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THE CABINET

Wednesday, 12th February, 2014 at 8.15 pm in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA

Membership:

Councillors : Doug Taylor (Leader of the Council), Achilleas Georgiou (Deputy Leader), Chris Bond (Cabinet Member for Environment), Bambos Charalambous (Cabinet Member for Culture, Leisure, Youth and Localism), Del Goddard (Cabinet Member for Business and Regeneration), Christine Hamilton (Cabinet Member for Community Wellbeing and Public Health), Donald McGowan (Cabinet Member for Adult Services, Care and Health), Ayfer Orhan (Cabinet Member for Children & Young People), Ahmet Oykenen (Cabinet Member for Housing) and Andrew Stafford (Cabinet Member for Finance and Property)

NOTE: CONDUCT AT MEETINGS OF THE CABINET

Members of the public and representatives of the press are entitled to attend meetings of the Cabinet and to remain and hear discussions on matters within Part 1 of the agenda which is the public part of the meeting. They are not however, entitled to participate in any discussions.

AGENDA – PART 1

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATION OF INTERESTS**

Members of the Cabinet are invited to identify any disclosable pecuniary, other pecuniary or non pecuniary interests relevant to items on the agenda.

DECISION ITEMS

3. URGENT ITEMS

The Chairman will consider the admission of any reports (listed on the agenda but circulated late) which have not been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012.

Note: The above requirements state that agendas and reports should be circulated at least 5 clear working days in advance of meetings.

4. DEPUTATIONS AND PETITIONS

To note that no requests for deputations (with or without petitions) have been received for presentation to this Cabinet meeting.

5. ITEMS TO BE REFERRED TO THE COUNCIL

To confirm that the following items be referred to full Council:

1. Report Nos.178 and 186 – Budget 2014/15 and Medium Term Financial Plan 2014-15 to 2017/18 (General Fund)
2. Report No.179 – Housing Revenue Account (HRA) Estimates 2014/15 and Rent Setting (HRA and Temporary Accommodation)
3. Report Nos.183 and 189 – Investment in Private Rented Sector (Note: Council report to seek approval to add the required borrowing to the capital works programme)

6. BUDGET 2014-15 AND MEDIUM TERM FINANCIAL PLAN 2014-15 TO 2017/18 (GENERAL FUND) (Pages 1 - 148)

A report from the Director of Finance, Resources and Customer Services is attached. This seeks approval, for recommendation to full Council, of the Budget 2014/15 and Medium Term Financial Plan (General Fund). (Report No.186, agenda part two also refers) **(Key decision – reference number 3764)**

(Report No.178)
(8.20 – 8.30 pm)

7. HOUSING REVENUE ACCOUNT ESTIMATES 2014/15 AND RENT SETTING (HRA AND TEMPORARY ACCOMMODATION) (Pages 149 - 174)

A report from the Director of Finance, Resources and Customer Services and Director of Health, Housing and Adult Social Care is attached. This seeks approval, for recommendation to full Council, of the revenue estimates of the Housing Revenue Account (HRA) for 2014/15 and the updated position on the HRA 30 year business plan. **(Key decision – reference number 3855)**

(Report No.179)
(8.30 – 8.35 pm)

8. REVENUE MONITORING REPORT 2013/14: DECEMBER 2013 (Pages 175 - 190)

A report from the Director of Finance, Resources and Customer Services is attached. This sets out the Council's revenue budget monitoring position based on information to the end of December 2013. **(Key decision – reference number 3762)**

(Report No.180)
(8.35 – 8.40 pm)

9. REORGANISATION OF THE REGENERATION, LEISURE AND CULTURE DEPARTMENT (Pages 191 - 196)

A report from the Chief Executive is attached. This proposes the re-organisation of the Regeneration, Leisure and Culture department. (Non key)

(Report No.181)
(8.40 – 8.45 pm)

10. FUTURE ARRANGEMENTS FOR ICT DELIVERY

A report from the Director of Finance, Resources and Customer Services **will be circulated as soon as possible**. This sets out proposals for future ICT delivery. (Report No.187, agenda part two also refers) **(Key decision – reference number 3708)**

(Report No.182)
(8.45 – 8.50 pm)

11. ENFIELD COUNCIL GROUNDS MAINTENANCE AND HOUSING GROUNDS MAINTENANCE CONTRACT (Pages 197 - 204)

A report from the Director – Environment and Director of Health, Housing and Adult Social Care is attached. This seeks approval to the award of the Enfield Council Grounds Maintenance Contract and Housing Grounds Maintenance Contract. (Report No.188, agenda part two also refers) **(Key decision – reference numbers 3840/3841)**

(Report No.183)
(8.50 – 8.55 pm)

12. INVESTMENT IN PRIVATE RENTED SECTOR (Pages 205 - 234)

A report from the Director of Health, Housing and Adult Social Care and Director of Finance, Resources and Customer Care is attached. This outlines proposals for investment in the private rented sector. (Report No.189, agenda part 2 also refers) **(Key decision – reference number 3782)**

(Report No.184)
(8.55 – 9.00 pm)

13. ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY PANEL/SCRUTINY PANELS

No issues have been raised for consideration at this meeting.

14. CABINET AGENDA PLANNING - FUTURE ITEMS (Pages 235 - 238)

Attached for information is a provisional list of items scheduled to future Cabinet meetings.

15. NOTICE OF KEY DECISION LIST

Members are asked to consider any forthcoming key decisions for inclusion on the Council's Notice of Key Decision List.

Note: the next Notice of Key Decision List is due to be published on 28 February 2014, this will be effective from 1 April 2014.

16. MINUTES (Pages 239 - 250)

To confirm the minutes of the previous meeting of the Cabinet held on 22 January 2014.

17. MINUTES OF ENFIELD RESIDENTS' PRIORITY FUND CABINET SUB-COMMITTEE - 16 JANUARY 2014 (Pages 251 - 258)

To receive, for information, the minutes of a meeting of the Enfield Residents' Priority Fund Cabinet Sub-Committee held on 16 January 2014.

INFORMATION ITEMS

18. ENFIELD STRATEGIC PARTNERSHIP FEEDBACK

There are no written updates to be received at this meeting.

19. DATE OF NEXT MEETING

To note that the next meeting of the Cabinet is scheduled to take place on Wednesday 12 March 2015 at 8.15pm.

CONFIDENTIAL ITEMS

20. EXCLUSION OF THE PRESS AND PUBLIC

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 excluding the press and public from the meeting for any items of business listed on part 2 of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

(Members are asked to refer to the part 2 agenda)

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MUNICIPAL YEAR 2013/14 REPORT NO: 178**MEETING TITLE AND DATE:**

Cabinet: 12 February 2014

Council: 26 February 2014

REPORT OF:Director of Finance, Resources &
Customer Services**Contact Officers:**

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Agenda – Part: 1	Item: 6
Subject: Budget 2014/15 and Medium Term Financial Plan 2014/15 to 2017/18 (General Fund)	
Wards: All	
Cabinet Members consulted: Cllr Doug Taylor Cllr Andrew Stafford	

1. EXECUTIVE SUMMARY

- 1.1 The Medium Term Financial Plan covers the next 4 years. It sets out firm plans to deliver a zero percentage rise in Council Tax in 2014/15. It also sets out future years' plans which will be reviewed and updated as circumstances change over the period of the plan.
- 1.2 This report is the culmination of the 2014/15 budget planning process and provides:
- Information on the outcome of the recent budget consultation;
 - Details of the local government financial settlement;
 - Proposals regarding the level of the 2014/15 Council Tax;
 - The Council Tax requirement for 2014/15;
 - The Council Tax to be levied for the year ahead including the Greater London Authority precept for 2014/15.
 - A summary of the Council's Medium Term Financial Plan over the next four years and the financial outlook for the Council and its services;
 - The advice of the Director of Finance, Resources & Customer Services regarding the recommended levels of contingencies, balances and earmarked reserves.
- 1.3 The report makes recommendations regarding future investment in the Capital Programme.
- 1.4 In accordance with the Prudential Code, the report recommends that the Council agrees the Treasury Management Strategy as well as the setting and monitoring of Prudential Indicators.
- 1.5 The report includes recommendations for the Council's contingencies and balances undertaken in the context of the risks and uncertainties associated with the budget and Medium Term Financial Plan.

1.6 The report is structured as follows:

	Section
Recommendations	2
Background to the budget process	3
Budget Consultation	4
Local Government Finance Settlement	5
Council Tax Base, Business Rates and Collection Fund	6
Revenue budget proposals	7
Summary of budget proposals and Council Tax impact	8
The Prudential Code and Capital Programme	9
Medium Term Financial Plan	10
Budget risks and uncertainties	11
Contingencies and general balances	12
Comments of the Director of Finance, Resources & Customer Services	13
Alternative Options Considered	14
Reasons for recommendations	15
Key Risks	16
Impact on Council Priorities	17
Equalities Impact implications	18
Performance Management implications	19
Health & Safety implications	20
Human Resources implications	21
Public Health implications,	22

Budget & Council Tax Report Tables

No.	Title	Section
1	Settlement Funding Assessment Breakdown	5
2	Pressures (cost increases) 2014/15	7
3	2014/15 savings by department	7
4	Budget Position and Council Tax 2014/15	8
5	Band D Charge 2014/15	8
6	Transport for London Capital Grant	9
7	Capital Programme Summary	9
8	Medium Term Financial Plan 2014-18	10
9	Sensitivity Indicators	10

2. RECOMMENDATIONS

2.1 The attention of Members is drawn to the comments in paragraph 2.13 regarding S106 of the Local Government Finance Act 1992 which requires any Member who is two months or more in arrears on their Council Tax to declare their position and to not vote on any issue that could affect the calculation of the budget or Council Tax.

2.2 With regard to the revenue budget for 2014/15 it is recommended that Council:

- (i) Set the council tax requirement for Enfield at £97.598m in 2014/15;
- (ii) Subject to final pupil count data, approve expenditure of £293.796m in

- 2014/15 for the schools' budget, funded from the Dedicated Schools' Grant;
- (iii) Set the Council Tax at Band D for Enfield's services for 2014/15 at £1,100.34 (para 8.1), there being no increase over the 2013/14 Council Tax;
 - (iv) Approves the statutory calculations and resolutions set out in Appendix 9.
- 2.3 With regard to the Prudential Code and the Capital Programme it is recommended that Council:
- (i) notes the information regarding the requirements of the Prudential Code (section 9);
 - (ii) agrees the proposals for allocating resources to capital projects for 2014/15 and 2015/16 and also notes the indicative 2016/17 and 2017/18 capital programme as set out in Section 9 and Appendix 5. It is also recommended that Council agrees that these will be reviewed in the light of circumstances at the time.
 - (iii) agrees the Prudential Indicators, the Treasury Management Strategy, the Minimum Revenue Provision statement and the criteria for investments, set out in section 9 and Appendix 4.
- 2.4 With regard to the Medium Term Financial Plan it is recommended that Council notes the forecast for the medium term as set out in section 10 and adopts the key principles set out in paragraph 10.13.
- 2.5 With regard to the robustness of the 2014/15 budget and the adequacy of the Council's earmarked reserves and balances it is recommended that Council:
- (i) notes the risks and uncertainties inherent in the 2014/15 budget and the Medium Term Financial Plan (sections 10 & 11)
 - (ii) notes the advice of the Director of Finance, Resources & Customer Services regarding the recommended levels of contingencies, balances and earmarked reserves (section 12) and has regard to the Director's statement (section 13) when making final decisions on the 2014/15 budget;
 - (iii) agrees the recommended levels of central contingency and general balances (section 12);
- 2.6 It is recommended that the Cabinet Members for Children and Young People and Finance & Property take the decision on the schools budget for 2014/15 taking into account the comments of the Schools Forum on March 5th 2014 and any relevant decisions which the Forum make under the DfE regulations in (Section 5.9).
- 2.7 It is recommended that Council agrees the Fees and Charges for Environmental Services for 2013/14 (Section 10.16) and Appendix 10.
- 2.8 It is recommended that Council agrees the Fees and Charges for Adult Social Care Services for 2013/14 (Section 10.17) and Appendix 11
- 2.9 It is recommended that the current Members' Allowances Scheme is re-approved and that the automatic increase in allowances by the average earnings as at March be not implemented for the 2014/15 financial year (Section 10.18). But it be acknowledged that following the elections in May 2014, the Administration

may wish to review allowances within the overall budgetary figure and in accordance with the recommendations of the Independent Remuneration Panel.

2.10 It is recommended that any uncommitted underspend in the Enfield Residents Priority Fund for 2013/14 is returned to general balances and notes the proposals for the continuation of the ERPF (Section 7.2).

2.11 It is recommended that the New Homes Bonus be allocated to support regeneration and homelessness initiatives in accordance with paragraph 5.7.

2.12 It is recommended that Council agrees to amend the Discretionary Rate Relief Policy to incorporate the Government's Retail Relief Scheme as set out in section 6.2.

2.13 Section 106 of the Local Government Finance Act 1992 requires any Member who is two months or more in arrears on their Council Tax to declare their position and not to vote on any issue that could affect the calculation of the budget or the Council Tax. Any Member affected by Section 106 who fails to declare this could be subject to prosecution.

3. BACKGROUND TO THE BUDGET PROCESS

3.1 The budget decisions in this report are aligned with the Administration's vision and priorities for Enfield; a better place to live and work by delivering fairness for all, growth and sustainability and strong communities.

3.2 The Council's overall strategy, "A fairer future for all" sets out each of the Council's strategic aims and associated priorities. The Council Strategy is linked to the budget through the Medium Term Financial Plan and the annual budget process. The Budget and Medium Term Financial Plan (2014-18) forecasts funding requirements for the Council's General Fund services.

3.3 The development of the 2014/15 Budget and Medium Term Financial Plan started in the spring of 2013 with a review of the Council's revenue and capital spending needs over the next 4 years. This work was undertaken in the context of the Council's aims and objectives and the priorities set out in the Improvement Plan. This year's budget process has taken into account:

- The Chancellor's 2013 Budget and Spending Round.
- The Department for Communities and Local Government Technical Consultations.
- The Local Government Finance Settlement 2014/15.

3.4 Enfield Council has also responded to the various Government consultations in the interest of local residents and businesses and invited and visited Ministers to lobby on Enfield's behalf. Cabinet and lead members have received regular updates as to how the proposals will affect the Council.

3.5 Directors in consultation with their portfolio holders working with the Director of Finance, Resources & Customer Services have finalised next years' service

budget requirements and drawn up savings and additional income proposals to balance the overall budget for 2014/15. Cabinet on 10th July and 13th November 2013 has received reports on the progress of the 2014/15 budget and updates of the Medium Term Financial Plan. At the November Cabinet meeting, a series of “green” savings, totalling £3.35m were approved and are now being implemented

- 3.6 One of the Council’s financial objectives is to keep Council Tax increases as low as possible, whilst ensuring that the Council provides quality services that continue to meet the changing and growing needs and expectations of service users. With the Consumer Price Index measure of inflation around 2% when the estimates were calculated, the freeze in Council Tax will again be an overall reduction in real terms.
- 3.7 The proposals in this report enable the Council to balance the 2014/15 budget whilst protecting front line services investing in key projects and priorities, and freezing Council Tax. The Medium Term Financial Plan demonstrates the difficult service decisions ahead as central government funding reductions continue to reduce the resources available to meet increasing service demands.

4 BUDGET CONSULTATION

- 4.1 As in previous years, the Council has been keen to ensure all stakeholders are fully engaged in the budget process through extensive consultation on the budget proposals. As part of the aim to consult as widely as possible, the Budget Consultation was published in “Our Enfield” that is delivered to all homes in the Borough. It was also presented at Area Forums, Scrutiny Panels and the Shadow Health & Wellbeing Board and officers also attended meetings of voluntary organisations including the Over 50’s Forum, Enfield Racial Equality Council and a meeting of representatives from the deaf community. The views of the Scrutiny Panels and Area Forum meetings were collated and were presented to Councillors at the Overview and Scrutiny Committee on 30th January 2014.
- 4.2 The budget consultation asked respondents to prioritise services provided by the Council in order to indicate the key issues that matter most to the key stakeholders and residents of the borough. It also requested further suggestions about where savings could be made or costs reduced.
- 4.3 The views of the Budget Scrutiny Commission, along with the feedback from the scrutiny panels and area forums are included in **Appendix 1** to this report. The Appendix also sets out the key messages from the Budget Consultation.

5. LOCAL GOVERNMENT FINANCE SETTLEMENT

- 5.1 Local Government finance is subject to the expenditure reductions of 27% over four years to 2014/15 originally set out in the Government’s 2010 Spending Review. A further 2% spending cut in 2014/15 was included in the Chancellor’s 2012 Autumn Statement. The Chancellor’s 2013 Spending Round set out further cuts in 2015/16.
- 5.2 The provisional 2014/15 and indicative 2015/16 Local Government Finance Settlements were announced on 18th December 2013 by the Under Secretary of State for Communities and Local Government. The final 2014/15 and provisional

2015/16 Settlements are expected shortly. They will when available be found on the DCLG website¹.

- 5.3 The Settlement reports on the Government's spending control totals for Local Government which will continue to be used to control council expenditure as part of the programme to reduce public expenditure and debt. The table below is an analysis of the national Settlement Funding Assessment (SFA) and the split between Revenue Support Grant and Retained Local Business Rates.

Table 1: Settlement Funding Assessment Breakdown²	2013/14 £m	2014/15 £m	Change in 2014/15 SFA (£m) / %		Indicative 2015/16 £m	Change in 2015/16 SFA (£m) / %	
Formula Assessments	20,167	17,873	(2,294)	-11.4%	14,981	(2,892)	-16.2%
Fire & Rescue Services	1,240	1,143	(97)	-7.8%	1,045	(98)	-8.6%
Early Intervention Grant (EIG)	1,709	1,577	(132)	-7.7%	1,442	(135)	-8.6%
GLA / London Buses Grants	849	861	12	1.4%	882	21	2.4%
Homelessness Prevention Grant	80	79	(1)	-1.3%	79	0	0.0%
Lead Local Flood Authority	21	21	0	0.0%	21	0	0.0%
Learning Disability and Health Reform	1,413	1,426	13	0.9%	1,426	0	0.0%
Rural Support	9	10	1	11.1%	10	0	0.0%
2011/12 Council Tax Freeze Grant	594	591	(3)	-0.5%	591	0	0.0%
2013/14 Council Tax Freeze Compensation	174	174	0	0.0%	174	0	0.0%
Capitalisation - Net Returned Funding	0	28	28	n/a	0	(28)	-100.0%
Total Settlement Funding Assessment	26,256	23,783	(2,473)	-9.4%	20,651	(3,132)	-13.2%
Funding by:							
Revenue Support Grant	15,357	12,672	(2,685)	-17.5%	9,233	(3,439)	-27.1%
Business Rates	10,899	11,111	212	1.9%	11,418	307	2.8%
	26,256	23,783	(2,473)	-9.4%	20,651	(3,132)	-13.2%

- 5.4 The Government has fundamentally changed the way it will calculate financial settlements in the future. Previously, each year data was collected from all authorities that was then fed into a Government formula to apportion the funding available across the country. From 2014/15 onwards the system has been fixed using the 2013/14 as a distribution basis. Overall funding levels will vary but the basis of distribution will be fixed at least until 2020, the scheduled time of the next reset. Changes to the government's control totals are therefore the major influence on funding changes rather than changes in deprivation or population. This presents a very significant risk to boroughs such as Enfield who are currently experiencing significant population increases compared to other boroughs.

