (Decrease)
Dwelling Rents	(13,520)	(13,520)	(14,000)	(14,390)	(870)
Garage Rents	(221)	(221)	(221)	(210)	11
Other Rents etc	(3)	(3)	(4)	(3)	0
Charges for Services & Facilities	(750)	(750)	(751)	(777)	(27)
Contributions towards Expenditure	0	0	(1)	0	0
Investment Income	(10)	(10)	(10)	(10)	0
<b>Total Income</b>	<b>(14,504)</b>	<b>(14,504)</b>	<b>(14,987)</b>	<b>(15,390)</b>	<b>(886)</b>
<u>Housing Finance &amp; Business Management</u>					
Business & Performance Management	436	445	419	467	22
Rents, Rates & Other Property Charges	32	32	19	36	4
	467	477	438	503	26
<u>Housing Maintenance &amp; Repairs Service</u>					
Common Service Flats	354	274	274	275	1
Estate Maintenance	170	160	171	141	(19)
Housing Repairs	2,174	2,185	1,941	1,935	(250)
Housing Sewerage	51	51	51	49	(2)
Newport Depot	11	10	11	12	2
Property Services	343	346	364	460	114
	3,103	3,026	2,812	2,872	(154)
<u>Housing Management &amp; Homelessness</u>					
Housing Services	257	258	260	253	(5)
Sheltered Housing Services	577	579	588	612	33
	835	837	848	865	28
<u>Other Costs</u>					
Depreciation - Council Dwellings	3,081	3,081	3,081	3,136	55
Depreciation - Other Assets	37	37	37	125	88
Bad Debt Provision	130	130	130	150	20
Supporting People	45	45	45	53	8
Recharge from General Fund	995	1,076	1,001	1,211	135
HRA Share of Corporate Core	209	209	207	253	44
Interest/Costs re HRA Loan	2,632	2,632	2,632	2,625	(7)
Pension Costs	86	86	87	217	131
Pay Award	20	4	0	20	16
	7,235	7,300	7,220	7,790	490
<b>Total Expenditure</b>	<b>11,640</b>	<b>11,640</b>	<b>11,318</b>	<b>12,030</b>	<b>390</b>
<b>OPERATING (SURPLUS)</b>	<b>(2,864)</b>	<b>(2,864)</b>	<b>(3,669)</b>	<b>(3,360)</b>	<b>(496)</b>
<u>Use of Reserves/Funding</u>					
Transfer to(+)/from(-) the Change Management Reserve	(23)	(23)	(23)	0	23
Transfer to(+)/from(-) the Potential Projects Reserve	0	0	0	0	0
Funding of Action Plan Capital Items	2,020	2,020	1,927	1,597	(423)
Funding of Capital from Revenue	762	762	1,211	1,097	335
Transfer to(+)/from(-) reserves for Revenue Action Plan Slippage	(40)	(40)	(40)	0	40
Transfer to(+)/from(-) reserves for Sheltered Housing Projects	0	0	0	798	798
Transfer to(+)/from(-) HRA Working Balance	0	0	0	(132)	(132)
	2,719	2,719	3,075	3,360	641
<b>(SURPLUS)</b>	<b>(145)</b>	<b>(145)</b>	<b>(594)</b>	<b>0</b>	<b>145</b>



**Appendix B**  
**Housing Revenue Account 2014/15**  
**5 year Capital Programme**

	2013-14 Current Budget £ '000	2013-14 Forecast Spend £ '000	2014-15 Forecast £ '000	2015-16 Forecast £ '000	2016-17 Forecast £ '000	2017-18 Forecast £ '000	2018-19 Forecast £ '000	Total
<b>HRA Fund</b>								
HRA Capital Repairs	3,793	3,793	4,183	3,553	3,603	3,553	3,563	22,248
Cash Incentive Scheme Grants	50	50	50	50	50	50	50	300
Light Vans Replacement programme	0	15	0	0	0	87	86	188
Stansted Housing Partnership - Holloway Crescent - Phase 2	154	185	0	0	0	0	0	185
<b>Sub Total</b>	<b>3,997</b>	<b>4,043</b>	<b>4,233</b>	<b>3,603</b>	<b>3,653</b>	<b>3,690</b>	<b>3,699</b>	<b>22,921</b>
<b>HRA Business Plan</b>								
Service charges planned repair system	100	100	0	0	0	0	0	100
Update of alarm equipment in sheltered housing schemes	200	200	100	100	0	0	0	400
Review of potential new build schemes on identified Garden/Garage sites	0	0	600	600	600	600	600	3,000
Review of potential internet cafes in sheltered schemes	20	20	40	40	0	0	0	100
Energy Efficiency improvement schemes	595	595	300	300	300	0	0	1,495
Supported Unit for people with learning disabilities	100	100	0	0	0	0	0	100
Mead Court - Development	1,743	1,743	2,537	0	0	0	0	4,280
Newport Depot Refurbishment	80	75	0	0	0	0	0	75
Potential redevelopment of Sheltered Schemes	0	0	0	1,500	1,500	1,500	1,500	6,000
UPVC Fascias and Guttering	200	200	500	500	500	0	0	1,700
<b>Sub Total</b>	<b>3,038</b>	<b>3,033</b>	<b>4,077</b>	<b>3,040</b>	<b>2,900</b>	<b>2,100</b>	<b>2,100</b>	<b>17,250</b>
<b>HRA Housing Total</b>	<b>7,035</b>	<b>7,076</b>	<b>8,310</b>	<b>6,643</b>	<b>6,553</b>	<b>5,790</b>	<b>5,799</b>	<b>40,171</b>

Appendix C  
 Budget 2014/15  
 5 Year Capital Financing Projection

	2013-14	2013-14	2014-15	2015-16	2016-17	2017/18	2018/19
<u>Housing Revenue Account Capital Schemes</u>	Current Budget	Forecast Spend	Forecast Budget + Slippage	Budget	Budget	Budget	Budget
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Total Programme</b>	<b>7,035</b>	<b>7,076</b>	<b>8,310</b>	<b>6,643</b>	<b>6,553</b>	<b>5,790</b>	<b>5,799</b>
	2013-14	2013-14	2014-15	2015-16	2016-17	2017/18	2018/19
<u>Financing - Housing Revenue Account</u>	Current Budget	Forecast Spend	Forecast Budget + Slippage	Budget	Budget	Budget	Budget
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
<b><u>Business Plan Schemes</u></b>							
Funded from reserves	(600)	(600)	(550)	0	0	(1,500)	0
S106 - Housing Partnership Funding - HRA	0	0	(1,180)	0	0	0	0
Capital Receipts - RTB	(578)	(523)	(750)	(450)	(450)	(200)	(200)
Energy efficiency Grant Funding	(131)	(131)	0	0	0	0	0
HRA Financial Headroom - Specific Schemes	(1,729)	(1,779)	(1,597)	(2,590)	(2,450)	(400)	(1,900)
	<b>(3,038)</b>	<b>(3,033)</b>	<b>(4,077)</b>	<b>(3,040)</b>	<b>(2,900)</b>	<b>(2,100)</b>	<b>(2,100)</b>
<b><u>Other Schemes</u></b>							
Major Repairs Reserve Contribution	(3,081)	(3,081)	(3,136)	(3,209)	(3,281)	(3,356)	(3,432)
HRA Revenue Funding	(916)	(962)	(1,097)	(394)	(372)	(334)	(267)
	<b>(3,997)</b>	<b>(4,043)</b>	<b>(4,233)</b>	<b>(3,603)</b>	<b>(3,653)</b>	<b>(3,690)</b>	<b>(3,699)</b>
<b>TOTAL FINANCING</b>	<b>(7,035)</b>	<b>(7,076)</b>	<b>(8,310)</b>	<b>(6,643)</b>	<b>(6,553)</b>	<b>(5,790)</b>	<b>(5,799)</b>
<b>Net Financing Need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Appendix D

HRA SUMMARY 5 Year Forecast - 2014/15 - 2018/19

£'000	2014/15 Original Budget	2015/16 Original Budget	2016/17 Original Budget	2017/18 Original Budget	2018/19 Original Budget
Dwelling Rents	(14,390)	(14,847)	(15,339)	(15,821)	(16,310)
Garage Rents	(210)	(217)	(224)	(231)	(238)
Other Rents etc	(3)	(3)	(3)	(3)	(3)
Charges for Services & Facilities	(777)	(802)	(828)	(854)	(881)
Investment Income	(10)	(10)	(11)	(11)	(11)
<b>Total Income</b>	<b>(15,390)</b>	<b>(15,879)</b>	<b>(16,404)</b>	<b>(16,920)</b>	<b>(17,444)</b>
<u>Housing Finance &amp; Business Management</u>					
Business & Performance Management	467	482	497	513	530
Rents, Rates & Other Property Charges	36	37	38	40	41
	503	519	536	553	571
<u>Housing Maintenance &amp; Repairs Service</u>					
Common Service Flats	275	284	293	302	312
Estate Maintenance	141	146	150	155	160
Housing Repairs	1,935	1,997	2,061	2,127	2,195
Housing Sewerage	49	51	52	54	56
Newport Depot	12	12	13	13	14
Property Services	460	475	490	506	522
	2,872	2,964	3,059	3,157	3,258
<u>Housing Management &amp; Homelessness</u>					
Housing Services	253	261	269	278	287
Sheltered Housing Services	612	632	652	673	694
	865	893	921	951	981
<u>Other Costs</u>					
Depreciation - Council Dwellings	3,136	3,209	3,281	3,356	3,432
Depreciation - Other Assets	125	125	125	125	125
Bad Debt Provision	150	155	160	165	170
Supporting People	53	53	53	53	53
Recharge from General Fund	1,211	1,250	1,290	1,331	1,374
HRA Share of Corporate Core	253	261	269	278	287
Interest/Costs re HRA Loan	2,625	2,625	2,625	2,625	2,625
HRA Loan Repayments	0	0	0	2,000	2,000
Pension Costs	217	91	94	97	100
Pay Award	20	21	21	22	23
	7,790	7,789	7,918	10,052	10,188
<b>Total Expenditure</b>	<b>12,030</b>	<b>12,165</b>	<b>12,434</b>	<b>14,712</b>	<b>14,998</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(3,360)</b>	<b>(3,714)</b>	<b>(3,970)</b>	<b>(2,208)</b>	<b>(2,447)</b>
<u>Use of Reserves/Funding</u>					
Transfer to(+)/from(-) the Change Management Reserve	0	0	0	0	0
Transfer to(+)/from(-) the Potential Projects Reserve	0	0	0	0	0
Funding of Action Plan Capital Items	1,597	2,590	2,450	1,900	1,900
Funding of Capital from Revenue	1,097	394	372	334	267
Transfer to(+)/from(-) reserves for Revenue Action Plan Slippage	0	0	0	0	0
Transfer to(+)/from(-) reserves for Sheltered Housing Projects	798	664	1,082	(26)	280
Transfer to(+)/from(-) HRA Working Balance	(132)	66	66	0	0
	3,360	3,714	3,970	2,208	2,447
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## HRA BUSINESS PLAN - PRIORITIES FOR ACTION

### PROGRESS TO DATE DECEMBER 2013

Priority	Action	By When	Resources	Progress to Date - December 2013
1. Resident Involvement and Empowerment	Develop Housing Regulation Panel to scrutinise the performance of the Housing Service and to undertake service reviews	Jun-12	5k pa - training for members	Complete - panel now fully established and currently working on review of the Voids process. Recommendations report to be drafted by end September. Working with external consultant, Alan Jones, to ensure focus and team cohesion
	Collect evidence from surveys, questionnaires, estate walkabouts and mystery shoppers	Ongoing	Within existing resources	Ongoing - estate walkabouts completed - Mountfitchet Estate event; working with partners such as the Fire Brigade to provide advice and support to the community; further events planned to encourage tenant participation and feedback
	Link tenant participation with opportunities for skill development	Ongoing	Within existing resources	Ongoing - both Tenant Forum and Tenant Regulatory Panel members are encouraged to attend seminars and conferences that will build their knowledge base
	Consult leaseholders on views of current service and participation arrangements	Apr-13	Within existing resources	Complete - leaseholders included in STAR survey distribution
	Undertake new Tenant Satisfaction Survey	May-12	£5k - every 2 years	Complete - repeat of STAR survey planned for 2014. Due to the resource required to manage the whole process effectively, external support may be sourced. All feedback to be managed through independent action plan
	Develop action plan to respond to issues in the Tenant Satisfaction Survey	Aug-12	Within existing resources	Due to time constraints and levels of response no official action plan has been devised following the 2012 survey. High level analysis identified key areas for improvement which have been managed in day-to-day activities
	Develop and Implement new Tenant Involvement Strategy	Apr-13	Within existing resources	Work in progress - work commenced on developing Strategy. Consultation planned to take place with both officers and tenants in December 2013
	Publish annual tenants report	Oct-13	£3k pa	Complete - report produced and published
	Benchmark service with other landlords through Housemark	Ongoing	Within existing resources	Ongoing - working with Corporate Performance Team to produce PI performance reports from both Covalent (UDC Performance Management System) and HouseMark. Quarterly reports to be produced for review by both Housing Board and Tenant Forum
	Develop a housing asset management strategy	Apr-13	Within existing resources	Complete - Housing Asset Management and Development Strategy approved by Cabinet - established a clear policy on the use of HRA assets, regeneration and development
	Carry out development appraisals of identified sites and review business plan capacity to develop	Oct-12	£10k pa - architect/planning fees	Complete - sites submitted to planning department for initial feedback Site identification progressing with the collation of location plans and initial sketch ideas created by our framework partners SCAPE Capacity identified in the business plan to develop further site
	Respond to changing housing need by making the best use of the Housing Stock to meet local need (Mead Court redevelopment etc)	Apr-14	£2.6m - commencing 2013/14	Holloway Crescent Development completed on budget - 8 new homes Mead Court development tendered and budget approved by Cabinet - confirmed commencement on site January 2014

## HRA BUSINESS PLAN - PRIORITIES FOR ACTION

### PROGRESS TO DATE DECEMBER 2013

Priority	Action	By When	Resources	Progress to Date - December 2013
2. Home	Review the potential for undertaking new build schemes on identified garden sites	Apr-17	Approx £600k per annum plus revenue cost of £50k pa for in-house surveyor to co-ordinate works	Work in progress - viability assessments being carried out on potential schemes which will be presented to Housing Board for prioritisation by April 2014
	Improve the information on the housing stock	Apr-13	£50k - one off 2012	Complete - investigated and concluded that this would be better carried out in house Stock Condition Surveyor appointed and work is progressing on collecting stock data - it is anticipated that a 100% stock condition survey will be achieved on a rolling 5 year basis
	Implement planned maintenance/service charge module of Housing System	Apr-14	£100k - one off 2013	Work in progress - planned maintenance module installed - data is in process of being transferred to the system from existing spread sheet based table
	Review and implement new Schedule of Rates	Apr-13	£20k - one off 2012	Complete - new schedule of rates tested and implemented
	Continue to manage and maintain the housing stock effectively and efficiently ensuring that properties meet, as a minimum, the decent homes standard	Ongoing	within existing resources - approx £2.9m pa	Ongoing - planned works programmes are progressing well with budgets expected to be exhausted by the end of the financial year - the authority is continuing to deliver a significant programme of investment in the first five years of the HRA business plan - the largest annual capital investment in the stock for many years
	Improve average energy efficiency and reduce fuel costs for residents	Apr-17	£300k pa	Work in progress - Phase I and II air source heat pumps contracts now complete, Phase III commenced October 2013 External wall insulation contract for solid wall properties underway but progressing slowly due to electric cabling issues - further properties identified for contracts during the next financial year
	Analyse performance of eco-house in Wendens Ambo	Ongoing	Within existing resources	Ongoing
	Recommend options on the appraisal for the sheltered housing schemes	Apr-13	Within existing resources	Work in progress - residents consulted at sheltered schemes where site appraisals have been carried out (Alexia House, Reynolds Court, Hatherley Court, Parkside and Walden Place). Report presented to the Housing Board and Cabinet giving options for these schemes. It has been recommended that detailed consultation now takes place with residents on range of options for poorly designed schemes in particular those with bedsit accommodation - consultation started Dec 2013
	Establish a strategic tenancy strategy that ensures that local housing need is met and assets are used effectively, utilising all available flexibilities	Jan-13	£3k - one off 2012	Complete - over-arching tenancy strategy reviewed by housing board and approved by Cabinet Jan 2013

## HRA BUSINESS PLAN - PRIORITIES FOR ACTION

### PROGRESS TO DATE DECEMBER 2013

Priority	Action	By When	Resources	Progress to Date - December 2013
3. Tenancy	Consider whether the Council should use the new fixed term tenancies and, if so, formulate a Tenancy Policy setting out the proposed operation of the scheme	Apr-13	Within existing resources	Complete - over-arching tenancy strategy established; options for fixed term tenancies examined by Housing Board; tenancy policy approved by Cabinet and implemented from April 2013: 1 + 9yr fixed term tenancies for 3+ bedroom houses
	Continue to fund disabled adaptations and disabled facilities grants for HRA tenants and private owners and improve the delivery process	Ongoing	within existing resources - approx £280k per year	Ongoing - Unprecedented increase in DFG applications and adaptation work (due to Essex pushing through backlog of OT requests) has resulted in the HRA and general fund budgets for 2013/14 being fully committed already. A Capital growth
	Investigate and implement a better integrated monitoring, response and maintenance service for sheltered schemes and Lifeline users	Oct-12	£42k pa	Complete - Monitoring contract tendered for and awarded to Careline. Contract commenced October 2012 - all equipment has now been re-programmed Maintenance contract tendered and awarded to Cirrus - contract commenced October 2013
	Update the remaining sheltered housing schemes with Piper Haven alarm equipment with the latest Communicall equipment	Mar-14	£100k pa capital; £10k pa revenue	Complete - Equipment/Maintenance contract tendered and awarded to Cirrus for the upgrade of alarm/call out systems at all schemes October 2013 – work on 5 schemes completed by December 2013. Replacement programme now includes work that meets the new BS on fire/smoke detecting
	Undertake fundamental review of policies and procedures to ensure service is 'Fit for Purpose'	Apr-13	Within existing resources	Ongoing - the following policies have been written and reviewed by Housing Board and approved by Cabinet: allocations policy - Jan 2013; void management policy and void letting standard - Jan 2013; rent and service charge setting policy - Apr 2013; downsizing and de-cant policy - Apr 2013; asset management and development strategy - June 2013; tenancy policy - Apr 2013; bed and breakfast charging policy - Nov 2013 Currently consulting on welfare garden and redecoration policy
	Carry out an under occupation survey and establish what incentives would encourage tenants to move to more appropriate accommodation	Apr-13	Within existing resources	Complete - underoccupation survey carried out in Dec 2013 and data used to inform new downsizing and decanting policy
	Review Housing Strategy	Apr-13	Within existing resources	Complete - new housing and homelessness strategy 2012 -2015 approved by Cabinet and published
	Review Homelessness Strategy	Apr-13	Within existing resources	Complete - new housing and homelessness strategy 2012 -2015 approved by Cabinet and published
	Establish an older persons strategy that addresses needs of elderly people in the district	Sep-12	Within existing resources	Complete - included within the new housing and homelessness strategy 2012 -2015 approved by Cabinet and published
	Work with planning policy to identify future provision for the gypsy and traveller community	Sep-12	Within existing resources	Ongoing

## HRA BUSINESS PLAN - PRIORITIES FOR ACTION

### PROGRESS TO DATE DECEMBER 2013

Priority	Action	By When	Resources	Progress to Date - December 2013
4. Neighbourhood and Community	Continue to work with Partners to deliver affordable housing through use of the Stansted Area Housing Partnership and Growth Area Funding	Apr-13	£2.2 million and £725,000	Ongoing
	Investigate re-provision of temporary accommodation following demolition on Mead Court	Apr-13	Within existing resources	Work in progress - site identified in Stansted plans submitted and approved by planning building works due to commence in Jan 2014 as part of the first phase of Mead Court re-development programme Two further new temporary furnished accommodation units at Molehill Green completed in September 2013 and now in use Planning permission obtained to convert another property, work started in November 2013 Entered into a SLA with Supportworks to provide nightly let accommodation in Harlow as alternative to bed and breakfast which should reduce reliance on this type of accommodation despite increase in homelessness
	Work with partners on the delivery of a supported unit for people with learning disabilities	Apr-13	£100k - one off 2013	Work in progress - we have been working for a number of years to provide a scheme for young adults with learning disabilities in Saffron Walden to live independently. A scheme has now been drawn up that will provide 6 x 1 bedroom flats along with communal space and sleepover/office for carers; Meetings held with care provider and parents to progress this scheme; a planning application is ready to submit with work due to commence in June 2014; £100,000 HRA funds will enable this to be delivered
	Investigate the provision of additional supported accommodation in the district for vulnerable adults (currently only one facility - Bromfield House)	Apr-13	Within existing resources	A scheme is required in Great Dunmow similar to Bromfield House in Saffron Walden, providing support to vulnerable adults who are homeless. Discussion to be had with Genesis and/or East Thames about funding /support costs
	Investigate the provision of a supported unit in the district for those fleeing domestic violence	Apr-14	Within existing resources	Work in progress - discussions held with Women's Aid as to size and preferred location and suitable site identified; Cabinet have approved transfer of land to Safer Places for delivery of a refuge; architects have been appointed and scheme design drawn up
	Investigate the re-provision of a new mental health facility	Sep-12	Within existing resources	We remain keen to undertake a re-provision of the mental health scheme in Station Street, Saffron Walden with Granta Housing. It would need to be within the town – on the outskirts would be ok provided it is on a bus route. This is to ensure clients can maximise their opportunities for social inclusion etc. Supporting People and Adult Social Care/Mental Health both provide revenue funding into the existing service and are aware of our aspiration to re-provide our service. Preferred size would be 12 self contained units

## HRA BUSINESS PLAN - PRIORITIES FOR ACTION

### PROGRESS TO DATE DECEMBER 2013

Priority	Action	By When	Resources	Progress to Date - December 2013
	Review anti social behaviour policy and procedures	Apr-13	Within existing resources	Work in progress - working with Council's ASB Officer; work on-going but awaiting enactment of proposed government bill on changes to ASB legislation
	Provide 'internet cafes' in sheltered schemes for silver surfers	Oct-12	20k pa	Work in progress - project tendered for as 'design competition'. Alan Hasler House in Great Dunmow completed July 2012; The Close Hatfield Heath completed December 2013
	Review future contracts to include clauses to require contractor to take action to tackle climate change relevant to work to be carried out	Ongoing	Within existing resources	Ongoing - all contracts contain clauses
5. Value for Money	Continue to develop business plan financial model to inform investment and service planning	Ongoing	Within existing resources	Ongoing - model updated in Decemebr 2013
	Prepare for supporting people funding reductions	Aug-12	Within existing resources	Complete - service reviewed - Sheltered Housing Officers(SHOs) now working more generically - to include work in sheltered schemes and in the community (lifeline users)
	Improve performance management and financial planning systems in housing services	Aug-13	£20k in 2012	Complete - review of all PI's and targets completed for 2013/14 collection. Where relevant UDC PI's changed to reflect HouseMark equivalents. PI targets based on a combination of performance of peer LA's in HouseMark benchmarking group and historic UDC performance data. Regular review of PI performance and budget performance at Housing Section Heads meetings
	Maximise income to the HRA by achieving high collection rates for rents, service charges, sewage charges, garage rents and miscellaneous invoices	Ongoing	Within existing resources	Ongoing - rent arrears process reviewed and timescales amended to ensure action taken at an earlier stage to prevent arrears from escalating. Secondment post of Rent Arrears officer in place. Working closely with Housing Management Team to ensure arrears are managed effectively and relevant support provided to tenants. Service charge process and garage management to be implemented on Northgate in the near future. Current invoice process being reviewed to ensure accuracy of budget allocation and improvements in the time taken to process invoices. Tenant and internal re-charge processes currently being reviewed
	Ensure rent arrears are kept to a minimum	Ongoing	Within existing resources	Ongoing - additional funding provided to CAB for debt counselling; Rent arrears policy has been reviewed; allocations policy has been changed to reflect welfare reforms (bedroom criteria); all reviews completed and implemented
	Implement service charges for common services for flats	Apr-12	Within existing resources	Complete - service charges calculated and charged for common services
	Access external funding where available to reduce carbon emissions and improve energy efficiency	Ongoing	Within existing resources	Ongoing - bids for funding for the financial year 2014-2015 now in application stage



## HRA BUSINESS PLAN - PRIORITIES FOR ACTION PROGRESS TO DATE DECEMBER 2013

Priority	Action	By When	Resources	Progress to Date - December 2013
	Ensure the void turnaround figure does not exceed 28 days	Ongoing	£30k pa	Ongoing - new repairs surveyor appointed; review of depot operations is taking place (new offices being created at the depot to bring all the asset management team together); current void figure as at December continues to remain low at 11 days

**Committee:** Scrutiny Committee

**Agenda Item**

**Date:** 6 February 2014

**11**

**Title:** Treasury Management Strategy 2014/15

**Author:** Cagdas Canbolat – Specialist Accountant  
Stephen Joyce – Assistant Chief Executive -  
Finance

**Item for  
decision**

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## **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 2014/15 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. A longer list of counterparties including Building Societies is proposed in order to diversify risk.
- 1.6 There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives.
- 1.7 Examples of the questions Scrutiny may wish to consider are:
  - Is the strategy consistent with advice provided by Arlingclose?
  - Does the strategy ensure that the Council's exposure to risk is appropriate and properly managed? Has the right balance been struck between safeguarding funds and earning a return?
  - What do the Prudential Indicators say about the appropriateness of the Council's plans?

