



Uttlesford District Council

Scrutiny

Date: Tuesday, 09 February 2016
Time: 19:30
Venue: Committee Room
Address: Council Offices, London Road, Saffron Walden, CB11 4ER

Members: Councillors H Asker, G Barker, P Davies, A Dean (Chairman), M Felton, T Goddard, S Harris, B Light, E Oliver, G Sell

Public Speaking

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

AGENDA PART 1

Open to Public and Press

- 1 Apologies for absence and declarations of interest.**
To receive any apologies for absence and declarations of interest.
- 2 Minutes of the previous meeting** 5 - 12
To consider the minutes of the meeting held on 17 November 2015.
- 3 Matters Arising.**
To consider matters arising from the minutes.
- 4 Consideration of any matter referred to the Committee in relation to call in of a decision (standing item).**
To consider any called in matter referred to the Committee.

5	Responses of the Executive to reports of the Committee (standing item). To consider any responses of the Executive to reports of the Committee.	
6	Invited reports from the Executive (standing item). To consider any reports invited from the Executive.	
7	Cabinet Forward Plan To consider the Cabinet Forward Plan.	13 - 16
8	Scrutiny Work Programme January 2016 To consider the Scrutiny Work Programme.	17 - 18
9	2016-17 Budget To consider the Budget for 2016/17.	19 - 30
10	Robustness of Estimates To consider a report on robustness of estimates and adequacy of reserves.	31 - 52
11	Medium Term Financial Strategy To consider the Medium Term Financial Strategy.	53 - 68
12	Treasury Management Strategy 2016-17 To consider the Treasury Management Strategy.	69 - 106
13	Capital programme To consider the Capital Programme.	107 - 118
14	Housing Revenue Account Budget To consider the HRA Budget.	119 - 134
15	General Fund and Council Tax To consider a report on the General Fund and Council tax.	135 - 172

- 16 Enforcement Review (verbal item).**
To receive an update on the Enforcement Review from the Task and Finish group.
- 17 Planning Appeals** 173 - 176
To consider a report on the planning appeals process.
- 18 Car Park review** 177 - 182
To consider a report on a review of car parking.
- 19 Any other items which the Chairman considers to be urgent.**
To consider any items which the Chairman considers urgent.

MEETINGS AND THE PUBLIC

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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.

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**SCRUTINY COMMITTEE held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN at 7.30pm on 17 NOVEMBER 2015**

Present: Councillor A Dean (Chairman)
Councillors H Asker, G Barker, P Davies, B Light, E Oliver and G Sell.

Officers in attendance: R Auty (Assistant Director Corporate Services), L Cleaver (Communications Manager), A Rees (Democratic and Electoral Services Officer) and A Webb (Director of Finance and Corporate Services).

Others in attendance: Councillors S Barker (Deputy Leader and Portfolio Holder for Environmental Services) and S Howell (Portfolio Holder for Finance and Administration).

SC12 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Felton, Goddard and Harris.

SC13 MINUTES OF THE PREVIOUS MEETING

The minutes were received and signed by the Chairman as a correct record.

SC14 MATTERS ARISING

(i) SC9 – Local Plan Review

Councillor Dean said that he reported the Committee's decision to Cabinet. Cabinet had welcomed the report and accepted the findings.

SC15 CABINET FORWARD PLAN

The Committee examined the Forward Plan and were informed Cabinet was no longer considering the Housing Strategy, Homelessness Strategy and HRA Business Plan at the meeting on 10 December 2015. These would now be considered at the Cabinet meeting on 12 January 2016.

Discussions moved onto the Car Parking Review. Councillor Dean said the Review had been started due to a review by the Committee and noted there had been some dissatisfaction with the draft report. Councillor Sell then added that Stansted Parish Council had been concerned the estimated number of people who used the Lower Street car park was lower than the actual number.

In response, Councillor S Barker said she was aware of the concerns surrounding Lower Street car park. The possibility of annual or bi-annual

meetings with parish councils being organised to allow for minor tweaks to car parking arrangements to be made on a more regular basis was being explored. She had asked the Assistant Director Planning and Building Control to provide her with a table of the proposals which she would circulate to Members as soon as possible.

In response to a question by Councillor Dean, The Assistant Director Corporate Services said the proposals of the car parking review could be added to the agenda of the Committee meeting in February.

The Forward Plan was noted.

SC16

SCRUTINY WORK TOPICS

Councillor Dean said the Working Group which had been established at the previous Committee meeting had met twice to discuss potential topics for the Committee. The Working Group had split the topics into four categories; those to be added to the 2015/16 Work Programme, topics to be added to the 2016/17 Work Programme, topics suitable for review in the longer term, and finally topics which were unsuitable for review. The topics for each category were as follows:

- 1) 2015/16 Work Programme
 - a. S106 and CILS
 - b. Air Quality Management
 - c. Building Control Function
 - d. Enforcement
 - e. Reliance on New Homes Bonus

- 2) 2016/17 Work Programme
 - a. The relationship between Uttlesford District Council and Essex County Council
 - b. Quiet Lanes

- 3) Topics for the longer term
 - a. Planning Appeals
 - b. Affordable Housing Provision
 - c. Evaluation of controls in place regarding information provided by developers
 - d. Methods used to assess sustainability in planning applications
 - e. The possibility of enhancing the Council's recycling and waste collection scheme
 - f. The Council Tax arrears collection process
 - g. Community Engagement
 - h. The effectiveness of the North Essex Parking Partnership (NEPP)

- 4) Topics not suitable for review
 - a. Strategic planning systems
 - b. 5 Year land supply

- c. Separate collection of dry recyclable materials
- d. Procedures for ensuring the safety of Officers and Members at Planning and Licensing Committees
- e. The Council's capacity to help with regard to the international refugee crisis

Councillor G Barker asked whether Councillor Dean, as Chairman, had already written to the Constitution Working Group about their plans to keep the cabinet system under review. Any comments should be endorsed by the Committee.

In response, Councillor Dean said he had already written to the Constitution Working Group, but would be willing to withdraw the comments he had made if the Committee felt it was necessary. Members agreed the Constitution Working Group should have been written to about their plans to keep the cabinet system under review.

RESOLVED that the topics for review were agreed as set out above.

SC17 **BUDGET 2016/17 OVERVIEW**

The Director of Finance and Corporate Services presented his report. He noted, in response to Members' comments about the size of the consultation report, that the consultation had received a much larger number of responses when compared with previous years.

The aim of the report was to provide Members with information about the budget documents which would be considered by the Committee in February. This included possible areas of scrutiny for Members to consider in respect of each part of the budget.

The Director of Finance and Corporate Services outlined the changes which had been made to the consultation process. In previous years the budget's consultation had been based on the key actions contained within the Corporate Plan. The scope of the consultation had been widened and now comprised of:

- a) A telephone survey undertaken by a professional market research company. The company was commissioned to deliver 500 responses but had actually delivered 533.
- b) An open public consultation using an online questionnaire. Paper copies were available at the Council offices, with face to face consultations at Great Dunmow Carnival, as well as the Saffron Walden and Thaxted markets. This received 79 responses.
- c) The 450 members of the Uttlesford Citizens Panel. This received 208 responses.

As a result the consultation received 820 responses compared with 196 in 2014.

The Director of Finance and Corporate Services moved onto the New Homes Bonus (NHB). The NHB was a subsidy paid on the basis of the number of new homes brought into use during a 12 month period. If the NHB was to continue the Council would become increasingly reliant upon it in subsequent financial years.

In October the Government had announced that by 2020/21 councils would be able to retain 100% of collected business rates. It seemed initially the Council would benefit from this, as Uttlesford contained an international airport. However, it was also noted that local governments would be taking on new responsibilities and would need to contribute to fiscal consolidation over the Parliament. Additional funding was not going to be made available by the Government to fulfil the new responsibilities.