- 5.5 The 2014/15 figures show a significant reduction from 2013/14. This is due to the original 2010 Spending Review cut in funding increased by:

- The 2012 Autumn Statement which announced a further 2% cut in 2013/14 public funding (postponed for local authorities until 2014/15)
- A further £256m reduction for the 1% cap on public sector pay in 2014/15
- A further £200m top-slice to fund the 2014/15 New Homes Bonus.

¹ <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2014-to-2015>

² Table based on London Councils analysis of the Settlement

- CLG top-slice of £125m to meet the safety net for authorities with reductions in funding in excess of their thresholds.
- On-going reductions to the remaining Formula Assessments and Early Intervention Grant elements of the SFA

The Settlement figures are incorporated into the 2014/15 Budget and Medium Term Financial Plan.

5.6 Grant Damping

As previously mentioned, funding allocations are now fixed in line with the 2013/14 Settlement until 2020. As a result, the effect of Enfield's damping will continue until 2020 at the earliest when funding will be reviewed by the Government. This now means that not only will previous funding shortfalls created by damping be unaddressed in the formula but the new fixed method in future settlements will fail to take into account disproportionate changes in population and need in comparison to other authorities. This presents a significant long term risk to the Council as growing demand is not matched by increases in funding.

Enfield was calculated as needing over £134m in 2013/14 but the damping system reduced this to £123m resulting in £11.6m of Enfield's calculated funding being damped away to finance other authorities.

The Council has lobbied long and hard against current damping arrangements but public spending cuts are a huge barrier to the Council's objective of fairer funding for Enfield residents. The Council continues to raise the issue with the Government at every opportunity. This includes the 2014/15 Technical and Settlement consultations and direct letters from the leader of the Council to the Parliamentary Under Secretary of State for Communities and Local Government. The Council will continue to press Ministers on this unresolved issue and seek changes that will deal with the remaining inequality of damping.

5.7 Other Specific Government Funding

The local government finance system now distributes nearly all Government funding (including Council Tax Freeze Grant prior to 2014/15). The only significant 'stand alone' grants provided are the latest Council Tax Freeze and Public Health grants.

• Council Tax Freeze Grant 2014/15 (DCLG)

The Government has offered two year funding to local authorities that freeze or reduce Council Tax in 2013/14 and 2014/15. The grant is compensation for a 1% increase in council tax. The continuation of the grant into 2015/16 was announced by the Chancellor as part of the 2013 Spending Round.

• New Homes Bonus Grant (DCLG)

The Government has announced a total award of £3.36m NHB to the Council in 2014/15, an increase of £0.37m over 2013/14. It is recommended that the 2014/15 NHB should continue to support major regeneration plans and resolving homelessness issues in the borough including the 2014/15 uncommitted new homes bonus of £1.17m. This allocation will be reviewed annually.

It should be recognised that all new NHB from 2014/15 is funded by top-slicing the cost from the Government Control Totals. Therefore NHB is financed by reduced Revenue Support Grant and does not represent additional funding.

- **Education Services Grant (Department for Education)**

ESG is grant for support services to schools which was top-sliced from local government funding and transferred to the Department for Education in 2013/14. The proposed Grant in 2014/15 is £6.278m. It is allocated on a simple per-pupil basis to local authorities and academies according to the number of pupils for whom they are responsible.

- **Adoption Grant & Special Educational Needs Grant**

New grants have been announced for 2014/15. This includes £70m for SEN and £50m for Adoption. Further information is awaited from DfE on the allocation to councils in 2014/15. At this stage it is understood that the grants will not be ring-fenced.

5.8 Public Health

From April 2013 local authorities took over responsibility from the NHS, for improving the health & well-being of their local population and reducing health inequalities. The authority now has a duty to take appropriate steps to improve the health of its local population using ring-fenced Public Health grant which cannot be used to support general council expenditure. The grant is designed to cover all expenditure incurred in delivering the Public Health function including all employee & overhead costs. Enfield's grant is £14.257m for 2014/15 (£12.961m, 2013/14).

Housing, Health & Adult Social Care Department co-ordinates the delivery of Public Health Services across the Council, thus ensuring a joined up approach. The Council is also working with Health colleagues to finalise the 2014/15 priorities for this grant.

The Better Care Fund

The Better Care Fund which will be introduced in 2015/16 (previously the Integration Transformation Fund), was announced in June as part of the 2013 Spending Round. It provides a structured system to transform local health and social care services so that people are provided with better integrated care and support. It brings together the Clinical Commissioning Group (CCG) and Local Authority and encompasses a substantial level of joint funding to help local areas manage current pressures and improve long term sustainability. The Fund is an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change.

The Local Authority and CCG have produced a first draft of the Better Care Fund Plan. A final version is due to be submitted to NHS England by 4th April 2014. The performance framework has been written to include both national and local indicators of success.

5.9 The Schools' Budget

Dedicated Schools Grant 2014-15

The Dedicated School Grant (DSG) is a ring-fenced grant, the majority of which is used to fund Individual Schools Budgets. This is the second transition year in the move to the National Fair Funding formula which is expected to be introduced from 2015/16. For 2014/15, the DSG is again allocated to local authorities in three

notional blocks, which include funding for Two Year Olds and post 16 High Needs pupils:

- Schools Block - a per pupil allocation based on the October 2013 census. For Enfield this is £5,194 per pupil.
- Early Years Block - a per pupil allocation updated for the January 2014 and 2015 census for the Three and Four Year Old free entitlement. For Enfield, this is £3,948 per pupil. Funding for the Two Year Old free entitlement is based on the target number of places.
- High Need Block – base funding updated for places provided and including funding for post 16 High Needs learners.

Although DSG as a whole remains ring-fenced the individual blocks are not and allocations to the blocks are notional. The initial 2014-15 DSG was announced on 18th December 2013 as £293.130m. Including estimates for growth in Early Years places for three and four year olds this is forecast to increase to £293.796m. The DSG allocation will also be subject to amendment for the High Needs block funding which will be updated in March based on data provided to the Department for Education in December.

The main changes to the DSG in 2014/15 are:

- The extension of the Two Year Old free entitlement from Autumn 2014 to the 40% most deprived children which has resulted in increased funding for a target number of places of 2,716 from the Autumn Term 2014. This is the last year that funding will be based on target places and from 2015/16 funding will be on actual numbers.
- From April 2014 all state funded schools in England will be withdrawn from participating in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. This means that local authorities will no longer be required to administer the CRC Energy Efficiency Scheme on behalf of schools. A deduction of £0.280m was made from Enfield's DSG for 2014-15 to compensate for this.

Under Department for Education regulations, certain specific decisions relating to the distribution of DSG funding are subject to consultation with the Schools Forum, with the Council making the final decision on the allocation of available resources taking account of any recommendations made by the Schools Forum. An indicative schools' budget is being developed and will be presented to the Schools Forum on March 5th. It is recommended that the Cabinet Members for Children and Young People and Finance and Property take the decision on the schools budget for 2014/5 taking account of any relevant decisions and recommendations which Schools Forum make on the 5th March 2014.

The changes to schools funding continue to pose a significant risk. In particular the possible loss of future flexibility for the local authority to be able to target funding based on changing local needs will need to be closely monitored as the move to a national funding formula is implemented.

Other School's Funding

Pupil Premium Grant

The Pupil Premium was introduced in April 2011 and is allocated in addition to the DSG to schools to work with pupils who have been registered for free school meals at any point in the last six years (known as 'Ever 6 FSM'). Schools also receive funding for looked after children (LAC) (from 2014/15 this will also include adopted children and children with guardians) and for children of service personnel. The pupil premium is a specific grant that the council has to passport directly on to schools, who can then decide how they will use the additional funding to achieve improved outcomes for deprived children. Funding has increased each year since introduction to a national total of £2.5 billion in 2014/15.

In 2014-15, the per pupil rate will rise from £953 to £1,300 for eligible primary-aged pupils; from £900 to £935 for secondary-aged pupils; from £900 to £1,900 for all looked after children, adopted children and children with guardians and remains at £300 for children of service personal. The eligibility criteria for looked after children has also been extended to include those pupils who have been in care for one day or more, as compared with the six months in care currently required.

Enfield's illustrative grant figure for 2014/15 is £21,786,246 based on Ever 6 eligibility recorded in the October 2013 census but excluding allocations for LAC and children of service personnel. Final allocations for 2014-15 using updated pupil data will be published next summer.

Sixth Form Funding

The Education Funding Agency (EFA) is responsible for the funding of 16-19 provision in academies, general further education colleges, sixth-form colleges and independent provision. The EFA also distributes resources to local authorities for them to pass on to those schools that are not academies. Indicative allocations for 2014/5 will be communicated to 16-19 institutions prior to the end of January 2014 with final allocations confirmed by the end of March 2014.

5.10 Potential New Burdens

a) The Emergency Support Scheme

In 2013/14 the Government transferred the task of supporting emergency payments to individuals in the borough together with a confirmed funding allocation of £0.9m agreed for two years. It has emerged from the government that this funding support is time limited and there will be no funding after 2014/15. The Council will need to consider carefully how to manage this pressure in the future.

b) Clients with no recourse to public funds

There is a projected overspend of £450k in 2013/14 based on the 98 families the Council has supported during 2013/14 so far. As it is becoming more difficult to resolve the immigration status of these clients the costs are increasing as families are now being supported longer with resultant additional costs. The Council is actively lobbying Government on this issue as it needs to be recognised that this has become an extra burden on local government.

c) Centrally held funds announced in the Spending Round 2013

As part of the 2013 Spending Round the Government announced that it would centrally retain £1.95bn of funds for specific projects in 2015/16. The majority of this money relates to New Homes Bonus but there are also funds set aside for burdens such as the implementation of the Dilnot review of social care. The funding gap for 2014/15 elsewhere in this report excludes these amounts as it is unknown what will be allocated to the Council and more significantly what additional burdens will follow the funding.

5.11 Local Council Tax Support

The Government replaced the national Council Tax Benefit scheme with local schemes of Council Tax Support in 2013/14. Enfield Council is adversely affected as it had the second highest Council Tax Benefit caseload in London before the change. Funding has now been incorporated in the Settlement Funding Assessment.

The scheme must be approved on an annual basis and on 29th January Council agreed the 2014/15 Council Tax Support Scheme which avoids reductions in council services.

5.12 Local Referendums on Council Tax Increases & Abolition of Capping

The Localism Act requires councils to hold a referendum for proposed council Tax increases in excess of a threshold set annually by the Secretary of State for Communities and Local Government. The threshold increase in council tax for 2014/15 above which a referendum will be required is yet to be announced by the Government. However, the Chancellor in his Spending Round indicated that a 2% threshold would be applicable for both 2014/15 and 2015/16 but this has yet to be confirmed. If a vote is against the increase the local authority will have to revert to a council tax level that is compliant. Enfield proposes a council tax freeze in 2014/15 and hence there is no risk of a referendum.

6 THE TAX BASE AND THE COLLECTION FUND

6.1 The Tax Base

On the 29th January 2014, the Council agreed a Council Tax base of 88,698 Band D properties for 2014/15 (87,557 2013/14), based on an unchanged collection rate of 96.87%. The increase in the tax base of 1,141 is due to new properties and reduction in exemptions and discounts. This is the second year of the local Council Tax Support Scheme whereby council tax benefits are provided through locally determined discounts in residents' council tax bills. The 2014/15 scheme was approved by Council on 29th January 2014 and is provided for in the tax base figures above.

6.2 The Collection Fund

Council Tax

The Council's anticipates a balanced position on council tax collection as at 31st March 2014.

Business Rates

The Council retains 30%³ of the local business rate income due to the Council based on the Government return forecast (NNDR1) of net rating income which was reported to the Council on 29th January 2014. Enfield's estimated share is £33.211m. This includes an estimated £1.57m relating to Enfield's share of the loss of business rate income due to the Autumn Statement announcement including the capping of the increase in the business rate multiplier to 2% and various other reliefs in 2014/15. This loss is to be met by the Government through a specific grant.

Local Business Rates Retail Relief Scheme

The Government announced in the Autumn Statement on 5 December 2013 that it will provide relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16. Properties must be wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

As this is a measure for 2014-15 and 2015-16 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in its guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to provide grant relief.

The Council will amend its Discretionary Rate Relief Policy to incorporate the guidance issued by the Government in January 2014

(www.gov.uk/government/publications/business-rates-retail-relief)

It is estimated that approximately 2,000 businesses in Enfield will be eligible for the scheme. Applications for retail relief will be sent with the main bills in March. The estimated cost is included in the Government return (NNDR1) and will be fully met by the Government as a new specific grant.

There is an estimated deficit on the collection of business rates of £1.063m as at 31st March 2014. This is shared as follows:

<u>Business Rates Collection Fund</u>	%	£'000
Government	50%	532
Greater London Authority	20%	212
London Borough of Enfield	30%	319
Total Deficit	100%	1,063

Overall, the combined effect of the increase in the council tax base and reduction in forecast business rate results in local council and business rate tax receipts in line with the provision in the 2014/15 Medium Term Financial Plan.

³ 30% Enfield / 20% GLA / 50% Government

7. REVENUE BUDGET PROPOSALS

7.1 Budget Update

The overall summary of the budget proposals by each service is shown in Appendix 3. An overview of the budget position regarding pressures and savings is set out below.

7.2 Pressures

The Council faces additional pressures in 2014/15 as a result of loss of grant, demographic changes, on-going commitments, inflation, population growth and changing needs, totalling £24.213m. These additional pressures facing the Borough in 2014/15 are broken down in the following table:

Table2: 2014/15 Budget Pressures	£000's
New demographic pressures This pressure continues year on year in order to meet increased demand for Council services. This includes services to older people and those with disabilities.	2,207
Price inflation & pay awards 2014/15 includes 1% for nationally set general pay and an allowance for a small increase in employer's pension fund contributions as a result of the triennial review. Provision is also made for extending the payment of the London Living Allowance. An allowance for business rates and contractual inflation is included but there will be no general inflation uplift as this will be contained wherever possible.	2,957
Capital financing & interest charges Investment in schools and highways improvements is met by new borrowing which is repaid over the life of the asset. In addition low interest rates have reduced the level of interest earned by the Council on cash balances.	2,333
Welfare reform - temporary accommodation This budget pressure on Temporary Accommodation is anticipated due to difficulty in procuring private sector leased properties that has led to the higher use of the more expensive nightly paid accommodation to house homeless tenants. There is also an increase in the number of people requiring accommodation. There is an increasing need for Local Authorities to pay incentive payments to Landlords in order to secure affordable long term accommodation. In 2014/15 these costs have been funded from available reserves.	6,288 (2,959) 3,329
Corporate R & M Corporate repairs and maintenance pressure relating to council buildings.	500
Enfield Residents Priority Fund Continuation of this scheme from 2014 to 2018.	500
Other Items Provision for reduction in government funding made in 2013/14 offset by one-off collection fund surplus.	(3,746)
Service Pressures	8,080

Table2: 2014/15 Budget Pressures		£000's
Business Rates Retention Scheme (BRRS)		
Revenue Support Grant (RSG)		18,124
Business Rate Top-Up		(662)
Locally retained business rates (30% Share) ⁴		241
Section 31 Grant to meet the cost of Business Rate Concessions announced in the 2013 Autumn Statement		(1,570)
BRRS Pressure ⁵		16,133
Total Pressures		24,213

7.3 Full year effect of previous year decisions

Some of the 2013/14 savings agreed by Council were for a part-year only as the changes could not feasibly be implemented from the start of the year. Savings agreed in previous budgets were not due to come into effect until 2014/15 and later years (£12.2m).

7.4 Savings 2014/15

The table below shows the total savings made by each service in 2014/15 which are detailed in **Appendix 2**.

Table 3: Savings by department:		2014/15 Savings
		£'000
Chief Executive		(200)
Schools & Children's Services		(1,642)
Environment		(1,459)
Finance, Resources & Customer Services		(2,231)
Health, Housing & Adult Social Care		(5,146)
Regeneration, Leisure & Culture		(290)
Total		(10,968)

The spending and savings proposals outlined in this report were developed in the context of the Council's Strategy. These priorities take into account feedback from residents in the Budget Consultation as well as both the Council's and the external auditor's assessment of our performance.

7.5 In setting the Council's 2014/15 Budget and Medium Term Financial Plan, the Council's aim has been to continue to maintain, and where possible, improve services provided without increasing the Council Tax. The focus continues to be on delivering high quality services more efficiently through reductions in costs. The Council routinely, throughout the year, takes action to cut costs and make efficiency savings wherever possible. Every attempt continues to be made to minimise additional costs, but the ability to influence many of them is limited and the ability to make back office savings is increasingly difficult as a result of the

⁴ This reduction in the 30% retained share of local business rates is due to the Government's Autumn Statement concessions which are met by the S31 Government. The net increase in rates is £1.329m.

⁵ The total BRRS roughly equates to the previous Formula grant regime. The Government calculates its Settlement Funding Assessment from which an estimate of Locally Retained Business Rates (LRBR) and the BR Top-Up are deducted to produce the RSG. The Top-Up and locally retained rates make up the rest that was previously received as Formula Grant.

scale of public spending cuts. Decisions are becoming more difficult and potentially not without significant impact.

8. SUMMARY OF BUDGET PROPOSALS AND IMPACT ON COUNCIL TAX

8.1 The Localism Act requires Council approval of the Council Tax Requirement. The following table sets out the Council's budget position after taking into account the proposed changes.