## 2.0 Recommendations

2.1 The Scrutiny Committee is requested to endorse the following documents to Cabinet on 18 February 2014 and Full Council on 27 February 2014:

- Treasury Management Strategy 2014/15, Appendix A.
- Prudential Indicators, Appendix A1.
- Minimum Revenue Provision (MRP) Statement, Appendix A2
- Counterparty list, 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 Council has adopted the TM Code which requires the Council to approve a Treasury Management Strategy before the start of each financial year.

4.2 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.

4.3 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.

4.4 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

<b>Risk Analysis</b>			
<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating actions</b>
Credit/Liquidity/Refinancing and Market risks	2	2	<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"> <li>• adoption of TM Policy and Strategy</li> <li>• Mid year TM progress report to Cabinet/Council</li> <li>• Annual TM outturn Report to Cabinet/Council.</li> <li>• TM procedures</li> </ul>

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.



# Treasury Management Strategy

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2014/15



Contents

1. Introduction	Appendix A1. Prudential Indicators
2. Policies & Objectives	Appendix A2. MRP Statement
3. Reporting Requirements	Appendix A3. Counterpart list
4. External Context	Appendix A4. Economic assumptions
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6. Debt Rescheduling	
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8. Risk Assessment	
9. Liquidity Management	
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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 2013/14 are:

The counterparty list has been revised and now includes the option to buy Treasury-Bills (T-Bills), Government Gilts, invest in UK domiciled Money

Market Funds and building societies.

The new strategy also recognises each local Council as a separate body when determining investment threshold limits.

The strategy will also treat each Local Council as secure as Treasury Debt Management Office (DMO) and will not request a credit rating from Local Authorities.

The new strategy also provides flexibility to invest for up to one year with highly secure counterparties but with a reduced cash limit.

## 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 2014 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 The Bank of England’s Monetary Policy Committee (MPC) through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to other factors. Unemployment was 7.7% in August 2013, but is not forecast to fall below the threshold until 2016, due to the UK’s flexible workforce.

4.2 The flow of credit to households and businesses is slowly improving but is still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.7% in September 2013 will allow real wage increases (i.e. after inflation) to slowly turn positive and aid consumer spending.

4.3 Credit outlook:

The credit risk of banking failures has diminished, but not dissipated altogether. Diversification of investments between creditworthy counterparties to mitigate risk will become even more important in the light of new developments, such as Bail-in Risk.

4.4 Bail-in is an alternative to taxpayer funded bailouts of failing banks. Deposit holders such as UDC will be hit before the government can legally bail-out a failing bank.

4.4 Interest rate forecast:

Arlingclose’s (our consultant) forecast is for the Bank Rate to remain flat until late 2016.

4.5 A more detailed economic and interest rate forecast provided by the Council’s treasury management advisor is attached at **Appendix A4**.

4.6 The following table lists the Quarterly and Yearly Gross Domestic Product figures in the UK in the last few years. There has been a gradual year on year increase in GDP since Q2 of 2012.

Year	Quarter	GDP Q-on-Q %	GDP Y-on-Y %
2012	Q2	0.00	0.00
2012	Q3	0.80	0.20
2012	Q4	-0.10	0.20
2013	Q1	0.50	0.70
2013	Q2	0.80	2.00
2013	Q3	0.80	1.90

## 5.0 - Borrowing Strategy

- 5.1 The Council maintained an ‘under-borrowed’ position up until 28<sup>th</sup> 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 2014/15 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
  - 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 £2.5m 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 potential 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.

Eligible for premature repayment?	Start Date	Maturity Date	Actual years to maturity	Principal	Coupon Rate	(Premium)/Discount	Redemption Amount (excluding interest)
YES	28/03/2012	28/03/2024	10.37	3,000,000.00	2.700%	(10,812)	3,010,812
YES	28/03/2012	28/03/2034	20.37	4,000,000.00	3.370%	(17,630)	4,017,630
YES	28/03/2012	28/03/2036	22.37	4,000,000.00	3.420%	(24,972)	4,024,972
YES	28/03/2012	28/03/2032	18.37	4,000,000.00	3.300%	(10,973)	4,010,973
YES	28/03/2012	28/03/2025	11.37	3,000,000.00	2.820%	(5,808)	3,005,808
YES	28/03/2012	28/03/2026	12.37	3,000,000.00	2.920%	(3,098)	3,003,098
YES	28/03/2012	28/03/2028	14.37	3,000,000.00	3.080%	0	3,000,000
YES	28/03/2012	28/03/2037	23.37	5,000,000.00	3.440%	(32,070)	5,032,070
YES	28/03/2012	28/03/2023	9.37	2,000,000.00	2.560%	(9,969)	2,009,969
YES	28/03/2012	28/03/2039	25.37	5,000,000.00	3.470%	(33,704)	5,033,704
YES	28/03/2012	28/03/2031	17.37	4,000,000.00	3.260%	(5,277)	4,005,277
YES	28/03/2012	28/03/2041	27.37	5,000,000.00	3.490%	(44,101)	5,044,101
YES	28/03/2012	28/03/2029	15.37	3,000,000.00	3.150%	0	3,000,000
YES	28/03/2012	28/03/2027	13.37	3,000,000.00	3.010%	0	3,000,000
YES	28/03/2012	28/03/2038	24.37	5,000,000.00	3.460%	(41,153)	5,041,153
YES	28/03/2012	28/03/2042	28.37	5,407,000.00	3.500%	(48,668)	5,455,668
YES	28/03/2012	28/03/2035	21.37	4,000,000.00	3.400%	(24,255)	4,024,255
YES	28/03/2012	28/03/2040	26.37	5,000,000.00	3.480%	(34,487)	5,034,487
YES	28/03/2012	28/03/2033	19.37	4,000,000.00	3.340%	(17,058)	4,017,058
YES	28/03/2012	28/03/2030	16.37	4,000,000.00	3.210%	(5,066)	4,005,066
						<b>(369,101)</b>	<b>78,776,101</b>
<b>PWLB MATURITY</b>					<b>20.15</b>	<b>78,407,000</b>	<b>3.278%</b>
<b>PWLB VARIABLE</b>					<b>6.37</b>	<b>10,000,000</b>	<b>0.550%</b>
<b>TOTAL PWLB</b>					<b>18.60</b>	<b>88,407,000</b>	<b>2.969%</b>

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 investment balance has ranged between £8m and £25 million, and similar levels are expected to be maintained in the forthcoming year.

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.

7.03 The Council may invest its surplus funds with any of the counterparties in Appendix A3, subject to the cash, investment and time limits shown.

7.04 There is no intention to restrict investments to bank deposits, and investments may be made with other public or private sector organisations that meet the A- credit rating criteria. This reflects a lower likelihood that the UK and other governments will support failing banks as new reforms are implemented, such as Bail-in Risk.

7.05 Current Account:

The Council banks with Barclays Bank PLC which meets the Council's minimum credit criteria, A-. 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.

In determining the maximum threshold of investment with Barclays bank the Council will need to take into account the total cash held with the Bank and not exclude the current account balance. For liquidity reasons and the optimum interest from the current account the Council should hold at least £0.25m and a maximum of £1.25m level of cash in the current account.



#### 7.06 Building Societies:

The Council takes additional comfort from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Council's deposits would be paid out in preference to retail depositors. The Council will therefore consider investing with unrated building societies where independent credit analysis shows them to be suitably creditworthy. The Government has announced plans to amend the building society insolvency regime alongside its plans for wide ranging banking reform, and investments in lower rated and unrated building societies will therefore be kept under continuous review.

#### 7.07 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.

The South East Treasury Management group has recorded in October 2013 that out of the twenty six member authorities, twenty one are currently investing in Money Market Funds to diversify risk.

#### 7.08 Use of Financial Instruments

Although recent 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.

7.11 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.

7.12 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.

7.13 In order to invest in T-bills the Council will need to have a custodian and

settlement account with either Barclays Bank or King & Shaxson as per advice from the Council’s TM consultants.

7.14 Specified Investments:

The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and invested with one of:
  - the UK Government,
  - a UK local Council, or
  - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK.

7.15 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.

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

7.17 Investment Limits

The Council’s revenue reserves available to cover investment losses are forecast to be £6.947 million on 31st March 2014.

Counterparty list:

Counterparty		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	£1m each	1 year
	AA+		1 year
	AA		1 year
	AA-		1 year
	A+		1 year
	A		1 year
	A-		1 year
The Council's current account bank, Barclays Bank, if it fails to meet the above criteria		£1.5m	No Limit
UK Central Government (irrespective of credit rating)		unlimited	1 year
UK Local Authorities (irrespective of credit rating), per authority		£1m each	50 years
UK Building Societies without credit ratings*		£0.5m each	1 year
Saffron Walden Building Society		£0.25m	1 year
Money Market Funds, UK Domiciled	AAA	£1m each	next day

\* There are 14 Building Societies suggested by Arlingclose, see appendix A3.

7.18 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.



7.19 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.

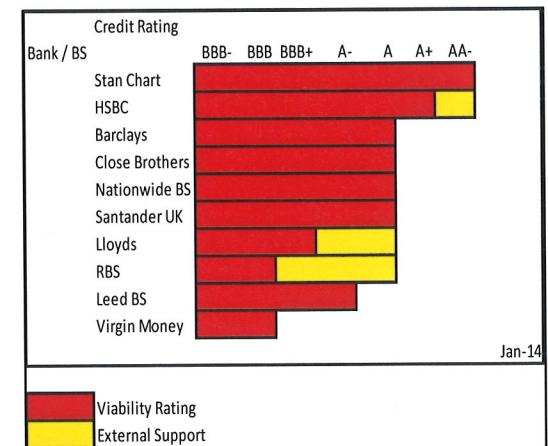
8.2 Credit rating:

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.

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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.





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 – Assistant Chief Executive - Finance:**

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 September 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, etc

11.3 The quality of the service provided by Arlingclose is 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 &amp; Debt Portfolio Position

<b>Forecast Investment and Debt Portfolio Position</b>	
<b>As at 31st March 2014</b>	
Balance Sheet Extract	Forecast £'000
External Borrowing:	
Variable Rate PWLB	10,000
Fixed Rate PWLB	78,407
<b>Total External Borrowing</b>	<b>88,407</b>
Other Long Term Liabilities:	
PFI	5,141
Finance Leases	14
Pension Liability	0
<b>Total Long Term Liabilities</b>	<b>5,155</b>
<b>Total Gross Debt</b>	<b>93,562</b>
<b>Investments</b>	
Long Term Investments	0
Short Term Investments	0
Cash and Cash Equivalents	15,862
<b>Total Investments</b>	<b>15,862</b>
<b>Net Borrowing</b>	<b>77,700</b>



# Prudential Indicators

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2014/15



Contents

1. Introduction
2. Background
3. Capital Expenditure
4. Capital Financing Requirement
5. Operational Boundary for External Debt
6. Authorised Limit for External Debt
7. Ration of Financing Costs to Net Revenue Stream
8. Incremental Impact of Capital Investment Decisions
9. Interest Rate Exposure
10. Liquidity / Refinancing



1.0 - Introduction

1.1 This report covers the requirements of the 2011 CIPFA Prudential Code (as amended in 2012) to set prudential indicators. This item should be approved by the full Council before the start of the new financial year which is a legislative requirement.

2.0 - Background

- 2.1 Prudential Indicators 2014/15:  

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





## 3.0 – Capital Expenditure

3.1 The Council's planned capital expenditure and financing may be summarised as follows:

<b>Capital Expenditure - General Fund</b> <b>£000s</b>	<b>2013-14</b> <b>Current</b> <b>Budget</b>	<b>2013-14</b> <b>Forecast</b> <b>Spend</b>	<b>2014-15</b> <b>Budget</b>	<b>2015-16</b> <b>Budget</b>	<b>2016-17</b> <b>Budget</b>	<b>2017/18</b> <b>Budget</b>	<b>2018/19</b> <b>Budget</b>	<b>Total</b>
<b>Total Capital Expenditure</b>	<b>3,439</b>	<b>5,045</b>	<b>1,472</b>	<b>880</b>	<b>680</b>	<b>1,070</b>	<b>510</b>	<b>13,096</b>
<b>Financing - General Fund</b>								
Grants & Contributions	-1,676	-3,313	-422	-165	-65	-65	-65	-5,771
Revenue Contributions	-589	-767	-663	-365	-265	-265	-175	-3,089
General Fund Capital Receipts	0	-209	0	0	0	0	0	-209
Internal Borrowing	-1,174	-756	-387	-350	-350	-740	-270	-4,027
<b>Total Capital Financing</b>	<b>-3,439</b>	<b>-5,045</b>	<b>-1,472</b>	<b>-880</b>	<b>-680</b>	<b>-1,070</b>	<b>-510</b>	<b>-13,096</b>
<b>Net Financing Need (External Borrowing)</b>	<b>0</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>

<b>Housing Revenue Account Capital Schemes</b> <b>£000s</b>	<b>2013-14</b> <b>Current</b> <b>Budget</b>	<b>2013-14</b> <b>Forecast</b> <b>Spend</b>	<b>2014-15</b> <b>Budget</b>	<b>2015-16</b> <b>Budget</b>	<b>2016-17</b> <b>Budget</b>	<b>2017/18</b> <b>Budget</b>	<b>2018/19</b> <b>Budget</b>	<b>Total</b>
<b>Total Capital Expenditure</b>	<b>7,035</b>	<b>7,076</b>	<b>8,310</b>	<b>6,643</b>	<b>6,553</b>	<b>5,790</b>	<b>5,799</b>	<b>47,206</b>
<b>Financing - Housing Revenue Account</b>								
Major Repairs Reserve Contribution	-3,081	-3,081	-3,136	-3,209	-3,281	-3,356	-3,432	-22,577
HRA Financial Headroom to fund Capital Re	-712	-712	-1,047	-344	-322	-197	-131	-3,464
HRA Financial Headroom - Specific Schemes	-1,933	-2,029	-1,647	-2,640	-2,500	-537	-2,036	-13,322
HRA Headroom - Funded from reserves	-600	-600	-550	0	0	-1,500	0	-3,250
Energy efficiency Grant Funding	-131	-131	0	0	0	0	0	-262
S106 - Housing Partnership Funding - HRA	0	0	-1,180	0	0	0	0	-1,180
Capital Receipts - RTB	-578	-523	-750	-450	-450	-200	-200	-3,151
<b>Total Financing</b>	<b>-7,035</b>	<b>-7,076</b>	<b>-8,310</b>	<b>-6,643</b>	<b>-6,553</b>	<b>-5,790</b>	<b>-5,799</b>	<b>-47,206</b>
<b>Net Financing Need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

4.0 – Capital Financing

<p>4.1 Estimates of Capital Financing Requirement:</p> <p>The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.</p>	<b>CAPITAL FINANCING REQUIRMENT</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
		<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	General Fund	8,675	8,522	8,266	7,966	7,997	7,496
	Housing Revenue Account (HRA)	90,053	90,064	88,407	88,407	86,407	84,407
<b>TOTAL</b>	<b>98,728</b>	<b>98,586</b>	<b>96,673</b>	<b>96,373</b>	<b>94,404</b>	<b>91,903</b>	

5.0 – Operational Boundary

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

6.0 - Authorised Limit

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

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Prudential Indicator	Forecast	Estimate	Estimate	Estimate	Estimate	Estimate
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Operational Boundary	93,898	93,474	93,364	93,261	91,149	89,028
Authorised Limit	101,898	101,474	101,364	101,261	99,149	97,028



7.0 – Ratio of Financing Costs to Net Revenue Stream

<p>7.1 Ratio of Financing Costs to Net Revenue Stream:</p> <p>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.</p>	<b>ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE</b>	<b>Forecast 2013/14</b>	<b>Estimate 2014/15</b>	<b>Estimate 2015/16</b>	<b>Estimate 2016/17</b>	<b>Estimate 2017/18</b>	<b>Estimate 2018/19</b>
		%	%	%	%	%	%
	General Fund	12.20%	8.89%	9.44%	9.77%	10.22%	10.69%
	Housing Revenue Account	18.75%	18.02%	16.63%	16.53%	15.96%	15.44%

8.0 – Incremental Impact of Capital Investment Decisions

<p>8.1 Incremental Impact of Capital Investment Decisions:</p> <p>This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed earlier in this report.</p>	<b>INCREMENTAL IMPACT OF CAPITAL INVESTMENT</b>	<b>Forecast 2013/14</b>	<b>Estimate 2014/15</b>	<b>Estimate 2015/16</b>	<b>Estimate 2016/17</b>	<b>Estimate 2017/18</b>	<b>Estimate 2018/19</b>
		£	£	£	£	£	£
	General Fund	-8.13	10.42	5.79	5.37	-10.25	0.00
	Housing Revenue Account (AWR)	-5.19	-4.50	-1.05	-3.12	-6.35	0.00

AWR = Average Weekly Rent

9.0 – Interest Rate Exposure

9.1 Interest Rate Exposures:

This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net interest payable.

Prudential Indicator	Forecast 2013/14 £'000	Estimate 2014/15 £'000	Estimate 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000
Limits on Fixed Interest Rate based on Net Debt	2,570	2,570	2,570	2,570	2,570	2,570
	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%
Limits on Variable Interest Rate based on Net Debt	54	54	54	54	43	32
	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%

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10.0 – Liquidity / Refinancing

10.1 Maturity Structure of Borrowing:

This indicator is set to control the Council’s exposure to refinancing risk. This is the upper limit on the maturity structure of **fixed** rate borrowing.

10.2 The limits are set for each category to ensure that the Council avoids fixed rate loans being matured in one time and spreads that across several periods.

Liquidity/Refinancing	2014/15 £000's
Maturity Structure - Upper Limit	
Under 5 Years	4,000
5 years to 10 years	14,000
11 years to 20 years	32,000
21 years and above	38,407
<b>Total</b>	<b>88,407</b>

An example for clarity: If the Council decides to borrow £5m fixed rate loan in 2014/15 it must ensure that the Council’s total **fixed** rate loan should not all mature within the next five years as it is capped at £4m.



# Minimum Revenue Provision Statement

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2014/15



Contents

1.0 - Introduction

2.0 - Background

- 1. Introduction
- 2. Background
- 3. UDC MRP Statement
- 4. CFR / MRP Table

1.1 This report covers the requirements of the latest Guidance on Minimum Revenue Provision for an annual MRP statement. The Statement should be approved by the full Council before the start of the new financial year which is a legislative requirement.

2.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum charge since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's / Department of Environment's *Guidance on Minimum Revenue Provision* (the DCLG/DOE Guidance) most recently issued in 2012/2011.

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

3.0 - UDC Minimum Revenue Provision Statement

- 3.1 The DCLG/DOE Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
- 3.2 For unsupported capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by either charging the expenditure over the expected useful life of the relevant assets in equal instalments or as the principal repayment on an annuity with a specifically determined annual interest rate, starting in the year after the asset becomes operational.
- 3.3 MRP will be charged over differing time periods depending on the classification of the asset involved. These periods will relate to the useful life of the asset and be consistent with the write down periods adopted for the same assets in the Council's depreciation policy.
- 3.4 For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 3.5 MRP in respect of the £88.407m payment made in 2012 to exit the Housing Revenue Account subsidy system will be determined as being equal to the principal amount repaid on the loans borrowed to finance that payment.
- 3.6 Expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged to revenue in the year the expenditure is incurred. Examples of this expenditure include Community Grants, Disabled Facilities Grants and Private Sector Renewal Grants.

## 4.0 – CFR / MRP Tables

	31.03.2014 Estimated CFR	2014/15 Estimated MRP
	£m	£m
Capital expenditure before 01.04.2008	-	-
Supported capital expenditure after 31.03.2008	-	-
Unsupported capital expenditure after 31.03.2008	3.502	0.434
Finance leases and Private Finance Initiative	5.173	0.106
Transferred debt	-	-
Loans to other bodies	-	Nil
<b>Total General Fund</b>	<b>8.675</b>	<b>0.54</b>
Assets in the Housing Revenue Account	1.646	Nil
HRA subsidy reform payment	88.407	-
<b>Total Housing Revenue Account</b>	<b>90.053</b>	<b>0</b>
<b>Total</b>	<b>98.728</b>	<b>0.54</b>



# Counterparty list

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2014/15



1.0 Specified Investments under Statute:

Investments with high security and low liquidity risk:

<b>Instrument</b>
Term deposits with Banks and Building Societies Debt Management Account Deposit Facility
Term deposits with Other UK Local Authorities
Investments with Registered Providers (Housing Associations)
Certificates of Deposit with Banks and Building Societies
Gilts
Treasury Bills (T Bills)
Bonds issued by Multilateral Development Banks
Local Authority Bills
Commercial Paper
Corporate Bonds
AAA Rated Money Market Funds - UK and Non UK Domicile
Other Money Market and Collective Investment Schemes

1.1 The table on the next page is a list of bodies which the Council can lend to as per 14/15 TM strategy and in line with the Arlingclose Counterparty list as at January 2014.

1.2 During the year Arlingclose or the Council could vary the counterparty list / strategy, and there is a potential that one will contradict with the other. The Arlingclose counterparty is regularly reviewed along with the 2014/15 Treasury Management strategy to ensure both requirements are met before money is lent to relevant bodies.

1.3 Saffron Building Society is included within the 14/15 strategy but not on the Arlingclose Counterparty list and is currently exempt from this requirement.

## 1.4 Counterparty list

Date: January 2014				
<b>Specified Investments Counterparty List tailored for UDC and approved by Arlingclose</b>				
<b>Instrument</b>	<b>Domicile</b>	<b>Security Rating (Fitch Rating)</b>	<b>Cash limit</b>	<b>Maximum Period</b>
Government DMO	UK	AA+	unlimited	No limit
Local Authority (per authority)	UK	AA+	£1m	1 Year
Treasury Bills (T-Bills)	UK	AA+	£1m	1 Year
UK Government Gilts	UK	AA+	£1m	1 Year
Lloyds / Bank of Scotland	UK	A	£1m	6 months
Barclays Bank plc	UK	A	£1m	12 months
HSBC Bank plc	UK	AA-	£1m	12 months
Leeds Building Society	UK	A-	£1m	100 days
National Westminster Bank	UK	A	£1m	Overnight
Nationwide Building Society	UK	A	£1m	6 months
Royal Bank of Scotland	UK	A	£1m	Overnight
Santander UK Plc	UK	A	£1m	6 months
Standard Chartered Bank	UK	AA-	£1m	12 months
UK Building Societies without credit ratings*	UK	n/a	£0.5m	12 months
Saffron **	UK	n/a	£0.25m	12 months
CCLA - PSDF - MMF	UK	AAA	£1m	On Call
FEDERATED INVESTORS - MMF	UK	AAA	£1m	On Call

\* see Building Society list below

\*\* Saffron BS is excluded from Arlingclose list because it narrowly misses two of the four criteria threshold. However in one of the ratio calculations it performs exceptionally well and very highly in the other, see table below.