It appeared from the Secretary of State for Communities and Local Government that Government grants would be phased out to help ensure the new responsibilities would be fiscally neutral, although it was likely this would be fiscally neutral in respect of the Government's finances and not the Council's. This would be in return for 100% business rate retention.

The Secretary of State had also said redistribution would remain important, so it appeared that top slicing of business rates would remain in place. It also looked as though the Council would not necessarily be able to keep Business Rates growth in its entirety and that some safety nets would be put in place to help struggling authorities.

The Director of Finance and Corporate Services said there were currently a lot of unknowns surrounding the phasing out of NHB and introduction of Business Rates retention. When the Spending Review was announced on 25 November it would be clearer what the changes meant to the Council.

The Committee considered the age profiling of the telephone survey. Councillor Dean noted the number of responses from those aged 18-29 years old was roughly a third of those aged 50-74. Additionally some of the responses to the consultation had suggested that the questionnaire had focused on services relating to the elderly and not services for younger people throughout the district. Councillor Dean suggested that it may be useful to have pre-scrutiny of the consultation's questions in the future. The Assistant Director Corporate Services said the survey asked questions about the services which the Council provided. NWA, the company who carried out the telephone research had tried to achieve an age representative sample of the district, but it had proven difficult to achieve a completely representative sample.

Cllr Davies noted that designing any consultation questionnaire by committee was always extremely difficult.

Members discussed and praised the wider scope of the consultation and the increased number of responses. Councillor G Barker suggested further improving the consultation by better highlighting which services were statutory and which were not. It would also be beneficial to change the way the results of

the consultation were portrayed to ensure that services which just avoided being in the top three were also seen as priorities.

The Committee considered Uttlesford's ability to attract new businesses and ensure existing businesses stayed within its boundaries. Councillor Light noted the district mainly attracted small and medium sized business. The Planning Policy Working Group should examine the Council's policies to attract businesses more carefully.

Councillor Oliver said that Braintree had worked hard to try and attract new businesses. The Council could examine how Braintree has attracted new businesses and adapt accordingly.

Councillor Howell said he was keen for the Committee to make a contribution to the budget setting process and to help improve the budget consultation in the future. It was, however, currently quite difficult to provide a more detailed picture as there were a lot of unknowns surrounding changes to the Council's funding. It was possible that the Council would have to re-evaluate the way which it delivered non-statutory services.

The report was noted.

SC18

LOCAL COUNCIL TAX SUPPORT (LCTS) CONSULTATION

The Director of Finance and Corporate Services presented his report to the Committee. The 2016/17 scheme would run from 1 April to 31 March 2017. The results of the consultation and any comments from the Committee would be considered by Cabinet on 10 December, who would recommend to Council on 17 December that the scheme was approved.

On 18 June 2015 Cabinet had set the draft proposals for the 2016/17 scheme. These were the same as they were for the 2015/16 scheme meaning the contribution rate was frozen at 12.5%.

The consultation consisted of a pull-out survey in Uttlesford Life, an open public consultation and general promotion via press releases, social media and on the Council's website. 1,089 responses had been received by the end of the consultation, making it one of the largest non-planning consultation responses the Council had ever received. The consultation showed that the public was generally in support of the proposed scheme.

In response to questions by Members, the Director of Finance and Corporate Services said empty homes and second home discounts did form part of the LCTS, although this was being reviewed. The premium for homes which had been empty for two or more years was 50% and this was the maximum level allowed by legislation. He was speaking to the officers in the GIS team to see whether it was possible to map where in the district the consultation responses had come from.

Councillor Howell said he had been impressed by the scale of responses received with regards to the consultation and thanked officers for the work they had put in. The responses from the public showed a balance between compassion and the prudent allocation of finances.

The report was noted.

SC19

ENFORCEMENT SCOPING REPORT

The Assistant Director Corporate Services said Members would have to decide what the review's terms of reference would be and whether the review would be through an officer's report, or a task group.

Councillor G Barker said the review would be comprised of three areas of focus; the structure, the process and the outcome. The focus of the review should be on the outcomes of enforcement action.

Councillor Dean said the review should look at the scope of enforcement and the remit of its actions.

Councillor Oliver said there had been some planning enforcements cases which had been going on for a number of years. The review should look at the capacity to deal with more complex cases.

Councillor Sell noted the review was wide in scope and looked at planning enforcement, as well as matters which were considered by the Licensing and Environmental Health Committee. There were some Members of the Council who had been on the Licensing and Environmental Health Committee for a long period of time and their insight would prove useful when the review was being conducted.

Members agreed that the review should be carried out by a task and finish group and discussed the terms of reference the task group would be given. It was agreed the task group would end on 30 June 2016 and would be comprised Councillors Asker, Jones and Sell.

RESOLVED that an Enforcement Task Group be set up comprising Councillors Asker, Jones and Sell. The Group would conclude the review by 30 June 2016 and would have the following terms of reference:

- Understanding of the structure of Enforcement within the council.
- To review how decisions are reached as to when it is appropriate to take action.
- To review the resourcing of the service.
- To understand the limitations in law in relation to enforcement, such as the test of expediency.

- To understand the processes and priorities of the different elements of Enforcement, including planning, licensing and environmental matters.
- To understand how Enforcement works in its wider sense, for example which other agencies are responsible for elements of enforcement.
- To understand what service agreements/protocols are in place with regard to delivery by outside agencies.
- To understand the scope of enforcement's functions and remit.

SC20

DRAFT AIR QUALITY ACTION PLAN

Councillor S Barker, as the Portfolio Holder for Environmental Services, presented the report on the Draft Air Quality Action Plan. The current air quality laws were based on EU law and the whole of East Anglia was struggling to meet the air quality objectives. There was no quick fix, but there was a lot that could be done to help improve air quality throughout the area. For example, it had now been decided to only advertise Swan Meadow car park in Saffron Walden so vehicles were not encouraged to drive through the town's centre to find car parking.

Councillor Dean said the aim of this item was to ensure the consultation asked the correct questions. The correct solutions to any problems would be identified following the consultation. He invited each Member of the Committee to comment on the consultation document.

Councillor G Barker said it was important that the results of air quality assessments for certain areas were not homogenised over the entire district. Members noted the Action Plan focussed on Saffron Walden and agreed that in the future it would be beneficial to examine the air quality of other areas, such as Dunmow, throughout the district. In response to points made by Councillor Light, Councillor Dean said the points she raised should be made as part of the response to the consultation.

The report was noted.

The meeting ended at 9.35pm.

**UTTLESFORD DISTRICT COUNCIL
FORWARD PLAN**

KEY DECISIONS

Decision	Decision maker	Date of decision	Brief information about the item and details of documents submitted for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
<p>Budget items:</p> <p>To recommend to Council the following reports:</p> <p>Housing Revenue Account, Rent and Service Charge setting</p> <p>Capital Programme</p> <p>Medium Term Financial Strategy</p>	<p>Cabinet</p>	<p>16 February</p>		<p>Cllr Howell</p>	<p>Adrian Webb – Director of Finance and Corporate Services</p> <p>awebb@uttlesford.gov.uk</p>

Cabinet Forward Plan

Decision	Decision maker	Date of decision	Brief information about the item and details of documents submitted for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
Robustness of estimates and adequacy of reserves General Fund and Council Tax					

DECISIONS TO BE TAKEN IN PRIVATE

Private Decision	Brief details - for information	Decision maker	Date	Reason for decision to be taken in private	Portfolio Holder	Contact officer from where the documents can be obtained