Table: 4 Budget Position & Council Tax	2013/14 £000's	2014/15 £000's
Net revenue budget		
Schools Budget ⁶	292,156	293,796
Other Services (base budget)	261,129	260,652
Dedicated Schools' Grant	(292,156)	(293,796)
	261,129	260,652
Pressure (Cost increases)	20,129	8,080
Full Year Effect of previous savings decisions	(9,290)	(12,191)
Proposals for savings (Appendix 2)	(13,147)	(10,968)
Council Tax Freeze Grant 2012/13	3,050	
Council Tax Freeze Grant 2013/14	(1,219)	
Council Tax Freeze Grant 2014/15		(1,204)
Net Budget	260,652	244,369
Less:		
Revenue Support Grant ⁷	(97,387)	(79,263)
Business Rate Top Up	(33,954)	(34,616)
Retained Local Business Rates	(31,882)	(33,211)
Collection Fund Adjustment	(1,086)	319
Council Tax Requirement	96,343	97,598
Tax Base (Band D equivalents)	87,557	88,698
Council Tax (Band D)	1,100.34	1,100.34

8.2 The GLA Assembly reviewed the mayor's draft GLA budget on 29th January with the final draft budget is to be considered by the London Assembly on 14th February 2014. The budget proposes a decrease in the Band D precept from £303 to £299. Any changes to the draft Band D precept of £299.00 will be reported to Council along with revised resolutions. The Band D Council Tax payable by Enfield residents for 2014/15 based on the budget proposals and draft GLA precept is £1,399.34. This is made up as follows:

Table 5: Band D Charge	2013/14	2014/15
London Borough of Enfield	£1,100.34	£1,100.34
Greater London Authority	£303.00	£299.00

⁶ Figures includes Academies

⁷ Excludes council tax freeze grant 2013/14 of £1.2m

Total**£1,403.34 £1,399.34**

- 8.3 The statutory calculations of the proposed Council Tax for each property band and the formal Council resolutions required under the 1992 Local Government Finance Act are attached at **Appendix 9**.

9. THE PRUDENTIAL CODE AND CAPITAL PROGRAMME

The Prudential Code

- 9.1 The Prudential Code for Capital Investment commenced on 1 April 2004. Within the regime, authorities must have regard to the *Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities- revised in 2011*. The principles behind this Code are that capital investment plans made by the Council are prudent, affordable and sustainable. The Code identifies a range of indicators which must be considered by the Council when it makes its decisions about future capital programmes and sets its budget. Capital expenditure plans for 2014/15 to 2017/18 as proposed in this report give rise to a net borrowing requirement for the Council. This has an impact on affordability on the revenue budget due to the financing costs associated with that borrowing.
- 9.2 **Appendix 4** sets out the Prudential Indicators for the London Borough of Enfield, within the Treasury Management Strategy, based on the capital programme for 2014/15 to 2017/18 as detailed in this report.

Capital Resources

General Fund Borrowing

- 9.3 The Council makes decisions on the level of borrowing, in the context of the Prudential Code criteria set out in the Treasury Management Strategy in **Appendix 4**. The Government no longer provides revenue support for new borrowing, only capital grants.

Capital Grants

- 9.4 The Council has already been notified of the amounts involved of many of the grant allocations that can be expected to be received in 2014/15.
- 9.5 It is possible that additional capital grant allocations may be announced for 2014/15 onwards, but it is unknown as to whether the funding would be earmarked for spending on specific Government rather than local priorities.
- 9.6 Should any further grant allocations become available during 2014/15, information will be included in the quarterly capital monitoring reports to Cabinet.
- 9.7 The Council continues to receive support from Transport for London (TfL) as set out below. Funding was agreed for the three years from 2012/13 to 2014/15, future funding support figures will be available during 2014/15.

Table 6: TFL Capital Grant

2014/15	2015/16
£000	£000

Table 6: TFL Capital Grant	2014/15	2015/16
Transport for London	5,484	tbc

Capital Receipts

- 9.8 The Council's General Fund Programme includes £4m to be financed from capital receipts in 2014/15. This is a prudent expectation of the total value which is anticipated to be achieved through the Asset Disposals Programme. This disposal programme has already been agreed at a previous Cabinet meeting.
- 9.9 Future capital receipts will depend on decisions about existing assets and on detailed reviews where the sale of some underperforming assets could be set against the improvement of other more valued facilities.
- 9.10 In the current uncertain economic circumstances, it is necessary to take a longer term view on the timing of disposals to achieve a satisfactory level of receipts.
- 9.11 The Capital Programme assumes 70 sales of council dwellings will be achieved for 2014/15, and 50 sales per annum thereafter. This is a significant increase in sales volumes compared to recent years due to changes in the discount entitlement. Changes to the capital receipts pooling rules have led to an increase in the percentage available receipts to fund capital spending.

9.12 Other Capital Resources

a) Section 106 Agreements

A Section 106 Agreement is a legal agreement between the Council and a developer under Section 106 of the 1990 Town and Country Planning Act, or a unilateral undertaking by the developer, to ensure that certain extra works related to a development are undertaken. The Council can enter into a Section 106 Agreement, otherwise known as a 'planning obligation', with a developer where it is necessary to provide contributions to offset negative impacts caused by construction and development. Examples of such contributions range from the provision of affordable homes and new open space to funding of school places or employment training schemes. The developer will either implement these or make payments to the council for them to be carried out. The s106 agreements generally contain several of these elements and the responsibility of managing the expenditure is split across the relevant departments. The majority of S106 agreements are usually very specific about what and where the monies can be spent.

The s106 Contributions Reserve is currently £5.1m. It is not possible to predict the extent to which resources will be available from future s106 agreements. The Council closely monitors the use of these funds to ensure that the schemes for which the money is set aside for are delivered within the time constraints.

b) Community Infrastructure Levy (CIL)

The GLA already has a CIL in place across London. The Mayoral CIL charges £20 per square metre for new developments in the borough. In 2013 Enfield issued consultation on a draft CIL locally. The outcomes of this are still being considered with a view to the introduction of a CIL at some point in the future.

The CIL is a charge which is applied to new development. Monies raised from the levy can be used to help fund essential infrastructure which is needed to support planned growth and development in an area such as schools, community facilities, flood defences and highway improvements. Once adopted CIL will largely replace the Council's current system of developer contributions for infrastructure arising from Section 106 agreements. CIL is not intended to replace mainstream service funding, or meet in full the cost of delivering necessary infrastructure, but is intended to help reduce the infrastructure funding gap.

9.13 Vehicle Replacement Fund

The Council operates a fund for the replacement of vehicles and equipment. This is built up from repayments from revenue over the life of the vehicles.

9.14 2013/14 Capital Budget

The current capital budget monitoring is reviewed on a quarterly basis at Cabinet. The projected outturn for the year is projected to be £68.8m for the General Fund and £43.7m for the HRA. A breakdown of these figures will be provided in the third quarter monitor presented to Cabinet in March.

9.15 General Fund Capital Programme 2014/15 onwards

a) Introduction

The investment programme is based upon the latest financial information in the quarterly capital monitoring. Uncertainty in future funding makes it difficult for the Council to plan beyond two to three years with confidence. **Therefore the programme includes a number of indicative schemes which cannot proceed without robust funding being identified, affordability confirmed and approval obtained in accordance with the Councils governance procedures.** Assumptions include:

- Current rolling programmes are assumed to continue at current levels into later years.
- Indicative figures for Schools & Children's Services are included where programmes are grant funded, particularly in the two years 2016/17 & 2017/18 where funding details have yet to be confirmed.
- The Regeneration Programme includes indicative figures in later years where it is anticipated that the Council's Community Infrastructure Levy may in part help to finance the expenditure.

b) Regeneration

Programme delivery for Meridian Water is well underway, requiring capital investment to both leverage external investment and deliver key infrastructure, land assembly and physical project delivery. Borrowing costs are assumed in the Capital Programme to reflect these anticipated costs together with the initial land acquisition. As stated the Council is currently finalising its local CIL and revenue from this will be utilised to offset a proportion of the capital costs.

In Ponders End the original intention was to implement housing led, mixed use regeneration scheme with up to 408 new homes, additional employment space and a re-provided library this has not been able to proceed because the Government purchased the former Middlesex University site for the purposes of providing a 1,600 place secondary school. However, the school does not require

the entire site and the Council and the EFA are therefore working together with a view to creating a new, but smaller, footprint for development. This could accommodate a mix of dwelling types and sizes, regenerate the High Street frontage and re-provide the library. Phased public realm works to promote safety and improve access to the east of South Street are in progress, and future phases will focus on raising the quality of station square and improving access at the station.

A Master plan for Edmonton Green is in preparation. Projects in development include 'Greening the Green' and detailed feasibility to commercially redevelop the railway arches as part of this project. The Council is awaiting the outcome of the mini Holland bid in March 14.

The Market Gardening project is progressing well. With the finalisation of the agreement with the GLA, a three acre food growing project was delivered at Forty Hall Farm. A vegetable box scheme, Enfield Veg Co. was launched in November 2013, and has a customer base of 30 customers presently, with plans to expand to 120 customers by 2015. Capital funding will support the creation of new community food growing spaces by providing infrastructure and materials over the next 15 months. At this early stage the financial model for market gardening is still being developed. This will be included in future governance reports to Councillors.

c) Parks Capital

£2.2m of capital expenditure is needed over two years to bring the assets of fencing, playgrounds and paths in parks up to standard. Within this figure is a budget of £200k to address a serious long standing pollution control issue within Pymmes Park Pond.

- **Fencing**

Data gathered from the Parks Asset Register on GIS confirms that Parks are responsible for 90km of fencing including over 30km of period iron railings. Inspections during reactive site visits in 2013 provided evidence of severe damage to 1.7km of period iron railings and 1.5km of chain link fencing that should be replaced urgently at an estimated cost of £300,000. Thereafter an annual commitment may be needed to replace other fenced areas.

- **Paths**

Data gathered from the Parks Asset Register on GIS confirms that Parks are responsible for 210km of tarmac footway and carriageway. Site visits in 2013 provided evidence of severe damage to large areas of footway and carriageway and in response to this the whole network is currently undergoing a condition survey by a Highway Inspector.

To date 57% of the network has been inspected and £523k of urgent works have been identified. The estimated cost to complete urgent repairs in throughout the whole network based on these figures is estimated at £1.05m. It is recommended that this work is carried out over the next three years.

- **Play areas**

The Play Inspection Company completed an independent play equipment life expectancy report covering all LBE Parks maintained play areas in April

2013. The report identified 69 separate items with a life expectancy of 0-5 years. The cost to replace these items was accurately priced at £0.65m.

d) Accessing Housing to assist the temporary accommodation pressure in the borough

There are increasing pressures on housing supply for residents of the borough; in particular, pressure on temporary accommodation has increased significantly, after a period of declining numbers and relative stability. In March 2013, Enfield was ranked 7th highest nationally for the number of households in temporary accommodation which was approximately 2,200 households, most of which are housed in the Private Rented Sector. As demand is outstripping the supply, temporary accommodation prices in the borough have increased, particularly for Nightly Paid Accommodation, which is currently used for approximately 480 households.

It is proposed that the Council establishes a local authority company to own and manage a portfolio of houses, to make available to those residents with housing need or at risk of homelessness. A fixed rate annuity will be accessed either via the Public Works Loan Board (PWLB) or via external investment depending on the most viable option at the time of purchase. Whilst the company will initially focus on the purchase of existing properties, consideration will also be given to using funding for new build developments if deemed to be financially viable.

This will enable the Council to increase the supply of value for money housing and quality accommodation for vulnerable residents, which will enable the Council to discharge its statutory duties for homelessness. In turn this will help to alleviate the pressures on the temporary accommodation budget, which are estimated at up to £7.8 million in 2014/15. It is proposed that a phased approach is taken to the purchase of housing in order to manage risk and test the effectiveness of this model.

A more detailed report is elsewhere in the February Cabinet papers but funding for this project has been assumed from 2014/15 onwards in the Council's Capital Programme.

9.16 Housing Revenue Account Capital Programme

Enfield Homes has prepared a Capital Programme for 2014/15 in line with currently available resources, including estate renewals. The proposed HRA Capital Programme is a key element of the HRA business plan; this report forms part of tonight's agenda.

9.17 Recommended Capital Programme 2013/14 – 2017/18

The recommended capital programme is summarised below with details in **Appendix 5**. The impact of this programme is reflected in the current borrowing requirements set out as Prudential Indicators in the Treasury Management Strategy at **Appendix 4**.

TABLE 7: Capital Programme Summary	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Schools & Children's Services	31,666	64,339	34,834	19,600	20,107	170,546
Regeneration Leisure Culture	5,026	27,653	33,481	14,775	25,420	106,355
Environment	22,983	23,176	12,911	12,232	10,563	81,865
Adult Social Care	1,338	2,071	4,972	2,380	100	10,861
Housing Grants	1,934	4,407	2,818	2,818	2,818	14,795
Affordable Housing	1,286	3,679	2,100	2,100	2,100	11,265
Corporate Items	4,544	4,004	2,770	2,770	1,934	16,022
General Fund Programme	68,777	129,329	93,886	56,675	63,042	411,709
Housing Revenue Account	43,720	72,129	46,818	39,900	31,589	234,156
Total Capital Programme	112,497	201,458	140,704	96,575	94,631	645,865

9.18 **Monitoring and revision to the programme**

The monitoring of the Capital Programme, which is led by the Cabinet member for Finance and Property, is undertaken on the following basis:

- The monitoring position is reported to Cabinet on a quarterly basis, together with the quarterly reporting of the Prudential Indicators. Monitoring statements are signed off by Directors and Lead Members.

The capital programme is revised on a continual rolling basis by reporting changes to Cabinet for approval as part of the monitoring process. The programme recommended is based on the latest information available at the time of producing this report. The regular 2014/15 monitoring report to Cabinet will include updates subsequent to this report.

9.19 **Treasury Management Strategy & Prudential Indicators**

Appendix 4 explains in some detail the Prudential Indicators that the Council is required to set and their recommended values for 2014/15 – 2017/18. The indicators are monitored by the Director of Finance, Resources & Customer Services, reported quarterly to Cabinet and reviewed annually by the Council. The indicators are consistent with the Council's current commitments, existing plans, the proposals for capital expenditure and financing, and with the Council's approved Treasury Management policy, statement and practices. The tables summarising the Prudential Indicators recommended by the Director of Finance, Resources & Customer Services are contained within **Appendix 4**.

9.20 **Treasury Management Strategy 2014 - 2018**

The Authority has adopted the CIPFA Code of Practice for Treasury Management as a statement of its intention to follow best practice. The Council adopted the Code of Practice in January 2002 and revised the Code in November 2011 that will be adopted as part of this report. The other mandatory indicators for treasury management are set out below with their recommended values. These are expanded upon in the recommended Treasury Management and Investment Strategy, which is set out in **Appendix 4**. The Council is asked to approve the strategy and the prudential indicators below as well as the criteria for investments in **Appendix 4**.

9.21 **Investment Strategy**

Enfield's investment strategy continues to be prudent, but recognises the need for it to be able to respond to the improving world markets.

Enfield has worked with our treasury strategy advisors (Arlingclose) to develop a strategy which balances security and flexibility which allows the Council to maximise returns on investment whilst protecting the Council's finances from risk.

The main change from the 2013/14 strategy is set out below (full details are set out in Appendix 4 section).

- The Authority is also able to invest cash with other organisations such as "Investor Circle" for example by making loans to small businesses. Due of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Authority's Treasury Management adviser and approval of Director of Finance, Resources and Customer Services.

9.22 **Minimum Revenue Provision (MRP)**

In accordance with the Capital Finance Regulations, Councils are required to approve a statement in advance of the financial year setting out the method by which they intend to calculate Minimum Revenue Provision (MRP). This is the amount which authorities should set aside annually for the repayment of debt relating to capital expenditure financed by loan. It should be noted this only refers to non-HRA services – the HRA is exempt from making MRP. The regulations require authorities to make prudent provision; guidance issued under the regulations set out options by which this can be achieved.

Council is asked to approve the continuation of the existing policy for the calculation of MRP, which is consistent with the guidance issued under the regulations.

- For capital expenditure incurred before 1 April 2008, the MRP policy is to follow existing practice – this requires a charge to be made to the revenue account equivalent to 4% of the outstanding debt at the start of the financial year;
- For capital expenditure incurred from 1 April 2008 to 31 March 2011, and which is Supported Capital Expenditure (SCE), the Council follows the existing practice above, as this matches the way in which Government support is calculated in the Formula Grant. As previously reported, there will be no more SCE from 1 April 2011.
- For all unsupported borrowing incurred from 1 April 2008 onwards, it is recommended that MRP is calculated on the basis of amortising the amount borrowed over the estimated lives of the assets acquired or enhancements made as a result of the related expenditure.

10. THE MEDIUM TERM FINANCIAL PLAN

- 10.1 This section sets out the implications of the budget proposals in this report for the General Fund Medium Term Financial Plan (MTFP). They include the impact on future revenue expenditure on the Capital Programme.
- 10.2 The Medium Term Financial Plan is based on an analysis of the key influences on the Council's financial position and an assessment of the main financial risks facing the Council. The financial forecast set out in paragraph 10.3 models income and expenditure and resources available over the next four years and is considered to be the most likely outcome based on the following factors and assumptions.

The key influences and assumptions are:

- **Local Government Finance Settlement**

The Government has confirmed the settlement for 2014/15 and indicative figures for 2015/16. The Medium Term Financial Plan incorporates the settlement figures.

The Settlement takes into account the Chancellor's 2013 Budget and Spending Round. The Government will not publish indications of Departmental Expenditure Limits for local government spending in 2016/17 and in advance of the 2015 General Election. The MTFP includes assumptions based on the Chancellor's statements in his Budgets and Spending Round regarding the longer term outlook for public spending. In particular the Council could potentially lose up to £11.7m in 2015/16 for use by Central Government. Although the Authority expects to get back a proportion of this funding. It is difficult to assess at this stage. The Medium Term Financial Plan therefore takes account of this potential loss.

- **Inflation rates and pay increases**

A 1% pay award has been allowed for in 2014/15. Price inflation and income have been assumed as increasing by 1% per annum from 2015/16 onwards. Current inflation is above this level but services are expected to meet any shortfall through improved procurement practices.

- **Interest Rates**

The Council borrows to fund capital investment in priority services. The Capital Programme includes new borrowing to finance capital investment in schools, highways and regeneration. Provision has been made in the Plan to fund the ongoing borrowing costs. Although the Council borrows at fixed rates, the cost will depend on the prevailing interest rates at the time of taking out new loans.