## 1.5 Building Societies – Counterparty list

Building Societies	Liquid Assets to Funding Ratio, Position out of 38 BS	Wholesale Funding Ratio, Position out of 38 BS	Capital to Lending Ratio, Position out of 38 BS	Non-performing Loans, Position out of 38 BS
Scottish	4	4	9	10
Harpenden	8	27	7	16
Marsden	9	17	1	4
Loughborough	10	10	13	26
Furness	12	23	10	19
Hinckley & Rugby	13	28	17	9
Mansfield	15	9	19	1
Vernon	16	22	18	12
Tipton & Coseley	17	8	6	30
Melton Mowbray	18	21	5	28
Market Harborough	20	16	20	2
Leek United	21	3	21	5
Darlington	23	11	8	20
Newbury	24	18	25	3
<b>Leeds (Threshold)</b>	<b>34</b>	<b>30</b>	<b>27</b>	<b>32</b>
Saffron (information purpose only)	1	31	33	13

Where 1 indicates best performance

**Underlying Economic assumptions from Arlingclose:**

- Growth continues to strengthen with the second estimate for Q3 growth coming in at an unrevised 0.8%. The service sector remains the main driver of growth, boosted by a contribution from construction.
- The unemployment rate has fallen to 7.6%. The pace of decline in this measure will be dependent on a slower expansion of the workforce than the acceleration in the economy, alongside the extent of productivity.
- The CPI for November has fallen to 2.1%, a much more comfortable position for the MPC. Utility price increases are expected to keep CPI above the 2% target in 2014, before falling back again.
- The principal measure in the MPC's Forward Guidance on interest rates is the Labour Force Survey (LFS) unemployment rate. The MPC intends not to raise the Bank Rate from its current level of 0.5% at least until this rate has fallen to a threshold of 7%.
- The reduction in uncertainty and easing of credit conditions have begun to unlock demand, much of which has fed through to the housing market. In response to concerns over a house price bubble, the Bank of England announced a curtailment of the Funding for Lending Scheme, which will henceforth concentrate on business lending only.
- The MPC will not hesitate to use macro prudential and regulatory tools to deal with emerging risks (such as curtailing the FLS). Absent risks to either price stability or financial stability, the MPC will only tighten policy when it is convinced about the sustained durability of economic growth.
- Federal Reserve monetary policy expectations - the slowing in the pace of asset purchases ('tapering') and the end of further asset purchases - will remain predominant drivers of the financial markets. Tapering of asset purchases will begin in Q1 2014. The US political deadlock over the debt ceiling will need resolving in Q1 2014.
- The European backstop mechanisms have lowered the risks of catastrophic meltdown. The slightly more stable economic environment at the aggregate Eurozone level could be undone by political risks and uncertainty in Italy, Spain and Portugal (doubts over longevity of their coalitions). The ECB has discussed a third LTRO, as credit conditions remain challenging for European banks.
- China data has seen an improvement, easing markets fears. Chinese leaders have signalled possible monetary policy tightening.
- On-going regulatory reform and a focus on bail-in debt restructuring of is likely to prolong banking sector deleveraging and maintain the corporate credit bottleneck.

**Forecast:**

- Our projected path for short term interest rates remains flat. Markets are still pricing in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. The MPC will not raise rates until there is a sustained period of strong growth. However, upside risks weight more heavily at the end of our forecast horizon.
- We continue to project gilt yields on an upward path through the medium term. The recent climb in yields was overdone given the soft fundamental global outlook and risks surrounding the Eurozone, China and US.

**Committee:** Scrutiny

**Agenda Item**

**Date:** 6 February 2014

**12**

**Title:** Capital Programme 2014/15 – 2018/19

**Author:** Angela Knight, Accountancy Manager

Item for decision

## **Summary**

1. The Capital programme is for the next 5 years, 2014/15 to 2018/19.
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. There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives. Examples of the questions Scrutiny may wish to consider are:
  - Do the proposed items in the Programme provide tangible outcomes and value for money?
  - How do we ensure that capital grants given to outside bodies and individuals achieve the intended outcomes?
  - Are the financing methods appropriate, and built into the revenue budgets?

## **Recommendations**

7. The Scrutiny Committee is requested to endorse the following recommendations to Cabinet, or suggest alternatives.
8. The Cabinet is requested to approve, for recommendation to Full Council, the Capital Programme and associated financing of the programme as set out in this report.

## **Financial Implications**

9. 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**

10. None

**Impact**

11.

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 2014/15 – 2018/19**

12. Appendix A details all the capital programmes by Portfolio and gives details of the type of expenditure and the scheduled programme of works for each year.

13. The Capital Programme is an evolving and rolling programme year on year.

14. Schemes fully financed by external sources are detailed later in the report.

15. A summary of the 5 year Capital Programme is tabled below:

	<b>2014/15 Forecast Budget £ '000</b>	<b>2015/16 Forecast Budget £ '000</b>	<b>2016/17 Forecast Budget £ '000</b>	<b>2017/18 Forecast Budget £ '000</b>	<b>2018/19 Forecast Budget £ '000</b>
Community Partnerships & Engagement	610	310	110	110	110
Community Safety	35	0	0	0	0
Environmental Services	192	230	270	660	190
Finance & Administration	100	120	80	80	80
General Fund Housing	315	220	220	220	130
<b>Total General Fund Capital</b>	<b>1,252</b>	<b>880</b>	<b>680</b>	<b>1,070</b>	<b>510</b>
HRA Capital Fund	4,233	3,603	3,653	3,690	3,699
HRA Business Plan Items	4,077	3,040	2,900	2,100	2,100
<b>Total HRA Capital</b>	<b>8,310</b>	<b>6,643</b>	<b>6,553</b>	<b>5,790</b>	<b>5,799</b>
<b>Total Capital Programme</b>	<b>9,562</b>	<b>7,523</b>	<b>7,233</b>	<b>6,860</b>	<b>6,309</b>

16. Appendix B details the financing of the Capital Programme

17. The schemes of works detailed in the programme are proposed to be funded by the following means:

- Grants
- S106 contributions
- Revenue contributions
- Capital receipts and internal borrowing
- The HRA will also use the 'Financial Headroom' available

18. No external borrowing is required to finance the 5 year Capital Programme detailed in this report.

19. The HRA capital financing includes a contribution from the Major Repairs Reserve which is the equivalent to the annual depreciation charge on council dwellings. This funding is used to support the annualised capitalised repairs budget.

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

21. 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**

22. General Fund

- Museum Storage Facility – 75% contribution funding by the Museum Society for the build and once asset is operational the Museum Society will take ownership of the facility and lease this back to UDC at a peppercorn rent.
- Castle renovation – the programme of works are being carried out to comply with English Heritage requirements and the English Heritage are providing 50% of the funding for the renovations.
- Disabled Facilities Grant – £100k increase for 14-15 this is due to a clearing of backlog from the new Occupational Therapists being appointed and an increase in demand of grants.
- CCTV is to be installed in Thaxted and this has been planned into the capital programme for 14-15.

- A conditions survey is to be carried out on the Council Offices and associated buildings. The outcome and findings of the survey could impact on the capital programme and the associated financing costs affecting the revenue budgets.

23.HRA

- Mead Court – expectation is to complete in 2014/15, increase in capital funding approved at Cabinet 24<sup>th</sup> November 2013.
- New programme of works for the redevelopment of sheltered housing schemes.
- Ongoing development of new build sites (including garden and garage land to be used) this scheme has a direct correlation to the Right to buy scheme and our obligation to replace sold properties on a 1 for 1 basis.

24. Stansted Housing Partnership Fund – Although this does not fall within the Councils’ capital programme, for members’ information the fund will be fully spent in 2014/15. The detail of the allocation of funding is shown below.

<b>Project for Funding</b>	<b>2012/13 £ '000</b>	<b>2013/14 £ '000</b>	<b>2014/15 £ '000</b>	<b>2015/16 £ '000</b>	<b>Total £ '000</b>
Funding to East Herts & Harlow for Social Housing	0	717	0	0	717
Holloway Crescent	369	0	0	0	369
Mead Court Garage Site	78	0	1,180	0	1,258
<b>Total</b>	<b>447</b>	<b>717</b>	<b>1,180</b>	<b>0</b>	<b>2,344</b>

**Risk Analysis**

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating actions</b>
Failure to identify capital budget pressures and/or funding not realised	2	2	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.

**Capital Programme 2014/15 - 2018/19**

**Appendix A**

**COMMUNITY PARTNERSHIPS AND ENGAGEMENT**

	<b>2013-14 Current Budget £ '000</b>	<b>2013-14 Forecast Spend £ '000</b>	<b>2013-14 slippage £ '000</b>	<b>2014-15 Forecast £ '000</b>	<b>2015-16 Forecast £ '000</b>	<b>2016-17 Forecast £ '000</b>	<b>2017-18 Forecast £ '000</b>	<b>2018-19 Forecast £ '000</b>
<u>General Fund Capital Schemes</u>								
1. Community Projects Grants	100	100	0	110	110	110	110	110
2. Museum Storage Facility Contribution	127	246	0	300	0	0	0	0
3. Saffron Walden Castle	200	75	125	200	200	0	0	0
<u>Externally Funded Schemes</u>								
4. Leisure Centre Initiatives	9	9	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Total Community Partnerships and Engagement</b>	<b>436</b>	<b>430</b>	<b>125</b>	<b>610</b>	<b>310</b>	<b>110</b>	<b>110</b>	<b>110</b>

**COMMUNITY SAFETY**

	<b>2013-14 Current Budget £ '000</b>	<b>2013-14 Forecast Spend £ '000</b>	<b>2013-14 slippage £ '000</b>	<b>2014-15 Forecast £ '000</b>	<b>2015-16 Forecast £ '000</b>	<b>2016-17 Forecast £ '000</b>	<b>2017-18 Forecast £ '000</b>	<b>2018-19 Forecast £ '000</b>
<u>General Fund Capital Schemes</u>								
1. CCTV Stansted	42	42	0	0	0	0	0	0
2. CCTV Thaxted	0	0	0	35	0	0	0	0
<b>Total Community Safety</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix A

### ENVIRONMENTAL SERVICES

	2013-14 Current Budget £ '000	2013-14 Forecast Spend £ '000	2013-14 slippage £ '000	2014-15 Forecast £ '000	2015-16 Forecast £ '000	2016-17 Forecast £ '000	2017-18 Forecast £ '000	2018-19 Forecast £ '000
<u>General Fund Capital Schemes</u>								
2. Elizabeth Way Culvert	241	241	0	0	0	0	0	0
3. Household Bins <i>Replacement</i>	10	10	0	0	0	0	0	0
4. Household Bins <i>New</i>	20	20	0	0	0	0	0	0
5. Garden Waste Bins	20	20	0	0	0	0	0	0
6. Kitchen Caddies and Slave Bins	10	10	0	0	0	0	0	0
7. Trade Waste Bin Replacement	10	10	0	0	0	0	0	0
8. Fairycroft Car Park Repairs	0	0	0	0	0	0	0	0
9. Vehicle Replacement Programme	426	385	0	180	230	270	660	190
10. In-Cab technology	50	59	0	12	0	0	0	0
11. Noise Monitoring Equipment	12	12	0	0	0	0	0	0
12. Grounds Maintenance Store	17	17	0	0	0	0	0	0
<u>New Schemes</u>	0	0	0	0	0	0	0	0
13. Shire Hill depot office works	0	10	0	0	0	0	0	0
<b>Total Environmental Services</b>	<b>816</b>	<b>794</b>	<b>0</b>	<b>192</b>	<b>230</b>	<b>270</b>	<b>660</b>	<b>190</b>



## Appendix A

### FINANCE AND ADMINISTRATION

	2013-14 Current Budget £ '000	2013-14 Forecast Spend £ '000	2013-14 slippage £ '000	2014-15 Forecast £ '000	2015-16 Forecast £ '000	2016-17 Forecast £ '000	2017-18 Forecast £ '000	2018-19 Forecast £ '000
<u>ICT</u>								
1. Home Working	20	20	0	0	0	0	0	0
2. Members IT Equipment	0	0	0	0	15	0	0	0
3. Minor Items IT	20	20	0	20	20	20	20	20
4. Video Conferencing	25	0	0	0	25	0	0	0
5. Network Replacement	59	59	0	0	0	0	0	0
6. Content Management System	10	10	0	0	0	0	0	0
7. Exchange Upgrade	35	35	0	0	0	0	0	0
8. Windows 7 Upgrade	20	20	0	0	0	0	0	0
9. 'Cloud' computing	30	0	0	0	0	0	0	0
10. Bring Your Own Device	30	30	0	0	0	0	0	0
11. Mobile working ICT set up - Housing	50	0	50	0	0	0	0	0
12. Mobile working ICT set up - Planning and Environmental Health	45	0	45	0	0	0	0	0
13. Mailroom Scanner	20	20	0	0	0	0	0	0
<u>New ICT Schemes</u>	0	0	0	0	0	0	0	0
14. Citrix Upgrade	0	0	0	20	0	0	0	0
15. PSN CoCo	0	0	0	30	30	30	30	30
<u>Council Assets</u>	0	0	0	0	0	0	0	0
16. 2* Vans for Cleaning Service	0	25	0	0	0	0	0	0
17. Council Offices Cyclical Improvements	239	239	0	30	30	30	30	30
18. Car park Improvements - London Road Offices	10	10	0	0	0	0	0	0
<b>Total Finance Administration</b>	<b>613</b>	<b>488</b>	<b>95</b>	<b>100</b>	<b>120</b>	<b>80</b>	<b>80</b>	<b>80</b>

## Appendix A

GENERAL FUND HOUSING								
	2013-14 Current Budget £ '000	2013-14 Forecast Spend £ '000	2013-14 slippage £ '000	2014-15 Forecast £ '000	2015-16 Forecast £ '000	2016-17 Forecast £ '000	2017-18 Forecast £ '000	2018-19 Forecast £ '000
<u>General Fund Capital Schemes</u>								
1. Disabled Facilities Grants	223	275	0	225	130	130	130	130
2. Empty Dwellings	20	20	0	50	50	50	50	0
3. Day Centres Improvements	29	29	0	10	10	10	10	0
4. Private Sector Renewal Grants	12	12	0	30	30	30	30	0
<u>Externally Funded schemes</u>	0	0	0	0	0	0	0	0
5. Stansted Housing Partnership - Social Housing Properties	717	717	0	0	0	0	0	0
<b>Total General Fund Housing</b>	<b>1,001</b>	<b>1,053</b>	<b>0</b>	<b>315</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>130</b>

## Appendix A

### HOUSING REVENUE ACCOUNT

	2013-14 Current Budget £ '000	2013-14 Forecast Spend £ '000	2013-14 slippage £ '000	2014-15 Forecast £ '000	2015-16 Forecast £ '000	2016-17 Forecast £ '000	2017-18 Forecast £ '000	2018-19 Forecast £ '000
<u>HRA Fund</u>								
1. HRA Capital Repairs	3793	3793	0	4183	3553	3603	3553	3563
2. Cash Incentive Scheme Grants	50	50	0	50	50	50	50	50
3. Light Vans Replacement programme	0	15	0	0	0	0	87.166	86
4. Stansted Housing Partnership - Holloway Crescent - Phase 2	154	185	0	0	0	0	0	0
<u>HRA Original Business Plan Schemes</u>	0	0	0	0	0	0	0	0
5. Service charges planned repair system	100	100	0	0	0	0	0	0
6. Update of alarm equipment in sheltered housing schemes	200	200	0	100	100	0	0	0
7. Review of potential new build schemes on identified Garden/Garage sites	0	0	0	600	600	600	600	600
8. Review of potential internet cafes in sheltered schemes	20	20	0	40	40	0	0	0
9. Energy Efficiency improvement schemes	595	595	0	300	300	300	0	0
10. Supported unit for people with learning disabilities	100	100	0	0	0	0	0	0
11. Mead Court - Development	1743	1743	0	2537	0	0	0	0
<u>New Business Plan Schemes</u>	0	0	0	0	0	0	0	0
12. Newport Depot Refurbishment	80	75	0	0	0	0	0	0
13. Potential redevelopment of Sheltered Schemes	0	0	0	0	1500	1500	1500	1500
14. UPVC Fascias and Guttering	200	200	0	500	500	500	0	0
<b>HRA Housing Total</b>	<b>7,035</b>	<b>7,076</b>	<b>0</b>	<b>8,310</b>	<b>6,643</b>	<b>6,553</b>	<b>5,790</b>	<b>5,799</b>
<b>Total Housing</b>	<b>8,036</b>	<b>8,129</b>	<b>0</b>	<b>8,625</b>	<b>6,863</b>	<b>6,773</b>	<b>6,010</b>	<b>5,929</b>

Total Capital Programme

9,943

9,889

Page 100 220

9,562

7,523

7,233

6,860

6,309

Appendix B

Capital Programme - Financing 2014/15 - 2018/19								
General Fund Capital Schemes	2013-14	2013-14	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Current Budget	Forecast Spend	Slippage	Forecast Budget	Budget	Budget	Budget	Budget
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Community Partnerships & Engagement	436	430	125	610	310	110	110	110
Community Safety	42	42	0	35	0	0	0	0
Environmental Services	816	794	0	192	230	270	660	190
Finance & Administration	488	488	95	100	120	80	80	80
Housing GF	1,001	1,053	0	315	220	220	220	130
<b>Total Programme</b>	<b>2,783</b>	<b>2,807</b>	<b>220</b>	<b>1,252</b>	<b>880</b>	<b>680</b>	<b>1,070</b>	<b>510</b>
Financing - General Fund	2013-14	2013-14	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Current Budget	Forecast Spend	Slippage	Forecast Budget	Budget	Budget	Budget	Budget
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Disabled Facilities Grant	(112)	(112)	-	(65)	(65)	(65)	(65)	(65)
Museum Storage Funding	(82)	(50)	-	(32)	0	0	0	0
Museum Society Grant	0	(150)	-	(225)	0	0	0	0
Swimming Grant	(9)	(9)	-	0	0	0	0	0
Grant for EWC	0	(17)	-	0	0	0	0	0
English Heritage Funding for Castle	(100)	(20)	-	(100)	(100)	0	0	0
S106 - Housing Partnership Funding - Housing G Func	(717)	(717)	-	0	0	0	0	0
Revenue Contribution to Capital - General	(559)	-	-	-	-	-	-	-
Revenue Contributions to Capital - Comm Part & Engagements	0	(201)	(125)	(253)	(210)	(110)	(110)	(110)
Revenue Contributions to Capital - Comm Safet	0	0	-	(35)	0	0	0	0
Revenue Contributions to Capital - Environment	0	(138)	-	0	0	0	0	0
Revenue Contributions to Capital - Waste Strateg	(30)	(30)	-	0	0	0	0	0
Revenue Contributions to Capital - Finance & Admir	0	(239)	-	0	0	0	0	0
Revenue Contribution - GF Housing	0	(159)	-	(250)	(155)	(155)	(155)	(65)
General Fund Capital Receipts	0	(209)	-	0	0	0	0	0
Internal Borrowing	(1,174)	(756)	(95)	(292)	(350)	(350)	(740)	(270)
<b>Total Financing</b>	<b>(2,783)</b>	<b>(2,807)</b>	<b>(220)</b>	<b>(1,252)</b>	<b>(880)</b>	<b>(680)</b>	<b>(1,070)</b>	<b>(510)</b>
<b>Net Financing Need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Appendix B

Capital Programme - Financing 2014/15 - 2018/19								
Housing Revenue Account Capital Schemes	2013-14	2013-14	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Current Budget	Forecast Spend	Slippage	Forecast Budget	Budget	Budget	Budget	Budget
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Total Programme</b>	<b>7,035</b>	<b>7,076</b>	<b>0</b>	<b>8,310</b>	<b>6,643</b>	<b>6,553</b>	<b>5,790</b>	<b>5,799</b>
Financing - Housing Revenue Account	2013-14	2013-14	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Current Budget	Forecast Spend	Slippage	Forecast Budget	Budget	Budget	Budget	Budget
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Business Plan Schemes</b>								
Funded from reserves	(600)	(600)	0	(550)	0	0	(1,500)	0
S106 - Housing Partnership Funding - HRA	0	0	0	(1,180)	0	0	0	0
Capital Receipts - RTB	(578)	(523)	0	(750)	(450)	(450)	(200)	(200)
Energy efficiency Grant Funding	(131)	(131)	0	0	0	0	0	0
HRA Financial Headroom - Specific Schemes	(1,729)	(1,779)	0	(1,597)	(2,590)	(2,450)	(400)	(1,900)
	<b>(3,038)</b>	<b>(3,033)</b>	<b>0</b>	<b>(4,077)</b>	<b>(3,040)</b>	<b>(2,900)</b>	<b>(2,100)</b>	<b>(2,100)</b>
<b>Other Schemes</b>								
Major Repairs Reserve Contribution	(3,081)	(3,081)	0	(3,136)	(3,209)	(3,281)	(3,356)	(3,432)
HRA Revenue Funding	(916)	(962)	0	(1,097)	(394)	(372)	(334)	(267)
	<b>(3,997)</b>	<b>(4,043)</b>	<b>0</b>	<b>(4,233)</b>	<b>(3,603)</b>	<b>(3,653)</b>	<b>(3,690)</b>	<b>(3,699)</b>
<b>TOTAL FINANCING</b>	<b>(7,035)</b>	<b>(7,076)</b>	<b>0</b>	<b>(8,310)</b>	<b>(6,643)</b>	<b>(6,553)</b>	<b>(5,790)</b>	<b>(5,799)</b>
<b>Net Financing Need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>	<b>-0</b>



**Committee: Scrutiny**

**Agenda Item**

**Date: 6 February 2014**

**13**

**Title: Medium Term Financial Strategy**

**Author: Stephen Joyce  
Assistant Chief Executive - Finance**

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## **Summary**

1. The purpose of the Medium Term Financial Strategy 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.
3. Reasonably reliable forecasts of costs, income and Council Tax can be made, but it is not possible to forecast with any degree of certainty what will happen to Government funding.
4. If there is a change in the system of local government funding, possible regardless of the General Election outcome, it is unlikely (but not impossible) that any significant changes will impact until the year 2017/18.
5. The Council can have reasonable confidence that in the next three financial years (2014/15, 2015/16, 2016/17) its total income will exceed the forecasted budget. This gives opportunities to make meaningful investment in projects that benefit local communities and businesses.
6. However, it is absolutely essential that the Council does this in a prudent and sustainable way, and avoids making ongoing revenue commitments.
7. During this three year period the Council should also give active consideration to investing in cost reduction and/or income generation schemes, in case there are problems from 2017/18 onwards. A relevant analogy to use is "repairing the roof while the sun shines".
8. There is material uncertainty about the ongoing amount of funding that may or may not be available under the New Homes Bonus scheme. Scenario analysis suggests that the difference between the best case scenario and the worst case scenario is around £5 million of funding per annum by 2019/20.
9. This means that by the end of the decade, the range of possible forecasted positions varies wildly from an in-year surplus of £1 million to an in-year deficit of £4 million.

10. The actuality will probably be somewhere between these two positions but it is not possible to gauge where the line will be.
11. Because of this material uncertainty from 2017/18 onwards, the Council must use the intervening three years to ensure it is ready to meet potentially challenging scenarios.
12. There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives. Examples of the questions Scrutiny may wish to consider are:
  - Are the assumptions used to build the forecasts reasonable?
  - What would happen if actual events differed from the assumptions?
  - Does the Council have a robust plan for addressing any deficits forecasted?
  - Are plans for the use of any surpluses prudent, sustainable and good value for money?

### **Recommendations**

13. The Scrutiny Committee is requested to endorse the following recommendations to Cabinet, or suggest alternatives.
14. The Cabinet is requested to approve, for recommendation to Full Council, the Medium Term Financial Strategy as set out in this report.

### **Financial Implications**

15. 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

16. It is relatively straightforward to forecast what the Council's costs and income will be, based on extrapolating the 2014/15 budget into future years, using prudent assumptions about inflation.