OTHER DECISIONS

Cabinet Forward Plan

Non-Key Decision	To be taken in private?	Decision maker	Date	Brief information about the item and details of any documents submitted for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
2015/16 Budget Monitoring Report	No	Cabinet	16 February		Cllr Howell	Adrian Webb – Director of Finance and Corporate Services awebb@uttlesford.gov.uk
Treasury Management	No	Cabinet	16 February		Cllr Howell	Adrian Webb – Director of Finance and Corporate Services awebb@uttlesford.gov.uk
Local Development Scheme	No	Cabinet	16 February	To receive the updated timetable for the preparation of the local plan.	Cllr Barker	Andrew Taylor – Assistant Director Planning and Building Control ataylor@uttlesford.gov.uk
Sports Strategy	No	Cabinet	16 February	A strategy for Uttlesford to assist clubs and associations in their future development.	Cllr Wells	Andrew Taylor – Assistant Director Planning and Building Control ataylor@uttlesford.gov.uk
Statement of Community Involvement	No	Cabinet	16 February	The document sets out the council's approach to public consultation and involvement in the preparation of the local plan	Cllr Barker	Andrew Taylor – Assistant Director Planning and Building Control ataylor@uttlesford.gov.uk
Use of commuted sums on rural	No	Cabinet	16 February	To request the use of commuted sums on two	Cllr Barker	Suzanna Wood – Planning and Housing Policy Manager

Cabinet Forward Plan

Non-Key Decision	To be taken in private?	Decision maker	Date	Brief information about the item and details of any documents submitted for consideration	Portfolio Holder	Contact officer from where the documents can be obtained
schemes				rural schemes		swood@uttlesford.gov.uk
Appointment to Uttlesford Transport Forum	No	Cabinet	16 February	To appoint Cllr Mills to the Uttlesford Transport Forum, to fill the current vacancy	Cllr Barker	

Work Programme 2015/16

Date	09 February 2016	15 March 2016	03 May 2016	June 2016
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
	Responses of the Executive to reports of the Committee	Responses of the Executive to reports of the Committee	Responses of the Executive to reports of the Committee	Responses of the Executive to reports of the Committee
	Invited Reports from the Executive	Invited Reports from the Executive	Invited Reports from the Executive	Invited Reports from the Executive
	Cabinet Forward Plan	Cabinet Forward Plan	Cabinet Forward Plan	Cabinet Forward Plan
	Scrutiny Work Programme	Scrutiny Work Programme	Scrutiny Work Programme	Scrutiny Work Programme
Agenda items	<u>Budget</u> 7 reports	<u>LCTS 2017/18 Scheme:</u> Review parameters and consultation. Agree scoping report	<u>LCTS Report</u>	Review of Cabinet system
	<u>Enforcement Review:</u> Update from Task and Finish Group	<u>Year End Scrutiny Report</u>	<u>Enforcement Review:</u> Update from Task and Finish Group	<u>Enforcement Review:</u> Update from Task and Finish Group
	Request from Cllr Light and SWTC for Scrutiny to review council processes when deciding whether to defend planning appeals	<u>Building Control Function:</u> Update	<u>Quiet Lanes:</u> Scoping report	<u>Quiet Lanes</u> Update
	<u>Car Parking Review:</u> Report final outcomes following Scrutiny review and Cabinet decision	<u>Enforcement Review:</u> Update from Task and Finish Group	<u>Relationship between UDC & ECC</u> Update	
		<u>S106 & CILs:</u> Report from UDC officer		
	<u>Relationship between UDC & ECC:</u> Scoping report			

Committee: Scrutiny

Agenda Item

Date: 9 February 2016

9

Title: 2016/17 Budget – covering report

Portfolio Holder: Councillor Simon Howell

Item for decision

Summary

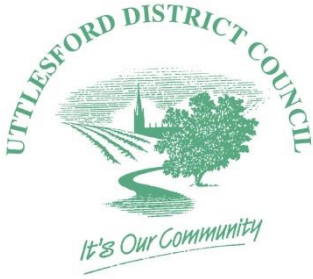
1. The budget consists of a series of reports, all on today's agenda, as shown below. For all of the reports the Scrutiny Committee is requested to endorse the recommendation(s) to Cabinet, or suggest alternatives.

Report	Purpose	Recommendation(s)
Draft Corporate Plan (attached to this covering report – Appendix One)	To demonstrate the budget is aligned to the corporate priorities	
Equalities Impact Assessment (attached to this covering report)	To demonstrate consideration of the impact on minority groups	
Robustness of Estimates and Adequacy of Reserves Reserves Strategy	<p>A statutory report which sets out the key risks in the General Fund budget, and advice about safe levels of contingency reserves.</p> <p>This is a new report and sets out a new strategy for the reserves and details the purpose and lifespan of these reserves.</p>	<p>The Cabinet is requested to approve, for recommendation to Full Council:</p> <ol style="list-style-type: none">a) That the Council takes account of the advice in the report when determining the 2016/17 General Fund budget and Council Tax.b) That the Council approves the risk assessment relating to the robustness of estimates as detailed in the reportc) That the Council sets the minimum safe contingency level for 2016/17 at £1.234 million.d) That the attached Reserves Strategy is adopted.e) That the Council agrees that no transfers to or from the Working Balance should be built into the 2016/17 budget.
Medium Term Financial Strategy	Sets out a five year plan for ensuring that the General Fund remains in a stable and sustainable position, including indicative levels of Council Tax.	The Cabinet is requested to approve, for recommendation to Full Council, the Medium Term Financial Strategy as attached.

Report	Purpose	Recommendation(s)
Treasury Management Strategy	Details how cash flow will be managed, and a strategy for prudent borrowing and investment.	<p>The Cabinet is requested to approve, for recommendation to Full Council on 25 February, the following items:</p> <ul style="list-style-type: none"> • Treasury Management Strategy 2016/17, Appendix A. • Prudential Indicators, Appendix A1. • Minimum Revenue Provision (MRP) Statement, Appendix A2 • Economic Forecast, Appendix A3
Capital Programme	A five year plan setting out capital expenditure on the Council's assets including buildings, vehicles and ICT and the associated financing of these programmes	The 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.
Housing Revenue Account Budget	<p>Covers spending plans for council housing in the district from 2016/17 with a 5 year forecast.</p> <p>The report contains proposals for increases in rents and service charges. The proposals have been endorsed by the Tenants Forum and Housing Board.</p> <p>2016/17 is the fifth year of the self-financing arrangements and the 30 year plan approved by the Council in 2012.</p>	The Cabinet is request to approve, for recommendation to Full Council the HRA Revenue Budget and 5 Year Financial Strategy.
General Fund Budget and Council Tax	Detailed budget for all services except Council Housing, and proposals for the district council share of the Council Tax bill	<ol style="list-style-type: none"> 1. The Cabinet is requested to recommend that the Full Council approves the General Fund Council Tax requirement of £4,827,584 summarised in paragraphs 15 – 19. 2. The Cabinet is recommended to approve the schedule of fees and charges in Appendix F.

APPENDIX ONE **UTTLESFORD DISTRICT COUNCIL**
CORPORATE PLAN 2016 - 2021

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



Uttlesford District Council

Fast-track equality impact assessment (EqIA) tool

What is this tool for?


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

What should be equality impact assessed?

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


How do I use the tool?





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

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

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

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

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

Checking delivery arrangements

10

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

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

Yes No  N/A

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

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

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


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

Checking information and communication arrangements

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

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



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

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


Future Impact

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

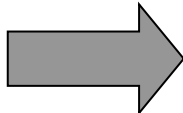


Is it likely to inadvertently exclude or disadvantage any diverse groups?

- No
- Yes * 
- Insufficient evidence 

*Please state any potential issues Identified.

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

Making a judgement – conclusions and next steps

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

Completion

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

Committee: Cabinet

Agenda Item

Date: 16 February 2016

10

Title: Robustness of Estimates and Adequacy of Reserves

Portfolio Holder: Councillor Simon Howell

Item for decision

Summary

1. As part of the annual budget setting process, the Section 151 Officer is required to give the Council formal advice on the robustness of estimates and the adequacy of reserves. This is so Members can set a budget in full awareness of the risks and uncertainties, and ensure that adequate contingency reserves exist.
2. The advice, known as the "Section 25 report", is being considered by Cabinet tonight and then by Full Council on 25 February as part of the budget approval process.
3. The Scrutiny Committee reviewed the budget reports on 9 February. Comments from the Committee are in a separate item on the agenda.