The Council earns interest on its cashflow, by lending surplus cash balances for short periods; these cash balances represent unapplied balances, earmarked reserves and capital receipts. The current economic downturn has directly impacted on this income. Interest rates have now been low for a prolonged period and as a result the Council has set up an Equalisation reserve which is being used to mitigate the effect of low interest rates.

- **The on-going effect of existing policies, pressures and growth in priority services**

Provision has been made in the Medium Term Financial Plan for the on-going effect of previous years' additional costs and savings. In addition, the Council has made provision for anticipated cost pressures where they can be identified.

The capital financing costs associated with planned capital investment in the highways and streetscene and schools are a significant pressure in the MTFP. The affordability of future capital investment is assessed as part of the MTFP and is increasingly under pressure as the Government reduces support for capital investment. The Council continues to proactively seek other external funding sources and grants to support its Capital Programme and is in the process of introducing a Community Infrastructure Levy which will support future regeneration.

- **Demographic pressures**

In revising the Medium Term Financial Plan detailed work has been undertaken on the demand for services to the vulnerable and growing population generally. These pressures are set to continue and grow in the medium term. The population of the borough continues to rise each year and there is now a significant risk that the rebasing of the government finance formula will not result in any additional funding to meet this demand.

- **Local Retention of Business Rates**

The Council will now retain 30% of all business rates collected locally. The Government has assumed a certain level of business rates when determining the Local Government Finance Settlement. Any variation between the Government's estimate and Enfield's actual rates collected will either benefit the Council or create a budget pressure. Gains will be made by:

- Government under estimating the amount collected by Enfield
- Increases in business rates in excess of the assumed inflation built into future settlements by the Government. This will mainly be through physical growth of the commercial tax base and is a key element in the Government's plans to promote economic growth.

A pressure will be created if business rates fall due to closures, economic recession and significant losses due to appeals. There is limited protection through the BRR scheme called the safety net. In year falls in excess of 7.5% of the Council's business rate baseline (£64.79m in 2013/14) will attract additional one-off funding met by levying on tariff authorities with high growth. Enfield baseline would need to fall by £4.86m (£16m gross) before any safety net payment would be triggered.

- **Localisation of Council Tax Benefit Support**

The Council approved its 2014/15 local scheme on 29 January 2014. The financial effects have been included in the budget and taken account of in the taxbase for 2014/15.

- **Enfield's Local Plan (formerly known as Local Development Framework)**

The Council is committed to supporting the development of the Local Plans setting out action plans for areas in borough following the publication of the National Planning Policy Framework. Funding provision is in place for the first phases of the plan and funding has been incorporated into the Medium Term Financial Plan.

- **Risks, contingencies and balances**

There are risks inherent in the Medium Term Financial Plan for the reasons summarised above and exemplified in Section 11 of this report. A number of key items in the plan cannot be estimated with accuracy. The figures in the plan also assume that significant savings will be made. In this situation, it is essential to maintain sufficient balances, not only to deal with unforeseen events but also to cover the potential risk of not achieving the savings required. In addition, the Council will continue to hold adequate reserves for future commitments.

10.3 The Council will work to minimise Council Tax increases in later years. At this stage no decision has been taken on taxation levels for 2015/16 and later years. The following table summarises the current financial forecast for the period of the plan (2014/15 – 2017/18) and sets out the estimated further savings required based on two options including a council tax freeze across the plan and a 2% increase per annum starting in 2015/16. The Government has announced its intention to provide further support to freeze Council Tax increases in 2015/16 which will be taken into account when setting the 2015/16 budget. This is not included in the table below as the Freeze Grant has not been formally confirmed for 2015/16. If the 2015/16 grant is awarded representing the equivalent of a 1% Council Tax increase, this would reduce the 2015/16 budget gap by £1.2m assuming Council Tax is frozen in that year.

Table 8	2014/15	2015/16	2016/17	2017/18
Medium Term Financial Plan	£'000	£'000	£'000	£'000
<u>New Pressures</u>				
Inflation	2,957	5,954	6,000	6,000
Additional costs of population growth	2,207	1,410	1,580	2,000
Homelessness	3,329	0	0	0
Other cost increases / contribution from reserves	(413)	4,891	1,175	596
<u>New Pressures</u>	8,080	12,255	8,755	8,596
Full Year Effects (of previous budget proposals)	(12,191)	1,119	(554)	14
Proposed New Savings	(10,968)	0	0	0
Council Tax / NNDR Collection Fund Adjustment	1,405	(319)	0	0
Council Tax Freeze Grant 2014/15	(1,204)	0	0	0
Growth in 2014/15 Tax Base	(1,255)			
<u>Business Rates Retention Scheme</u>				
Revenue Support Grant	18,124	22,050	6,900	7,000
Business Rate Top-Up	(662)	(1,227)	0	0
Locally Retained Local Business Rates (30%)	241		0	0
Section 31 Grant Business Rate Grant for Government Concessions in Autumn Statement	(1,570)			
<u>Business Rates Retention Scheme</u>	16,133	20,823	6,900	7,000
Total increase in council tax requirement before future savings agreed	0	33,878	15,101	15,610

Table 8	2014/15	2015/16	2016/17	2017/18
Medium Term Financial Plan	£'000	£'000	£'000	£'000
Further savings required based on following options:				
1. Council tax freeze 2015/16 onwards	0	33,878	15,101	15,610
2. 2% per annum council tax increase from 2015/16 onwards	0	31,926	13,110	13,579

* There is a potential £3m pressure for 2015/16 onwards for anticipated incentive payments to secure affordable long term accommodation to reduce the numbers of homeless people in the Borough. As the plan develops it is hoped that this pressure can be contained from the use of reserves but this will be reviewed in the Spring when the plan is updated.

10.4 Many factors that affect the Council's future financial position can, for the most part, be estimated with some degree of confidence for the first year of the plan (2014/15) but become increasingly uncertain for later years. It is therefore essential to test the sensitivity of the plan to changes in the main assumptions. The figures in the following table illustrate the extent to which the plan would be affected by such changes:

Table 9: Sensitivity Indicators	Budget impact	Council Tax impact
	£'000	%
1% change in pay	1,500	1.6%
1% increase in price inflation	2,000	2.0%
0.5% increase in interest rates (benefit to the Council)	(300)	-0.3%
1% increase in homecare costs	180	0.2%
1% increase in care costs for Older People	200	0.2%
1% change in Settlement Funding Assessment:		
2014/15	1,465	1.5%
2015/16	1,251	1.3%

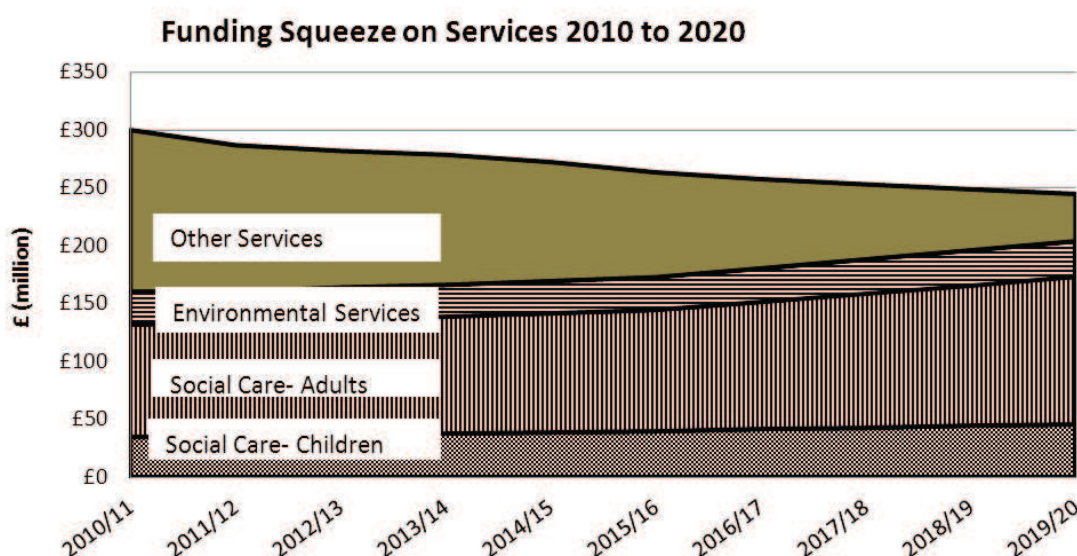
10.5 The 2014/15 budget is the final year of the Government's 2010 Spending Review. The 2013 Spending Round set the Government's public spending plans for 2015/16 only as later years will be after the 2015 General Election and may be subject to a change in administration. The 2015/16 position is set out in Table 8 above and shows a 1.4% cut in government funding. New funding through the Better Care Fund also requires additional expenditure and will not offset the cut in CLG funding to any significant degree. This has resulted in the projected funding gaps of over £30m in 2015/16.

10.6 Estimates for the later years funding is based on the Chancellor's statements regarding longer term public finances and the national deficit. He stated in his 2013 Budget that total spending in 2015/16, 2016/17 and 2017/18 will continue to fall in real terms at the same rate as during the 2010 Spending Review. The Government's Total Managed Expenditure for the three years is as follows:-

	TME	Increase	September
	(£bn)	%	RPI %
2015/16	745		3.2
2016/17	755	1.3	3.6
2017/18	765	1.3	3.9

Increases below inflation represent real cuts. In addition the Government is likely to continue to protect NHS and Schools at the expense of other services including local government. The MTFP has assumed further cuts in Government funding of 10% per annum 2016/18 based on this information.

10.7 It is worth repeating the local government spending trend set out in the 2013/14 Budget Report to Council. Work by the Local Government Association⁸ and supported by further London specific analysis by London Councils⁹ shows that if current trends continue, the cost of social services and statutory environmental services may require other council spending to drop by 66% in cash terms (80% in real terms) by the end of the decade. If capital financing and concessionary travel is included the cash reduction is 90% (which in real terms would leave practically no funding for other services at all). The objective is to ensure that the Government is aware that the reduction in council funding at current levels is unsustainable without cutting services. The LGA graph for Enfield is shown below:



10.8 The indicative savings to be identified across the four years of the plan will require a review of service priorities including statutory services and the quality of provision. It is increasingly difficult to cut costs without reducing service provision and the Council is carefully considering and planning how it will close the funding gap over the medium term.

10.9 In future if Members wish to increase investment in existing services or develop new services, or if demographic or other changes result in greater financial pressures, additional resources may not be achievable through efficiency savings elsewhere in the budget.

10.10 The Council is clear as to the financial pressures it is facing and is determined to deliver cashable savings that keep Council Tax low whilst at the same time maintaining or improving the quality of priority services wherever possible. However, it also recognises that efficiency savings are not inexhaustible and continuing reductions to public sector funding make cuts to services inevitable.

⁸ LGA: Funding outlook for councils from 2010/11 to 2019/20

⁹ London Councils: A case for sustainable funding for adult social care

The National Audit Office (NAO) has warned in its first assessment of the sector's financial robustness that the government must establish mechanisms for dealing with "widespread financial failure" in local authorities. The report stated that Whitehall was failing to understand the combined effects of its policy reforms on councils' finances. Despite councils having "generally coped well" with the significant cuts made to their budgets, the NAO's head warned that councils would struggle to absorb further cuts over the next two years without reducing services.

10.11 Bridging the Savings gap from 2015/16 onwards

It is clear from the Chancellor's recent budget statements that cuts in local government funding are likely to continue at least until 2018. The Council's medium term financial planning process recognises this and has identified that approximately £60m of savings will be needed between 2015/16 and 2017/18 to balance the budget.

This is clearly a significant challenge given the extent of efficiencies that have already been identified over the last four years. Despite these substantial cuts in government grants, Enfield remains a successful, high performing Council, continuing to deliver high quality services across the borough.

The Council has identified a number of operating principles that, together with the Council's values, will deliver the efficiencies and changes that are needed to balance the budget. These principles will be applied across the Council to every activity and project it carries out. They are:

- Do it once
- Do what we are good at
- Automate transactions where we can
- Bring teams together and create smaller, more focussed centres of excellence
- Deliver with fewer resources
- Empower our customers to help themselves
- Deliver better, economical services with partners and agencies
- Maximise income

These principles will give clear direction to enable the authority to become even more efficient, focussed on our customers and fit for an increasingly digital age.

10.12 The LEANER Savings Programme.

The Council has a transformation change programme called the LEANER programme:

The Council is continually working to improve its customers' experience of our services and as their needs change, the Council needs to continually evolve as well. The next phase of LEANER transformation, Enfield 2017, will, based on the operating principles below, develop the Council into an organisation that can confidently meet future challenges in a professional and efficient way.

Organisational Development

Three strands – mobile working, Civic Centre refurbishment and workforce development. This brings together New Ways of Working and the People and Culture board, looking at how the Council works, the workforce needed and the changes the Council needs to make.

Digital Customer

Digital Customer builds on Customer First, encouraging the Council's customers to access Council information and services online 24 hours a day or via the Operational Service Centre (OSC).

Simplifying and improving assessment processes

Closely linked with the Digital Customer pillar, Assessment lets the Council's customers apply online for services through a central portal that provides a simplified and automated assessment process.

Support Services Strategic Core

Support Services and Strategic Core (SSSC) is a new pillar to examine, challenge and transform back office functions, ensuring there are fit for purpose and can support front line services.

Community Engagement

The Community, Partnership and Voluntary Sector Engagement pillar is exploring how the Council's services will be delivered in the future to meet the needs of the community with reduced funding available.

Procurement / Commissioning

Procuring goods and services is essential to any organisation. Procurement and commissioning is ensuring the Council gets the best value for money while promoting the local supply chain.

10.13 Key Principles of the Medium Term Financial Plan

The medium term financial plan is based on a number of key principles and assumptions. These are:

- That savings will be identified on a rolling basis to allow benefit realisation as soon as possible.
- That the demographic pressures the borough faces are regularly reviewed and updated throughout the lifetime of the plan.
- That all risks related to both the delivery of the proposals in the plan and any future uncertainties are reviewed on a regular basis.
- Minimum balances of around £14m are maintained in accordance with the latest Finance Resilience Review carried out by external auditors.

10.14 **Education – schools**

The Department for Education has announced the position on schools funding for 2014/15. This is set out in the report (para 5.9).

10.15 **Housing Revenue Account (HRA)**

The medium term plan for the Housing Revenue Account is included in the HRA estimates report elsewhere on this agenda.

10.16 **Fees & Charges- Environmental Services**

The current (2013/14) and proposed fees and charges for 2014/15 for services and materials provided by the Environment Department are set out in Appendix 10 of this report. In completing the exercise managers have sought to fully understand the cost of delivering the various functions and benchmarked the proposed charges against relevant comparators.

In several areas charge increases reflect the significant on-going investment by the Council despite significant reductions in Government funding. Charges related to the parks and cemetery services have been benchmarked across neighbouring boroughs and are priced accordingly and competitively. There is a clear recognition that better facilities and services are required and expected of the council and we will continue to address this need.

Following analysis of the Pest Control & Commercial Waste Services prices have been varied. These charges are included in a part 2 paper to ensure commercial confidentiality. The proposed charges unless otherwise stated will become live on 1st April 2014.

It is recommended that the revised fees and charges for Environmental Services are agreed as set out in **Appendix 10**.

10.17 **Fees & Charges – Adult Social Care**

The current charges for 2013/14 and proposed charges for 2014/15 for services provided by Adult Social Care within Health, Housing & Adult Social Care are set out in **Appendix 11** of this report. The allowances and disregards proposed for 2014/15 are also set out in Appendix 11.

The annual review of charging for services has been completed and in keeping with the approach taken in previous years the department has sought to reflect the cost of services provided within the proposals for 2014/15, whilst ensuring that any changes are in line with the uplift in welfare benefits and the State Retirement Pension payments and is also consistent with the departments Medium Term Plan requirements. The charge to individuals will continue to be calculated in line with existing Government charging guidance for Residential Accommodation (CRAG) and community services (Fairer Charging).

Benefit Uplifts

Disability Benefits will increase by an average of 2.7% in 2014/15. The basic state pension rate is likely to increase from its current rate of £110.15 per week by 2.5% in 2014/15.

Residential Charges

The National Assistance Act 1948 and the Charging for Residential Accommodation Guide (CRAG) require Social Services authorities to recover the full charge for residential care subject to the allowances and discretions available under the statutory charging scheme. The service user will contribute their assessed charge up to the full cost of the service. The full cost of the service will always be charged to other Local Authorities or Independent Agencies using the authority's services. The proposed weekly charge for in house Residential care will increase in line with the uplift amount to be awarded to residential/nursing care providers. This has yet to be agreed and will be advised once received.

Community Based Services

These are services provided principally under S2 Chronically Sick and Disabled Act 1970. S17 Health and Social Services and Social Security Adjudications Act 1983 give local authorities the power to make reasonable charges for these services. The authority may not require the service user to pay more for these services where their means are such that it would not be reasonably practicable for them to pay that amount. The Department of Health's Fairer Charging Guidance applies to Community Based Services. Charges for transport will remain at the 13/14 rate of £2.50 per journey.

Charges for respite will be subject to a fairer charging assessment as in 13/14. Personal Budgets that are arranged via a Direct Payment are financially assessed under Fairer Charging guidance. Therefore, the amount charged will be based on an assessment of an individual's financial circumstances and will not exceed the total amount of the direct payment awarded.

It is proposed that the current charge of £16.60 per hour for homecare services arranged on behalf of service users is reduced to £15.90. This reflects the work the department has done to reduce unit costs within this area of provision in line with the Medium Term Financial Plan and the average cost of homecare services provided across all service areas.

Charges for day services are currently subsidised by the Council. The department is proposing to phase out the current subsidy arrangements so that charges reflect the full cost of the service. The proposed charge for 2014/15 is £40.00 per day (from £39 per day in 13/14). In keeping with national guidance only service users with available resources over £23,250 will be liable to pay the full charge. There will be no change to the current charge for the provision of meals provided at home or in day centres.

Currently those people whose assessed charge is below £2.50 per week receive a free service as the cost of administering and collecting payment exceeds this amount. This will remain in 2014/15.

It is recommended that the proposed charges for services arranged by Adult Social Care and the proposed allowances and disregards are agreed as set out in **Appendix 11**.