17. A five year budget model has been prepared. 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%	£87,700
Employer's pension	0.9% of salary	£84,700
Other staff costs	0%	£5,700
Members allowances	1%	£3,000
Utilities & fuel	5%	£6,300
Supplies & services (contractual)	3%	£31,900
Supplies & services (non-contractual)	0%	£14,900
Fees & charges income (except car parking)	2%	£32,900
Car parking income	0%	£8,600
Benefits case load	0%	£800
Benefits rent increases	5%	£800
Demand growth	£50,000 cumulative additional spend per year	n/a

18. 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.

19. 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 £50,000 per annum.
- Collection Fund balance will be zero from 2015/16 onwards (currently £256,000 surplus).
- Pension Fund deficit payment for 2014/15, 2015/16 and 2016/17 in line with Cabinet decision of 5 December i.e. pay three years up front, using reserves to equalise the hit to the bottom line.

20. Below is a summary of the budget model. It can be seen that after removing three large one off items in the 2014/15 budget (pension deficit payment, Strategic Initiatives Fund and Access Fund), the budget reduces significantly in the second year, and increases subsequently due to inflationary impacts.

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000
Gross service expenditure	33,843	33,062	29,606	23,453	18,505
Gross service income	-24,920	-23,872	-20,265	-13,892	-8,713
Demand growth	0	50	100	150	200
<b>Net service expenditure</b>	<b>8,923</b>	<b>9,240</b>	<b>9,441</b>	<b>9,711</b>	<b>9,992</b>
Capital financing costs	1,611	1,365	1,317	1,366	1,329
Pension fund deficit	1,121	0	0	400	425
Recharge to HRA	-1,464	-1,450	-1,450	-1,450	-1,450
Other corporate items	-199	57	57	57	57
<b>Total budget</b>	<b>9,992</b>	<b>9,212</b>	<b>9,365</b>	<b>10,084</b>	<b>10,353</b>
Reserves transfer to cover pensions	-748	374	374	0	0
Creation of Strategic Initiatives Fund	1,000	0	0	0	0
Creation of Access Fund	200	0	0	0	0
Other reserves transfers	135	40	20	20	20
<b>FORECASTED BUDGET REQUIREMENT</b>	<b>10,579</b>	<b>9,626</b>	<b>9,759</b>	<b>10,104</b>	<b>10,373</b>

**Forecasting Government Funding – Local Government Finance Settlement**

21. The Local Government Funding Settlement now comprises two main elements:

- Core “Formula” Funding (Revenue Support Grant)
- Localised Business Rates share.

22. **Revenue Support Grant** has been cut from £4.1m in 2010/11 to £1.6m in 2014/15, a 60% reduction. This trend will continue: illustrative figures published for 2015/16 show that UDC Revenue Support Grant shall be £1.2m which is a 72% reduction on 2010/11 levels. Within a few years, it is expected that Revenue Support Grant will reduce to zero.

£000	<b>2014/15</b> Provisional	<b>2015/16</b> Illustrative	<b>2016/17</b> Forecast	<b>2017/18</b> Forecast	<b>2018/19</b> Forecast
<b>Revenue Support Grant</b>	1,642	1,155	750	500	250

23. **Localised Business Rates** represents the Council’s share of the gross business rates paid by Uttlesford businesses, which totals about £40m.

24. The Council does not set the business rates or business premises rateable values (RV). This is done by central government and the Valuation Office.

25. From the gross amount collected, 50% is paid over to central government, 9% to the County Council and 1% to the Fire Authority. The remaining 40% is the starting point for determining the district council share.

26. The Government determines what it thinks each Council needs as a funding baseline – for UDC, this is £1,382,000 for 2014/15. If the 40% share of the gross is larger than this baseline figure, the excess has to be paid to central government as a tariff: for 2014/15, UDC must pay a tariff of £14,409,000.

27. If the gross amount is reduced, for example because of bad debts or successful appeals which reduce rateable values, the proportionate shares are reduced. A safety net operates which means the amount retained by UDC cannot fall below 92.5% of the baseline level – this means that the minimum business rates income in 2014/15 shall be £1,279,000.

28. If the gross amount increases, for example because of business expansion arising from a healthy local economy, then the proportionate shares also increase. A levy system operates which means that 50% of the excess above the baseline level has to be paid to central government.

29. In all foreseeable scenarios, the proportion of business rates collected actually retained by UDC is about 3% to 4% of the gross. The system is illustrated below.



£000	Deficit scenario	Baseline scenario	Growth scenario
Gross business rates	38,000	39,479	41,000
Central government share (50%)	-19,000	-19,740	-20,500
County/Fire shares (10%)	-3,800	-3,948	-4,100
<b>District share (40%)</b>	<b>15,200</b>	<b>15,791</b>	<b>16,400</b>
Tariff paid to central government	-14,409	-14,409	-14,409
<b>District pre levy income</b>	<b>791</b>	<b>1,382</b>	<b>1,991</b>
Levy paid to central government (50% of excess over baseline of 1,382)	-	-	-305
Safety net payment received from central government (to ensure amount received is 92.5% of baseline)	488	-	-
<b>TOTAL RETAINED BY UDC</b>	<b>1,279</b>	<b>1,382</b>	<b>1,686</b>
% of gross retained by UDC	3.4%	3.5%	4.1%
% of gross retained by County/Fire	10.0%	10.0%	10.0%
% of gross retained by central government	86.6%	86.5%	85.9%

30. In order to make prudent assumptions for MTFs purposes, it is necessary to consider the risks to the gross amount posed by appeals against rateable value. The government advises that an assumption can be made that 5% of the pending appeals list will be successful. There are pending appeals by the airport's former owners, and new appeals by the airport's current owners are likely. With an annual rates bill for the airport alone of £14.4 million, a successful appeal at 5% would reduce the gross by £0.7 million. If the appeal is backdated, then a large seven figure sum could potentially be at risk.
31. Officers have carried out analysis which suggests that the total level of pending appeals, plus those expected to arise, would have the effect of offsetting any growth and reducing the gross business rates income such that the district council retained share is likely to be at the safety net level.
32. Although the current occupants of the Diamond Hangar site, the second largest rating assessment, are up to date with their account at the time of writing, within the past year the Council has had to write off £1.4 million of bad debt at this site, and risks clearly remain.
33. For the reasons above, the MTFs assumes a safety net level of business rates income as follows (inflationary adjustments made):

£000	2014/15 Provisional	2015/16 Illustrative	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
<b>Localised business rates</b>	1,279	1,314	1,340	1,367	1,394

## **Forecasting Government Funding – New Homes Bonus**

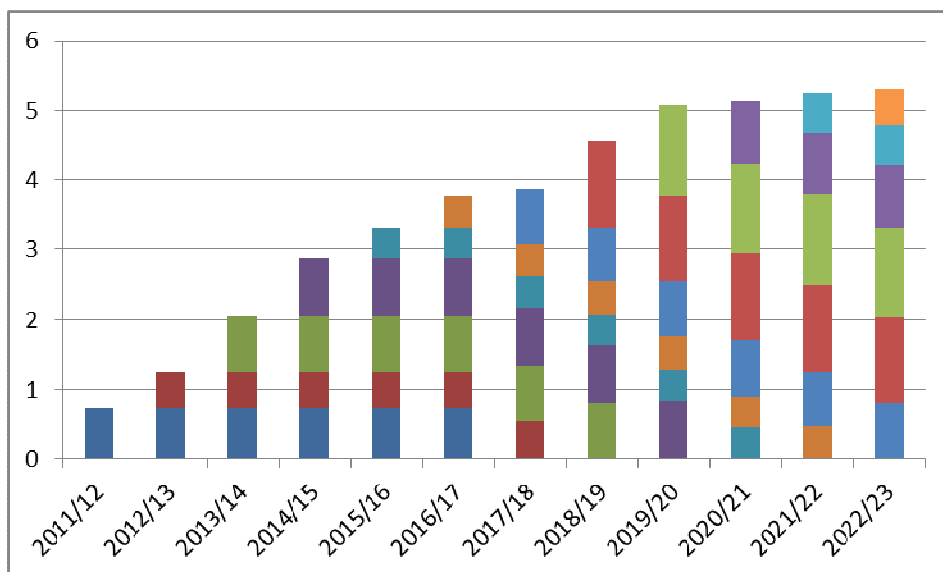
34. The New Homes Bonus scheme rewards councils for enabling housing growth in their areas, by paying an amount of grant per dwelling equal to the average council tax charge for six years. Credit is also given for bringing empty homes into use, and for delivering new affordable housing. In two-tier areas 80% of the NHB award is paid to the district council and 20% to the county council.
35. NHB is progressively supplanting core Government funding, such that councils without housing growth now have severe reductions in their funding and many are in financial difficulty. UDC has benefited from NHB, with awards exceeding the amounts cut from core funding. Accordingly UDC is one of the few councils in the country with a net increase in Government funding.
36. NHB is a six year scheme which runs from the financial years 2011/12 to 2016/17. There are no indications about what will happen from 2017/18 onwards. Accordingly, there is material uncertainty about the future. If NHB is significantly reduced or cancelled, UDC will be in serious financial trouble and would be obliged to consider budget and service reductions on a scale similar to that currently being made by other councils

### **The future of New Homes Bonus**

37. NHB has become an embedded part of local government finance and many councils rely on it. This is also true of UDC: of the £2.9 million of NHB for 2014/15, approximately half has been subsumed into the revenue budget with the other half being used for one-off projects (e.g. Strategic Initiatives Fund).
38. Because NHB is embedded, a cancellation of the scheme after year six (2016/17) is unlikely, because of the chaos this would cause. Some reform will happen: the current Government has announced a review of the scheme during 2014; deductions from NHB for houses built following appeal are likely, to stop councils benefiting financially from turning down housing developments for non-planning reasons.
39. At the LGA Finance Conference on 8 January the Local Government Minister declined to comment on what may happen after 2016/17. The Shadow Local Government Minister indicated that he feels NHB to be unfair and that a Labour Government would reform the system.
40. An unamended scheme would proceed as follows for UDC, based upon estimates of new housing currently being used by the UDC planning service. The housing completion year which informs NHB awards is October to September i.e. new housing from October 2013 to September 2014 will determine the amount of NHB for 2015/16. Planning service forecasts are in financial years so need to be disaggregated into two halves.

	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
Housing year 1st half	196	114	211	391	571	444	243	195	190
Housing year 2nd half	114	211	391	570	443	243	194	189	214
<b>Total new homes</b>	<b>310</b>	<b>325</b>	<b>602</b>	<b>961</b>	<b>1,014</b>	<b>687</b>	<b>437</b>	<b>384</b>	<b>404</b>
Empty homes brought into use	50	40	30	20	20	20	20	20	20
<b>Total new homes</b>	<b>360</b>	<b>365</b>	<b>632</b>	<b>981</b>	<b>1,034</b>	<b>707</b>	<b>457</b>	<b>404</b>	<b>424</b>
NHB £k	544	551	954	1,481	1,561	1,068	690	610	640
Affordable homes premium £k	20	21	39	62	65	44	28	25	26
Total NHB	564	572	993	1,543	1,626	1,112	718	635	666
<b>Share for UDC (80%).</b>	<b>451</b>	<b>458</b>	<b>794</b>	<b>1,234</b>	<b>1,301</b>	<b>890</b>	<b>574</b>	<b>508</b>	<b>533</b>

41. Each annual award is granted for six years before dropping out, replaced by a new year's award. Including awards already made since 2011/12, the funding has built up from £0.7m in the first year, to £2.9m in 2014/15. If the scheme continues unamended, the annual NHB amount will reach £3.8m by 2016/17 and £5.1m by 2019/20.

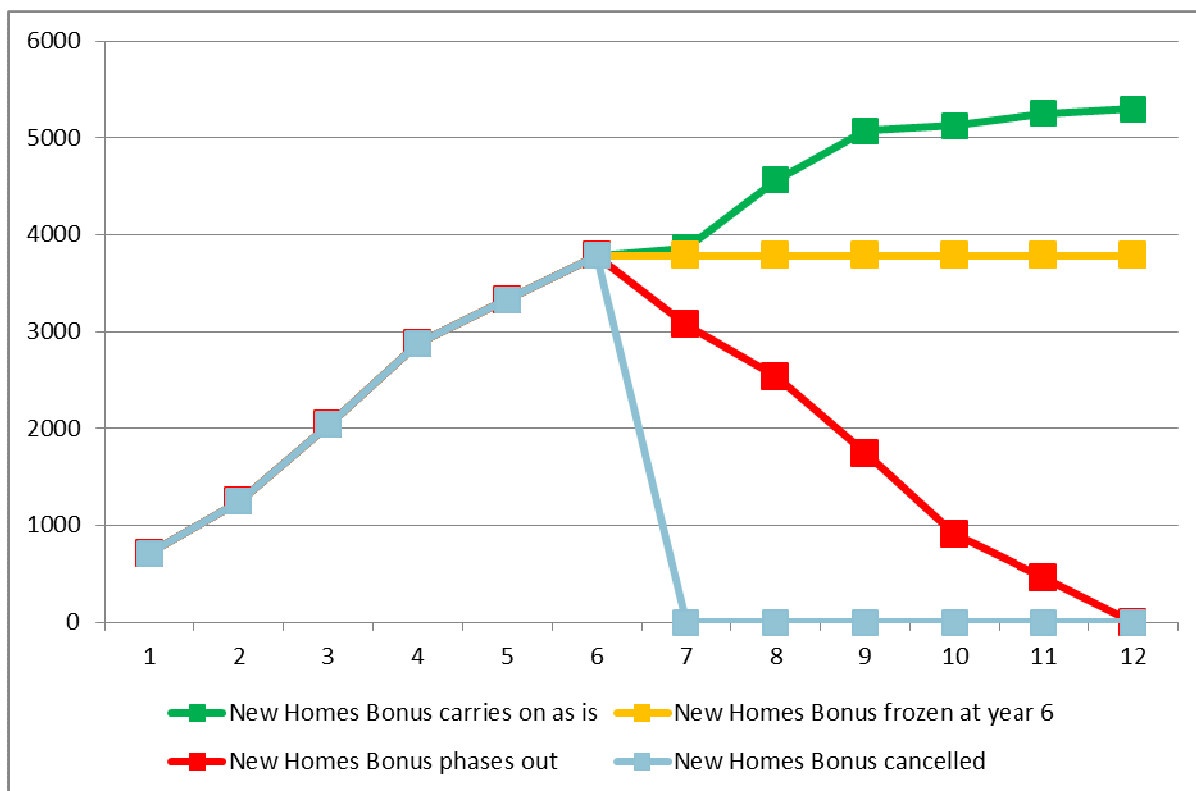


42. There are many variables at play here: once again, we do not know what will happen to the scheme after 2016/17. In addition, the housing forecasts are themselves variable, and the outcomes are subject to the planning process, the houses have to be approved, built, sold and occupied. It would be dangerous to rely on the forecasts above.

43. Four possible scenarios can be anticipated:

<b>Scenario A</b>	New Homes Bonus scheme carries on without amendment. Amounts paid in years 7-12 based upon housing growth.
<b>Scenario B</b>	New Homes Bonus funding is frozen at year 6 levels, with the same year 6 amount paid in years 7-12.
<b>Scenario C</b>	New Homes Bonus is phased out during years 7-12.
<b>Scenario D</b>	New Homes Bonus scheme is cancelled, no funding paid after year 6.

44. The four scenarios produce vastly differing outcomes in terms of the funding receivable by UDC: for all scenarios a figure of £3.8m is expected in 2016/17 (year six), but in 2017/18 (year seven), the range is £zero to £3.9m. By 2019/20 (year nine) the range is £zero to £5.1m.



45. Until better information becomes available, the budget model shall be based on Scenario A, an unamended scheme:

£000	2014/15 Provisional	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
<b>New Homes Bonus</b>	2,877	3,328	3,786	3,866	4,566

46. Because of the material uncertainty, the Medium Term Financial Strategy adopts the following principles:

- The Council shall plan to reduce the amount by which its revenue budget is funded by New Homes Bonus
- The Council shall avoid funding ongoing revenue commitments from its New Homes Bonus funding
- The Council shall use New Homes Bonus funding for capital projects and one-off items that has tangible and lasting benefit to the local community and/or the Council.

**Other items**

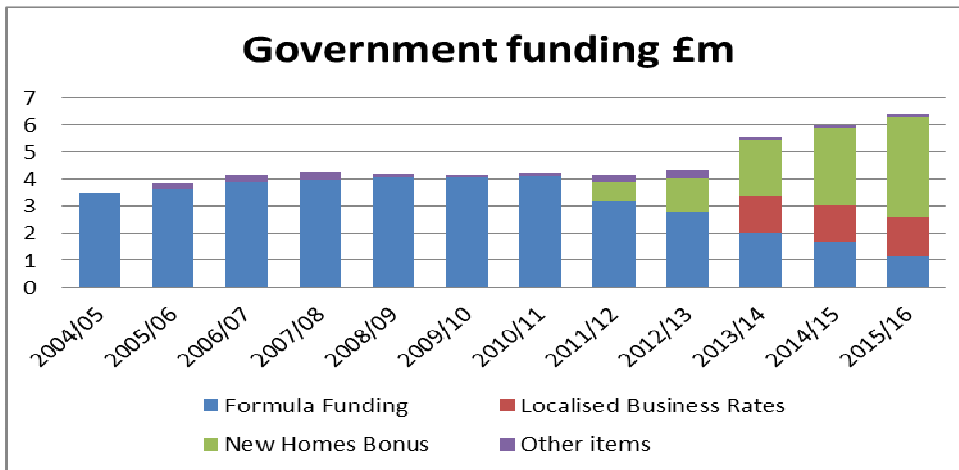
47. **Council Tax Freeze Grant:** the Government has confirmed that it will pay a Freeze Grant equivalent to a 1% Council Tax rise to any Council that does not increase its Band D figure in 2014/15 and 2015/16. This is worth approx. £50,000 each year, so the two Freeze Grants together will be worth £100,000 pa from 2015/16. The Government has stated that this will be ongoing funding,

rolled into the base settlement. It is possible that as cuts to core funding continue, this sum will also be reduced.

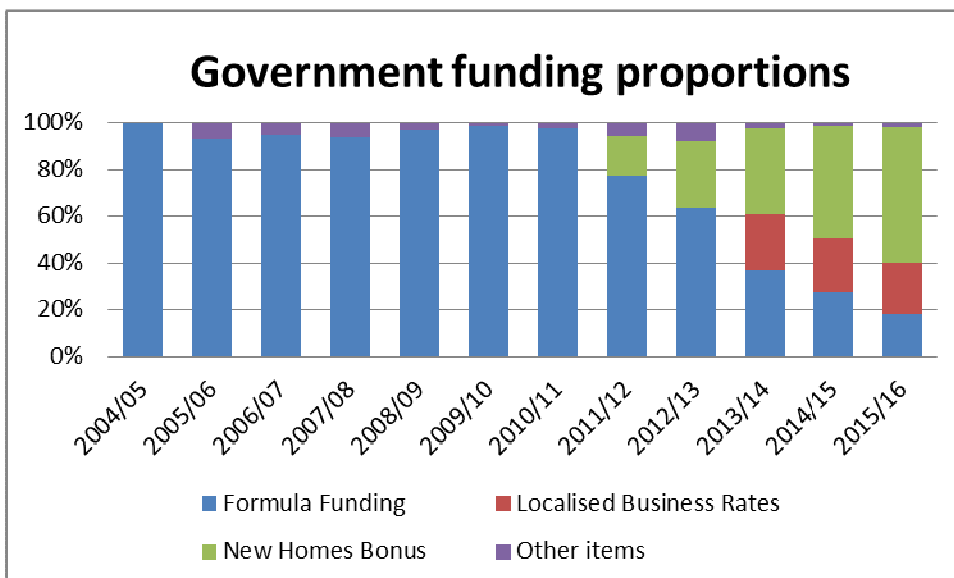
48. The 2014/15 provisional settlement includes a few minor one off items totalling £36,000, with one off items totalling £12,000 in the illustrative 2015/16 figures. The model assumes no additional items beyond 2015/16.

**Shift in the balance of Government funding**

49. The Council’s funding from Government has increased in recent years:



50. What is striking is that core “formula” funding is reducing at a fast rate and this is expected to continue. The proportion of the Council’s funding coming from core funding has reduced from 100% in 2004/05 to 27% in 2014/15. This trend is expected to continue, as illustrative announcements for 2015/16 would seem to confirm.



51. The Council is vulnerable in the event of any significant reform of New Homes Bonus, and/or any variables that could slow down or reduce the amount of new housing.



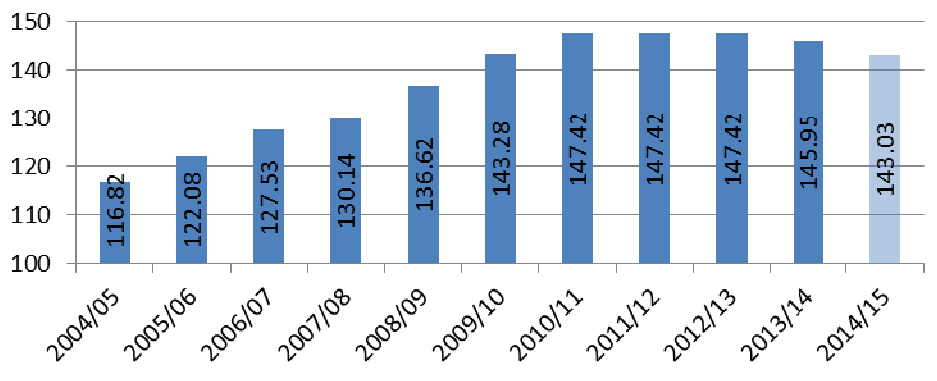
**Forecasting Council Tax income**

- 52. Council Tax income is a function of two key variables: Taxbase and the UDC Band D figure.
- 53. The taxbase is a measure of the dwellings in the district that are liable to pay Council Tax. The number of dwellings is counted and adjustments made for exemptions and discounts, for example, single persons discounts, empty homes discounts and Local Council Tax Support discounts. Taxbase is expressed as a total of “Band D Equivalents” – each property converted to Band D according to the statutory ratios:

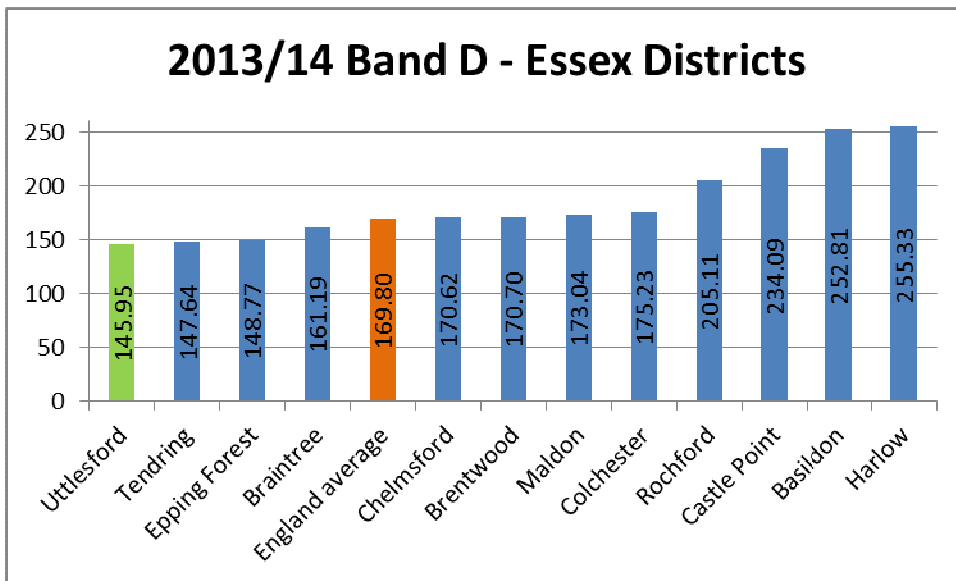
<b>Band</b>	<b>Ratio to Band D</b>
A	6/9ths
B	7/9ths
C	8/9ths
D	9/9ths
E	11/9ths
F	13/9ths
G	15/9ths
H	18/9ths

- 54. There is a direct correlation between housing growth and taxbase growth. Taxbase predictions for the MTFS are consistent with the housing forecasts used to forecast NHB.
- 55. Also affecting taxbase is the level of discounts given. The MTFS model assumes a neutral movement in these discounts. During the past couple of years substantial effort has been made to review Single Persons Discounts and remove those found to be incorrectly applied. The Council has decided to remove second homes discounts and reduce empty homes discounts, all of which is taken into account in the 2014/15 taxbase calculation so significant movement is not expected in 2015/16. LCTS caseload is reasonably steady and actually declining slightly. The Council has not yet begun to consider whether any changes to its LCTS scheme will be made in 2015/16.
- 56. The budget and MTFS assumes that the Council will approve the Cabinet’s recommendation to cut its Band D Council Tax by 2% in 2014/15. For future years, decisions will be taken in the February of each year according to the needs and circumstances arising at that time. Having taken informal guidance from the Finance Portfolio Holder, the MTFS includes a planning assumption that UDC Band D Council Tax will be frozen in each of the following four years.
- 57. Below the UDC Band D Council Tax over the past 10 years is shown. Incremental rises continued until 2010/11 since which the Band D has been frozen twice and cut in 2013/14, with a second cut intended for 2014/15.