Recommendations

4. The Cabinet is requested to approve, for recommendation to Full Council:
 - a) That the Council takes account of the advice in the report when determining the 2016/17 General Fund budget and Council Tax.
 - b) That the Council approves the risk assessment relating to the robustness of estimates as detailed in the report
 - c) That the Council sets the minimum safe contingency level for 2016/17 at £1.234 million.
 - d) That the attached Reserves Strategy is adopted.
 - e) That the Council agrees that no transfers to or from the Working Balance should be built into the 2016/17 budget.

Financial Implications

5. No direct implications arise from the recommendations.

Background Papers

None.

Impact

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

Section 25 report

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 Director of Finance and Corporate Services, as UDC's Section 151 Officer, applicable to the setting of the General Fund budget and Council Tax for 2016/17.
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 Director of Finance and Corporate Services has assessed that the minimum safe contingency level for the Working Balance is £1,234,000. This sum is calculated using the following formula
 (Total gross service expenditure + total gross service income + capital financing costs + investment income + recharge to HRA + HRA share of corporate costs) x 2%
 This for 2016/17 equates to

$$£33,695,000 + £23,800,000 + £2,497,000 + £119,000 + £1,331,000 + £335,000 = £61,777,000 \times 2\% = £1,235,540$$
 (this calculation uses rounded figures the actual outcome is £1,234,000)
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 Director of Finance and Corporate Services has considered the following:

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

Robustness of Estimates

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

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

14. Taking all of the above issues into consideration, the Director of Finance and Corporate Services is unable to provide a full assurance that there will be no unforeseen variances. This is an expected and acceptable situation for any organisation that has to deal with a large number of variables. Provided that the minimum safe level of balances is maintained (as set out in the attached Reserves Strategy), any variations arising as a result of any lack of robustness in the estimates should be manageable.
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.

Adequacy of reserves

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

Risk Analysis

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



Uttlesford District Council

Reserves Strategy



Prepared by:
Finance Section
Uttlesford District Council
January 2016



Reserves Strategy

1 Background

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

2 The approach to setting the Reserves Strategy.

- 2.1 The Reserves Strategy is integral to the MTFS and the annual budget setting process. Therefore the MTFS will include:
- Information showing the current level of reserves.
 - Consideration of the forward strategy for reserves needed to support the Council's MTFS.
 - A summary of the financial risks facing the Council, how it will mitigate these risks, and the minimum and maximum level of residual risk for which the council may need to hold funds in its reserves.
- 2.2 Reserves will be monitored throughout the year as part of the routine financial monitoring and the level of reserves reported as part of the year-end accounting processes.

3 Why the Council holds reserves

- 3.1 We use different terms to refer to the reserves depending on why they are held. Terms we use in this report have the following meanings:
- Available earmarked reserves – funds we choose to set aside to meet known or predicted future spending or ring-fenced by previous Council decisions.
 - Working balances (unallocated reserves) to manage cash flows, funds to protect annual budgets against multiple, less predictable, costs and uncommitted accumulated surpluses.
 - Other reserves the Council holds but which are not available to fund their general spending: some reserves with statutory restrictions on how they can be spent, such as capital receipts or Housing Revenue Account reserves;
 - Total reserves – the sum of earmarked and ring-fenced reserves.
- 3.2 Available earmarked reserves include funds for contingent spending that is hard to predict (risk-based reserves) – for example, Transformation Reserve to cover the cost of implementing changes in working practices including new ways of working and the costs associated with a reduction in staffing levels.
- 3.3 Reserves are distinct from provisions. Provisions are funds set aside for probable future liabilities where the timing and amounts are uncertain.

Ring-fenced income

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

Delivering a balanced budget

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

4 Reserves and the management of risks

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

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

For 2016/17 this is calculated as

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

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

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

Increasing Financial Risks

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

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

On-going risks in the current strategy.

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

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

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

5 Budgeted Reserves

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

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

Reserves Strategy

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

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

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

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

General Fund Ring-fenced Reserves

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

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

Housing Revenue Account (HRA)

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

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

HRA Ring-fenced Reserve

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

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

Capital Receipts

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

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

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

6. Total Reserves

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

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

7. General Fund Reserves 5 year plan

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

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

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

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

8. HRA Reserves 5 year plan

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

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

Appendix One

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

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

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

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

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

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

Committee: Cabinet
Date: 16 February 2016
Title: Medium Term Financial Strategy
Portfolio Holder: Councillor Simon Howell

Agenda Item

11

Summary

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

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

8. During the next two years the Council should also give active consideration to investing in cost reduction and/or income generation schemes, ready for the challenges it may face from 2018/19 onwards.
9. The Scrutiny Committee reviewed the budget reports on 9 February. Comments from the Committee are in a separate item on the agenda.

Recommendations

10. The Cabinet is requested to approve, for recommendation to Full Council, the Medium Term Financial Strategy as attached.

Financial Implications

11. Detailed in the report.

Background Papers

None.

Impact

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

Forecasting the Council's Budget Requirement

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

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

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

15. Other assumptions:

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

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

Strategic Solutions Workstreams

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

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

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

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

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

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

MTFS: Guiding principles

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

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

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

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

Risk Analysis

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

1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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



Uttlesford District Council

Medium Term Financial Strategy



Prepared by:
Finance Section
Uttlesford District Council
January 2016



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Financial Outlook

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

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

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

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

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

Budget Model

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

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

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

d) **Corporate items:**

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

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

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

Medium Term Financial Strategy

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

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

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

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

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

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

Council Tax

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

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

Outcome of Budget Modelling

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

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

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

Medium Term Financial Strategy

Reserves

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

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

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

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

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

Housing Revenue Account

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

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

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

The key issues for the HRA will be:

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

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

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

Committee: Cabinet

Date: 16 February 2016

Title: Treasury Management Strategy 2016/17

Portfolio Holder: Councillor Simon Howell

Agenda Item

12

Item for decision

1.0 Summary

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

2.0 Recommendations

- 2.1 The Cabinet is requested to approve, for recommendation to Full Council on 25 February, the following items:
 - Treasury Management Strategy 2016/17, Appendix A.
 - Prudential Indicators, Appendix A1.
 - Minimum Revenue Provision (MRP) Statement, Appendix A2
 - Economic Forecast, Appendix A3

3.0 Impact

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

4.0 Background

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

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

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

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

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

5.0 Background Papers

- 5.1 None

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

1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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

Treasury Management Strategy

2016/17

Contents

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2. Policies & Objectives	Appendix A2. MRP Statement
3. Reporting Requirements	Appendix A3. Economic Forecast
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11 Treasury Management Procedures	



1.0 - Introduction

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

1.2 Treasury Management activities are defined by CIPFA as:

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

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

risk to the Council and the management of such risks.