10.18 Members Allowances

The Council last reviewed its allowances on 30 June 2010, when it agreed some consequential amendments. At that meeting, Council agreed to forego the automatic increase in allowances by the average earnings as at March of each

year for the 2010/2011 financial year and to remodel the existing budget to fund the SRA for an additional Cabinet Member position. The Opposition SRAs and those for the Mayor, Deputy Mayor and Standards Chairman remained the same. Council is now invited to re-approve the current members' allowances scheme in light of the IRP's 2010 recommendations and to confirm that the automatic increase in allowances by the average earnings as at March be not implemented again for the 2014/15 financial year. The working assumption is that there will be no overall increase in the members' allowances budget although the new administration may wish to review allowances within that figure following the 2014 election in May. In addition, it should further be noted that the IRP will shortly be commencing a full review, which the outcome of which the Council will need to consider.

11. BUDGET RISKS, UNCERTAINTIES AND OPPORTUNITIES

- 11.1 Throughout the budget process, officers have kept under review the key risks, uncertainties and opportunities that could have implications for the Council's financial position in 2014/15 and in the medium term. The systematic review, particularly of risks and mitigating actions is a key part of any effective planning system and therefore crucial in the budget setting process, a process reinforced by the external review of resilience discussed below.

Once again in 2013/14 our external auditors undertook a review of the Council's financial resilience. The review includes consideration as to whether the Council has robust financial systems and processes in place to manage its financial risks and opportunities. The areas covered were financial performance, planning, control and strategic financial planning. The report concluded that overall there was currently no cause for concern and that the Council has adequate arrangements in place for achieving financial resilience¹⁰. In respect of the budget, the report made two main recommendations that the Council should continue:

- To ensure that the MTFP remains responsive given the scale of the savings still required and the financial uncertainty that remains within the timeframe of the Plan.
- To maintain appropriate levels of earmarked reserves.

All of these areas and the Council's approach are reviewed as part of this report. The key assumptions are set out in paragraph 10.2 whilst the Director of Finance, Resources & Customer Services assessment of balances and resources is set out in **Appendix 8**.

Key financial risks are included in **Appendix 6**, together with comments on how they will be managed. Most risks relate to specific issues. However, it is important to emphasise the significant risk facing the Council due to the extensive and rapid reforms proposed by the Government. These have been reported and discussed both in this and previous reports to Cabinet but are summarised here:

- Council funding within public spending beyond 2015/16 is uncertain. Reductions in public spending are expected to continue in line with the 2010

¹⁰ This is a 'green' assessment which is the highest achievable under the red/amber/green ranking used.

Review and may possibly increase if the economic growth needed to restore private and public sector finances is not achieved.

- As part of the 2013 Spending Round the Government announced that it would centrally retain £1.95bn of funds for specific projects in 2015/16. The majority of this money relates to New Homes Bonus but there are also funds set aside for burdens such as the implementation of the Dilnot review of social care. The funding gap for 2014/15 elsewhere in this report excludes these amounts as it is unknown what will be allocated to the Council and more significantly what additional burdens will follow the funding.
- As stated in the paragraph above, the government are withholding £1.1bn of funds nationally in 2015/16 for New Homes Bonus. The Government have provisionally indicated that London Council's will have their New Homes Bonus top sliced to fund GLA led projects. This is a significant risk to Enfield and the Council along with many other London Boroughs has lobbied the government hard to reverse this decision.
- The financial implications of the localisation of business rates and council tax support in 2013/14 are being monitored and quantified. Local tax collection rates appear to be holding in line with forecasts built into the 2013/14 budget. However, the demolition of properties undergoing redevelopment and regeneration may have create short term tax base pressures before the benefits of growth kick in later years.
- The cost of Council Tax Support is no longer linked to specific grant funding. Any increase or decrease in the local discounts will impact directly on the Council's finances.
- Welfare Reforms and Universal Credit changes are creating financial difficulties for local residents as reductions in benefit income take effect. To support Enfield residents affected by the new benefit changes Enfield Council's Welfare Reform Taskforce and its partners in Jobcentre Plus and the Citizens Advice Bureau will continue to work together to minimise the impact of the welfare benefit reforms. It will also help all of those affected to find work, support to move to more affordable accommodation, and avoid financial crises and homelessness.
- The Council has an increasing risk due to the pressure from funding temporary accommodation. There are currently over 2,200 people in temporary accommodation with many in expensive nightly paid accommodation. The Council is considering a number of solutions to this problem including incentive payments to landlords and investment in properties to achieve better outcomes for these clients.
- Incentive based Government funding such as the New Homes Bonus and Council Tax Freeze Grant is replacing need led grant allocations. Councils with high deprivation such as Enfield may be worst hit if allocations increase to the wealthier areas as a result of this incentive based approach. Also, in 2015/16 the Government propose to redirect £400m of NHB to Local Enterprise Partnerships (the GLA in London) for reallocation locally. This will reduce the amount receivable directly by each council and so create a funding shortfall if the GLA does not approve funding to meet the reduction.

- 11.2 All risks must be taken into account when assessing the levels of contingencies and balances required. The 2014/15 budget has been set using the most likely outcome but the size of the balances and contingency and levels of reserves have been determined by specific project requirements, the overall level of spending by the authority and by quantifying the levels required to safeguard the Council against the risks if the worst case scenario happened. **Appendix 8(b)** quantifies the risks based on the worst case financial impact profiled by years and also probability. In summary, council balances are adequate although, in the worst case, the council might need to redirect earmarked reserves to replenish balances or meet costs directly.
- 11.3 The Council will continue to monitor closely its revenue budget with particular attention being paid to high risk items. Monthly reports to Cabinet and the Corporate Management Board will assess progress with the plans to deliver savings with the aim of identifying potential problems and, where necessary, corrective action, at an early stage.
- 11.4 The budget projections for the Medium Term Financial Plan will be reviewed and updated throughout the year to take account of further information as it becomes available. As the plan currently stands, there is no headroom for major changes without a significant impact on Council Tax levels.

12 CONTINGENCIES & GENERAL BALANCES

Contingency and Contingent Items

- 12.1 The Budget includes a central contingency of £1m for unforeseen circumstances. The Council also holds centrally a number of contingent items relating to spending requirements that are expected to arise at some point in the budget year but about which there is some uncertainty regarding the timing or magnitude of the financial impact.
- 12.2 The Council's policy will continue to be one of containing spending within the budgets set for each department without recourse to the central contingency other than in exceptional circumstances. However, there are significant risks facing the Council in 2014/15 and through the period of the Medium Term Financial Plan. **Appendix 6** provides details of the high risk areas identified corporately and by departments. In view of these levels of risk it is recommended that the central contingency be retained at £1m for 2014/15.
- 12.3 Provision has been included in the 2014/15 budget for contingent items, including, for example: the loss of rental income from rents arising from temporary accommodation.
- 12.4 **General Balances and the 2013/14 Revenue Monitoring**
- The Council's general balance (excluding schools) stood at £14m as at 31 March 2013. The latest 2013/14 Revenue Monitoring report to Cabinet forecasts an overspend of £0.39m.
- 12.5 The level of balances is examined each year along with the level of reserves and contingencies, in light of the risks facing the Authority in the medium term.

Following consideration of risks outlined in **Appendix 6** it is recommended that the General Fund balance be maintained at £14m.

12.6 Earmarked Reserves

Council reserves are held to meet the cost of specific one-off projects or specific risks. Any balance on reserves once the projects are completed or the risk has ceased is returned to General Fund balances.

A list of the Council's Earmarked Reserves and the purposes for which they are held is set out in **Appendix 7(a)**. Planned movements in the balances over the next three years are shown in **Appendix 7(b)**. These are split between revenue and capital projects which are included in the MTFP and Capital Programme respectively.

The current level of available reserves is forecast to reduce to £31.4m by 31 March 2018.

It is recommended that any uncommitted resources at year end are added to general reserves.

13. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES

13.1 Financial Comments

The Local Government Act 2003 places a duty on the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves. Statutory guidance in this area is provided by Local Authority Accounting Panel (LAAP) Bulletin 78 (Nov 2008) and is the basis on which the Chief Finance Officer's annual financial risk assessment has been updated in the Council Budget report to Cabinet. A full statement of robustness is provided at **Appendix 8(a)**.

The 2014/15 budget has been prepared taking into account the following:

- Specific cost pressures set out in 7.2.
- The reduction and changes in central Government funding over the period of the Medium Term Financial Plan.
- The estimated impact of demographic change and the effect of increasing demands on services where these are unavoidable;
- Provision for legislative change and changes to the Council's statutory responsibilities;
- The estimated impact of underlying cost pressures, evidenced by financial monitoring reports in the current year;

Taking into account the budget risks and uncertainties, and assuming that the recommendations set out above are agreed, the Council's contingencies and balances are considered prudent.

The Director of Finance, Resources & Customer Services is therefore of the view that the budget is robust. Members' attention is drawn to the need for continued close monitoring of the budget and, in particular, like last year, the achievement of the savings targets for 2014/15. It will be essential for firm financial management to continue to be exercised throughout the year to ensure that expenditure is contained within budget. It should be noted that significant savings are likely to be needed from 2015/16 onwards, including the Council's Capital Programme, so that borrowing costs remain manageable.

13.2 Legal Implications

The report sets out the basis upon which recommendations will be made for the adoption of a lawful budget and setting of council tax. The setting of the council budget is a matter for the Council, having considered recommendations by the Cabinet. The Council's budget-setting process is set out in the Constitution.

The Council has various legal and fiduciary duties in relation to the budget and setting of council tax. The Local Government Finance Act 2003 requires the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the setting of the overall budget and council tax. The amount of council tax must be sufficient to meet the Council's legal and financial commitments, ensure the proper discharge of its statutory duties and lead to a balanced budget.

Members are obliged to take into account all relevant considerations and disregard all irrelevant considerations in seeking to ensure that the Council acts lawfully in adopting a budget and setting council tax. Members should note that where a service is provided pursuant to a statutory duty, the Council cannot fail to discharge it properly.

In considering the budget for 2014/15, the Council must also consider its on-going duties under the Equality Act to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity between people who share a protected characteristic and those who do not and foster good relations between those who share a protected characteristic and those who do not. The Council must consider how its decisions will contribute towards meeting these duties in light of other relevant circumstances such as economic and practical considerations.

Members should note some of the actions to deliver proposed savings for future years have not yet taken place and may require specific statutory and/or legal procedures to be followed.

Finally, Members should have regard to s106 of the Local Government Finance Act 1992 which provides that members who are in arrears council tax for two or more months may not vote on matters concerning the level of council tax or the administration of it.

13.3 Property Implications

As outlined in the report, particularly in relation to the Capital Programme.

14. ALTERNATIVE OPTIONS CONSIDERED

- 14.1 The Council has an extensive budget planning and consultation process during which a wide range of options are considered in detail before recommendations are made. Issues raised and discussed have greatly contributed to this report including information from the Budget Consultation set out elsewhere in this report.

As part of its planning for both 2014/15 and future years the Council has considered future levels of council tax. Savings have been identified to enable the Council Tax freeze to be delivered in 2014/15.

15. REASON FOR RECOMMENDATIONS

- 15.1 To set the Council's Budget Requirement and level of Council Tax for 2014/15 within the timescales set out in legislation.
- 15.2 To agree the Treasury Management Prudential Indicators and the Capital Programme for 2014/15.

16. KEY RISKS

As outlined in section 11 and **Appendix 6**.

17. IMPACT ON COUNCIL PRIORITIES

- 17.1 **Fairness for All** – The recommendations in the report fully accord with this Council priority. Where the budget proposals affect services to the public, Predictive Equality Impact Assessments have been completed by the relevant service department. The purpose of these assessments is to identify where and how proposed or changed policies and/or services could improve the Council's ability to serve all members of the community fairly and improve the effectiveness of the Council by making sure it does not discriminate and that it promotes equality.
- 17.2 **Growth and Sustainability** – The recommendations in the report accord with this Council priority. A number of initiatives in this budget support the regeneration of Enfield. In addition, the Authority procures goods and services where possible from the local area in order to generate the local economy.
- 17.3 **Strong Communities** – The recommendations in the report fully accord with this Council priority.

18. EQUALITIES IMPACT IMPLICATIONS

- 18.1 The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.
- 18.2 The Council does not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for

dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.

- 18.3 The use of Equality Impact Assessments helps the Council to analyse and assess the impact of services and policies which will help achieve its aims. The Council recognises that undertaking full assessments will help to improve the efficiency and effectiveness of the Council by ensuring that residents and service users' needs are met
- 18.4 The Council's budget is not subject to an Equality Impact Assessment. Instead, some budget proposals require change or new services and policies and, in these cases, the relevant service has responsibility to carry out an Equality Impact Assessment which evaluates how the proposal will impact on all parts of the community. The impact assessment must include consultation with affected people and organisations

19. PERFORMANCE MANAGEMENT IMPLICATIONS

The key priorities and targets within the Council's Improvement Plan have been one of the main drivers for the proposals in this report regarding the allocation of the Council's capital and revenue resources.

20. HEALTH & SAFETY IMPLICATIONS

Health & safety implications if relevant were taken into account as part of the budget setting process.

21. HUMAN RESOURCES IMPLICATIONS

To date the Council has implemented a robust redeployment programme and worked closely with the trade unions to identify a number of initiatives which have minimised the number of compulsory redundancies over the past two years. Given the financial pressures identified in this report, the Council will be exploring a range of options to ensure that its human resources are appropriately used and allocated in the future with a view to delivering efficient services with reduced budgets.

22. PUBLIC HEALTH IMPLICATIONS

The public health implications are referred to in section 5.8.

BUDGET CONSULTATION 2014/15

Dear Resident,

Enfield Council is working hard to balance the 2014-15 budget and aims to freeze the Council Tax for the fifth year in a row, at a time of Government funding reductions as well as increasing demand for services and inflation.

As well as balancing the budget by doing more with less we have tried to reflect your priorities in our spending and in doing so we are pleased to say that we have had record breaking levels of satisfaction with Council services highlighted in an independent poll of residents of the Borough.

We are particularly pleased with the progress made on the Meridian Water development that paves the way for 5,000 new homes and 3,000 new jobs. In addition, £74m of rail investment in the transport infrastructure has recently been secured from the Mayor of London and Network Rail. This, coupled with the estates' renewal programme that includes Ladderswood, Alma and Highmead developments, means Enfield is making real progress in delivering additional and improved homes in settled communities and attracting investors to Enfield, creating employment for its residents.

Over the next three years the Council will continue to invest in our schools, in particular we will provide 4,160 additional primary places through the Primary Expansion Programme.

During the summer we also have seen the completion of a £3.4m refurbishment scheme funded from a Government grant to provide first class youth facilities at Unity Hub @ Craig Park youth centre in Edmonton. Young people were involved in the design and it is an absolutely fantastic building and facility.

The legacy of the Olympics has led to increased levels of young people engaging in active sport, increased membership at our local leisure centres managed by Fusion, expansion of sports and cultural activities for all of our communities and regeneration and employment opportunities within the cultural, leisure and sporting industries.

We are always interested in what services you feel are a priority for you and your family and would like you to complete the questions at the end of this section so that we can ensure that we take full account of your priorities when making decisions.

Cllr Doug Taylor
Cllr Andrew Stafford

Leader of the Council
Cabinet Member for Finance and Property

Budget Consultation 2014/15

In last year's Budget Consultation we asked if you had any specific suggestions as to areas for further savings. We received many responses with the most common themes being:

– **Tackle benefit fraud**

We verify all benefit claims with other data held by Enfield Council as well as other Government agencies. We also investigate high risk claims using a cost effective risk based approach and work with the Metropolitan Police to identify and prosecute fraudulent claims. This has resulted in a number of successful prosecutions that include custodial sentences for some offenders.

– **Ensure everything is done to collect debt owed to the Council**

Enfield Council conducted a pilot scheme to target council taxpayers with high value arrears and the ability to pay. As a result Enfield increased the collection of debt by over £1m which was the highest in London and the 4th highest in England.

– **Review the level of staff numbers, pay and structures**

The national pay award for staff on National Joint Council conditions of service was capped at 1% with the exception of those staff paid the London Living Wage. The pay rates for middle managers and above were frozen for the fifth consecutive year. Car Mileage rates were reduced. The number of posts has been reduced and will continue to reduce over the next three years.

– **The need for Translation Services**

Enfield Council has changed the way that it provides translation services. This has achieved savings for the Council through not having its own service. It now has a partnership agreement with Newham Language Shop to supply translation and interpreting services.

– **Energy efficient street lighting**

Enfield has installed new technology that has reduced the borough's electricity consumption for street lighting by 42%.

In addition you prioritised your Council Services and top of the priorities were:

– **Road Maintenance**

During 2013/14, Enfield Council spent £8.35m implementing planned maintenance schemes to improve the condition of Enfield's roads, pavements and highway infrastructure - 18 kilometres of roads will have been resurfaced / reconstructed, 10 kilometres of pavement renewed, and a range of other minor improvements completed. Enfield has continued to provide an increased number of road and pavement repairs each month to deal with potholes and broken paving as well as planting 400 trees along Enfield's roads.

– **Street Cleaning**

Improvements in street cleansing have been achieved by using more sweeping machines, the development of Tidy Teams working in busy areas and ensuring fly-tips are cleared on the same day as we are told about them. Earlier this year

residents across the Borough used the Residents Priority Fund to successfully bid for funding to enhance their street cleansing services. Work is also programmed for later in the year to improve standards to the gateways into and out of the Borough.

– **Waste Collection & Recycling**

The Council completed the wheeled bin roll out in 2012 to all suitable properties. In 2012 officers secured £2.4m Government funding to offer the remaining kerbside properties an opt-in food and garden waste service where they were previously unsuitable and food waste collections from all suitable flats in the Borough. All properties suitable for wheeled bins now have them for refuse, recycling and mixed garden and food waste, and all suitable flats will have recycling and food waste collections by 2014. The success of the service can be seen with the streets having less litter. Recycling rates have increased to over 40% for the first time and all residents in suitable properties are able to recycle mixed dry recyclables and food waste. In addition there is an 88% satisfaction rate with the service, with Enfield having the highest recycling rate in the North London region.

– **Community Safety**

The Council has continued to work in partnership with the Police to reduce crime and improve residents feeling of safety. Our work around gangs and serious youth violence continues and we have seen a 35% reduction in serious youth violence for this year. Our proactive work around youth robbery has seen this fall to its lowest recorded level and has seen us recognised as best practice nationally and internationally for this work. We have also continued to deliver our “Call-in” project, with two more sessions held to persuade young people to quit gangs.

Recognising the impact of crime and community safety on public health, we are working in partnership to tackle those areas of concern, particularly around violence against women and girls. We are rolling out a pilot project to around half the GP practices in the Borough that will help us to identify and support victims of violence at an earlier stage, and thus help people to avoid it happening again.