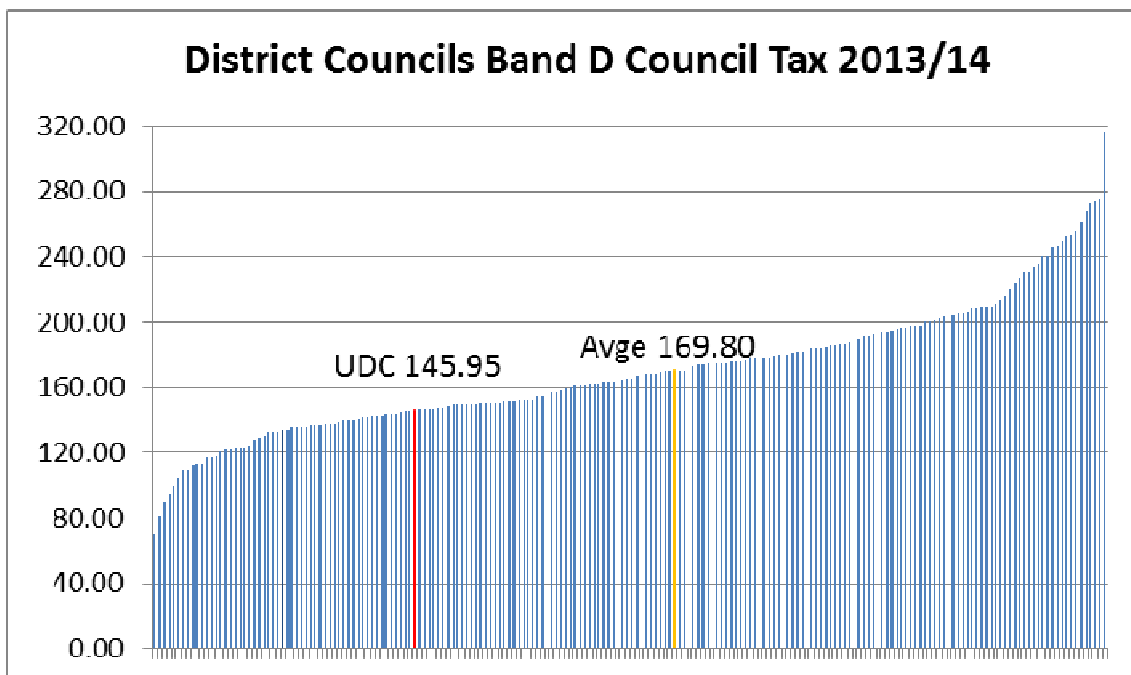
## UDC Council Tax Band D - PAST 10 YEARS



58. The current (2013/14) UDC Band D figure of £145.95 is the lowest in Essex and is below the England average of £169.80.



59. Out of 201 district councils in England the UDC 2013/14 Council Tax is 55<sup>th</sup> lowest which means that 146 councils (73%) have a larger Band D.

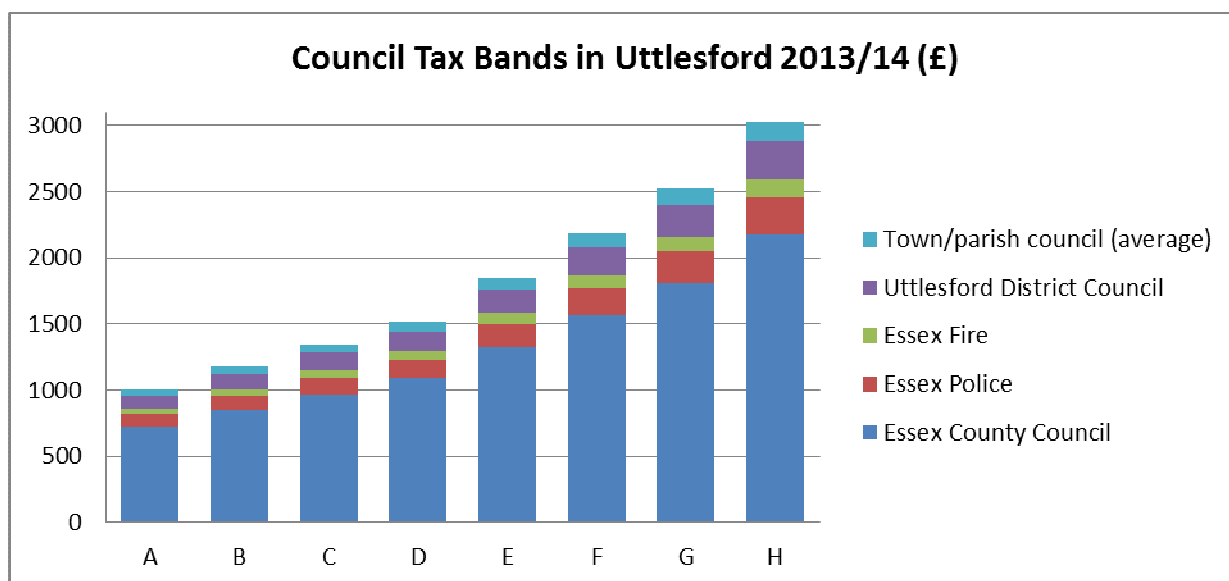


60. Based on taxbase forecasts and a Band D figure frozen at the 2014/15 level (itself a cut of 2% from the 2013/14 figure), the forecasted Council Tax income is shown below.

	2014/15	2015/16	2016/17	2017/18	2018/19
Taxbase (Band D equivalents)	32,825.6	33,181.5	33,554.6	34,245.7	35,349.0
UDC Band D Council Tax	£143.03	£143.03	£143.03	£143.03	£143.03
<b>Council Tax income £000</b>	<b>4,695</b>	<b>4,746</b>	<b>4,799</b>	<b>4,898</b>	<b>5,056</b>

61. By law, the Council must set a net budget each year which does not exceed the forecasted Council Tax income.

62. It is sometimes not appreciated that the UDC Band D represents a fraction under 10% of the total Council Tax paid by residents. The rest comprises Essex County Council (72%), Essex Police Commissioner (9%), Essex Fire Authority (4%) and Town/Parish councils (5% average).

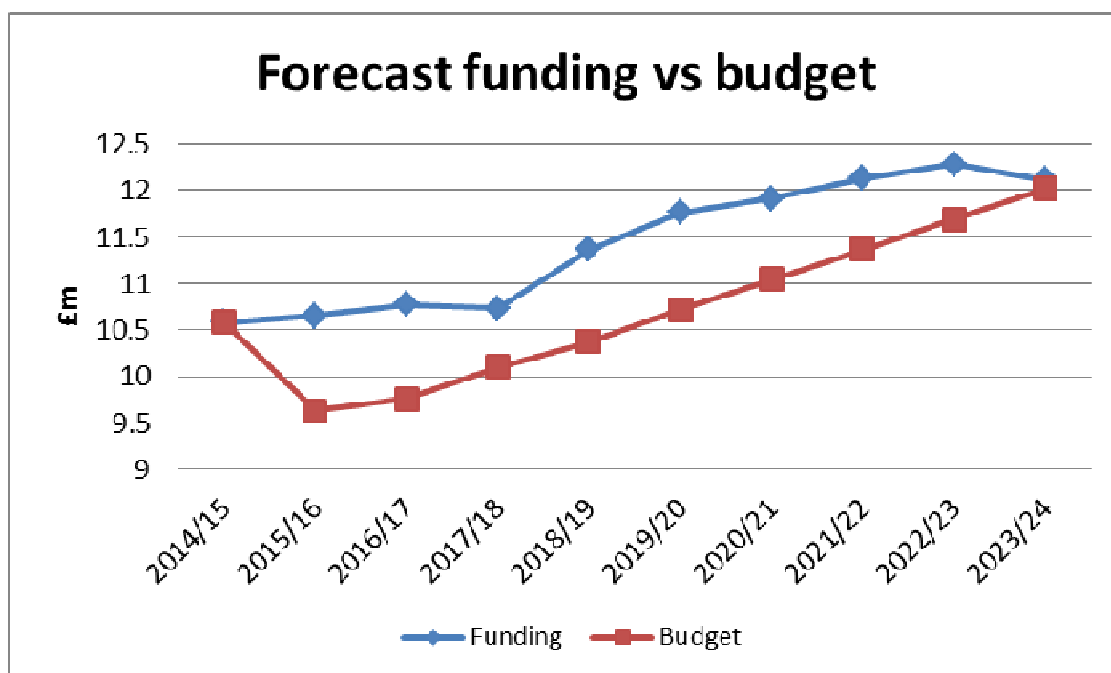


## Putting this all together

63. Based on an unamended NHB scheme, the five year budget model is summarised below. It shows a large surplus in each year.

£000	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Forecasted budget</b>	<b>10,579</b>	<b>9,626</b>	<b>9,759</b>	<b>10,104</b>	<b>10,373</b>
Revenue Support Grant	-1,642	-1,155	-750	-500	-250
Localised Business Rates	-1,279	-1,314	-1,340	-1,367	-1,394
New Homes Bonus	-2,877	-3,328	-3,786	-3,866	-4,566
Other Government funding	-86	-112	-100	-100	-100
<b>Total Government funding</b>	<b>-5,884</b>	<b>-5,909</b>	<b>-5,976</b>	<b>-5,833</b>	<b>-6,310</b>
<b>COUNCIL TAX REQUIREMENT</b>	<b>4,695</b>	<b>3,717</b>	<b>3,783</b>	<b>4,271</b>	<b>4,063</b>
Council tax income	-4,695	-4,746	-4,799	-4,898	-5,056
<b>In year surplus</b>	<b>0</b>	<b>-1,029</b>	<b>-1,016</b>	<b>-627</b>	<b>-993</b>

64. Once again, if the NHB continues unamended, the Council's finances are forecasted to be in a strong position for the foreseeable future; extrapolating the budget model across a 10 year period shows that funding (Government funding plus Council Tax) would exceed the budget by reasonable margin in every year until 2023/24:



65. However, as has been discussed, there is significant variability especially regarding NHB. It is necessary to consider other scenarios.

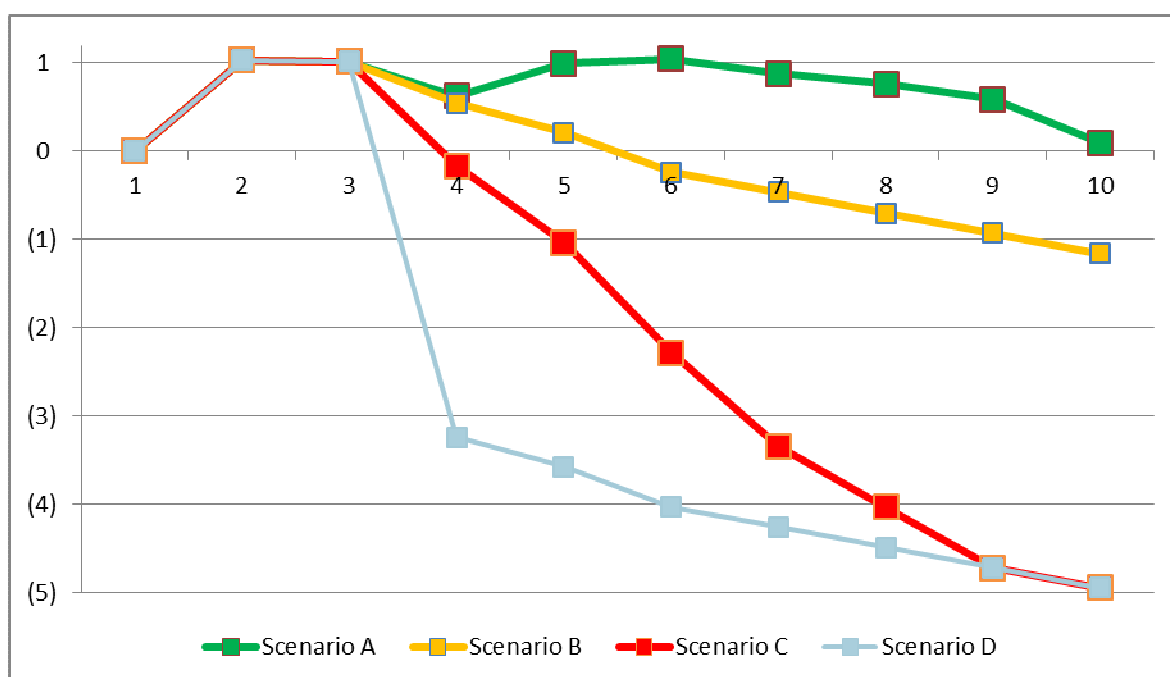
### Scenario planning

66. As a reminder the following four scenarios are worthy of consideration.

<b>Scenario A</b>	New Homes Bonus scheme carries on without amendment. Amounts paid from 2017/18 are based upon housing growth.
<b>Scenario B</b>	New Homes Bonus funding is frozen at 2016/17 levels, with the same amount paid in subsequent years.
<b>Scenario C</b>	New Homes Bonus is phased out during the six years commencing 2017/18.
<b>Scenario D</b>	New Homes Bonus scheme is cancelled, no funding paid after 2016/17.

67. The difference between the best case Scenario A and worst case Scenario D is a reduction in funding of £3.9 million in 2017/18 and over £5 million by 2019/20.

68. In each scenario, ongoing cuts in core funding will continue, as will cost pressures in the Council's budget. The chart below shows the forecasted in year surplus or deficit for each of the four scenarios over the next ten years.





69. Only in the first two scenarios will the Council's budget retain its forecasted surplus position from 2017/18 onwards (year 4). By 2019/20 (year 6), in only the best case scenario is a surplus predicted.

70. In the event of Scenario C (NHB phased out) or Scenario D (NHB cancelled), the Council faces substantial deficits in its budget from 2017/18 onwards.

71. The Council must therefore plan to reduce its revenue budget dependency on New Homes Bonus before 2017/18.

**Reserves**

72. The Council is required to establish reserves to meet expected future financial commitments and to ensure a safe level of contingency in the event of unforeseen events. This is discussed in the report later on the agenda, "Robustness of Estimates and Adequacy of Reserves".

73. The Council has established the following contingency reserves:

<b>Working Balance</b>	Reserve to provide a minimum safe contingency level. The Council's current policy is to maintain this at a level equivalent to the sum of 2% of expenditure and 2% of income; around £1.2 million. This is subject to annual advice provided by the Section 151 Officer under Section 25 of the Local Government Act 2003. As gross expenditure and income reduce in line with Housing Benefit caseload migrating to Universal Credit, opportunities may arise to consider adopting a lower minimum safe contingency level, potentially allowing an element of the existing Working Balance to be reallocated for other purposes.
<b>Budget Equalization</b>	A reserve to smooth the effect of budget pressures, to give time for strategic changes to be implemented in an ordered manner
<b>Change Management</b>	To fund the one off costs of improvement projects and spend-to-save schemes
<b>Council Tax Freeze Grant</b>	Reserve to help with the management of fluctuations in local government funding
<b>Local Government Resource Review</b>	Contingency to help smooth the effect of fluctuations and cost pressures arising from Government changes to local government finance. A key reserve to mitigate risks relating to the stability of New Homes Bonus funding.
<b>Municipal Mutual</b>	Estimated possible liabilities relating to the insolvency of Municipal Mutual Insurance

74. The Council has established the following service specific reserves:

<b>Access Fund</b>	A new proposal for 2014/15, monies earmarked to fund community infrastructure improvements, in advance of S106 receipts
<b>Economic Development</b>	To fund economic development initiatives
<b>Elections</b>	A reserve used to equalize the cost of district council elections over four years
<b>Emergency Response</b>	To cover costs falling on the Council as a result of a civil emergency
<b>Hardship Fund</b>	To fund accommodation for homeless people and to support voluntary organisations
<b>Homelessness</b>	To cover unbudgeted additional demand for homelessness services
<b>Licensing</b>	Reserve to absorb excess of costs over income in relation to taxi licensing services; the reserve is expected to reduce to zero by the end of 2014/15.
<b>Neighbourhood Front Runners</b>	Funding for the neighbourhood front runners scheme
<b>New Homes Bonus Community Projects</b>	Monies committed for community projects
<b>New Homes Bonus Contingency</b>	Monies that may be made available for community projects, subject to greater certainty over local government funding
<b>Planning Development</b>	To meet one off costs arising from major planning issues
<b>Strategic Initiatives</b>	A new proposal for 2014/15, monies earmarked to fund strategic initiatives to benefit the local economy and communities, and to effect changes necessary to reduce the Council's revenue dependency on New Homes Bonus
<b>Waste Management</b>	Funding to help manage unbudgeted costs or income losses that arise in the waste service

75. Based upon the projected use of reserves included within the five year budget model, the following table sets out the forecasted reserve balances during the period covered by the MTFS.

£000	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
Working Balance	1,214	1,214	1,214	1,214	1,214	1,214
Other Contingency reserves	3,432	2,807	3,281	3,655	3,655	3,655
Service specific reserves	2,301	2,313*	2,253*	2,273*	2,293*	2,313*
<b>Total</b>	<b>6,947</b>	<b>6,334*</b>	<b>6,748*</b>	<b>7,142*</b>	<b>7,162*</b>	<b>7,182*</b>

\*Excludes £1m Strategic Initiatives Fund and £200,000 Access Fund, which is intended will be spent or committed during 2014/15

76. Any unused flexibility would be added to the reserves, for example if the forecasted £1,029,000 of flexibility in 2015/16 was not used, it would increase the total reserves as at 31 March 2016 to £7,777,000, and so on.

77. The Council has reached the point whereby further increases in reserves levels cannot be justified on financial management grounds. Sufficient contingency reserves exist to meet foreseeable scenarios, and service specific reserves are enough to meet known commitments.

78. The table shows that total reserves are expected to remain reasonably stable during the MTFS period. This should ensure that the Council continues to enjoy stability, allowing time to plan for difficulties expected in the longer term and to take the necessary steps to ensure continued stability after 2016/17.

### Strategic Solutions Workstreams

79. 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

80. The workstreams have been successful to date, with cumulative annual savings of around £2.5 million delivered by 2013/14.

81. 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 2016/17 period, the Council must continue efforts to ensure it is well placed to meet future challenges.

82. The priorities for the workstreams in 2014/15 are as follows:

- Asset Management
- Mail services
- Trading company – primarily around waste services
- Back office costs
- Online service delivery.

### **MTFS: Guiding principles**

83. 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.

84. During the MTFs period the Council will seek to reduce the amount of revenue dependency on New Homes Bonus and will not increase the dependency from the 2015/16 budget onwards. The goal is to reduce or minimise the dependency before 2017/18 so that in the event of New Homes Bonus being withdrawn or substantially reduced, the scale of the budget reductions or income generation necessary shall be manageable.

85. 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.

86. The Council may 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.

87. 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.

88. 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

89. 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.

90. 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.

91. The Council will ensure that all reserves are held for clearly defined purposes and the amounts kept under review.

92. 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.

**Committee: Scrutiny**

**Agenda Item**

**Date: 6 February 2014**

**14**

**Title: Robustness of Estimates and Adequacy of Reserves**

**Author Stephen Joyce  
Assistant Chief Executive – Finance**

Item for decision

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### **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”, is due to be considered by Cabinet on 18 February and Full Council on 27 February as part of the budget approval process.
3. There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives. Examples of the questions Scrutiny may wish to consider are:
  - Are the risks clearly explained?
  - Is the advice about minimum safe contingency reserves proportionate to the risks involved?
  - Is the level of reserves held by the Council appropriate?

### **Recommendations**

4. The Scrutiny Committee is requested to endorse the following recommendations to Cabinet, or suggest alternatives.
  - a) That the Cabinet recommends to Full Council that it takes account of the advice in the report when determining the 2014/15 General Fund budget and Council Tax.
  - b) That the Cabinet recommends to Full Council that it approves the risk assessment relating to the robustness of estimates as detailed in the report
  - c) That the Cabinet recommends to Full Council that it sets the minimum safe contingency level for 2014/15 at £1.2 million.
  - d) That the Cabinet recommends to Full Council that no transfers to or from the Working Balance should be built into the 2014/15 budget.



## Financial Implications

5. No direct implications arise from the recommendations.

## Background Papers

None.

## Impact

Communication/Consultation	The top priority emerging from public consultation is that the Council should continue to deploy strong financial management.
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

6. 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 Assistant Chief Executive – Finance (ACE-F), as UDC's Section 151 Officer, applicable to the setting of the General Fund budget and Council Tax for 2014/15.
7. 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.
8. The ACE-F has assessed that the minimum safe contingency level is £1,200,000. The current forecasted level of the Working Balance is £1,214,000. The ACE-F's advice therefore is that the budget need not make any provision to increase the Working Balance, nor however should it be reduced, as there are sufficient Earmarked Reserves available to cover identified risks.
9. 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

10. In forming the advice for this report, the ACE-F 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 2014/15 budget.

## Robustness of Estimates

11. 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.

12. 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 2014/15 and an indication of the possible impact.

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

Risk item	Prob-ability	Impact	Overall Risk of budget variance
<p>a) <b>Waste &amp; Recycling</b> – This service continues to be the most complex financially and at greatest risk of volatility. Major risks are emerging in relation to the recyclables contract. 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.</p>	High	High (adverse or favourable)	High
<p>b) <b>Localisation of Business Rates.</b> The actual share retained by UDC will not be known until well after the end of the financial year and will depend on many variables including collection performance, value of new ratings, appeals, refunds, and reliefs granted. Because of known risks relating to potentially substantial appeals, the budget prudently assumes that the Council's share will be at the minimum safety net level. Accordingly there is no downside risk in terms of budgeted income. The downside risk relating to loss of unbudgeted income is considerable and the upside opportunity is potentially significant if growth and other outcomes exceed losses.</p>	High	High (favourable)	High
<p>c) <b>Section 106 agreements.</b> Risks have been identified that in a number of cases the Council's obligations under certain S106 agreements may exceed the value of the available funds. The Fritch Green community centre is unresolved and the Council may be required to incur further costs before the facility is transferred to the parish council.</p>	High	Medium (adverse)	Medium
<p>d) <b>Efficiency Savings.</b> 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 2014/15. In addition, the budget does not include the implementation costs that may arise, on the basis that these will be funded from the Change Management 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. The Museum's budget has been reduced to its target minimum level which is likely to pose some challenges.</p>	Medium	Medium (adverse or favourable)	Medium

Risk item	Prob-ability	Impact	Overall Risk of budget variance
<p>e) <b>Car Parks Income.</b> 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	Medium (adverse)	Medium
<p>f) <b>Fees &amp; Charges income.</b> If economic conditions deteriorate or demand fluctuates there may be unbudgeted loss of income. Building Control, Planning, Land Charges, Licensing, Lifeline, Pest Control and Food Imports are all income streams where risk of volatility has been noted.</p>	Medium	Medium (adverse)	Medium
<p>g) <b>Planning appeals.</b> A risk of costs of defending appeals and the meeting costs awarded against the planning authority. The likelihood of both elements is raised by the large applications currently and soon to be determined.</p>	Medium	Medium (adverse)	Medium
<p>h) <b>Treasury management.</b> 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. Landsbanki related risks are expected to be resolved before the start of 2014/15.</p>	Low	High (adverse)	Medium
<p>i) <b>Reforms to Housing &amp; Council Tax Benefit.</b> 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. The LGRR reserve mitigates this risk.</p> <p>Housing Benefit reforms including the 'Spare Room Subsidy' and 'Benefit Cap' affect working age people living in rented accommodation. In some cases hardship will be caused as people struggle to pay their rent, which means that the Council is at risk of incurring costs associated with preventing homelessness. The Hardship Fund reserve is available to mitigate this risk. Discretionary Housing Payments and Council Tax Hardship policies and budgets are available to assist those in genuine need. The budget includes an increase in the Homelessness service resources in order to meet anticipated increased demand.</p>	High	Low (adverse)	Medium

Risk item	Prob-ability	Impact	Overall Risk of budget variance
j) <b>Local Plan</b> – The possibility has been identified that additional consultancy spend or resources may be needed in order to ensure robustness of the Local Plan. The Planning Reserve exists to meet such costs so the risks to the budget bottom line are low.	Medium	Low	Low
k) <b>Fritch Green Community Centre.</b> Risks have been identified with the Fritch Green community center. 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) <b>Office improvements.</b> The Council is waiting for the results of a condition survey on the Saffron Walden offices and museum buildings. As a result it is not currently known whether the existing maintenance budgets will be sufficient, or too high. The possibility of additional capital expenditure being required could have an impact on capital financing costs within the revenue budget.	Medium	Low (adverse)	Low
m) <b>External funding.</b> Due to inherent uncertainty about local authority budgets, there is a risk that funding for services such as A120 cleaning and the Highways Ranger could be reviewed or reduced.	Medium	Low	Low
n) <b>Supplies &amp; Services contracts.</b> 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
o) <b>Capital Financing costs.</b> 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
p) <b>Pay award.</b> The cost of living pay award for local authority staff is determined at a national level. At the time of writing, the 2014/15 award had not been determined. The budget assumes a 1% award, it is possible that the actual award will differ from this.	Medium	Low (adverse or favourable)	Low

Risk item	Prob-ability	Impact	Overall Risk of budget variance
q) <b>Individual Electoral Registration.</b> IER will be introduced from July 2014 and the full impact is presently unclear. It is practically certain that extra expenditure will arise but it is not presently possible to estimate the extent of the cost. A Cabinet Office grant has been allocated (£26,702) to be paid in April 2014. It is possible that the actual costs will exceed this amount.	Low	Low (adverse)	Low

14. Taking all of the above issues into consideration, the ACE-F 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 detailed below), any variations arising as a result of any lack of robustness in the estimates should be manageable.