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

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

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

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

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

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

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

2.0 - Policies and Objectives

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

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

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

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

3.0 - Reporting Requirements

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

a) Mid-Year Treasury Management Report:

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

b) An Annual Treasury Management Outturn Report:

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

c) Treasury Management Regular Reports:

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

4.0 - External Context

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

5.0 - Borrowing Strategy

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

6.0 - Debt Rescheduling

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

January 2016 – Fixed Rate Loans Only

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

7.0 - Investment Strategy

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

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

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

7.05 Current Account:

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

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

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

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

7.10 Banks Unsecured:

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

7.11 Government:

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

7.12 Money Market Funds

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

7.13 Use of Financial Instruments

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

7.14 Treasury-Bills (T-Bills):

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

7.15 Government Gilts:

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

7.16 Specified Investments:

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

7.17 Non-specified Investments:

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

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

7.19 Investment Limits

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

Counterparty list:

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

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

7.20 Approved Instruments:

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

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

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

8.0 - Risk Assessment

8.1 Where applicable, the Council uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody’s Investors Service and Standard & Poor’s Financial Services to assess the risk of investment default. The lowest available counterparty credit rating will be used to determine credit quality, unless an investment-specific rating is available. Credit ratings are obtained and monitored by the Council’s treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

8.2 Credit rating:

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

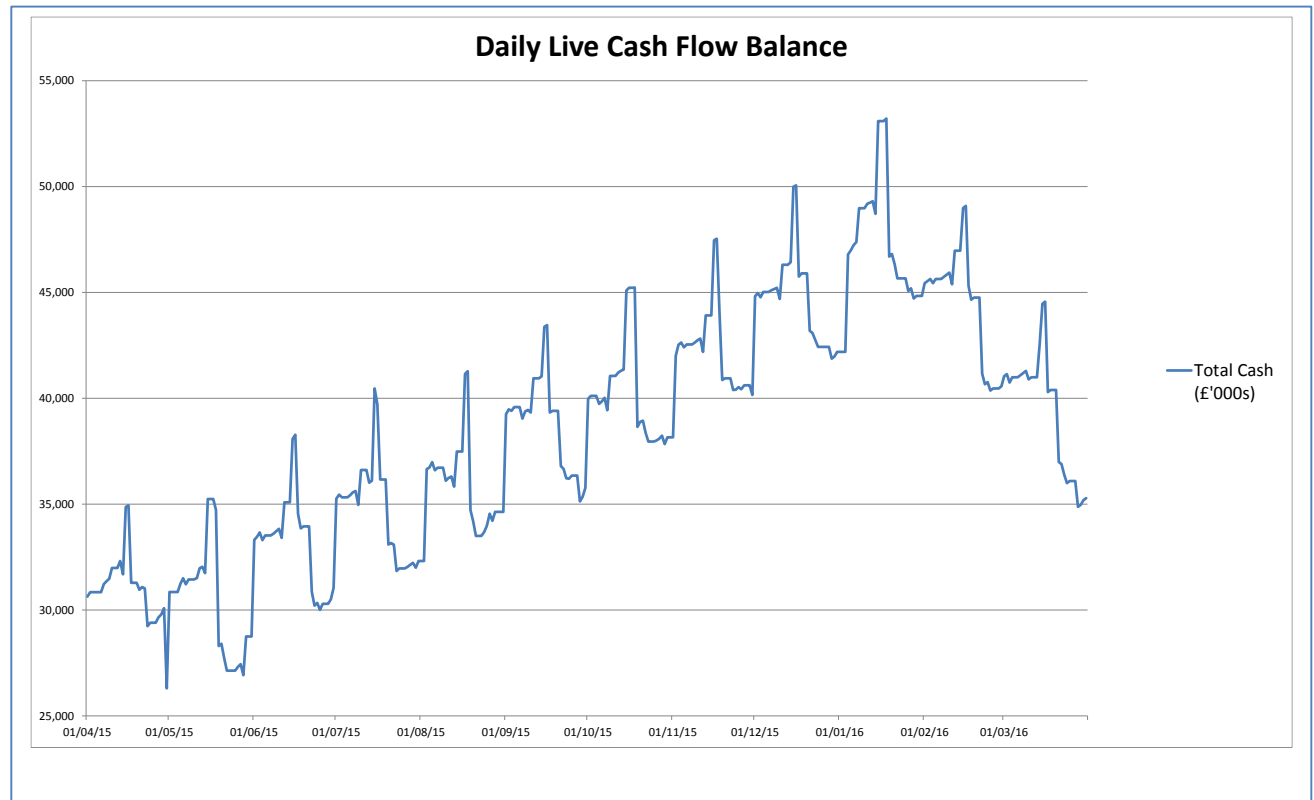
8.3 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

8.4 The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

9.0 - Liquidity Management

9.1 The Council uses cash flow forecasting spreadsheets to determine the maximum period for which funds may prudently be committed.

9.2 The forecast is compiled on a prudent basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium term financial plan and cash flow forecast.



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

10.0 - Governance Arrangements

10.1 Treasury Management Scheme of Delegation:

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

Full Council:

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

Cabinet:

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

Performance and Audit Committee:

Monitors compliance with the Council’s Financial Regulations.

Scrutiny Committee:

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

S151 Officer – Director of Finance and Corporate Services:

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

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

11.0 - Treasury Management Procedures

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

11.2 Role of Treasury Management Advisors:

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

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

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

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

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

11.6 Training:

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

12.0 – Existing Investment & Debt Portfolio Position

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

Prudential Indicators

2016/17

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2. Background
3. Capital Expenditure
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6. Authorised Limit for External Debt
7. Ratio 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 2016/17:
- 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:

Capital Expenditure - General Fund £000s	2015/16 Current Budget	2015/16 Forecast Spend	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget	Total
Total Capital Expenditure	4,701	3,575	3,227	1,731	1,143	3,041	1,398	18,816
Financing - General Fund								
Grants & Contributions	(133)	(690)	(403)	(403)	(403)	(403)	(300)	(2,735)
Revenue Contributions	(3,124)	(2,252)	(1,513)	(594)	(555)	(649)	(685)	(9,372)
General Fund Capital Receipts	0	(76)	(34)	0	0	0	0	(110)
Internal Borrowing	(1,444)	(557)	(1,277)	(734)	(185)	(1,989)	(413)	(6,599)
Total Capital Financing	(4,701)	(3,575)	(3,227)	(1,731)	(1,143)	(3,041)	(1,398)	(18,816)
Net Financing Need (External Borrowing)	0	0	0	0	0	0	0	0

Housing Revenue Account Capital Schemes £000s	2015/16 Current Budget	2015/16 Forecast Spend	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget	Total
Total Capital Expenditure	10,403	7,371	12,520	5,712	4,891	5,545	4,185	50,627
Financing - Housing Revenue Account								
Major Repairs Reserve Contribution	(3,209)	(3,209)	(3,280)	(3,356)	(3,432)	(3,395)	(3,537)	(23,418)
HRA Financial Headroom - Specific Schemes	(3,632)	(2,947)	(3,457)	(1,850)	(910)	(662)	(322)	(13,780)
HRA Revenue Contributions	(239)	(78)	0	0	(13)	0	0	(330)
HRA Headroom - Funded from reserves	(2,989)	(833)	(4,660)	(146)	(146)	(858)	(146)	(9,778)
Grants & Contributions			(902)					(902)
S106 - Housing Partnership Funding - HRA	0	0	0	0	0	0	0	0
Capital Receipts - RTB	(334)	(304)	(221)	(360)	(390)	(630)	(180)	(2,419)
Internal Borrowing	0	0	0	0	0	0	0	0
Total Financing	(10,403)	(7,371)	(12,520)	(5,712)	(4,891)	(5,545)	(4,185)	(50,627)
Net Financing Need (External Borrowing)	0	0	0	0	0	0	0	0

4.0 – Capital Financing Requirement

4.1 Estimates of Capital Financing Requirement:

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

CAPITAL FINANCING REQUIREMENT	Forecast 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000
General Fund	7,555	8,253	8,339	7,762	8,995	8,890
Housing Revenue Account (HRA)	88,383	88,383	86,383	84,383	82,383	80,383
TOTAL	95,938	96,636	94,722	92,145	91,378	89,273

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.

Prudential Indicator	Forecast 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000
Operational Boundary	93,385	93,268	93,151	91,034	88,917	86,749
Authorised Limit	101,385	101,268	101,151	99,034	96,917	94,749

7.0 – Ratio of Financing Costs to Net Revenue Stream

7.1 Ratio of Financing Costs to Net Revenue Stream:

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.

ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE	Forecast 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
	%	%	%	%	%	%
General Fund	8.00%	8.18%	9.04%	9.48%	9.76%	9.25%
Housing Revenue Account	17.10%	16.93%	16.76%	16.57%	16.17%	15.73%

8.0 – Incremental Impact of Capital Investment Decisions

8.1 Incremental Impact of Capital Investment Decisions:

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.

INCREMENTAL IMPACT OF CAPITAL INVESTMENT	Forecast 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
	£	£	£	£	£	£
General Fund, Council Tax Impact	13.31	54.31	3.05	3.76	3.28	0.00
Housing Revenue Account (AWR)	2.51	-2.71	14.82	2.25	-3.82	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.

Interest Rate Exposure	Forecast 2015/16 £'000	Estimate 2016/17 £'000	Estimate 2017/18 £'000	Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000
Limit and Fixed Interest Rate paid 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%
Limit and Variable Interest Rate paid based on Net Debt	75	100	125	120	105	80
	0.75%	1.00%	1.25%	1.20%	1.31%	1.33%

Fixed Rate Limit 4%

Variable Rate Limit 2%

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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	2016/17 £000's
Maturity Structure - Upper Limit	
Under 5 Years	6,000
5 years to 10 years	15,000
11 years to 20 years	37,000
21 years and above	30,407
Total	88,407

An example for clarity: If the Council decides to borrow £7m **fixed rate** loan in 2016/17 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 £6m.

Minimum Revenue Provision Statement

2016/17

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 2011/2012.

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 31st March 2008, MRP will be determined by either charging the expenditure over the useful economic 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. If additional financing capacity permits the authority reserves the right to charge MRP over shorter periods to help with minimising the level of the capital financing requirement burden in subsequent years.
- 3.3 Where MRP is charged over the useful economic life of the asset it will be consistent with the write down period adopted for the same assets in the Council’s accounting policy for depreciation.
- 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.
- 3.7 Expenditure related to capital contracts which is classified as work in progress at year-end, will be fully financed in the year the expenditure is incurred.

4.0 – CFR / MRP Tables

	31.03.2015 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	2.577	0.387
Finance leases and Private Finance Initiative	4.978	0.096
Transferred debt	-	-
Loans to other bodies	-	-
Total General Fund	7.555	0.483
Assets in the Housing Revenue Account	0.000	-
HRA subsidy reform payment	88.383	-
Total Housing Revenue Account	88.383	0.00
Total	95.938	0.483

Economic Forecast

2016/17

Arlingclose Economic & Interest Rate November 2015:**Underlying assumptions:**

UK economic growth softened in Q3 2015 but remained reasonably robust; the first estimate for the quarter was 0.5% and year-on-year growth fell slightly to 2.3%. Negative construction output growth offset fairly strong services output, however survey estimates suggest upwards revisions to construction may be in the pipeline.

Household spending has been the main driver of GDP growth through 2014 and 2015 and remains key to growth. Consumption will continue to be supported by real wage and disposable income growth.

Annual average earnings growth was 3.0% (including bonuses) in the three months to August. Given low inflation, real earnings and income growth continue to run at relatively strong levels and could feed directly into unit labour costs and households' disposable income. Improving productivity growth should support pay growth in the medium term. The development of wage growth is one of the factors being closely monitored by the MPC.

Business investment indicators continue to signal strong growth. However the outlook for business investment may be tempered by the looming EU referendum, increasing uncertainties surrounding global growth and recent financial market shocks.

Inflation is currently very low and, with a further fall in commodity prices, will likely remain so over the next 12 months. The CPI rate is likely to rise towards the end of 2016.

China's growth has slowed and its economy is performing below expectations, which in turn will dampen activity in countries with which it has close economic ties; its slowdown and emerging market weakness will reduce demand for commodities. Other possible currency interventions following China's recent devaluation will keep sterling strong against many global currencies and depress imported inflation.

Strong US labour market data and other economic indicators suggest recent global turbulence has not knocked the American recovery off course. Although the timing of the first rise in official interest rates remains uncertain, a rate rise by the Federal Reserve seems significantly more likely in December given recent data and rhetoric by committee members.

Longer term rates will be tempered by international uncertainties and weaker global inflation pressure.

Forecast:

Arlingclose forecasts the first rise in UK Bank Rate in Q3 2016. Further weakness in inflation, and the MPC's expectations for its path, suggest policy tightening will be pushed back into the second half of the year. Risks remain weighted to the downside. Arlingclose projects a slow rise in Bank Rate, the appropriate level of which will be lower than the previous norm and will be between 2 and 3%.

The projection is for a shallow upward path for medium term gilt yields, with continuing concerns about the Eurozone, emerging markets and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued.

The uncertainties surrounding the timing of UK and US monetary policy tightening, and global growth weakness, are likely to prompt short term volatility in gilt yields.

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00	-1.25	-1.25
3-month LIBID rate													
Upside risk	0.20	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	0.55	0.60	0.70	0.80	0.95	1.05	1.15	1.30	1.40	1.55	1.65	1.80	1.85
Downside risk		-0.20	-0.30	-0.45	-0.55	-0.65	-0.80	-0.90	-1.05	-1.10	-1.20	-1.20	-1.20
1-yr LIBID rate													
Upside risk	0.25	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45	0.45
Arlingclose Central Case	1.10	1.20	1.35	1.45	1.55	1.70	1.80	1.95	2.00	2.10	2.15	2.15	2.15
Downside risk	-0.15	-0.25	-0.35	-0.50	-0.60	-0.70	-0.85	-0.95	-1.10	-1.15	-1.25	-1.25	-1.25
5-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	1.50	1.55	1.60	1.70	1.80	1.90	2.00	2.10	2.20	2.25	2.30	2.35	2.35
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
10-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.00	2.05	2.10	2.20	2.30	2.40	2.50	2.60	2.65	2.70	2.75	2.80	2.80
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
20-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.45	2.50	2.55	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	2.95
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.65	-0.75	-0.85	-0.95	-1.05	-1.10	-1.15	-1.20	-1.20
50-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.45	2.50	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	3.00	3.00
Downside risk	-0.25	-0.35	-0.45	-0.50	-0.60	-0.70	-0.80	-0.90	-1.00	-1.05	-1.10	-1.15	-1.15

Committee: Cabinet

Agenda Item

Date: 16 February 2016

13

Title: Capital Programme 2016/17 – 2020/21

Portfolio Holder: Councillor Simon Howell

Item for decision

Summary

1. The Capital programme is for the next 5 years, 2016/17 to 2020/21.
2. Capital Expenditure relates to spending on schemes and assets that have a long term value and exceeds cost of £10,000.
3. The programme details planned Capital Expenditure on the Council's buildings, vehicles and ICT assets.
4. The programme includes Capital Grants to other organisations and individuals.
5. The programme is for both General Fund and Housing Revenue Account assets and schemes.
6. The Scrutiny Committee reviewed the budget reports on 9 February. Comments from the Committee are in a separate item on the agenda.

Recommendation

7. 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

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

Background Papers

9. None

Impact

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

Capital Programme 2016/17 – 2020/21

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

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

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

Capital Programme – Key points

19. General Fund

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

20. HRA

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

Risk Analysis

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

1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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

APPENDIX A – 5 YEAR CAPITAL PROGRAMME SUMMARY

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

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

COMMUNITY AND PARTNERSHIPS

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

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

ENVIRONMENTAL SERVICES

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

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

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

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

HOUSING AND ECONOMIC DEVELOPMENT

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

APPENDIX B – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

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

APPENDIX C – GENERAL FUND 5 YEAR CAPITAL FINANCING

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

APPENDIX C – HOUSING REVENUE ACCOUNT 5 YEAR CAPITAL FINANCING

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

Committee: Cabinet

Agenda Item

Date: 16 February 2016

14

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

Portfolio Holders: Councillor Simon Howell

Item for decision

Councillor Julie Redfern

Summary

1. This report sets out the following:

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

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

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

4. The Scrutiny Committee reviewed the budget reports on 9 February. Comments from the Committee are in a separate item on the agenda.