We have continued to invest in CCTV to make Enfield safer, and have installed new cameras at several sites this year.

– **Social Care Services for Adults and Older People**

Adult Social Care services continue to deliver efficiencies whilst maintaining its core values of working to help keep people safe and delivering good quality services which give people more choice and control. Feedback from the people we work with rates us amongst the best in London (for more information on how we are doing see our local account at Enfield.gov.uk - [Local account](#)). We continue to speak with and listen to the people of Enfield in order to understand what our priorities should be, where we do well and what the areas for improvement are.

We continue to improve the quality and accessibility of information and advice about the things that matter to people most so that they can make informed choices. We have introduced technology for the monitoring of homecare services for our most vulnerable people to ensure they are getting the services they need. We are working with our partners in health to provide better preventative services by identifying those people potentially at risk at an earlier stage. More people are being supported through direct payments and breaks for carers. Our enablement

service is working with more people to help them achieve independence and our adult disability services are supporting more people than ever to obtain or sustain paid employment.

– **Public Health**

Local Authorities have a duty to promote the health of their population as detailed in the Social Care Act 2012. With effect from 1 April 2013 the Council has assumed contractual and financial responsibility for Public Health services including Health Checks, Sexual Health Services, School Nursing, Dental Health, Tobacco control and Drug and Alcohol Misuse services.

– **Children's Social Services**

Demand for social services to support Enfield's vulnerable children and families remains high and requires the vigilance of all professionals working directly with children as well as members of the community to ensure the safety of local children. A multi-agency safeguarding hub has been operational since October 2012 to respond to notifications of children who may come to harm unless support services are put in place to help parents to care for their children safely. This development has already helped many local families to prevent family difficulties from reaching crisis point. Where necessary, decisive action is taken by social workers and the police to ensure the immediate protection of children and to put in place plans which will keep children safe from harm in the future. These plans can range from the provision of family support services provided by the voluntary and community sector through to substitute care being provided for some children while others will need to be adopted.

The Financial Position

The Government's programme of reducing national debt and spending is now embedded into the Council's financial planning process. We continue to receive less funding from the government than their formula calculates us as needing. We are clear as to the level of Government funding in 2014/15 but the position from 2015/16 onwards is less clear. This uncertainty about the future funding makes the Council's medium term financial position difficult over the next four years. There are also continuous pressures on the Council in the form of price inflation and demographic changes. The new pressures facing the Council and proposed savings are summarised in the table overleaf:

Medium Term Financial Plan New Pressures	2014/15	2015/16	2016/17	2017/18	Total
	£000's	£000's	£000's	£000's	£000's
Reduction in Government Funding Loss of income from the Government from budget reductions and the fall out of Council Tax Freeze Grants	11,107	22,928	6,900	7,000	47,935
Price Inflation & pay awards The October RPI rate of inflation was 2.6% and is expected to remain at roughly this level for the foreseeable future. 2014/15 includes an allowance for a small increase in employer's pension fund contributions as a result of the triennial review. Provision is also made for extending the payment of the London Living Allowance.	2,957	6,100	6,100	6,000	21,157
New Demographic pressures This pressure continues year on year in order to meet increased demand for Council services. This includes services to older people and those with disabilities.	2,207	1,410	1,580	2,000	7,197
Welfare reform - temporary accommodation This is a budget pressure arising from rent arrears for temporary accommodation due to the effects of the benefit cap from April 2013.	3,329	tbc	tbc	tbc	3,329
Capital Financing & Other Costs Investment in schools and highways improvements is partially met by new borrowing which requires repayment over the life of the asset and incurs annual interest charges. Council property maintenance charges are also increasing due to the age of existing buildings. This also includes the increased cost of waste disposal.	2,398	2,846	710	11	5,965
Total Pressures	21,998	33,284	15,290	15,011	85,583
Funded by:					
Full year effect of previous budgets	(11,030)	(1,738)	(1,267)	0	(14,035)
Council Tax (0% increase 14/15, 2% increase 15/16 to 17/18)	0	(1,935)	(1,978)	(2,017)	(5,930)
Savings agreed at November Cabinet	(3,350)				(3,350)
Proposed savings for consultation	(7,618)				(7,618)
Latest MTFP Resource Gap	0	29,611	12,045	12,994	54,650

The focus this year is primarily on the 2014/15 budget where there is certainty in funding levels. Enfield Council's Cabinet, on 13th November, agreed a package of savings totalling £3.35m for 2014/15 as part of the work involved to bridge the 2014/15 budget gap of £10.97m. These savings proposals will be introduced as soon as practicable in order to generate the savings as soon as possible.

Members and officers have now identified further savings set out below and will use these savings to bridge the budget gap. These proposals will be presented to and discussed at Scrutiny Panels during December and January. They will then be reported to Cabinet for approval.

The final package of savings proposals will be presented in the budget report to Council in February 2014.

Further Savings Proposals to bridge the 2014/15 Budget Gap.

Details	2014/15
Environment	£000's
Revised waste collection schedules.	(85)
Fleet efficiencies People Transport.	(125)
Grounds Maintenance contract efficiency savings.	(40)
Repairs & Maintenance efficiency savings.	(10)
Environment Savings	(260)
Finance, Resources & Customer Services	
Democratic Services- review of support to Housing governance.	(30)
Contract Renegotiation- Insurance Services.	(250)
Revenues & Benefits project budget savings.	(100)
Contract review savings in office services.	(195)
Administrative & restructuring savings across the department.	(339)
Revenues & Benefits – Improved income recovery.	(120)
Finance, Resources & Customer Services Savings	(1,034)
Housing, Health & Adult Social Care	
Reduction in employee budgets - Housing, Health & Adult Social Care .	(1,423)
Learning Disability Day Care procurement review.	(150)
Learning Disability – Care purchasing procurement efficiencies and continuing to implement a range of interventions including integrated working reviewing care packages to further reduce dependency and contain the on-going cost of care.	(700)
Mental Health - Care purchasing procurement efficiencies and continuing to implement a range of interventions including integrated working and reviewing care packages to further reduce dependency and contain the on-going cost of care.	(74)
Older People/Physical Disabilities-Care purchasing procurement efficiencies and continuing to implement a range of interventions including integrated working and reviewing care packages to further reduce dependency and contain the on-going cost of care.	(876)
Voluntary Organisations - review scope of services.	(115)
Care purchasing price & demand management savings.	(518)
Maximise income collection across department.	(150)
Housing, Health & Adult Social Care Savings	(4,006)
Regeneration, Leisure & Culture	
Savings from management review.	(290)
Regeneration, Leisure & Culture Savings	(290)
Schools & Children's Services	
Safeguarding & Quality Assurance restructure.	(29)
Training Programme efficiencies.	(100)
Commissioning savings.	(936)
Additional Management Review savings.	(45)
Small grants to Voluntary Organisations.	(88)
Traded Services review.	(75)
Joint Service for Disabled Children – efficiencies.	(50)
Review of Looked After Children's Services.	(50)
Schools & Children's Services Savings	(1,373)
Savings across the Council through the introduction of alternative funding arrangements.	(655)

Total **(7,618)**

Do you have any comments in relation to the savings proposals set out above:

--

Please help us to understand your service priorities:

Do you still agree with your service priorities from last year? Please rank your top three priorities 1(Highest) to 3(Lowest) using the table below (the thirteen categories are the same as last year).

	Ranking 1 to 3 (only 3 rows to be completed)
Children's social services	
Housing Provision	
Community safety (excluding police)	
Environmental protection	
Schools and pupil support	
Leisure & parks	
Youth services	
Regeneration & planning	
Road maintenance, cleaning & lighting	
Library & museum services	
Voluntary sector	
Waste collection & recycling	
Adult social services & older people	

Do you have any suggestions for making savings or improving efficiency in any Council services.

--

So that we can understand the feedback geographically across the Borough, please tell us your postcode:

--

Please return this form to:

FREEPOST NW5036

4th Floor

London Borough of Enfield

Civic Centre,

Silver St,

Enfield,

EN1 3BR

You do not need a stamp. Thank You

Or e-mail:

Budget.consultation@enfield.gov.uk

by **30 January 2014**, with comments on the issues in this paper.

Appendix 1(b)

Budget Consultation Responses

The Consultation included 2 specific questions. 214 (figure to be updated for Council) replies were received.

The responses are analysed below:

Question 1

Do you have any comments in relation to the savings proposals set out above:

Responses:

- “Whilst I understand that the savings are a must, I feel that the savings have to reflect the services that are offered to the public. For example some services cost little in comparison to others yet the reach they have is so important. There needs to be better ways to measure the importance of each service”.
- “Adult Care provision should not be reduced”.
- “Remember some of us are too old for and cannot afford the cost of a computer. Council circulars do not always give the citizen an opportunity to reply by letter but expect a respondent to use an e-mail address”.
- “The Commissioning of services under the Children’s Service is grossing more in % compared to other services”.
- “The voluntary sector is known to provide efficient, professional and cost effective services. Make more savings from council services and make less draconian cuts to voluntary sector children's commissioning”.
- “No more increases in contributions from disabled people previously exempt from paying Council Tax. This is putting a heavy burden on the less able. For genuine medically supported cases, this should be reduced or abolished. Nothing to enhance disabled or older people’s lives in the brief, children are not the only priority in the Borough and have not paid the taxes for the services needed by others”.
- “Have the wider impacts and costs been thought of? By taking away one service does it mean that people, eg disabled or vulnerable become weaker and therefore more dependent and needing greater and more expensive care in the long run.”
- “Simplify organisation structures to remove unnecessary levels of management. Reduce Council headcount by minimum 10%p.a. for the next four years. Deliver Council services to statutory minimum

requirements. Outsource all possible Council services by competitive tender. Moratorium on all new CTB applications”.

- “We do not like to pay Council Tax via the machines. Don’t cut the staff so much”.
- “I think that you should increase Council Tax and preserve services”.
- “Not keen on environment cost savings. It suggests bins are going to be collected less or that parks won’t be maintained. Impossible to tell what services are statutory from priority list. You need to be clearer what the core services are and where the draft cost savings ideas come from”.
- “Yes. I detest the energy ‘dimers’ to attempt to save money at the cost of safety – by uninstalling the dimmers you can make the whole area brighter, safer and a better physical environment. Please remove the energy dimmers”.

Question 2

**Please help us to understand your service priorities:
Do you still agree with your service priorities from last year? Please rank your top three priorities 1(Highest) to 3(Lowest) using the table below (the thirteen categories are the same as last year).**

Response:

(Provisional 29/1/14)

Council Services: Priority	14/15 Priority Ranking (25/1/14)	13/14 Priority Ranking
Road maintenance, cleaning & lighting	1	2
Waste collection & recycling	2	3
Adult social services & older people	3	1
Leisure & parks	4	10
Community safety (excluding police)	5	5
Children’s social services	6	4
Schools and pupil support	7	6
Environmental protection	8	9
Housing Provision	9	8
Library & museum services	10	7
Regeneration & planning	11	11
Youth services	12	12
Voluntary sector	13	13

Question 3:

Do you have any suggestions for making savings or improving efficiency in any Council services.

Response:

Common themes were:

- There should be more integrated working across departments through the pooling of resources.
- Better co-ordination of highways works with public utilities.
- Improve recycling
- Several comments about the level of street lighting late at night in the Borough.
- Reduce the number letters are sent to us regarding Council Tax etc. Move more services on to email
- Better use of Council premises for community use.
- Comments about the level of translation services in the Borough.
- Introduce initiatives to save electricity.
- Concern about levels of fly- tipping in the borough.
- Further work to tackle benefit fraud.

Specific Feedback from the Schools Forum:

LA Budget Consultation

Received: a paper providing details on the LA Budget Consultation 2014-15, a copy of which is included in the Minute Book.

Reported the Council was consulting on the Budget 2014/15 and seeking views on the service priorities.

Noted:

- (i) This was the 4th year with 0% tax increases together with the significant cuts due to national funding changes and benefits, the need for the austerity measures to continue for longer meant it was getting harder and tougher. The Government had indicated that these levels of cuts would continue until 2018. So far and since the 2010 Comprehensive Spending review, the Council had faced 27% cash reduction in funding. It was anticipated that a further 2% saving would be imposed for 2014/15 and this would total a further £10.96m of savings.

- (ii) Information on the budget settlement for 2014/15 was due just before Christmas and the Council would then begin to finalise the budget proposals and this would be in context of reduced funding of at least 2%. The Council in setting its budget would prioritise making back office savings to protect front line services.
- (iii) Schools & Children's Services were reviewing services to assess which ones met the key priorities for the department and had the greatest impact on outcomes. The LA was working closely with Health colleagues to identify services which they should resource to meet their obligations and the LA.
- (iv) It was commented that the headings listed in the report did not provide sufficient details of the services affected by the proposed savings and therefore it was difficult to respond to these. It was suggested where comments were sought for the priorities that it would be helpful if there was a brief explanation added against each service so that an informed decision could be made.
- (v) It was commented with the changing environment, it would be helpful to have clarity of the services which were available to maintained schools only and those available to all schools including academies. It was stated that information had been provided to all Governing Bodies when the Academies Act was introduced and it was currently being updated for redistribution. This information could also be presented to the Schools Forum.
- (vi) It was uncertain the full impact of the proposed savings to the service users. The savings had been identified as those which have the least impact or not seen as priority for meeting the outcomes for children and young people. The proposed savings for Schools & Children's Services had been assessed on how they fitted into the building resilience programme. The proposed saving for training programme efficiencies had been assessed to have a low impact. This training was originally grant funded and the grant was not now available. Other proposed savings required the restructuring of teams and services.
- (vii) It was questioned whether the Forum should respond to the Consultation as a group or individually. It was stated that it was important to respond either individually or as the Forum.

It was commented that it was difficult to comment especially as there was little information on how the proposed savings linked to the priorities on which the comments were being sought and the effect the reduction in funding would have to children and young people. A concern was raised that there needed to be clarity on how the savings would affect maintained schools and academies.

The Forum considered that supporting schools was the main priority and then those services which supported children and young people.

Agreed that:

- (i) The Schools Forum would respond as follows to the priorities:
 - 1 – Schools and pupil support
 - 2 – Children’s social work
 - 3 – Youth services

The Forum would like to comment where a response was sought for the priorities that it would be helpful if there was a brief explanation added against each service so that an informed decision could be made.

The minutes of the meeting would be forwarded as being the Forum’s formal response to the consultation.

- (ii) Members would also respond individually to the consultation.
- (iii) Item detailing information on the services available to maintained schools only and those available to all schools including academies will be added to the workplan.

Specific Feedback from the Over 50’s Forum:

The background to the budget process for 2014/15 was presented by Richard Tyler. The following points were made by the Group:

- There was a question and a follow up discussion about the need to support mental health services in the Borough.
- There were a number of questions regarding Public Realm issues such as community toilets; highways/footways and pot hole repairs. It was explained to the forum that the Council had a £8.5m Capital Programme in 2013/14 for highways works and would be repairing potholes extensively over the next few months. The Council will not be reducing the community toilet scheme in 2014/15
- A suggestion was made about the potential to increase the number of higher Council Tax bands by two in order to generate additional income. This is a national issue, the point was made that Wales already have an additional Council Tax band.
- There was a question regarding the London Living Wage. Councillor Georgiou re-affirmed the Council’s commitment to paying the London Living Wage to its staff and where possible to encourage the Councils contractors to commit to the scheme as well.

- There was a question on what the Council was doing to meet Housing demand and School places pressures. The audience were briefed on the Council's commitment to housing renewal and that £91m will be invested in our primary schools to create new forms of entry and meet increased demand.

APPENDIX 1C

**Minutes of the
Overview and Scrutiny Committee Budget Meeting
Thursday 30th January 2014**

Contact: Mike Ahuja (Head of Corporate Scrutiny) 020 8379 5044 or email: mike.ahuja@enfield.gov.uk

The following Minutes have been approved by the Overview and Scrutiny Committee Budget Meeting (30th January 2014) as a response from scrutiny on the Council's 2014/15 Budget Update and Consultation proposals.

COUNCILLORS

PRESENT Alev Cazimoglu, Michael Rye OBE, George Savva MBE, Rohini Simbodyal, Toby Simon, Alan Sitkin and Edward Smith

ABSENT

OFFICERS: Rob Leak, James Rolfe, Ian Davis, Andrew Fraser, Neil Rousell, Ray James, Mike Ahuja, Jane Juby

Also Attending: Cllr Taylor, Cllr Georgiou, Cllr Orhan, Cllr McGowan, Cllr Bond, Cllr Goddard, Cllr Oykenner, Cllr Stafford

13 members of the public

Cllrs E and R Hayward, Cllr Lavender, Cllr Robinson

700

WELCOME & APOLOGIES FOR ABSENCE

Attendees were welcomed to the meeting. Apologies for lateness were received from Cllrs Rye and Simbodyal.

701

DECLARATIONS OF INTEREST

No declarations of interest were received.

702

LONDON BOROUGH OF ENFIELD BUDGET CONSULTATION 2014/15

1. Welcome & Introduction by the Committee Chairman

Members, Officers and the public were welcomed to the meeting.

2. Introduction to Consultation Paper and Update on Resources and the Council's Options

James Rolfe, Director of Finance, Resources and Customer Services, gave a presentation the main points of which were as follows:

- There had been a required 27% cash reduction in Council funding over the 4 years 2010-2014.
- Since then the position had been updated to take account of the Chancellor's 2013 budget (further 2% cut in 2014/15), the Government 2013 spending round (an 8% cut in 2015/16), inflation and interest rates, demographic pressures and the impact of Welfare Reform on temporary housing (a clearer picture on this was now available since the introduction of the Benefit cap).
- The latest funding gap for the years 2014/15 to 2017/18 is £66m, although figures were indicative only for the last two years of this period.
- Savings of £10.968m were therefore required for 2014/15.
- The primary pressure on the Council's budget was the reduction in Government funding.
- However, other pressures such as inflation, demographics and capital finance also needed to be considered.
- A rising level of savings would be required to meet the gap in funding over the next four years.
- An increase in Council Tax had been accounted for in the Medium Term Financial Plan, however, this was for planning purposes and would always be subject to Member agreement.
- This year's Consultation aimed to build upon previous successful budgets by again seeking residents' views on their service priorities and by acting on feedback ('you said, we did').
- 214 responses had been received so far, with 166 members of the public attending consultation meetings.
- A Budget Progress report had been taken to Cabinet in November, and the Consultation was also launched in the same month. A leaflet and questionnaire had been sent to all households in the Our Enfield magazine. The consultation and questionnaire was also available online and had been taken to all Scrutiny Panels and Area Forums.
- Residents had been asked to comment on the savings proposals outlined in the Consultation paper, to rank their service priorities and to make suggestions for further savings and efficiencies.
- Comments received so far included prosecuting more flytippers, using energy saving lighting, keeping services in-house, improving recycling levels and maintaining levels of expenditure on Parks.
- Top service priorities continued to be road maintenance, waste collection and adult social care. Leisure and parks had risen in importance since the last consultation; libraries and museums had declined in importance.
- Suggestions for further savings had included pooling resources, merging services, increasing volunteering, reducing hedge cutting and reviewing dropped kerb/crossovers.