15. 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.

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### Adequacy of reserves

16. There is no available guidance on the minimum level of unearmarked reserves that should be maintained. In 2003 CIPFA stated that each authority should determine what is a prudent level of reserves based upon their own circumstances, risks and uncertainties.

17. The revised Medium Term Financial Strategy (MTFS) (elsewhere on the agenda) states that the Working Balance will be maintained at least at the minimum level necessary to provide a safe level of contingency.

18. The MTFS sets out the basis for determining the minimum level of unearmarked reserves:

- An amount necessary to cover a 2% overrun in gross expenditure. (£0.7m)
- An amount necessary to cover a 2% shortfall in expected gross income. (£0.5m)
- Additional amounts necessary to cover specific risk items, if considered necessary. (other earmarked reserves, such as Waste Management and Change Management, are deemed sufficient)

19. Based on these criteria, the ACE-F assesses that the minimum level of unearmarked reserves necessary is **£1.2 million**.



20. The current forecasted level of the Working Balance as at 31 March 2013 is £1,214,000, which is £14,000 above the minimum level. It is not therefore necessary to recommend that the budget should provide to top up the Working Balance. Nor is it considered appropriate to transfer money to other reserves. Therefore it is recommended that no transfer to or from the Working Balance should be built into the 2014/15 budget.
21. This advice may change if significant changes in the identified risks occur before 27 February.
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### **Earmarked Reserves**

22. Earmarked reserves are established for items of future expenditure that the Council knows it will be incurring, but no formal commitment exists and the precise amount and timing is not known.
23. The principal earmarked reserves held by the Council relate to the following:

**Budget Equalization** – to be drawn upon as part of balancing the budget pending the realisation of savings from strategic initiatives. The balance on the reserve is forecasted to be £1.84m as at 31 March 2014. The 2014/15 budget assumes that £0.75m will be used to fund the pension deficit payment, to be replenishment in the subsequent two years. The reserve is at level sufficient to ensure a balanced budget for the Medium Term Financial Strategy period.

**Change Management** – “Spend to save” money - to enable the Council to secure the capacity and expertise necessary to deliver strategic solutions and efficiency savings. The forecast balance on the reserve as at 31 March 2014 is £0.52m. There are no planned uses of the reserve in the 2014/15 budget, but as noted above, it is probably that schemes will be identified in-year. The reserve balance is considered sufficient to meet implementation costs arising from change projects. However opportunities to bolster this reserve may need to be taken in the event of large scale change projects arising.

**Local Government Resource Review (LGRR)** – A reserve established to mitigate risk of adverse fluctuations arising from Government reform of local government finance which is ongoing. Although reasonably reliable figures exist for 2014/15 and 2015/16 there are no indications of what the funding position is to be from 2016/17 and there is material uncertainty about New Homes Bonus from 2017/18. The balance as at 31 March 2014 is £0.89m and the 2014/15 has a proposal to increase this to £0.96m. Along with other contingency reserves this is sufficient to ensure stability of the Council’s finances during the MTFs period.

**Planning Development** – for costs associated with major planning issues such as Stansted airport, and to help mitigate planning related risks e.g. appeals and S106 shortfalls. The reserve can also be used to bring about improvements in planning performance. The forecast balance on the reserve is £0.72m as at 31 March 2014. This is considered to be adequate for the intended purpose.

**Waste Management** – a reserve established to ensure adequate contingency in a service where costs and income are prone to fluctuation. The reserve can also be used to invest in service improvements. The balance on the reserve is £0.2m; the scale of possible adverse variances means that consideration would need to be given to diverting favourable budget variances that may arise in this service to this reserve.

**New Homes Bonus** – monies received in 2011/12 and 2012/13 but not allocated to specific projects have been placed in this reserve, with a balance of £0.8m at 31 March 2014. There are no commitments against this reserve. The intention is to keep the ongoing reforms of local government finance under review and if risk of adverse fluctuation is deemed manageable then to give consideration to making this reserve available to fund new projects.

**Hardship Fund** – this reserve, of £100,000, was established in 2011/12 in order to support the Council's homelessness services. In view of the housing benefit reforms and pressures on the homelessness service, the reserve may need to be used in 2014/15 in order to prevent or minimise new homeless cases arising.

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## 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.

**Committee:** Scrutiny

**Agenda Item**

**Date:** 6 February 2014

**15**

**Title:** General Fund and Council Tax 2014/15

**Author:** Stephen Joyce  
Assistant Chief Executive - Finance

Item for decision

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### Summary

1. This report presents the 2014/15 General Fund budget for consideration by the Cabinet on 18 February ahead of final determination by Full Council on 27 February.
2. This budget must be considered alongside the report made by the Assistant Chief Executive - Finance under Section 25 of the Local Government Act 2003, to be received by the Cabinet earlier in today's agenda. The budget is consistent with the Medium Term Financial Strategy also to be considered earlier on the agenda.
3. There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives. Examples of the questions Scrutiny may wish to consider are:
  - Is the proposed budget consistent with the Medium Term Financial Strategy and the CFO's advice on the level of reserves that should be maintained?
  - Is the budget consistent with the Budget Strategy approved by the Cabinet on 24 October?
  - Have consultation responses been properly taken into account?
  - Does the budget support the Corporate Plan?
  - Are proposed budget growth items (service investment) justified with clear outcomes that provide value for money?
  - Are proposed budget reductions (efficiency savings or service reductions) reasonable and consequences properly thought out?
  - Is the Equalities Impact Assessment satisfactory?
  - Is the proposal regarding Council Tax reasonable?

## Recommendations

4. The Scrutiny Committee is requested to endorse the following recommendations to Cabinet, or suggest alternatives.
5. The Cabinet is requested to recommend that the Full Council approves the General Fund Council Tax Requirement of £4,695,046, as summarised in paragraph 24 and detailed in Appendices A to C.
6. The Cabinet is recommended to approve the schedule of fees and charges at Appendix E.

## Background Papers

7. None.

## 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

8. This report provides detailed revenue estimates for the General Fund and Council Tax for 2014/15.
9. The estimates, as summarised in Appendix A, show a Council Tax Requirement of £4,695,046, which balances to level of Council Tax income, assuming a 2% cut in Council Tax.
10. The Cabinet is required to determine a recommended budget for consideration by the Council on 27 February.
11. The estimates in this report are based on the recommended Capital Programme, Treasury Management Strategy and Housing Revenue Account budget for 2014/15 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.

## 2014/15 Budget Strategy

12. On 24 October, the Cabinet determined its strategy for the 2014/15 budget. The table below summarises these and indicates that the draft 2014/15 budget fulfils the Cabinet's strategy.

<b>Budget Strategy objective</b>	<b>Achievement of objective</b>
Take account of consultation results	Yes – see below.
To plan on the basis that the UDC Council Tax will be frozen for 2014/15.	This objective has been exceeded, with a 2% cut proposed.
To make progress towards savings & income targets set out in the Medium Term Financial Strategy, with a guideline target figure of £0.3 million for 2014/15.	Yes – the budget includes proposed efficiency savings totalling £255,000.
To implement planned changes to Council Tax Discounts and the LCTS scheme, subject to Council approval.	Yes. LCTS and Council Tax discounts scheme approved by Full Council in December, and are in the process of being implemented ahead of Council Tax billing in early March.
To implement a new policy for discretionary business rates relief.	The 2014/15 budget makes sufficient provision for increasing the amount of discretionary rate relief, in anticipation of a new policy. The Chancellor made announcements about business rates relief which need to feature in the Council's own policy. Detailed regulations to underpin the announcements, and to make clear how the costs of relief are to be funded, have not been issued as at the time of preparing the budget.
Maintain and seek opportunities to enhance support for the voluntary sector	Yes. Budgets for voluntary sector support have increased by £13,600 (revenue) and by £10,000 (capital). Revenue: 2013/14, £393,500; 2014/15, £407,100 Capital: £2013/14, £100,000; 2014/15, £110,000
Unless there is a significant change in circumstances, not to require any cuts in services to make financial savings, although efficiency savings will continue to be sought.	Substantially achieved. The budget includes the final phase of making the reductions in the Museum budget previously approved by the Council, and the budget is now at the target level of £160,000. To achieve this, the Museum is now closed on Mondays and there is a reduction in conservation work. Otherwise, service cuts have been avoided.
To develop a new strategy for the financing of capital expenditure, which optimises the revenue budget position over the medium to longer term.	Achieved, a new financing approach has been developed and is explained in the Capital Programme and Treasury Management reports.
Continue to implement the HRA Business Plan.	Yes. See separate HRA Budget Report.

## Consultation

### Residents Consultation

13. In Summer 2013 consultation on the Council’s budget priorities was completed via a questionnaire on the website and a survey of the e-citizens panel. The results were reported in full to the Cabinet on 24 October. The table below sets out the respondents’ highest priorities, and how the draft 2014/15 budget relates to them.

	<b>Survey respondents’ priority</b>	<b>Consistency with budget</b>
Highest Priority	Continuing with sound financial management to ensure continued stability of the council and its services in difficult times	Yes. A balanced budget has been produced with no significant cuts in services. The budget provides for work to continue on the efficiency savings programme with the MTFS setting out the Council’s intention to reduce financial dependency on New Homes Bonus and to maintain a strong financial discipline.
Second Highest	Providing affordable housing for local people	Yes. The budget provides sufficient resources for housing and planning teams to fulfil the Council’s responsibilities. There is substantial provision for new affordable housing within the Capital Programme.
Third Highest	Work with Essex County Council to improve the condition of the district’s roads	Yes. The budget enables the Council to continue the work of the Highways Panel and the Highways Ranger service.
Don’t do	Work more closely with the business community to benefit the local economy	A counter-intuitive response and although this was the item that the most respondents identified as a “don’t do” item, in fact only seven respondents mentioned this. As such the result should be used with caution. It is clearly a vital part of the Council’s work that it should continue to work with local businesses to help strengthen and improve the local economy. The 2014/15 budget earmarks significant funding to further this aim.

### Business consultation

14. In lieu of writing to all business rate payers, the following organisations were invited to comment on the council’s priorities and the Cabinet’s budget strategy:

- Saffron Walden Initiative
- Business Xchange group
- Federation of Small Businesses
- Saffron Walden Friends
- Bishops Stortford Business Club
- Dunmow Chamber
- Newport Business Association
- Stansted Airport Chamber
- Stansted Airport Business Association
- Stansted Business Forum
- Saffron Walden Town Team
- Great Dunmow Town Team



15. The invitations to comment were issued on 12 November with a requested response date of 13 January. Four responses were received, as shown below. Members are requested to consider the comments made.

<b>Respondent</b>	<b>Summary of response submitted</b>	<b>Officer comment</b>
Mr J. via Stansted Airport Regional Business Association	A complaint about the Council's A Board enforcement.	Passed to the Enforcement Team to deal with.
Mr M. via Saffron Walden Initiative	A proposal to include within the budget some 'seed funding' to facilitate the delivery of services through partnership working with the voluntary and not for profit sectors. Comments on the importance of the council's leadership and facilitating role.	This is one of the possible uses for the new Strategic Initiatives Fund, discussed below.
Mr S. (Saffron Walden business owner)	A suggestion that the budget should put increased emphasis on increasing employment in Saffron Walden with emphasis on white collar jobs or high tech jobs.	The budget includes provision, and work has commenced, on a business rate incentive scheme. Further consultation will be undertaken in due course.
Federation of Small Businesses	<p>A comment that the corporate plan is light on details.</p> <p>A comment about the counter-intuitive public consultation response regarding suggesting that a lower priority should be attached to working with the local business community in order to benefit the local economy.</p> <p>The Council should promote local business procurement and prompt payment procedures.</p> <p>Car parking should not be viewed as a revenue raising exercise. A car parking audit should be undertaken to establish optimum charging in relation to usage on a space by space basis. This would demonstrate a key piece of business support for town centre and high street traders.</p> <p>Continues...</p>	<p>The Corporate Plan is a high level document setting out strategic aims.</p> <p>Discussed above; no weight to be placed on this response.</p> <p>The procurement strategy includes specific initiatives regarding local procurement. Prompt payment is a Key Performance Indicator.</p> <p>Car park charges are set for traffic management reasons. A Scrutiny-led review of car parking is in progress.</p>

	<p>Assistance should be given to establish a district wide shopping voucher scheme.</p> <p>Clarity is required to establish the new business rate rules. The Council should be pro-active in using its powers to not only generate business growth but also support companies during periods of trading difficulty (rather than standing at the front of a queue of creditors).</p> <p>The Councils recent promotion of and assistance in delivering training provisions is commendable but more could be done to establish a centre of excellence for a range of different programmes focused on specific trades.</p> <p>Planning processes should be designed to eliminate unessential red tape in order to encourage businesses to expand within the district (rather than drift away into either Council areas where business development and expansion provisions are more sympathetically dealt with).</p>	<p>The Council has already introduced such a scheme in conjunction with the Town Team in Great Dunmow and was involved in a seasonal Christmas scheme in Saffron Walden. The Council will continue to support such initiatives.</p> <p>The budget has allocated funds for economic development initiatives and for a new rate relief policy</p> <p>This will be considered further as part of the revision to the Economic Development Strategy.</p> <p>The Council agrees. The recent revisions to the Validation Guidance was designed to create more certainty to developers. The Council has and will continue to work proactively with business owners to support appropriate development within the district.</p>
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### 2014/15 resources available

16. By law the budget (Council Tax Requirement) has to balance to the expected Council Tax income receivable.
17. The Assistant Chief Executive - Finance, under delegated authority, has approved the Council Taxbase to be used when setting the 2014/15 Council Tax. The Taxbase, expressed in Band D equivalents, is 35,223.8, an increase of 2.4% on the 2013/14 figure of 34,389.0. Deducted from the 35,223.8 figure is an adjustment to reflect the level of Local Council Tax Support Discounts. The estimated value of these discounts in Band D equivalent terms is 2,398.2. This produces a Taxbase for budget setting purposes of **32,825.6**.
18. The 2013/14 UDC Band D Council Tax was £145.95. In accordance with the Cabinet's guidance, a 2% cut has been assumed for the purpose of preparing this report, so the 2014/15 Band D is **£143.03**. Multiplied by the taxbase, this would produce a Council Tax yield of **£4,695,046**:

	<b>2013/14</b>	<b>2014/15</b>	
Taxbase (gross)	34,389.0	35,223.8	+2.4%
LCTS discounts	-2,549.6	-2,398.2	-5.9%
Taxbase (net)	31,839.4	32,825.6	+3.1%
Band D	£145.95	£143.03	-2.0%
<b>Council Tax yield</b>	<b>£4,646,960</b>	<b>£4,695,046</b>	<b>+1.0%</b>

19. The Council is therefore required to balance its net budget to a **Council Tax Requirement of £4,695,046**.

20. This figure is larger than the equivalent sum for 2013/14, as explained below:

	£000	£000
<b>2013/14 Council Tax Requirement</b>		<b>4,647</b>
Additional income arising from taxbase increase	144	
Income lost because of 2% cut	<u>-96</u>	
Net increase in council tax income		<u>48</u>
<b>2014/15 Council Tax Requirement</b>		<b>4,695</b>

21. The £4,695,046 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 2014/15

22. Assuming a 2% cut 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	2013/14 UDC Council Tax £	2014/15 UDC Council Tax £	Decrease (2%) £/year
	No.	%				
A	1,000	3.0	6/9ths	97.30	<b>95.35</b>	-1.95
B	3,543	10.6	7/9ths	113.52	<b>111.25</b>	-2.27
C	7,796	23.4	8/9ths	129.73	<b>127.14</b>	-2.59
D	6,573	19.7	9/9ths	145.95	<b>143.03</b>	-2.92
E	5,917	17.7	11/9ths	178.38	<b>174.81</b>	-3.43
F	4,164	12.5	13/9ths	210.82	<b>206.60</b>	-4.22
G	3,976	11.9	15/9ths	243.25	<b>238.38</b>	-4.87
H	399	1.2	18/9ths	291.90	<b>286.06</b>	-5.84

Total	33,371	100.0	
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### General Fund Budget

23. Appendix A is a summary of the budget for 2014/15, showing a budget requirement of £4,695,046 in line with the resources available detailed above.
24. A summary of the 2014/15 General Fund budget is shown in the table below. Further details are set out in Appendix B.

£'000	2013/14 restated	2014/15	Bottom Line Increase / Decrease (-)
<b>Net Service Expenditure</b>	8,896	8,923	27
Recharge to HRA	-1,286	-1,464	-178
Pension Fund deficit payment	390	1,121	731
Capital programme funding	1,525	1,611	86
Corporate Items (net)	92	-199	-291
<b>Sub-total - General Fund Expenditure</b>	<b>9,617</b>	<b>9,992</b>	<b>375</b>
Formula Grant	-2,038	-1,642	396
New Homes Bonus	-2,042	-2,877	-835
Business Rates Retention	-1,356	-1,279	77
Council Tax Freeze Grant	-50	-50	0
Other funding items	-71	-36	35
<b>Net Operating Expenditure</b>	<b>4,060</b>	<b>4,108</b>	<b>48</b>
Transfer from reserves for pensions deficit payment	0	-748	-748
Transfer to Strategic Initiatives reserve	0	1,000	1,000
Transfer to Access reserve	0	200	200
Net other transfers from(-) other earmarked reserves	587	135	-452
<b>Council Tax Requirement</b>	<b>4,647</b>	<b>4,695</b>	<b>48</b>
<b>District Council Precept on Collection Fund</b>	<b>-4,647</b>	<b>-4,695</b>	<b>-48</b>
	<b>0</b>	<b>0</b>	<b>0</b>

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

£'000	2013/14 re stated	2014/15	Increase / Decrease (-)
Employees	8,747	9,029	282
Premises	642	672	30
Transport	651	659	9
Supplies & Services	4,647	4,766	119
Third Party Payments	254	261	7
Transfer Payments (mainly Benefits)	17,424	18,318	894
<b>Sub total - expenditure</b>	<b>32,364</b>	<b>33,705</b>	<b>1,340</b>
External Funding	-1,318	-1,174	144
Specific Government Grants (mainly Benefits)	-17,401	-18,594	-1,192
Fees & Charges Income	-4,238	-4,344	-106
Other Income	-510	-670	-159
<b>Sub total - income</b>	<b>-23,468</b>	<b>-24,782</b>	<b>-1,314</b>
<b>Net service expenditure</b>	<b>8,896</b>	<b>8,923</b>	<b>27</b>

26. The following table is a reconciliation of the movement from the 2013/14 budget to the 2014/15 estimates. Details of all adjustments are given in Appendix C.

<b>2013/14 Council Tax Requirement</b>		<b>4,647</b>
<u>Service budget changes</u>		
Loss of external funding	71	
Inescapable growth	257	
Service investment	410	
Efficiency savings	-255	
Service reductions	-15	
Changes to income	-335	
Other adjustments	-106	
		27
<u>Funding items</u>		
Increase in New Homes Bonus	-835	
Removal of miscellaneous central govmt income	55	
Ongoing DCLG miscellaneous income	-20	
Net reduction in Formula Grant	446	
Reduction in Business Rates Retention	77	
Increase in Council Tax Freeze Grant	-50	
		-327
<u>Corporate items</u>		
Capital financing costs increase	86	
Contribution to community budgets being removed	-50	
Collection fund balance UDC element to drawdown to GF	-250	
Increase in HRA share of costs	-178	
Increase in Pension Fund budget due to up-front payment	731	
		339
Increase in the net transfer from reserves		0
Other net adjustments		9
Net changes to base budget		48
<b>2014/15 Council Tax Requirement</b>		<b>4,695</b>

**Key budget items**

27. The budget includes the following items of investment in improved services and facilities:

<b>Amount £000</b>	<b>Item</b>	<b>Description</b>	<b>One off or ongoing</b>
1,000	Strategic Initiatives Fund	One-off investment in projects to be identified and approved by the Cabinet during the year. Examples of the projects that will be undertaken include:  Support for the local economy  Partnership working with voluntary sector organisations  Community initiatives and services in rural locations  "Spend to save" projects to make the Council more efficient and more resilient to funding changes in future years  Putting some Council services onto a more commercial footing.	One off
200	Access Fund	To invest in infrastructure projects with the intention of replenishing the Fund from Section 106 receipts. The intention for 2014/15 is to use this Fund to facilitate construction of a cycle path connecting Saffron Walden with Audley End Station.	One off
80	Car Parking Feasibility Study	To evaluate off street car parking capacity across the district	One off
50	Homelessness service	To increase staffing resources due to rising demand for homelessness services	46k ongoing; 4k one off
45	Waste Management	A budget for agency staff in order to ensure adequate cover for staff sickness.	Ongoing
45	Revenues	Increase in staffing resource due to rising work levels e.g. taxbase growth.	34k ongoing; 11k one off
27	Electoral Registration	Costs of implementing the new Individual Electoral Registration system. Funded by Government grant.	One off
25	Discretionary Business Rates relief	Increase in the budget in order to meet growing demand by organisations eligible to receive relief under the Council's current policy	Ongoing
23	Finance	New Contracts Officer to support the Housing Service with tenders and contract management. Funded by HRA.	Ongoing
20	Tour de France	Budget to facilitate the Council's role in supporting the event	One off
36	Miscellaneous	Various items as shown in Appendix C	One off
59	Miscellaneous	Various items as shown in Appendix C	Ongoing
<b>1,610</b>	<b>TOTAL</b>		<b>1,378 one off; 232 ongoing</b>

28. Other notable items in the budget are:

- Continuation of the £2,000 Ward Members' budgets (£88,000 total)
- The payment of three years of pension fund deficit payments up front, a sum of £1,121,000, generating a saving of approx. £100,000 over the three year period. This to be funded by transferring £748,000 from the Budget Equalization Reserve, so the bottom line hit is £373,000. The reserve will be replenished by making a transfer of £374,000 from each of the next two budgets (2015/16, 2016/17), thus smoothing the impact while generating the saving. This is in accordance with the Cabinet decision on 5 December.
- Capital Financing costs of £1,611,000 representing the contribution to the capital programme necessary to ensure that assets are paid for from the revenue budget in line with their expected useful lives.
- A Collection Fund balance of £256,000 representing a one-off withdrawal of a surplus of council tax income that has accrued in the Collection Fund. This is the cumulative effect of collection performance and taxbase growth being better than forecasted.
- Recharges to the Housing Revenue Account totalling £1,464,000 representing the HRA's contribution to the running costs and overheads of the Council, calculated on a fair apportionment basis.