Recommendations

5. The Cabinet is requested to approve, for recommendation to Full Council the HRA Revenue Budget and 5 Year Financial Strategy.

Financial Implications

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

Background Papers

8. None

Impact

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

Background

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

12. The fully updated Business Plan, approved at Cabinet in January 2016, sets the financial strategy for the HRA for 2016/17, and reflects the budget proposals in this report.
13. The Business Plan has been framed in the light of:
- Estimated rental income in line with the Government's guidance at the time
 - Appropriate capital investment in maintaining the quality of the housing stock through planned maintenance and replacement works
 - The new build programme
 - One for one replacement of Right to Buy sales
 - Servicing and repaying debt so that new borrowing is available for future maintenance works or investment in further new build schemes
 - Remodelling and modernising sheltered housing schemes
 - Service improvements
14. Following government policy changes the authority no longer has discretion to set rents at a local level, but instead are required to comply with a national approach where rents will be reduced by 1% per year, for four years, from April 2016, with the exception of sheltered accommodation where rents will continue to be raised at CPI + 1% until next year.
15. This change, alongside other national changes in housing policy, removes flexibility over longer-term decision making.
16. Income and expenditure is budgeted on an incremental and inflationary basis to reflect the financial and operational needs of the housing service, using 2015/16 as a base.

Housing Revenue Account Budget 2016/17

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

Budget Summary

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

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

Dwelling Rents

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

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

Budget Movements

23. The table below details budget movements for Services.

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

Budget Variances (Greater than £10,000)

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

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

Movement in Reserves

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

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

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

HRA Business Plan and 5 Year Strategy

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

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

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

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

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

since the introduction of self-financing to improve the standard and availability of council housing.

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

Risk Analysis

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

same rate as sales	plan		
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1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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

Appendices

Appendix A – 2016/17 Summary Budget

Appendix B – Capital Programme (5 year)

Appendix C – Capital Financing Requirement (5 year)

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

Appendix E – Business Plan – Key Achievements

APPENDIX A

HRA Budget Summary 2016/17

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

APPENDIX B

HRA Capital Programme – 5 Year Forecast

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

HRA Capital Financing – 5 year forecast

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

APPENDIX D

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

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

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

- Successfully delivered 21 new council homes for rent through the following schemes:
 - Holloway Crescent
 - Mead Court (Phase I)

- Plans in place to deliver the following schemes:
 - Mead Court (Phase II) - construction of 16 properties. On site and progressing well
 - Catons Lane, Saffron Walden - construction of 6 properties. On site and progressing well
 - Hatherley Court, Saffron Walden – planning permission for construction of 4 new flats and remodelling of existing sheltered scheme.
 - Reynolds Court, Newport – planning permission for redevelopment of sheltered scheme to provide 41 flats. Start on site programmed for January 2016

- Delivered one of the largest stock investment programmes in the council's history. Since April 2012 capital investment of £15m has been delivered which includes expenditure on:
 - 296 new kitchens
 - 210 new bathrooms
 - 905 replacement boilers
 - 1542 electrical rewires

- Obtained significant external funding (£½ million) towards the costs of energy efficiency measures to council properties, work included:
 - Installing external wall insulation to 158 properties
 - Installing 845 new front doors
 - Installing new energy efficient communal boilers at all sheltered schemes

- Upgraded 6 sheltered housing schemes with the provision of 'internet lounges'

- Implemented an improved integrated monitoring, response and maintenance service for sheltered schemes and Lifeline users

- Delivered service improvements including:
 - Re-structured housing property services department - 98% of repair request now dealt with as 'first time fix'
 - Produced new tenants handbook
 - Produced repairs booklet for tenants
 - Implemented annual tenancy inspections

- Completed a comprehensive review of the Allocations Policy which resulted in a number of changes including increasing the time that housing applicants have to be living in the District to go on the Housing Register

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

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

Committee: Cabinet

Agenda Item

Date: 16 February 2016

15

Title: General Fund and Council Tax 2016/17

Portfolio Holder: Councillor Simon Howell

Summary

1. This report presents the 2016/17 General Fund budget for consideration by the Cabinet on 16 February ahead of final determination by Full Council on 25 February.
2. This budget must be considered alongside the report made by the Director of Finance and Corporate Services under Section 25 of the Local Government Act 2003, to be received by the Cabinet earlier in the agenda. The budget is consistent with the Medium Term Financial Strategy also to be considered earlier on the agenda.
3. The Scrutiny Committee reviewed the budget reports on 9 February. Comments from the Committee are in a separate item on the agenda.

Recommendations

4. The Cabinet is requested to recommend that the Full Council approves the General Fund Council Tax requirement of £4,827,584 summarised in paragraphs 15 -19.
5. The Cabinet is recommended to approve the schedule of fees and charges in Appendix F.

Background Papers

6. None.

Financial Implications

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

Impact

Communication/Consultation	Consultation carried out is summarised below.
Community Safety	No specific implications
Equalities	An EQIA is included with the agenda papers
Finance	Detailed in the report
Health and Safety	No specific implications
Human Rights	No specific implications
Legal implications	The recommendations fulfil the legal requirement to set a balanced budget.
Sustainability	No specific implications

Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications

Introduction

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

2015/16 Budget Strategy

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

Residents Consultation

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

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

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

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

2016/17 resources available

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

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

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

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

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

Indicative District Council Tax for 2016/17

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

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

General Fund Budget

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

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

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

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

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

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

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

Key budget items

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

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

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

Risks and Assumptions

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

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

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

Local Government Finance Settlement

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

General Fund Reserves

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

Fees and Charges review

34. Officers have reviewed fees & charges in line with the Council's Pricing and Concessions policy and Cabinet decisions where relevant. A schedule of proposed charges is included at Appendix F.
35. 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

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

Risk Analysis

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

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

List of Appendices

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

APPENDIX A – GENERAL FUND SUMMARY 2016/17

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

APPENDIX B

COMMUNITY PARTNERSHIPS AND ENGAGEMENT PORTFOLIO

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

APPENDIX B continued..

ENVIRONMENTAL SERVICES

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

APPENDIX B continued..

FINANCE AND ADMINISTRATION

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

APPENDIX B continued..

HOUSING AND ECONOMIC DEVELOPMENT – GENERAL FUND

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

APPENDIX C – BUDGET ADJUSTMENTS

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

APPENDIX C – BUDGET ADJUSTMENTS

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

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

APPENDIX C – BUDGET ADJUSTMENTS

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

APPENDIX D

RISKS AND ASSUMPTIONS – ADVERSE AND FAVOURABLE

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

APPENDIX D continued...

RISKS AND ASSUMPTIONS - ADVERSE

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

APPENDIX D continued...

RISKS AND ASSUMPTIONS – FAVOURABLE

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

Impact levels

L = up to £100,000

M = £100,000 to £250,000

H = over £250,000

APPENDIX E

GENERAL FUND RESERVES 2016/17

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

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

Uttlesford District Council

2016/17 Fees & Charges

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

APPENDIX F continued...

FEES AND CHARGES

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

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

APPENDIX F continued...

FEES AND CHARGES

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

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

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

APPENDIX F continued...

FEES AND CHARGES

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

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

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

APPENDIX F continued...

FEES AND CHARGES

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

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

APPENDIX F continued...

FEES AND CHARGES

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

APPENDIX F continued...

FEES AND CHARGES

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

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

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

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

APPENDIX F continued...

FEES AND CHARGES

Land Charges

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

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

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

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

APPENDIX F continued...

FEES AND CHARGES

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

APPENDIX F continued...

FEES AND CHARGES

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

APPENDIX F continued...

FEES AND CHARGES

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

APPENDIX F continued...