- A minimum of £13m balance had been recommended for the General Fund in 2013/14.
- Total earmarked reserves were £87m as at 31 March 2013.
- The Financial Resilience Report confirmed that the Council has an appropriate level of reserves for the risks it faces.
- In summary, the economic climate remained uncertain, a budget gap remained for future years which would require significant further savings and the budget proposals for 2014/15 allowed for a freeze in Council Tax.

The following questions were then taken:

Q: The voluntary sector has been given a consistently low rating of importance by residents in the Consultation; however, volunteers help to deliver a number of key services. Do you think there is a lack of awareness and understanding of this?

A: There may well be a limited understanding of what volunteers do and how they help deliver services; the rating may also be impacted by the importance of other things like road maintenance. People often vote for what they can actually see around them; a lot of what volunteers do is hidden from most people. It may be worth considering how we might raise the profile of volunteering in the Borough.

Q: I found some of the descriptions of the savings proposals on page 6 difficult to interrogate, and potentially too broad for the public to understand. As a Councillor, it was difficult for me to make judgements on the acceptability of proposals without certain details. Did you receive any requests for clarification from residents?

A: No, we didn't receive any comments of that kind; perhaps because the information was most often presented at meetings where officers were available to answer any questions.

Cllr Simon commented that the point was a fair one, the Council should always endeavour to be reasonably transparent and use 'plain English' when describing savings proposals in the Consultation.

3. Consideration of Further Savings Proposals from the Consultation Paper

Cllr Simon invited Councillors and Officers to comment on the savings proposals as follows:

Sustainability and the Living Environment

Cllr Sitkin and Cllr Bond echoed Cllr Cazimoglu's comments on the importance of volunteers in delivering services. It had also been noted that a resident wished to see a reduction in hedge cutting.

The following questions were then taken:

Q: The Conservative Group's main concerns are around road and pavement maintenance. We are concerned that there has been a deterioration in the level of maintenance and the increased use of asphalt.

A: £8m has been spent over the last 2 years on road maintenance, and we expect that level to remain the same. Asphalt has not been put in place everywhere, however, we have to consider the higher costs of constantly replacing paving where vehicles have driven over it and cracked it, asphalt is cheaper in this regard and, in these financially challenging times, we have to bear this in mind.

Q: Why not consider the use of other alternatives to preventing vehicles mounting the pavement, like bollards or raising the kerb level?

A: There is a balance to be struck, if we raise kerb levels then that potentially makes it more difficult for people to cross. We have to consider each situation individually. The use of asphalt will remain, however, the long term solution.

Q: How much is the installation of extra road calming measures costing and how much will it cost in the future?

A: The Council spent £2.2m on road calming last year. Safety is an important issue, especially around schools.

Q: Have you got any statistics on injuries caused by speeding to evidence each case of road calming?

A: Yes, we do have such evidence, although in some cases road calming has been installed as a preventative measure.

Q: Will the ERPF continue?

A: This will need to be considered as part of the final Budget setting process; however, we are reasonably positive that it will continue in some form.

Q: The £2.2m spend on road calming mentioned previously (presumably received from the GLA); is this included in the £8.8m spend figure you mentioned?

A: No, it is in addition to this. Also to note, residents are always consulted on road calming measures and, as a result, the areas in which it is implemented are often reduced.

Crime & Safety & Strong Communities

Cllr Rye commented that the Panel was concerned that there was a correlation between trimming and dimming of street lighting and incidents of burglary. The apparent reduced standard of lighting had also affected perceptions of safety.

Officers responded that they were not aware of a correlation but the matter was being monitored. A report was due to be taken to the next Crime & Safety and Strong Communities Panel meeting.

Finance, Resources & Customer Services

James Rolfe commented that the saving on the renegotiation of the insurance services contract had now been achieved.

Older People & Vulnerable Adults

Cllr Savva thanked all Panel members for their contribution. He commented that the Panel would continue to ensure the best possible services were delivered in the light of the financial challenges ahead and that vulnerable people continued to have a voice, preserved their independence and were kept safe.

Adult Social Care

Cllr Rye commented that he sought reassurance on a number of issues. Members of the public also asked for reassurance on certain issues; these were:

- That the renegotiation of social care contracts at lower prices did not lead to a reduction in quality;
- That Day Care and Respite Care provision continued to function;
- That people contracted to provide care services, as well as Council employees, were receiving the London Living Wage.

Cllr McGowan responded that Quality Checkers continued to help monitor standards of care in the Borough. The Council's measurement of success in providing adult social care was that it had managed to absorb an increasing demographic demand and at the same time continue to provide good quality services with a high satisfaction rating. The importance of day and respite care was recognised.

Ray James added that although he could not give absolute assurances regarding service provision, he was satisfied that the approach being taken continued to be proportionate and appropriately manage risk.

In respect of the renegotiation of contracts, he commented that lower prices had been achieved partly through market forces and partly through employing certain procurement practices; at no point had quality been compromised.

He also added that the New Care Bill would change eligibility criteria and that the 'look' of day care was also changing as people expressed a wish for more choices.

In respect of the issue of the London Living Wage for contracted employees, Ray James commented that this was always requested, and a cost comparison was provided for Members to consider and decide upon.

He then commented that the Quality Checker scheme had been particularly successful since, as local people, they appeared less 'bureaucratic' than

Council staff and residents felt they could discuss personal issues more readily with them. There had been a 38% increase in safeguarding incidents this year.

Cllr Smith asked if the locality of the care provider contracted was also considered.

Ray James responded that this was, in the majority of cases, the situation, since people often wished, when being cared for away from home, to be near to family and friends which meant the provider was local. In the case of domiciliary care, the Council required that any contractor have an Enfield office.

A Councillor then asked if the Quality Checkers were effectively replacing the Quality Assurance officers?

Ray James confirmed that these were an additional resource, however, staff were not being increased in line with demand but were targeted to areas of most concern. The Quality Checker scheme was being looked at by a number of other local authorities nationally as an example of good practice.

In respect of the savings proposal 'reduction in employee budgets', it was asked to which these referred.

Ray James confirmed these were targeted at central and back office staff.

Health

Cllr Cazimoglu commented that the Health & Wellbeing Scrutiny Panel had concerns about the provision of primary care, emergency care and cuts across the board which would impact on health outcomes in the Borough generally.

Of particular concern was the Public Health allocation; the Health & Wellbeing Scrutiny Panel felt that Enfield was underfunded in comparison with more affluent boroughs. Cllr Cazimoglu commented that the Minister for Health had promised to look at the formula for Public Health budget allocation, but had broken this promise.

The Panel had expressed significant concerns about health providers continuing to meet statutory responsibilities and address health inequalities in the Borough. Also, the Panel were concerned at the knock on effect on, for example, social care services and consequently, the Council's budget if health services were not as they should be.

Ray James acknowledged this as a risk but said that the Council worked to mitigate this with NHS colleagues.

The following questions were then taken:

Q: Are we having to absorb costs associated with Council schemes to develop premises for primary care?

A: They are cost neutral to the Council.

Q: How much of the Public Health budget is spent directly on healthcare?

A: Actually, quite a small proportion is spent directly on health services which tend to be statutory ones such as sexual health services. However, we do ensure that the public health budget is spent on the wider determinants of public health, if not directly on services.

Cllr McGowan added that work was ongoing with GPs to improve access and that the Primary Care Strategy should reduce pressure on A&E services. The Better Care Fund was also due to be sent to the Department of Health on 14 February.

Cllr Cazimoglu commented that GP access, or lack of access, was indeed an issue and that the pressure on health services was critical.

Housing

Cllr Smith raised the following questions in respect of Housing:

Q: The savings proposals in the Consultation refer to a reduction of around £1.4m in employee budgets within HHASC – what proportion of these relate to Community Housing?

A: £226,000 of the £1.4m relates to Community Housing.

Q: Were all savings across the Department considered on an individual basis?

A: All managers were asked for savings proposals; these were then put forward for consideration. Managers were given a steer that front line services were to be protected when putting forward proposals.

Q: Has the review of Community Housing been completed?

A: This is currently at the first phase of implementation. Further savings will be delivered in 14/15.

Q: What is referred to by a 'smarter way of working' and 'self service' in respect of Housing?

A: In order to make efficiencies we have to look at working differently. Demand for housing services has increased and there is an increased need for more timely decisions on housing applications and assessments. By introducing 'smarter' services we will enable customers to fill out applications online, reducing the need to visit the Council in person and making turnaround times for applications quicker.

Q: Please could you update the meeting on where the Council is at with the plan to bring Enfield Homes back in-house?

A: As you know, Council took this decision and we are proceeding to implement it as planned. Part of this process involved the running of joint services and the appointment of a Joint Director. We are progressing as planned and are looking to bring some services back in-house earlier. We have already exceeded the savings target identified as part of the implementation of joint services.

Q: Please could you indicate the level of savings to be achieved by this?

A: When the decision was taken the level of savings identified was £500,000.

Q: Referring to the increased pressure on temporary accommodation identified in the Medium Term Financial Plan – where is the Council with its plan to buy private properties to help address this?

A: A proposal is due to Cabinet in February and a full briefing will be provided to the Leader of the Opposition and the Chair of the Housing, Growth and Regeneration Scrutiny Panel.

It was noted that there may be extra funding available in relation to the 'bedroom tax'.

Q: Will you be ensuring best value for money when purchasing these properties?

A: Yes.

A resident also raised the following question:

A: How will you keep track of who is renting property and where they are coming from?

A: This falls into the area of selective licensing, upon which we are consulting at the moment. Residents have been sent a leaflet. Landlords will need to apply for a license and lettings will be entered onto a database. This will help address issues such as anti-social behaviour and 'rogue' landlords who do not keep their properties up to standard. It is important to note that the Council cannot make a profit from selective licensing; the income generated can only be used to run the scheme.

Regeneration, Leisure & Culture

Councillor Smith raised the following questions:

Q: When I was last briefed on the matter of the Government's CPO in relation to the Electric Quarter it was mentioned that the Council was 'reviewing its options'. Please could you update me as to progress?

A: Once we have confirmation on the exact area of land being procured for the school we can consider what we can do. As yet, we do not have that.

Q: Is anything being done to request the Government expedite this release of information?

A: Yes, we have asked and are due to receive a substantive response shortly.

Q: How is the purchase of sites in Meridian Water progressing?

A: We are still in discussions and are undertaking due diligence in respect of the contaminated land. Discussions are progressing well and we hope to have positive news to report to Cabinet in the very near future.

Q: Are these sums fully accounted for in the Medium Term Financial Plan?

A: Yes, they are accounted for in the Capital Budget.

Schools and Children's Services

Cllr Simbodyal referred to the papers provided which summarised the comments of the Children & Young People Scrutiny Panel. Andrew Fraser, Director of Schools and Children's Services, was thanked for his work in identifying the necessary savings.

Cllr Simbodyal then stated that, although the Quality Assurance post for fostering parents would be deleted, the post would be maintained in-house, and would continue to use independent assessment criteria.

Cllr Simbodyal also stated that although the Social Worker Graduate Scheme was to be discontinued it would be replaced by a commissioned service similar to Teacher First. Cllr Simbodyal had been reassured that, therefore, a good scheme would continue to run but had recommended that the Panel continue to monitor its success.

On the renegotiation of contracts the Councillor was reassured that services will continue to be delivered.

The Councillor then explained that Traded Service buy back would be an important income stream for the Department, and an increasing number of academies were participating.

Members of the Youth Parliament were now attending Scrutiny Panels.

Consideration was then given to the £936,000 savings proposal for Commissioning. A resident explained that this had significantly impacted voluntary sector services, since many received their funding through this 'pot'. Voluntary sector services were increasingly needed to help address issues such as rising child poverty.

Cllr Orhan responded that, in the face of year on year cuts, it had become necessary to consider ways in which services could 'do things differently' but still meet their statutory responsibilities. She referred to Cllr Simbodyal's comments regarding the Graduate Training Scheme and Quality Assurance

post as examples of this. Cllr Orhan reiterated that she was aware of the issue and wished to develop a good working relationship with such organisations to find the best way forward. Andrew Fraser added that a meeting was to be held shortly with voluntary sector providers to find a way forward to a co-creation model. The Council's priority would always be to ensure those services involving highest risk, such as child protection and safeguarding, would not be compromised. It was also important to get involved with families early, to prevent more complex problems later on.

Cllr Rye responded that a note detailing the commissioning savings would be useful. He accepted Cllr Simbodyal's comments regarding the Graduate Training Scheme, although he disagreed that bringing the Quality Assurance role in-house would not affect its current level of independence. He then asked the following questions:

1. whether the savings proposal 'Safeguarding and Quality Assurance restructure' in the Consultation involved any loss of posts;
2. that if the management review proposed involved post reductions, whether quality may be compromised;
3. what the current position was regarding the Schools Lettings Service;
4. what was meant by the proposal 'Joint Service for Disabled Children – efficiencies'.

Andrew Fraser responded as follows:

1. This referred to the QA post previously discussed.
2. This was a management review across the Department and involved 1.5 posts.
3. The Schools Lettings Service would cease, subject to consultation.
4. This was a reduction on short breaks and represented a reduction of £50,000. Service users were aware of the situation.

Andrew Fraser added that the commissioning savings proposals were broadly substitutions with Public Health, for example, a programme of oral health.

ACTION: Andrew Fraser to provide a note detailing the commissioning savings proposals to Cllr Rye and for attachment to the Minutes.

4. Comments/Issues Raised During the Budget Consultation by:

Scrutiny Panels

The comments made by the Scrutiny Panels previously provided to the meeting were **NOTED**.

Area Forums

The comments put forward by the Area Forums within the Minutes provided to the meeting were **NOTED**.

(For the purposes of this document, the Minute extracts from the Area Forums provided to the Overview & Scrutiny Committee Budget meeting are appended to the back of this response).

Other Consultees

It was **NOTED** these comments had been summarised by James Rolfe during his earlier presentation.

5. Consideration of Overall Scrutiny Response to the Budget Consultation

It was **AGREED** that the Overview & Scrutiny Budget Committee's response to the Budget Consultation was that:

All points made during the meeting are **NOTED**. These will be summarised and provided to Cabinet and to Council.

6. Summary and Close

All attendees were thanked for their contributions and the meeting was closed.

**LONDON BOROUGH OF ENFIELD 2014-15 BUDGET CONSULTATION –
MINUTES FROM COCKFOSTERS, SOUTHGATE & HIGHLANDS AREA FORUM:
10 DECEMBER 2013.**

APPROVED

Brief discussions followed and the following points highlighted:

NOTED

- Councillor Stafford's comments that the Revenue Budget for 2014/15 and the Medium Term Financial Plan was a 'complicated' calculation. He added that Local Councils were restricted by the Governments Directive which require Councils to call a referendum if Council tax is raised by more than 2%.
- The latest funding gap 2014 /15 to 2017/18 was £66m. Savings required for 2014/15 was £10.968m
- Councillor Lavender said that the presentation was 'excellent', but felt that residents should be allowed to have advance copies of the presentation to enable full understanding of the figures / impending cuts that the Council were going to have to make and the impact that these would make to service provision. He added that whatever political party was 'in power' in Enfield, there would be fundamental choices to be made. He referred to the consultation paper handed out at the meeting that asked for residents' views on what they felt the priority services were. Councillor Lavender did not feel that this did not present a clear view of realistic choices that would have to be made and said that a 'full and honest debate' would reveal what services / facilities were 'not needed or just not able to provide';
- A resident felt that the presentation was good, but agreed with Councillor Lavender's point over resident's views on services priorities. She felt that it was unclear that whatever the ranking results were, there was no evidence available on what impact that cuts in these areas would have. Richard Tyler felt that it was a 'good point to make' and that some services were statutory therefore the Council were bound to provide these;
- Councillor Anne- Marie Pearce said it would be helpful to residents if the consultation paper, included details on what services were statutory / non statutory.
She added that it was imperative that the Council improved on debt collection. Richard Tyler said the Council was continually looking to increase electronic methods of payment such as Direct Debit. In addition, the introduction of automated schemes, where payments were received electronically in advance of service provision would help stop debt being created in the first place;
A resident queried whether any financial benefits were being fed back to the Council from 'Fusion' the leisure facility providers.
There would be a report back.
Action: Secretary / Simon Gardner
- Councillor Stafford said that consultation was a 'difficult process' and that it was a 'fine balance' to ascertain what the majority of residents want / need.
- He added that the impact of the Welfare Reform had presented some residents with 'real difficulties' but the Council had decided not to employ bailiffs in these cases;

- In response to a resident, Richard Tyler confirmed that a Equality Impact assessment was carried out on the impact of the austerity measures had on public services;
- A resident felt that the public should be consulted on whether they wished to make to make an added contribution to enhance the area where they lived with perhaps a Community Sponsorship Scheme being introduced;
- Another resident agreed and said that when he consulted the borough engineer, he was told that if the residents' in his road were willing to pay the extra cost for pavements instead of tarmac this could be done. He felt that this should be advertised to residents'.
- A resident referred to the Consultation document and felt that it would be better to ask for residents' ages rather than the postcode on the feedback page, to give a clear indication that young people as well as the older members of the community were being reached. Councillor Stafford said that the presentation would be an item for the Youth Parliament in the borough and that all the Scrutiny Panels would also receive the presentation.

Councillor Kaye thanked Richard Tyler and Councillor Stafford for attending the Forum.