### **Local Government Finance Settlement**

29. On 18 December the Council received provisional notification of the Settlement for 2014/15. Final confirmed figures are expected on 12 February. Indicative figures for 2015/16 were also provided.

30. The Settlement comprises the following:

- Formula Grant
- Localised Business Rates
- Council Tax Freeze Grant
- Other minor one off items



31. The 2014/15 provisional "Settlement Funding Assessment" is **£3,024,773**, which represents an 11% cut on the 2013/14 figure. The illustrative figure for 2015/16 is £2,575,461, a cut of 15% from the 2014/15 figure. The settlement details since 2010/11 are set out below.

£000	2010/11	2011/12	2012/13	2013/14	2014/15 provisional	2015/16 illustrative
Formula Grant	4,106	3,206	2,889	2,038	1,642	1,155
Homelessness grant (rolled into Formula Funding from 2013/14)	61	115	85	-	-	-
Council Tax Freeze Grant 2011/12 (Rolled into Formula Funding from 2012/13)	-	123	-	-	-	-
Council Tax Freeze Grant 2012/13 (one off)	-	-	125	-	-	-
Localised Business Rates baseline figure	-	-	-	1,356	1,383	1,420
<b>Subtotal – Settlement Funding Assessment (new measure from 2013/14)</b>	-	-	-	<b>3,394</b>	<b>3,025</b>	<b>2,575</b>
Council Tax Freeze Grant 2013/14 (rolled into Formula Funding from 2014/15)	-	-	-	50	-	-
Council Tax Freeze Grant 2014/15	-	-	-	-	50	50
Council Tax Freeze Grant 2015/16	-	-	-	-	-	50
Other one off items	39	-	-	72	36	12
<b>Total</b>	<b>4,206</b>	<b>3,444</b>	<b>3,099</b>	<b>3,516</b>	<b>3,111</b>	<b>2,687</b>
Cumulative annual cut since 2010/11	-	762 (18%)	1,107 (26%)	690 (16%)	1,095 (26%)	1,519 (36%)
Cumulative loss of funding since 2010/11	-	762	1,869	2,559	3,654	5,173

32. The 2014/15 provisional Formula Grant figure includes £1,382,463 of localised business rates which is a variable figure dependent upon many factors as set out in the preceding report. The downside risk is moderated by the Safety Net which is **£1,278,778** (£103,685 reduction). The actual figure will not be known until after the end of the financial year. Because of known risks regarding appeals, refunds and bad debt losses, the budget prudently assumes that the retained share will be at the safety net level.

33. The 2015/16 provisional figures continue the trend of cutting 'core funding' which over five years will reach around 72% or an average of 14.4% per year. There are no indications of what funding councils will receive from April 2016. This is discussed in the Medium Term Financial Strategy.

### Council Tax Freeze Grant

34. The Government has announced that funding will again be made available to Councils who freeze their Council Tax in 2014/15 and 2015/16. (A cut will also trigger entitlement to grant.) The funding will be equivalent to a rise of 1%. Freeze Grant will be rolled into Formula Funding in future years so it is an ongoing funding stream, albeit subject to cuts in Formula Funding.

### New Homes Bonus

35. 2014/15 is the fourth year of New Homes Bonus. The provisional sum of **£2,877,064** has been allocated to UDC (subject to confirmation).

	2011/12 Financial Year	2012/13 Financial Year	2013/14 Financial Year	2014/15 Financial Year
NHB Year 1	£714,365	£714,365	£714,365	£714,365
NHB Year 2	-	£533,562	£533,562	£533,562
NHB Year 3	-	-	£794,502	£794,502
NHB Year 4	-	-	-	£834,635
<b>Total</b>	<b>£714,365</b>	<b>£1,247,927</b>	<b>£2,042,429</b>	<b>£2,877,064</b>

36. The total amount of New Homes Bonus over the 4 year period it has existed for is £6.882m. This compares with the cumulative loss in 'core' formula funding of £5.173m in the same period. UDC therefore continues to be a net 'beneficiary' of the shift in the local government finance system towards rewarding councils where there has been housing growth in their administrative area.
37. This trend will continue: there are strong indications of continuing cuts in formula funding, with councils increasingly dependent upon New Homes Bonus to support core services. UDC shall be no exception to this. The Medium Term Financial Strategy discusses the importance of reducing the Council's exposure to this risk.

### General Fund Reserves

38. The report made by the Assistant Chief Executive - Finance under Section 25 of the Local Government Act 2003, received earlier in today's agenda, recommended that the Working Balance be maintained at a minimum of £1,200,000. The forecast balance on the Working Balance as at 31 March 2014 is £1,214,000, £14,000 above the recommended minimum level. The 2014/15 budget therefore includes no provision to increase the Working Balance, in line with the recommendations in the Section 25 report.
39. Proposed reserves transfers are as follows:

Access Fund	New reserve of £200,000	To meet costs of community projects commencing with a contribution to Essex County Council for cycle path works. The intention is to replenish this Fund with Section 106 monies in due course.
Budget Equalization	Drawdown of £748,000	To offset impact of up-front pension deficit payment to Essex County Council, which covers a three year period. Reserves drawdown enacted to the value of 2/3rds of payment to ensure only one year's worth hits the council tax requirement bottom line. This withdrawal to be replenished in 2015/16 and 2016/17.
Council Tax Freeze	Increase of £50,000	To provide contingency for future changes in Council Tax policy.
Elections	Reserve increased by £20,000	To spread the costs of the 2015 District Council Election
Licensing	Drawdown of £25,000	To offset deficit in taxi licensing budgets. The reserve will reduce to a figure close to zero in 2014/15, following which fees will be increased to ensure ongoing balance between costs and income, as agreed with taxi trade representatives.
Local Government Resource Review	Increase of £73,000	To provide contingency for future funding reform by central government.
Planning	Increase of £17,000	To earmark Government funding provided to implement Community Right to Bid and Community Right to Challenge initiatives
Strategic Initiatives	New reserve of £1,000,000	To provide a fund to support business, community initiatives, spend to save projects and moving services onto a more commercial footing

### Fees and Charges review

40. Officers have reviewed fees & charges in line with the Council's Pricing and Concessions policy and Cabinet decisions where relevant (e.g. car parks, trade waste, licensing). A schedule of proposed charges is included at Appendix E.
41. 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

42. As at 29 January, the following issues were outstanding; the updated position will be reported verbally.
- Confirmation of the Local Government Finance Settlement, Council Tax Freeze Grant and New Homes Bonus.
  - Final formal notifications of the formal precept figures from Essex County Council, Essex Police and Essex Fire, and town and parish councils.
  - Production of formal council tax resolution.
  - Resolution of the Landsbanki issue (a verbal update will be provided)
43. A final budget report, based upon the Cabinet’s recommendations decided at its meeting on 18 February, will be presented to the Council on 27 February, together with the formal Council Tax Resolution.

### Risk Analysis

44. 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)	3 (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 summary
- APPENDIX B Portfolio budgets
- APPENDIX C Schedule of budget adjustments
- APPENDIX D General Fund Reserves
- APPENDIX E Fees and Charges
- APPENDIX F Council Tax Resolution (Full Council only)

## APPENDIX A

## GENERAL FUND SUMMARY

£'000	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)
Community Partnerships & Engagement - <i>Cllr H Rolfe</i>	2,028	2,042	2,005	2,146	104
Community Safety - <i>Cllr A Walters</i>	378	302	331	313	11
Environmental Services - <i>Cllr S Barker</i>	1,544	1,508	1,100	1,686	178
Finance & Administration - <i>Cllr R Chambers</i>	5,059	5,037	5,190	4,740	-297
Housing (General Fund) - <i>Cllr J Redfern</i>	-65	7	-2	38	31
<b>Sub-total – Portfolio and Committee budgets</b>	<b>8,944</b>	<b>8,896</b>	<b>8,624</b>	<b>8,923</b>	<b>27</b>
Council Tax Freeze Grant - 11/12	-123	0	0	0	0
Council Tax Freeze Grant - 13/14 (year 2 of 3)	-50	-50	-50	0	50
Council Tax Freeze Grant - 14/15 (year 1 of 2)	0	0	0	-50	-50
Community Challenge	-8	-8	-9	-9	-1
Community Right to Bid	-8	-8	-8	-8	0
Small Business Rates adjustment funding	0	0	0	-14	-14
Formula Grant	-2,673	-2,038	-2,038	-1,642	396
Business Rates Retention	0	-1,356	-1,288	-1,279	77
Transition Protection Payments	0	0	-65	0	0
New Homes Bonus - Adjustment Grant	-11	-11	-11	0	11
New Homes Bonus - Returned 13/14 Balance	0	0	0	-5	-5
Efficiency Support for Services in Sparse Areas	-31	-31	-31	0	31
LCTS - Funding	-513	0	0	0	0
LCTS - Transition Grant	-13	-13	-14	0	13
New Homes Bonus - Grant	-2,042	-2,042	-2,042	-2,877	-835
<b>Sub-total – Government Funding</b>	<b>-5,472</b>	<b>-5,557</b>	<b>-5,556</b>	<b>-5,884</b>	<b>-327</b>
Capital Financing Costs	1,525	1,525	1,525	1,611	86
Collection Fund Balance	-6	-6	-6	-256	-250
Contribution to Community Budgets	50	50	0	0	-50
Investment Income	-50	-50	-50	-50	0
Pension Fund - Added Years	98	98	100	107	9
Pension Fund - Deficit	390	390	390	1,121	731
Recharge to HRA	-995	-1,077	-1,001	-1,211	-134
HRA Share of Corporate Core	-209	-209	-207	-253	-44
<b>Sub-total – Corporate Items</b>	<b>803</b>	<b>721</b>	<b>751</b>	<b>1,069</b>	<b>348</b>
<b>Sub-total - Net Operating Expenditure</b>	<b>4,275</b>	<b>4,060</b>	<b>3,819</b>	<b>4,108</b>	<b>48</b>
Access Reserve	0	0	0	200	200
Budget Equalization Reserve	222	380	592	0	-380
Budget Equalization Reserve - Pension Deficit	0	0	0	-748	-748
Change Management Reserve	-26	-26	-63	0	26
Council Tax Freeze Reserve	0	0	0	50	50
Elections Reserve	20	20	20	20	0
Homelessness Reserve	20	20	20	0	-20
Insurance Reserve	100	100	0	0	-100
LGRR Contingency Reserve	-252	-252	-237	73	325
Licensing Reserve	-55	-55	-38	-25	30
Neighbourhood Front Runners	0	0	9	0	0
NHB Contingency Reserve	-40	0	-40	0	0
Planning Development Reserve	249	266	458	17	-249
Strategic Initiatives Reserve	0	0	0	1,000	1,000
Waste Reserve	134	134	107	0	-134
Working Balance	0	0	0	0	0
<b>Sub-total - Movement in Earmarked Reserves</b>	<b>372</b>	<b>587</b>	<b>828</b>	<b>587</b>	<b>0</b>
<b>COUNCIL TAX REQUIREMENT</b>	<b>4,647</b>	<b>4,647</b>	<b>4,647</b>	<b>4,695</b>	<b>48</b>
<b>Funding Available</b>					
Council Tax	-4,647	-4,647	-4,647	-4,695	-48
<b>TOTAL FUNDING AVAILABLE</b>	<b>-4,647</b>	<b>-4,647</b>	<b>-4,647</b>	<b>-4,695</b>	<b>-48</b>
<b>OVERALL NET POSITION</b>					<b>0</b>

## APPENDIX B

COMMUNITY PARTNERSHIPS AND ENGAGEMENT PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Assisted Travel	-1	0	0	0	1	1	
Committee Administration	143	174	175	175	152	-23	Staff costs saving
Communications	134	177	240	164	243	3	
Community Information Centres	48	66	66	56	50	-16	Saving on Stansted CIC rent charge
Community & Leisure Management	45	45	45	46	46	1	
Customer Services Centre	285	288	291	299	307	16	Increase in staffing
Democratic Representation	346	351	354	351	361	7	
Economic Development	-32	153	114	160	203	89	Car parking capacity feasibility study £80k
Grants & Contributions	243	368	368	368	371	3	
Leisure & Administration	87	97	95	94	96	1	
Leisure PFI	-66	-26	-26	-26	-9	17	Net contractual inflation
Museum Saffron Walden	188	190	175	173	160	-15	Service reduction
New Homes Bonus (Ward members' budgets)	527	88	88	88	88	0	
Sports Development	48	57	57	57	77	20	Tour De France (one-off growth item)
<b>Portfolio Total</b>	<b>1995</b>	<b>2,028</b>	<b>2,042</b>	<b>2,005</b>	<b>2,146</b>	<b>104</b>	

**APPENDIX B (continued)**

COMMUNITY SAFETY PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Community Safety	169	197	163	197	177	14	Includes £10k special constables; £70k PCSO funding
Emergency Planning	42	42	42	43	43	1	
Enforcement	174	216	178	191	188	10	
Highways	-10	-10	-15	-15	-15	0	
Licensing	-85	-67	-66	-85	-80	-14	
<b>Portfolio Total</b>	<b>290</b>	<b>378</b>	<b>302</b>	<b>331</b>	<b>313</b>	<b>11</b>	



**APPENDIX B (continued)**

ENVIRONMENTAL SERVICES PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Animal Warden	30	30	30	30	30	0	
Car Parking	-579	-566	-585	-582	-589	-4	
Depots	52	50	37	50	44	7	
Development Management	-59	-252	-157	-640	-129	28	ECC ecology advice/advertising now weekly basis
Environmental Management & Admin	101	98	89	97	88	-1	
Grounds Maintenance	157	158	159	157	157	-2	
Housing Strategy	103	101	102	101	89	-13	
Local Amenities	-840	16	7	7	7	0	
Pest Control	35	23	23	22	27	4	Incl. £15k new income for rats on domestic premises
Planning Management & Admin	447	466	377	377	373	-4	
Planning Policy	290	247	249	260	244	-5	
Planning Specialists	178	168	169	156	175	6	
Public Health	249	406	410	367	385	-25	net effect of EU legislation re: food inspections
Street Cleansing	266	320	322	322	298	-24	agency saving
Street Services Management & Admin	285	338	341	338	340	-1	
Vehicle Management	313	295	294	296	346	52	replacement tyres £50k
Waste Management - Expenditure	1,924	1,871	1,866	1,870	2,010	144	growth of £57k for agency/consultancy, £87k other adj
Waste Management - Income	-2,239	-2,225	-2,225	-2,128	-2,209	16	
<b>Portfolio Total</b>	<b>713</b>	<b>1,544</b>	<b>1,508</b>	<b>1,100</b>	<b>1,686</b>	<b>178</b>	

## APPENDIX B (continued)

FINANCE & ADMINISTRATION PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Benefit Administration	-328	-293	-293	-293	-264	29	reduction in DWP admin grant
Business Improvement & Performance Team	157	155	80	155	76	-4	
Central Services	373	400	385	393	381	-4	
Conducting Elections	1	1	1	-1	1	0	
Conveniences	47	48	27	38	22	-5	
Corporate Management	700	839	763	724	817	54	pay award growth less audit fees/consultancy savings
Corporate Team	127	171	120	131	105	-15	
Council Tax Benefits	-88	0	0	0	0	0	
Electoral Registration	25	22	22	19	21	-1	
Financial Services	822	822	797	914	848	51	insurance contract inflation/new post in procurement
Housing Benefits	16	194	194	195	63	-131	bad debt provision reduction/higher subsidy recovery level
Human Resources	183	244	246	237	218	-28	reduction in 1 FTE to staff structure
Information Technology	958	974	1,077	1,079	1,092	15	
Internal Audit	105	109	109	109	110	1	
Leased Cars	0	0	0	0	0	0	
Legal Services	78	103	104	92	101	-3	
Local Council Tax Support	-45	382	382	327	79	-303	including restatement of LCTS subsidy payments £205k
Local Tax Collection	-46	-73	-73	-50	-50	23	reduction in net income for court fees recovery
Non Domestic Rates	-67	-67	-67	-54	-29	38	new DRR policy/adj to follow current discount relief trend
Offices	298	326	315	308	324	9	
Office Cleaning	0	0	186	186	176	-10	
Revenues Administration	794	702	662	681	649	-13	
<b>Portfolio Total</b>	<b>4,110</b>	<b>5,059</b>	<b>5,037</b>	<b>5,190</b>	<b>4,740</b>	<b>-297</b>	

**APPENDIX B (continued)**

HOUSING GENERAL FUND PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Building Surveying	-81	-67	-59	-53	-69	-10	
Day Centres	55	59	36	38	36	0	
Energy Efficiency	36	48	48	49	47	-1	
Homelessness	88	85	171	181	211	40	investment in staffing (minor element is one-off)
Housing Grants	10	10	10	10	10	0	
Land Charges	41	-65	-64	-92	-65	-1	
Lifeline	-130	-135	-135	-135	-132	3	
<b>Portfolio Total</b>	<b>19</b>	<b>-65</b>	<b>7</b>	<b>-2</b>	<b>38</b>	<b>31</b>	

## SCHEDULE OF BUDGET ADJUSTMENTS

<b>INESCAPABLE GROWTH</b>				
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£000</b>	
1. Finance & Admin	Corporate Management	Staff Pay Award	82	Ongoing
2. Finance & Admin	Financial Services	Insurance contract inflationary rise	59	Ongoing
3. Environment	Waste Management	Trade Waste costs inflationary rise	34	Ongoing
4. Community Partnerships & Engagement	Leisure PFI	Leisure PFI contractual inflation (net rise for unitary payments/rental income)	16	Ongoing
5. Finance & Admin	Information Technology	Contractual inflation on support costs	15	Ongoing
6. Community Partnerships & Engagement	Grants & Contributions	Grants payable inflationary increase	12	Ongoing
7. Environment	Waste Management	Inflation on vehicle running costs	12	Ongoing
8. All portfolios	Various services	Business rates increases	10	Ongoing
9. Environment	Waste Management	Inflation in respect of agency costs	8	Ongoing
10. Environment	Car Parks	Inflationary increase in fees payable	4	Ongoing
11. Finance & Admin	Central Services	Inflation for equipment rental	2	Ongoing
12. Environment	Development Management	Consultancy increase	1	Ongoing
13. Environment	Street Cleansing	Inflation on vehicle runnings costs	1	Ongoing
14. Finance & Admin	Offices	Utility cost rises	1	Ongoing
<b>Total</b>			<b>257</b>	

<b>LOSS OF EXTERNAL FUNDING</b>				
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£000</b>	<b>One off or Ongoing</b>
1. Finance & Admin	Benefits Admin	Reduction in DWP funding	29	Ongoing
2. Finance & Admin	Second Homes Discount	Cessation of ECC funding	27	Ongoing
3. Environmental Services	Waste Management	Reduction in IAA funding	15	Ongoing
<b>Total</b>			<b>71</b>	

## APPENDIX C (CONTINUED)

SERVICE INVESTMENT				
Portfolio	Service	Description	£000	One off or Ongoing
1. Community Partnerships & Engagement	Economic Development	Car Parking capacity study	80	One Off
2. Housing General Fund	Homelessness	Staffing including one new post and maternity cover	50	Ongoing (£4k is One Off)
3. Environmental	Waste Management	Agency staff to cover sickness	45	Ongoing
4. Finance & Admin	Revenues Admin	New post and training investment in team	45	Ongoing (£11k is One Off)
5. Finance & Admin	Electoral Registration	Implementation of new IER system	27	One Off
6. Finance & Admin	Non-Domestic Rates	New Discretionary Rate Relief policy	25	Ongoing
7. Finance & Admin	Financial Services	Procurement Officer - to be funded from HRA	23	Ongoing
8. Community Partnerships & Engagement	Sports Development	Tour de France working group	20	One Off
9. Finance & Admin	Information Technology	Cost of outsourced INTEGRA service	15	Ongoing
10. Environmental	Waste Management	Consultancy costs for Waste review	12	One Off
11. Community Safety	Community Safety	Special Constables now ongoing budget item	10	Ongoing
12. Community Safety	Enforcement	Temporary Enforcement officer	10	One Off
13. Finance & Admin	Mailroom	Housing scanning – to be funded from HRA	9	One Off
14. Environmental	Public Health	Professional fees	8	Ongoing
15. Environmental	Vehicle Maintenance	Apprentices including training requirement	7	Ongoing
16. Community Safety	Licensing	Increase in staff hours and temporary cover	6	Ongoing
17. Finance & Admin	Financial Services	Consultancy fees and training	5	Ongoing (£3k is One Off)
18. Finance & Admin	Local Council Tax Support	Additional funding for LCTS hardship fund	5	Ongoing
19. Community Safety	Community Safety	Net budget increase in respect of PCSO's funding	4	Ongoing
20. Community Partnerships & Engagement	Grants & Contributions	Increase in funding for Leisure & Arts grants	2	Ongoing
21. Finance & Admin	Offices	Electrical testing	2	One Off
			<b>Total</b>	<b>410</b>

**APPENDIX C (continued)**

<b>EFFICIENCY SAVINGS</b>				
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£000</b>	<b>One off or Ongoing</b>
1. Finance & Admin	Information Technology	Telephone framework contract	-45	Ongoing
2. Finance & Admin	Financial Services	Net effect of restructure	-38	Ongoing
3. Finance & Admin	Corporate Management	Lower audit fees & consultancy costs	-30	Ongoing
4. Finance & Admin	Human Resources	Net effect of restructure	-27	Ongoing
5. Community Partnerships & Engagement	Committee Administration	Staff costs reduction	-22	Ongoing
6. Environment	Street Cleansing	Agency staffing cost reduction	-20	Ongoing
7. Finance & Admin	Central Services	Postage savings	-16	Ongoing
8. All portfolios	Various services	Lease cars withdrawn	-12	Ongoing
9. Community Partnerships & Engagement	Grants & Contributions	Planned tapering in grant to SWTC	-10	Ongoing
10. Finance & Admin	Offices	Saving from bringing cleaning in house	-10	Ongoing
11. Environment	Housing Strategy	Consultancy and software saving	-7	Ongoing
11. Housing General Fund	Building Surveying	Consultancy saving	-6	Ongoing
12. Environment	Grounds Maintenance	Agency staffing cost reduction	-5	Ongoing
13. Finance & Admin	Conveniences	Planned tapering in grant to Thaxted PC	-4	Ongoing
14. Environment	Street Services Management	Staff costs reduction	-3	Ongoing
			<b>Total</b>	<b>-255</b>

## APPENDIX C (continued)

SERVICE REDUCTIONS				
Portfolio	Service	Description	£000	One off or Ongoing
1. Community Partnerships & Engagement	Museum	Reduction to Museum Service	-15	Ongoing
<b>Total</b>			<b>-15</b>	

CHANGES TO INCOME				
Portfolio	Service	Description	£000	One off or Ongoing
<b>Increases</b>				
1. Finance & Admin	Local Council Tax Support	Council Tax cost and income sharing agreement	-126	Ongoing
2. Environment	Waste Management	Other net movement across Waste income budgets	-69	Ongoing
3. Finance & Admin	Revenues Admin	Council Tax New Burdens Grant	-62	Ongoing
4. Environment	Public Health	Increase in Food Inspections income	-30	Ongoing
5. Finance & Admin	Electoral Registration	Grant to fund IER system	-27	One Off
6. Community Safety	Licensing	Increase in Taxi licences demand	-26	Ongoing
7. Environment	Pest Control	New income - rats in domestic premises	-15	Ongoing
8. Environment	Car Parking	Car Parking fees receivable	-12	Ongoing
9. Environment	Public Health	Increase in Border Inspection fees	-5	Ongoing
10. Environment	Planning Management	Increase in Street Naming fees	-3	Ongoing
<b>Total</b>			<b>-375</b>	
<b>Decreases</b>				
11. Finance & Admin	Local Tax Collection	Net Court fees income reduction	23	Ongoing
12. Environment	Pest Control	Decrease in wasps and bees income	15	Ongoing
13. Housing General Fund	Lifeline	Net decrease in Lifeline fees	2	Ongoing
<b>Total</b>			<b>40</b>	
<b>Net Total</b>			<b>-335</b>	