FEES AND CHARGES

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

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

APPENDIX F continued...

FEES AND CHARGES

Other Planning fees and charges	2015/16 charge £	2016/17 charge £	Does the charge include VAT?
Documents provided under Local Government Access to Information Act 1985	10p a sheet plus £25 per	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	N/A	Yes

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

APPENDIX F continued...

FEES AND CHARGES

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

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

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

Committee: Scrutiny

Agenda Item

Date: 9 February 2016

17

Title: Planning Appeals

Author: Richard Auty, Assistant Director Corporate Services

Item for decision

Summary

1. A request has been received for the Scrutiny Committee to consider the “policy, processes and decision-making” by which the council decides whether or not to defend planning appeals.

Recommendations

2. The committee should decide whether it wishes to review this area of work.
3. If the committee decides it does wish to carry out a review, it must then decide whether it would like to:
 - i) receive a scoping report at its next meeting
 - ii) receive a report from a relevant officer at its next meeting or
 - iii) establish a Task and Finish Group

Financial Implications

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

Background Papers

5. None

Impact

- 6.

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

Situation

7. A request has been received from Cllr Barbara Light for the Scrutiny Committee to consider “the policy, processes and decision-making of UDC not to defend planning appeals”.
8. Section 4.2 of the Overview and Scrutiny Procedure Rules in the council’s constitution states:
9. “Any member of an overview and scrutiny committee or sub-committee shall be entitled to give notice to the proper officer that he/she wishes an item relevant to the functions of the committee or sub-committee to be included on the agenda for the next available meeting of the committee or sub-committee. On receipt of such a request the proper officer will ensure that it is included on the next available agenda.”
10. A request was also received from the Clerk of Saffron Walden Town Council for the Scrutiny Committee to review the council’s procedures and process when reaching such decisions on planning appeals.
11. These requests were made in relation to the Kier Appeal, which Full Council voted not to defend and was then subsequently dismissed by a Planning Inspector.
12. The Scrutiny Committee is not able to review individual planning decisions, nor decisions made by Full Council. Therefore if the committee decides it wishes to proceed with this review it cannot look at any individual decision and must instead focus on general principles and practices.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
None at this stage – committee first needs to decide whether it wishes to progress this review			

- 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: 9 February 2016

18

Title: Car Park Review

Author: Richard Auty, Assistant Director Corporate Services Item for information

Summary

1. This report updates the Scrutiny Committee on how recommendations made following a Task Group review of car parking in the district have been assimilated into the recently-concluded review into car parking by consultants commissioned by the council.

Recommendations

2. The committee notes the report.

Financial Implications

3. There are no costs specifically associated with this report although there is a financial implication for some of the recommendations approved by Cabinet in December 2015, which will be covered by the Strategic Initiatives Fund.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	The People & Places review included stakeholder consultation
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	Council run car parks are in Saffron Walden, Great Dunmow and Stansted

Workforce/Workplace	None
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Situation

6. In April 2013 the Scrutiny Committee established a Task Group comprising Cllr Paul Davies and former councillors Iris Evans and David Watson to investigate the provision of car parking in Great Dunmow, Thaxted, Saffron Walden and Stansted.
7. The Task Group presented its final report to the Scrutiny Committee in October 2013 and made 13 recommendations which the Committee agreed to forward to Cabinet for consideration.
8. At its meeting in March 2014, Cabinet decided to forward the Task Group's findings to external consultants People & Places, who were commissioned by the council to carry out a wider review of parking provision in the district.
9. In December 2015 a report was considered at Cabinet which brought together a number of work streams surrounding parking, drawing together the recommendations and implications. This covered the Scrutiny review of car parking, a report to Cabinet on parking from March 2014 and the People & Places review.
10. The People & Places report and the Scrutiny Committee Task & Finish Group report can be found on the council's website here:
<http://www.uttlesford.gov.uk/parkingreview2015>
11. The Cabinet reports from March 2014 and December 2015 can be found on the Committee Management Information System (CMIS) via the council's website.
12. Attached as Appendix A to this report is a table listing the Scrutiny Committee Task Group's recommendations from 2013 and how these have been incorporated into the further review of car parking which finished in December 2015.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
The final recommendations about car parking in the district are not implemented	1 – recommendations were agreed by Cabinet in December 2015	2 – failure to implement agreed recommendations would not improve car	An action plan has been developed and officers will implement recommendations

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

Item 18 Car parking review - table

Scrutiny Report Recommendation	Met?	Current position
i) Investigate 30-minutes free parking at all car parks except Swan Meadow during the 2014 tariff review – do not pursue free parking after 3pm as it could cause over-capacity at some car parks which are already busy	Partially	All car park tariffs were subjected to extensive consideration and review during the People & Places review. New tariffs presented at Cabinet in December 2015 do not include free after 3pm, as per Scrutiny recommendation. 30 minutes free is not included in new tariffs.
ii) Facilitate any shoppers’ parking charge rebate scheme for Stansted Mountfitchet that may be set up by local business forums and retailers	Yes	Cabinet report March 2014 stated a shoppers’ parking rebate in Great Dunmow had been established and officers would work with Stansted Business if a scheme was requested there.
iii) Discontinue the 4-hour tariff at The Common, as there is adequate space in Swan Meadow, and the Common functions well as a short stay car park	Yes	Tariffs have been altered to ensure that The Common operates as a short stay car park by removing the 3 and 4 hour options.
iv) Delay any specific recommendations on Lower Street and Fairycroft until patterns of usage are known following redevelopment work	Yes	Lower Street redevelopment is still ongoing. Fairycroft redevelopment is now complete but too early to establish patterns of use
v) Allocate specific areas for season ticket holders at Swan Meadow, but allowing pay and display to have the nearest spaces to the town	Partially	Cabinet agreed in December 2015 a recommendation to allow season ticket parking spaces to be open to all users from 10am weekdays and all day at the weekend, which goes some way to meeting the aim of the Scrutiny recommendation
vi) Monitor what happens to usage of Swan Meadow following the Waitrose extension, and investigate whether there are any opportunities to build on any uplifted use	Ongoing	The Fairycroft redevelopment was only completed in September and the situation is being monitored
vii) Liaise with ECC Highways re display of “distance to/from and walking to/from” information re Swan Meadow	Yes	Cabinet report March 2014 stated additional signage directing visitors to the car parks had been erected/ordered. Cabinet report December 2015 notes new signage had been put in place in Saffron Walden and further signage, plus new signs in Great Dunmow and Stansted, will be installed.
viii) Review with NEPP the reliability and usability of tariff and sales data	Yes	Cabinet report March 2014 stated reliability of data had been reviewed with NEPP
ix) Better advertising of free parking after 5pm, and encourage shops to open an hour later at least one day per week	Ongoing	Shop opening hours fall outside the responsibility of the district council; however through the town teams and the annual meetings to discuss car parking provision agreed by Cabinet in December 2015, such matters can be explored
x) Implement “pay by phone” as soon as possible as an extra payment option	Yes	This has been implemented

Item 18 Car parking review - table

xi) Explore increased disabled space provision at the Rose and Crown in place of the less accessible disabled spaces at The Common		Not possible to progress as it required the agreement of the owners of the Rose and Crown Car park, which was not forthcoming
xii) The impact of proposed new developments on existing public car park capacity should be fully understood at the planning application stage. This impact should be quantified in transport assessments and traffic impact statements, with the proposed mitigation clearly set out if there would be a material impact	Yes	The impact of new development on car park capacity is always considered as part of the determination of planning applications. If required, Transport Assessments are requested at validation stage and are then considered by Essex Highways and comments reported in the delegated or committee report
xiii) Better promotion by the District Council and Town/Parish Councils of the airport parking hotline	Yes	Cabinet report march 2014 stated that additional promotion of the airport parking hotline has occurred. Periodic publicity for this will continue to be carried out