## APPENDIX C (continued)

OTHER ADJUSTMENTS - MATERIAL ITEMS (£10K MINIMUM)				
Portfolio	Service	Description	£000	One off or Ongoing
<b>Increases</b>				
Environment	Waste Management	Bins now being treated as revenue (change of accounting policy)	63	Ongoing
Environment	Vehicle Maintenance	Increase in tyre costs	50	Ongoing
Various	Various	Minor budget adjustments (net)	38	Various
Environment	Waste Management	Staffing budgets increase	31	Ongoing
Environment	Development Management	ECC Ecology advice/increase in advertising	24	Ongoing
Finance & Admin	Revenues Admin	Staffing budgets increase	19	Ongoing
Finance & Admin	Non-Domestic Rates	Increase in discretionary rate reliefs (current scheme)	15	Ongoing
Environment	Waste Management	Other vehicle running costs increase	13	Ongoing
Community Partnerships & Engagements	Democratic Representation	Recommendations of Independent Remuneration Panel	10	Ongoing
			<b>263</b>	
<b>Decreases</b>				
Finance & Admin	Local Council Tax Support	Reduction in subsidy to preceptors	-205	Ongoing
Finance & Admin	Housing Benefits	Net increase in portion of Housing Benefit expenditure recoverable from subsidy	-131	Ongoing
Housing General Fund	Homelessness	Rent deposits now being treated as balance sheet item (change of accounting policy)	-12	Ongoing
Environment	Housing Strategy/Planning Policy	Budget slack in staffing budget	-11	Ongoing
Environment	Depots	Overstated electricity budget at Shire Hill depot	-10	Ongoing
			<b>-369</b>	
			<b>Net Total</b>	<b>-106</b>

## GENERAL FUND RESERVES

## APPENDIX D

Reserve	Actual Balance 01-Apr-13	Forecast transfer from General Fund	Forecast transfer to General Fund	Transfers between reserves	Estimated Balance 01-Apr-14	Forecast transfer from General Fund	Forecast transfer to General Fund	Estimated Balance 31-Mar-15
<b>£'000</b>								
Working Balance	1,214				1,214			1,214
<u>Contingency Reserves</u>								
Budget Equalisation	1,251	592			1,843		-748	1,095
Change Management	587	31	-94		524			524
Council Tax Freeze Grant Reserve	124				124	50		174
Landsbanki Contingency	165			-165	0			0
Local Government Resource Review	962		-237	165	890	73		963
Municipal Mutual	51				51			51
Subtotal	3,140	623	-331	0	3,432	123	-748	2,807
<u>Service reserves</u>								
Access Reserve	0				0	200		200
Business Development	117				117			117
Elections	47	20			67	20		87
Emergency Response	90				90			90
Hardship Fund	100				100			100
Homelessness	81	20			101			101
Licensing	63		-38		25		-25	0
Neighbourhood Front Runners	66	9			75			75
New Homes Bonus - Community Projects	26				26			26
New Homes Bonus - Contingency	830		-40		790			790
Planning Development	266	467	-9		724	17		741
Strategic Initiatives	0				0	1,000		1,000
Waste Management	79	184	-77		186			186
Subtotal	1,765	700	-164	0	2,301	1,237	-25	3,513
<b>Total</b>	<b>6,119</b>	<b>1,323</b>	<b>-495</b>	<b>0</b>	<b>6,947</b>	<b>1,360</b>	<b>-773</b>	<b>7,534</b>

# Uttlesford District Council

## 2014/15 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 Local Council 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.

<b>Building surveying other charges</b>	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT? Note</b>	
Provision of Energy Performance Certificates	240.00	240.00	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

<b>Street Naming and Numbering</b>	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT?</b>	
Name or number change to existing dwelling	70.00	72.00	No	
1 new dwelling name or number change - existing road	100.00	102.50	No	
2 to 10 dwelling name or number change - existing road	170.00	175.00	No	
Over 10 dwellings name or number - existing road	200.00	205.00	No	
Over 10 dwellings name or number on existing road - extra charge per dwelling	20.00	20.50	No	
1 to 10 dwellings on a new road	300.00	307.50	No	
Over 10 dwellings name or number on new road - extra charge per dwelling	20.00	20.50	No	
Parish/Town Council initiated scheme to re name/number on existing road	50.00	52.00	No	
Parish/Town Council initiated scheme to re name/number on existing road extra charge per dwelling	20.00	20.50	No	
Street Renaming (residents request)	250.00	257.00	No	
Street Renaming (residents request, extra charge per dwelling)	20.00	20.50	No	
Change of Building Name (e.g. block of flats)	150.00	154.00	No	

**STANDARD CHARGES**  
**SCHEDULE 1- NEW DWELLINGS**  
Dwelling houses and Flats

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)

Code	New Build Houses or Bungalows Not Exceeding 250m <sup>2</sup>		Plan Charge	Inspection Charge*	Building Notice*	Regularisation Charge*
HO1	1 Plot	Fee	£260.00	£385.00	£695.00	<b>£868.75</b>
		VAT	£52.00	£77.00	£139.00	
		<b>Total</b>	<b>£312.00</b>	<b>£462.00</b>	<b>£834.00</b>	
HO2	2 Plots	Fee	£330.00	£590.00	£970.00	<b>£1,212.50</b>
		VAT	£66.00	£118.00	£194.00	
		<b>Total</b>	<b>£396.00</b>	<b>£708.00</b>	<b>£1,164.00</b>	
HO3	3 Plots	Fee	£395.00	£785.00	£1,260.00	<b>£1,575.00</b>
		VAT	£79.00	£157.00	£252.00	
		<b>Total</b>	<b>£474.00</b>	<b>£942.00</b>	<b>£1,512.00</b>	
HO4	4 Plots	Fee	£465.00	£960.00	£1,525.00	<b>£1,906.25</b>
		VAT	£93.00	£192.00	£305.00	
		<b>Total</b>	<b>£558.00</b>	<b>£1,152.00</b>	<b>£1,830.00</b>	
HO5	5 Plots	Fee	£520.00	£1,085.00	£1,700.00	<b>£2,125.00</b>
		VAT	£104.00	£217.00	£340.00	
		<b>Total</b>	<b>£624.00</b>	<b>£1,302.00</b>	<b>£2,040.00</b>	
<b>New Build Flats Not Exceeding 250m<sup>2</sup> and Not More Than 3 Storeys</b>						
FL1	1 Plot	Fee	£260.00	£385.00	£695.00	<b>£868.75</b>
		VAT	£52.00	£77.00	£139.00	
		<b>Total</b>	<b>£312.00</b>	<b>£462.00</b>	<b>£834.00</b>	
FL2	2 Plots	Fee	£330.00	£590.00	£970.00	<b>£1,212.50</b>
		VAT	£66.00	£118.00	£194.00	
		<b>Total</b>	<b>£396.00</b>	<b>£708.00</b>	<b>£1,164.00</b>	
FL3	3 Plots	Fee	£395.00	£785.00	£1,260.00	<b>£1,575.00</b>
		VAT	£79.00	£157.00	£252.00	
		<b>Total</b>	<b>£474.00</b>	<b>£942.00</b>	<b>£1,512.00</b>	
FL4	4 Plots	Fee	£465.00	£960.00	£1,525.00	<b>£1,906.25</b>
		VAT	£93.00	£192.00	£305.00	
		<b>Total</b>	<b>£558.00</b>	<b>£1,152.00</b>	<b>£1,830.00</b>	
FL5	5 Plots	Fee	£520.00	£1,085.00	£1,700.00	<b>£2,125.00</b>
		VAT	£104.00	£217.00	£340.00	
		<b>Total</b>	<b>£624.00</b>	<b>£1,302.00</b>	<b>£2,040.00</b>	
<b>Conversion to</b>						
COH	Single dwelling house (Where total floor area does not exceed 150m <sup>2</sup> )	Fee	£220.00	£320.00	£590.00	<b>£737.50</b>
		VAT	£44.00	£64.00	£118.00	
		<b>Total</b>	<b>£264.00</b>	<b>£384.00</b>	<b>£708.00</b>	
COF	Single Flat (Where total floor area does not exceed 150m <sup>2</sup> )	Fee	£220.00	£320.00	£590.00	<b>£737.50</b>
		VAT	£44.00	£64.00	£118.00	
		<b>Total</b>	<b>£264.00</b>	<b>£384.00</b>	<b>£708.00</b>	
<b>Notifiable Electrical work (in addition to the above, where applicable.)</b>						
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			
		<b>Total</b>	<b>£264.00</b>			

**STANDARD CHARGES**

**SCHEDULE 2 WORK TO A SINGLE DWELLING**

Limited to work not more than 3 storeys above ground level

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)

Code	Extension and New Build		Full Plans		Building Notice Charge*	Regularisation Charge*
			Plan Charge	Inspection Charge*		
DX1	Separate single storey extension with floor area not exceeding 40m <sup>2</sup>	Fee	£140.00	£295.00	£455.00	£568.75
		VAT	£28.00	£59.00	£91.00	
		<b>Total</b>	<b>£168.00</b>	<b>£354.00</b>	<b>£546.00</b>	
DX2	Separate single storey extension with floor area exceeding 40m <sup>2</sup> but not exceeding 100m <sup>2</sup>	Fee	£155.00	£365.00	£545.00	£681.25
		VAT	£31.00	£73.00	£109.00	
		<b>Total</b>	<b>£186.00</b>	<b>£438.00</b>	<b>£654.00</b>	
DX3	Separate extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m <sup>2</sup>	Fee	£145.00	£325.00	£495.00	£618.75
		VAT	£29.00	£65.00	£99.00	
		<b>Total</b>	<b>£174.00</b>	<b>£390.00</b>	<b>£594.00</b>	
DX4	Separate extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m <sup>2</sup> but not exceeding 100m <sup>2</sup>	Fee	£200.00	£380.00	£615.00	£768.75
		VAT	£40.00	£76.00	£123.00	
		<b>Total</b>	<b>£240.00</b>	<b>£456.00</b>	<b>£738.00</b>	
DG0	A building or extension comprising solely of a garage, carport or store not exceeding 100m <sup>2</sup>	Fee	£100.00	£220.00	£315.00	£393.75
		VAT	£20.00	£44.00	£63.00	
		<b>Total</b>	<b>£120.00</b>	<b>£264.00</b>	<b>£378.00</b>	
DNH	Detached non-habitable domestic building with total floor area not exceeding 50m <sup>2</sup>	Fee	£100.00	£220.00	£315.00	£393.75
		VAT	£20.00	£44.00	£63.00	
		<b>Total</b>	<b>£120.00</b>	<b>£264.00</b>	<b>£378.00</b>	
<b>Conversions</b>						
DLC	First and second floor loft conversions	Fee	£155.00	£350.00	£560.00	£700.00
		VAT	£31.00	£70.00	£112.00	
		<b>Total</b>	<b>£186.00</b>	<b>£420.00</b>	<b>£672.00</b>	
DOC	Other work (e.g. garage conversions)	Fee	£60.00	£130.00	£190.00	£237.50
		VAT	£12.00	£26.00	£38.00	
		<b>Total</b>	<b>£72.00</b>	<b>£156.00</b>	<b>£228.00</b>	
<b>Alterations (inc underpinning)</b>						
DTH	Renovation of a thermal element	Fee	£40.00	£80.00	£115.00	£143.75
		VAT	£8.00	£16.00	£23.00	
		<b>Total</b>	<b>£48.00</b>	<b>£96.00</b>	<b>£138.00</b>	
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	
		<b>Total</b>	<b>£48.00</b>	<b>£96.00</b>	<b>£138.00</b>	
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	
		<b>Total</b>	<b>£72.00</b>	<b>£132.00</b>	<b>£198.00</b>	
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	
		<b>Total</b>	<b>£138.00</b>	<b>£264.00</b>	<b>£396.00</b>	
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	
		<b>Total</b>	<b>£198.00</b>	<b>£450.00</b>	<b>£708.00</b>	
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	
		<b>Total</b>	<b>£276.00</b>	<b>£636.00</b>	<b>£942.00</b>	
<b>Notifiable Electrical work in addition to the above, where applicable.</b>						
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			
		<b>Total</b>	<b>£264.00</b>			

**STANDARD CHARGES**  
**SCHEDULE 3- ALL OTHER NON-DOMESTIC WORK**  
**Limited to work not more than 3 storeys above ground level**

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

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



<b>CAR PARKING</b>	<b>2013/14 charge</b>	<b>2014/15 charge</b>	<b>Does the charge include VAT?</b>
	<b>£</b>	<b>£</b>	
<b>Saffron Walden</b>			
<b>Fairycroft</b>			
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
<b>Common</b>			
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
4 Hours	3.00	3.00	Yes
<b>Rose &amp; Crown</b>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
<b>Swan Meadow</b>			
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 (per annum)	300.00	300.00	Yes
<b>Coaches</b>			
5 Hours	3.00	3.00	Yes
10 Hours	6.00	6.00	Yes
<b>Great Dunmow</b>			
<b>WhiteStreet</b>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
5 Hours	2.40	2.40	Yes
10 Hours	3.50	3.50	Yes
Season Ticket (per annum)	300.00	300.00	Yes
<b>New Street/Chequers &amp; Angel Lane</b>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
<b>Stansted Montfitchet</b>			
<b>Lower Street</b>			
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	4.00	Yes
Coaches	6.00	6.00	Yes
<b>Crafton Street</b>			
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	250.00	250.00	Yes
Season Ticket - Non business	420.00	420.00	Yes

Environmental Health	2013/14	2014/15	Does the charge include VAT?	Note
	charge	charge		
	£	£		
<b>Food and Water Safety</b>				
Food Safety course - level 2 certificate	65.00	70.00	No	
Health Certificate for Export	75.00	80.00	No	
Voluntary Surrender Certificate	65.00	70.00	No	
Water Samples (Airport)	17.00	20.00	Yes	
Private water supply sample collection fee (plus laboratory charges)	-	25.00	Yes	
Private water supply carrying out of Risk Assessment	-	45.00	No	
Water Samples (private supply + mains or to more than a single household)	72.00	-	Yes	
Water Samples (private supply + mains) invoice cost	22.00	-	Yes	
Chemical Water Samples on request	Charged at Cost	Charged at Cost	Yes	
<b>Imported Food Inspection Charges</b>				
Organic Produce Certificate - office hours	60.00	60.00	No	Per certificate
Organic Produce Certificate - outside office hours	230.00	230.00	No	
Border inspection post	170.00	170.00	No	Per consignment
Research Samples	-	-	No	Service no longer provided
Out of Hours inspection additional fee	60.00	65.00	No	Plus £35 per officer hour
High Risk NAO per CED	47.00	50.00	No	
High Risk NAO sampling fee + laboratory charges	50.00	55.00	No	
High Risk destruction charge + disposal costs	50.00	55.00	No	
<b>Animals</b>				
Micro chipping - Pets - Home visit	25.00	25.00	Yes	
Micro chipping - Pets - Microchip event	16.50	16.50	Yes	
Stray dog fee if micro chipped	45.00	45.00	No	Kennel fees additional charge
Stray dog fee if unchipped	45.00	45.00	No	Kennel fees additional charge
Microchipping - promotional event	0.00	0.00	No	
<b>Licences</b>				
Animal boarding establishment	125.00	130.00	No	
Dog breeding establishment	125.00	130.00	No	
Riding establishment	225.00	230.00	No	Vet fee not included
Pet shop	125.00	130.00	No	Vet fee not included
Dangerous wild animals	255.00	260.00	No	Vet fee not included
Zoo licence (5 years)	655.00	660.00	No	Vet fee not included
Ear piercing, acupuncture and electrolysis premises & 1 person licence	155.00	160.00	Yes	
Ear piercing, acupuncture and electrolysis person licence	65.00	70.00	Yes	
<b>Other charges</b>				
Environmental Information Enquiries	45.00	-	Yes	Hourly charge or part thereof
Copy of EPA register in electronic format	75.00	-	Yes	
Information requests about potentially contaminated land sites	75.00	-	Yes	
Licensing of Houses of Multiple Occupancy (HMO) std fee for 5 bedroom	330.00	340.00	No	
5 letting rooms or more - charge per additional room	35.00	40.00	No	
Housing Immigration Inspection	135.00	140.00	No	
Copy of Food Register - Whole	60.00	65.00	Yes	Hourly charge or part thereof
Copy of Food Register - Single Entry	17.00	20.00	Yes	

## 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>

<b>Lifeline (Council Tenants and Private Residents)</b>	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT?</b>
Lifeline units - Level 1 - basic weekly charge	4.73	4.87	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)	5.93	6.07	Yes*
Lifeline units - Level 3 - Evening and Weekend Response	5.93	6.07	Yes*
Lifeline units - Levels 3 & 4	7.13	7.27	Yes*

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

	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT?</b>
<b>Museum</b>			
Admission Charge adult	1.50	1.50	Yes
Admission Charge discount	0.75	0.75	Yes
Admission Charge children	0.00	0.00	n/a
Season Ticket adult	5.00	5.00	Yes
Season Ticket discount	2.50	2.50	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</u>			
Corporate and private hire per hour	75.00	75.00	No

<b>Pest Control</b>	<b>2013/14 charge</b>	<b>2014/15 charge</b>	<b>Does the charge include VAT?</b>
	<b>£</b>	<b>£</b>	
Mice in domestic premises	57.00	57.00	Yes
Rats at domestic premises where livestock etc. are kept	57.00	-	Yes
Rats at domestic premises includes up to 5 baits	-	25.00	Yes
Rats at domestic premises - charge per additional bait where the keeping of animals is conti	-	15.00	Yes
Rats & Mice in commercial premises initial survey	123.00	130.00	Yes
Rats & Mice in commercial premises per additional treatment	61.00	65.00	Yes
Abortive visit charge	36.00	40.00	Yes
Cancellation fee (telephone) (after booking/fee charged)	5.00	5.00	Yes
Cluster Flies per treatment	50.00	55.00	Yes
Fleas, carpet beetles, moths (initial treatment plus 1 follow up) up to 3 bed property	75.00	80.00	Yes
Fleas, carpet beetles, moths (initial treatment plus 1 follow up) more than 3 bed property	100.00	105.00	Yes
Bedbugs, cockroaches (initial + 1 follow up) upto 2 bedroom property + £30 per room therea	160.00	-	Yes
Bedbugs, cockroaches (initial treatment plus 1 follow up) 3 bedroom property	190.00	-	Yes
Bedbugs, cockroaches (initial treatment plus 1 follow up) 4 bedroom property	220.00	-	Yes
Bedbugs, cockroaches (initial treatment plus 1 follow up) 5 bedroom property + £30 per roor	250.00	-	Yes
Ants per treatment	58.00	60.00	Yes
Insect identification charge (per insect type)	10.00	10.00	Yes
Wasps per nest domestic premises	58.00	58.00	Yes
Additional wasp nests domestic	29.00	29.00	Yes
Wasps per nest - commercial premises	82.00	85.00	Yes
Additional wasp nests commercial	41.00	45.00	Yes
Squirrels	92.00	92.00	Yes
Squirrels additional visit	51.00	51.00	Yes

<b>Licensing</b>	<b>2013/14 charge</b>	<b>2014/15 charge</b>	<b>Does the charge include VAT?</b>
	<b>£</b>	<b>£</b>	
<u>Taxi Licensing</u>			
Drivers	40.00	40.00	No
Operators	60.00	60.00	No
Vehicles	70.00	70.00	No
CRB checks	Charged at cost	Charged at cost	No
<u>Alcohol Licensing Act 2003</u>			
For the current schedule of statutory fees, please visit the Uttlesford District Council website:			
<a href="http://www.uttlesford.gov.uk/article/2295/Licensing-Act-2003---Personal">http://www.uttlesford.gov.uk/article/2295/Licensing-Act-2003---Personal</a>			
<a href="http://www.uttlesford.gov.uk/article/2023/Licensing-Act-2003---Premises">http://www.uttlesford.gov.uk/article/2023/Licensing-Act-2003---Premises</a>			
<u>Gambling Act 2005</u>			
For the current schedule of statutory fees, please visit the Uttlesford District Council website:			
<a href="http://www.uttlesford.gov.uk/article/2292/Gambling-Act-2005">http://www.uttlesford.gov.uk/article/2292/Gambling-Act-2005</a>			

## 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>

<b>Planning Pre-application advice</b>	<b>2013/14 charge</b>	<b>2014/15 charge</b>	<b>Does the charge include VAT?</b>
	<b>£</b>	<b>£</b>	
Major Developments Written advice	300.00	300.00	Yes
Major Developments - Meeting in office	650.00	650.00	Yes
Major Developments - Meeting on site	850.00	850.00	Yes
Major Development - additional officer supplement	-	-	Yes
Major Development - follow up meeting	-	-	Yes
Minor Developments - written advice	150.00	150.00	Yes
Minor Developments - Meeting in office	350.00	350.00	Yes
Minor Development - Meeting on site	450.00	450.00	Yes
Minor additional officer supplement	-	-	Yes
Minor follow up meeting	-	-	Yes
House extensions & alterations	no charge	no charge	n/a

<b>Conservation - Listed Buildings</b>	<b>2013/14 charge</b>	<b>2014/15 charge</b>	<b>Does the charge include VAT?</b>
	<b>£</b>	<b>£</b>	
<u>Listed Building Advice (all types excl. Householder)</u>			
Written	150.00	150.00	Yes
Meeting in office	350.00	350.00	Yes
Meeting on site	400.00	400.00	Yes
Additional Officer	-	-	Yes
Follow up	-	-	Yes
<u>Listed Building Householder</u>			
Written	125.00	125.00	Yes
Meeting in office	300.00	300.00	Yes
Meeting on site	350.00	350.00	Yes
Follow up	-	-	Yes
Listed Buildings - urgent structural advice			n/a

<b>Other Planning fees and charges</b>	<b>2013/14 charge</b>	<b>2014/15 charge</b>	<b>Does the charge include VAT?</b>
	<b>£</b>	<b>£</b>	
Documents provided under Local Government Access to Information Act 1985	10p a sheet plus £25 per	10p a sheet plus £25 per	Yes
Documents - TPO, BPN, LB	hour if job	hour if job	
Planning & Building Regulation Decision Notices	exceeds 1 hour	exceeds 1 hour	
Uttlesford Local Plan Adopted 2005	25.00	25.00	Yes
Weekly list of Planning Application Submissions	321.00	321.00	Yes
Rights of Way - Footpath Diversion			

<b>Refuse Collection &amp; Recycling</b>	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT?</b>
Bulky waste	14.50	15.50	No
<u>Trade Waste</u>			
Trade sacks (3 cubic feet)	1.72	1.87	No
Trade tape rolls (12 rolls = 360 sacks)	41.43	46.33	No
Green Cardboard Recycling Tape	-	-	No
Bins 240 litres	4.67	5.14	No
Bins 660 litres	10.67	11.87	No
Eurobins 1100 litres	16.61	18.28	No
Light Containers - 12 cubic yarc	120.05	132.18	No
Heavy Containers - 12 cubic yarc	188.69	207.29	No
Kerbside Garden Collection	40.00	40.00	No
Please: the above prices are for guidance only. The Director of Public Services, or his nominee, has authority to vary these prices where it is the commercial interests of the Council to do so.			

<b>Saffron Walden Offices</b>	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT?</b>
Room hire - committee room (per hour)	55.20	57.00	Yes
Room hire - Council Chamber (per hour)	73.50	75.60	Yes
Refreshments - per 10 people	12.00	12.60	Yes

<b>Print Room</b>	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT?</b>
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.	35.00	36.00	Varies

<b>Sports Development</b>	<b>2013/14 charge £</b>	<b>2014/15 charge £</b>	<b>Does the charge include VAT?</b>
Nordic Walking drop in weekly	5.00	4.00	No
Nordic Walking 4 week courses	39.00	39.00	No
Nordic Walking Card 5 walks	-	20.00	No
Nordic Walking Card 3 months	-	40.00	No