**LONDON BOROUGH OF ENFIELD 2014-15 BUDGET CONSULTATION –
MINUTES FROM BOWES, PALMERS GREEN & SOUTHGATE GREEN AREA
FORUM: 8 JANUARY 2014**

DRAFT

The following points were raised in response to the presentation:

- Some Local Authorities had set up 'construction work' businesses which had enabled them to generate income and allowed them to cut their Council Tax. Councillor Georgiou referred to the last Council meeting when it was proposed that two trading companies be set up for LBE. Reference was also made to proposals to develop a decentralised energy group to provide cheaper energy to new sites and a proposed partnership with other Local Authorities for the market gardening / food strategy for area north of London.
- Money from Government was being used to improve skills and training in the borough. Councillor Georgiou also referred to innovative discussions we had held with British Gas who had invested in sustainability projects. It was expected this would help in the training of local young people in the area.
- A resident referred to savings arising now that NLWA has no immediate plans to develop the Pinkham Way site. It was stated that this indicated the NLWA could pay up to £900m less in waste management costs over the life of the contract (27 years), or £33m a year. It was pointed out, however, that the savings quoted would be for all seven Boroughs. James Rolfe stated that accurate figures could not be given for the future and the cost of waste disposal is generally increasing. The resident stated that a large sum of money had been spent on consultants fees in the preparation of plans, which

he felt had been wasted, he thought we should ask for reimbursement of this money.

- It was suggested that improved waste recycling for businesses should be actioned to provide savings. Councillor Georgiou pointed out that the 40% recycling figure related to household waste only. Each business has to have a waste contract either with their local authority or with a private company. We contact businesses to ensure they have a contract and if there is no contract, penalty notices and fines can be given. It was asked that a report be submitted to a future meeting of this Area Forum on waste recycling for businesses.
- Confirmation was given that we would benefit from the Government's council tax freeze grant if we freeze Council tax for this financial year. It was stressed that this would apply to 2014/15 year only. Some Local Authorities had previously decided not to take the council tax freeze grant and had increased their council tax.
- The impact of the increasing Enfield population was discussed, and the increase of an additional 5,000 units at Meridian Water (approximately an additional 15,000 people). It was thought that whilst this would lead to additional council tax revenues, it would also result in increased costs for Enfield for schooling and other services. However, it was thought this should lead to improvements and economic growth in the area.
- A member of the public stated that he had been told there would be insufficient places available in the New Southgate area, and children from our Borough may have to go to other Borough's schools. Members stated that they were puzzled by this comment as we had spent a great deal of money on providing for additional school places. Joanne Woodward, Head of Strategic Planning & Design, has provided information on local education provision within the area covered by the North Circular Area Action Plan for Southgate Green, Bowes and Palmers Green, this is attached at the end of the minutes.

James Rolfe was thanked for his presentation.

**LONDON BOROUGH OF ENFIELD 2014-15 BUDGET CONSULTATION –
MINUTES FROM EDMONTON GREEN, HASELBURY AND UPPER EDMONTON
AREA FORUM: 9 JANUARY 2014.**

APPROVED

The following points were raised in response to the presentation:

- (i) Councillor Stafford said that unfortunately the outlook was very grim and currently there was no end in sight. Enfield Council was now at the end of back office savings. Posts had been significantly reduced and at same point this ceased to be an option. Choices were extremely limited; there was no management of growth, and all that was happening now was to administer cuts. Residents were now being asked what they **don't** want to see cut, that was why it is important that people respond to the consultation.

- (ii) The good news was that Enfield Council were able to operate its Capital Budget separately. All this money would go to local people, local employers etc. This would result in some economic movement through the running of the economic programme.

The Chairman thanked Richard for his informative presentation and wished him well in the future as he would soon be taking a career break from Enfield Council.

**LONDON BOROUGH OF ENFIELD 2014-15 BUDGET CONSULTATION –
MINUTES FROM BUSH HILL PARK, GRANGE & WINCHMORE HILL AREA
FORUM: 14 JANUARY 2014.**

APPROVED

The following points were raised in response to the presentation:

- (i) Councillor Stafford, Cabinet Member for Finance and Property said, the outlook was very grim and he currently saw no end in sight. He said that Enfield Council was now at the end of back office savings, adding that posts had been significantly reduced and at some point this ceased to be an option. He believed choices were extremely limited; that there was no management of growth, and all that was happening now was to administer cuts. He explained that residents were now being asked what they don't want to see cut, which was why it's important that people respond to the consultation. He assured Members and other attendees that this was not simply a pre-election scare tactic.
- (ii) Clarification was sought on whether Council Tax would be increased over the next 4 years. Councillor Stafford confirmed that there would be Council Tax freeze for 2014/15 but that, for budgetary purposes, the plan assumed a 2% increase thereafter. Councillor Stafford added that residents would be told Council Tax could be increased to keep more services. The Chairman commented that by law the Council would need to hold a local referendum for Council Tax increases over 2% and that the Council tax freeze was government funded.
- (iii) Members questioned whether there had actually been a marked decline in the provision of services in the last 4 years. Councillor Chamberlain suggested, despite repeated references to "Government cuts" and "hardship" in Council press releases, that there had in fact been few if any changes to front-line services.
- (iv) Discussion took place on the impact of the welfare reform which would be an additional pressure on the Council's resources. The Chairman reminded Members that the sharp drop in numbers of people claiming benefits following the imposition of the benefit cap had been widely reported, adding that further evidence for this could be found in the unprecedented and substantial recent fall in unemployment.

- (v) It was questioned whether parking funds were in profit. Bob Griffiths, Assistant Director of Planning, Highways and Transportation confirmed that any surplus was ring-fenced to the service, which included subsidised travel arrangements for the over 60s. Councillor Neville, referring to clarification given by the Court in the recent case against LB Barnet, pointed out that it was unlawful for the Council to retain a surplus from parking management. He asked how and when the Council was intending to return excess charges to CPZ residential and business parking permit holders.
- (vi) In response to a question about the Primary Expansion Plan, Councillor Stafford advised that the Council had approved a budget of up to £44m as part of the Primary Expansion Plan (PEP) Phase 2. Councillor Vince reminded Members that funding for the Council's PEP had come from Central Government. Clarification was sought on the future provision of secondary school places.
- (vii) It was noted that recent data published in early January in The Evening Standard on Council Tax arrears listed Enfield as one of six Councils with arrears of more than £30million. Councillor Neville commented that this sum, would contribute towards anticipated revenue shortfall in future years, if collected. He therefore questioned what steps were being taken to improve the collections.
- (viii) Discussion took place on the proposed review of staff levels, pay and structures. Clarification was sought on the number of vacant posts that had been identified for deletion. When questioned on numbers of actual redundancies, Councillor Stafford stated that the aim was to re-deploy staff wherever possible, Members requested further details on car mileage rates.
- (ix) With virtually no financial details having yet been provided, Members commented that the budget 'consultation' could more accurately be described as an opinion poll on priorities
- (x) Richard Tyler confirmed that 2014/15 saving proposals and the medium-term financial plan will be reported to Council and Cabinet in February for approval.

**LONDON BOROUGH OF ENFIELD 2014-15 BUDGET CONSULTATION
MINUTES FROM JUBILEE, LOWER EDMONTON & PONDERS END AREA
FORUM: 16 JANUARY 2014**

APPROVED

The following questions were then taken:

Q: What is meant by 'full year effect of previous budgets?'

A: This refers to savings in previous budget rounds being carried forward.

Q: Do the new inflation figures released this week impact on the budget position?

A: There is no major change to the position, no.

Q: Revenue raised by road tax goes to Central Government – can it not go to local authorities instead?

A: That's a good idea, however Government uses this funding for maintaining major trunk roads.

**LONDON BOROUGH OF ENFIELD 2014-15 BUDGET CONSULTATION –
MINUTES FROM ENFIELD HIGHWAY, ENFIELD LOCK & TURKEY STREET
AREA FORUM: 16 JANUARY 2014.**

DRAFT

The following issues were raised:

- A resident asked what the position of staff contracted to provide services to the borough as they are often paid below London Living Wage. Councillor Stafford explained that the council encourages all contractors and agency staff to pay the London Living Wage but the council cannot force companies to do this.
- Concerns over a Sunday newspaper that suggested Enfield was in the top ten worst councils for collecting debt. Councillor Stafford informed residents that Enfield collects 98% of council tax and that even though Enfield has some poor wards the Council have never sent a bailiff to collect debt as they try to help those living in poverty.

**LONDON BOROUGH OF ENFIELD 2014-15 BUDGET CONSULTATION –
MINUTES FROM CHASE, SOUTHBURY & TOWN AREA FORUM: 23 JANUARY
2014.**

DRAFT

The following points were raised in response to the presentation:

- A resident referred to the savings achieved in the new translation services used and the dimming of street lighting. He asked that the actual figures be submitted in the minutes;
Action: James Rolfe / Secretary
- A resident referred to staff cuts and queried the morale of Council personnel apparently having 'to do more with less'. James Rolfe said the Council had minimised frontline efficiencies, but Budget cuts in 2015/16 may impact on service delivery. He felt that the resident had made a 'valid point' referring to staff morale but said that a recent staff survey had revealed that, overall, staff felt 'very positive'. James Rolfe added that a lot of hard work had been done to minimise the loss of jobs with Enfield faring a lot better than other L.A.'s in the reduction of staff. Redeployment, training programmes, interview practise etc. all helped to achieve minimum job loss.
Councillor Georgiou said that since 2010 the Council had reduced the use of agency / consultancy staff. Permanent staff would be prioritised and supported through the effects of the Budget Cuts. Councillor Georgiou

commented on the recent staff surveys that depicted high levels of staff morale. He added that the staff at the Council displayed a great work ethic and delivered good public services.

- A resident referred to the street light dimming to achieve savings. She felt that the level of lighting was lower now than the original lamps that were removed. She felt that the huge expense of replacing the lights did not present value for money. Councillor Rye agreed that the street lighting had been 'dimmed' too much and asked that a report back be submitted on the level of lighting and what roads were affected.

Action: Neil Isaac / Secretary

- A resident queried the priority for leisure / parks that had gone down in 2013/14. He felt that all the improvements done in parks such as those in Bush Hill didn't reflect this position. Councillor Rye said that the effect of the Olympics would have boosted leisure interest in 2012/13.
- A resident queried whether the borrowing / savings projections for 2013/14 had proved to be accurate. James Rolfe said that there would have been minor changes. He would supply the figures for the minutes.

Action: James Rolfe / Secretary

James Rolfe was thanked for his presentation.

APPENDIX 2

Proposed Savings & Additional Income 2014/15	Savings agreed by Cabinet £'000	New Savings £'000	Total Savings 2014/15 £'000
Environment			
Restructure of Public Realm & Sustainability division	(140)		(140)
Footway Gritting Programme - Review of Winter Maintenance Reserve	(53)		(53)
Restructure of Architectural Services	(70)		(70)
Aligning Pollarding/Pruning Cycle of forest-type highway trees to the Corporate Tree Strategy	(40)		(40)
Undertake Routine Maintenance & Management Surveys (RMMS) on Non-Classified roads by existing in-house staff	(25)		(25)
Deletion of Street works Officer Post	(35)		(35)
Restructure of Technical & Business Services	(19)		(19)
Review recharge allocations to Local Improvement Plan	(32)		(32)
Reduction in mortuary operational budget	(45)		(45)
Out of Hours revised staffing arrangements	(6)		(6)
Review of Performance Team	(49)		(49)
SEN Transport routing optimisation	(100)		(100)
Fleet efficiencies- People Transport		(125)	(125)
Revised waste collection schedules		(85)	(85)
Animal Welfare Services- contractual review		(43)	(43)
Grounds Maintenance Contract efficiency savings		(40)	(40)
Repairs & Maintenance efficiency savings		(10)	(10)
Further efficiencies across the Environment Department		(279)	(279)
Public Health Project Manager post -alternative funding arrangements		(63)	(63)
Anti Social Behaviour services merging LBE and Enfield Homes		(100)	(100)
Health & Safety services- merging LBE and Enfield Homes		(100)	(100)
Environment Total	(614)	(845)	(1,459)
Finance, Resources & Customer Services			
Savings from staff restructure in Accountancy Services	(102)		(102)
Senior post restructure	(30)		(30)
Schools income review- audit recharges	(30)		(30)
External Audit fee reduction through streamlined working procedures	(154)		(154)
Review ICT change request roles	(37)		(37)
Rationalisation of PMO for Leaner & ICT	(70)		(70)
Staff review in Facilities Management	(21)		(21)
Reduction in postage costs	(49)		(49)
Reduction in building running costs	(6)		(6)
Increased income from Clavering estate	(70)		(70)
Restructure in Strategic Property Services	(49)		(49)
R&B - Social fund administration (funding confirmed for 2014/15 only)	(97)		(97)
R&B – Reduce contribution to subsidy reserve	(198)		(198)
R&B – Reduction of Subsidy Reserve- 2014-15 only	(234)		(234)
Democratic Services- review of support to Housing governance		(30)	(30)
Staff saving in Scrutiny Services		(50)	(50)
Contract Renegotiation- Insurance Services		(250)	(250)
Revenues & Benefits project budget savings		(100)	(100)
Telecommunications procurement savings		(25)	(25)
Photocopier Contract re-negotiations		(150)	(150)
Reduced administrative support		(15)	(15)
Review of ICT Support Services		(48)	(48)
Staff restructuring within Legal Services		(89)	(89)
Restructure in Property Services		(37)	(37)
Business re-engineering savings in Corporate Procurement		(20)	(20)
Exchequer Services – restructuring and increased income		(100)	(100)
Revenues & Benefits - Control team restructure		(50)	(50)
Revenues & Benefits – Improved income recovery		(120)	(120)
Finance, Resources & Customer Services Total	(1,147)	(1,084)	(2,231)

APPENDIX 2

Proposed Savings & Additional Income 2014/15	Savings agreed by Cabinet £'000	New Savings £'000	Total Savings 2014/15 £'000
Health, Housing & Adult Social Care			
Direct Payment Contingency budget reduction	(100)		(100)
Complex Occupational Therapy rehabilitation Project	(100)		(100)
Recovery of unspent Direct Payment funds	(400)		(400)
Procurement of ICES equipment	(50)		(50)
Reduction in contribution to ICES pooled budget	(100)		(100)
Increase income through Benefits Maximisation service	(50)		(50)
Reduction in running costs budget across department	(40)		(40)
DAAT cost containment (care purchasing & retender)	(300)		(300)
Reduction in employee budgets - Housing, Health & Adult Social Care		(1,423)	(1,423)
Learning Disability Day Care procurement review		(150)	(150)
Learning Disability – Care purchasing procurement efficiencies and continuing to implement a range of interventions including integrated working and reviewing care packages to further reduce dependency and contain the on-going cost of care.		(700)	(700)
Mental Health - Care purchasing procurement efficiencies and continuing to implement a range of interventions including integrated working and reviewing care packages to further reduce dependency and contain the on-going cost of care.		(74)	(74)
Older People / Physical Disabilities-Care purchasing procurement efficiencies and continuing to implement a range of interventions including integrated working and reviewing care packages to further reduce dependency and contain the on-going cost of care.		(876)	(876)
Voluntary Organisations payments- review scope of services		(115)	(115)
Care purchasing Price & Demand Management savings		(518)	(518)
Maximise Income collection across department		(150)	(150)
Health, Housing & Adult Social Care Total	(1,140)	(4,006)	(5,146)
Regeneration, Leisure & Culture			
Savings from a management review		(290)	(290)
Regeneration, Leisure & Culture Total	0	(290)	(290)
Schools & Children's Services			
Children in Need -Savings from relocation of Moorfields Family Centre	(15)		(15)
Joint Service for Disabled Children - Early Intervention Support	(9)		(9)
Youth & Family Support Service - Review of running costs	(40)		(40)
Health Funding for youth and family support	(205)		(205)
Safeguarding & Quality Assurance restructure		(29)	(29)
Training Programme efficiencies		(100)	(100)
Commissioning savings		(936)	(936)
Additional Management Review Savings		(45)	(45)
Small grants to Voluntary Organisations		(88)	(88)
Traded Services review		(75)	(75)
Joint Service for Disabled Children - efficiencies		(50)	(50)
Review of Looked After Children's Services		(50)	(50)
Schools & Children's Services Total	(269)	(1,373)	(1,642)
Chief Executive			
Communities, Communications, Policy & Performance Management Review	(92)		(92)
Human Resources staffing review	(78)		(78)
Reduction to VCS Grant	(10)		(10)
Data and Intelligence Hub- alternative funding arrangements		(20)	(20)
Chief Executive Total	(180)	(20)	(200)
Savings Total	(3,350)	(7,618)	(10,968)

2014/15 DRAFT BUDGET - CONTROL TOTALS

APPENDIX 3

	Revised Controllable Base Budget 13-14	MTFP FYE Changes	New Pressures	New Savings	Financial Settlement & Collection fund Adjustments	2014/15 Controllable Budget
	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive	3,684	(79)	17	(200)		3,422
Schools & Children's Services	54,359	(3,212)	129	(1,642)		49,634
Environment	28,831	(1,594)	427	(1,459)		26,205
Finance, Resources & Customer Services	43,218	(1,548)	98	(2,231)		39,537
HHASC	97,326	(5,708)	5,631	(5,146)		92,103
RLC	9,044	(667)	22	(290)		8,109
Total Departmental	236,462	(12,808)	6,324	(10,968)	0	219,010
Total Corporate:	24,190	617	1,756	0	0	26,563
Budget Requirement	260,652	(12,191)	8,080	(10,968)	0	245,573
RSG	(97,387)				16,920	(80,467)
Collection Fund	(1,086)				1,405	319
Local Business Rates	(65,836)				(1,991)	(67,827)
	96,343	(12,191)	8,080	(10,968)	16,334	97,598

Treasury Management Strategy Statement and Investment Strategy 2014/15 to 2017/18

1. Background

1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the CLG's Investment Guidance.

The purpose of this TMSS is, therefore, to approve the:

- Revisions to Treasury Management Strategy and Prudential Indicators;
- Treasury Management Strategy;
- Annual Investment Strategy;
- Prudential Indicators;
- Minimum Revenue Provision Statement.

1.2 Treasury Management is about the management of financial risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.

1.3 As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management Code.

1.4 All treasury activity will comply with relevant statute, guidance and accounting standards.

1.5 This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

1.6 A detailed economic and interest rate forecast provided by the Authority's treasury management advisor is shown at Annex A.

1.7 There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. Annex B sets out the Authority's Prudential Indicators for 2014/15.

2. Capital Financing Requirement

2.1 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.

- 2.2 The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.
- 2.3 The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

3. Borrowing Strategy

- 3.1 The Authority currently holds £303 million of borrowing and £56m of investments, as part of its strategy for funding previous years' capital programmes. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £550 million.

The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

- 3.2 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. The cost of carry is likely to be an issue until 2016 or beyond. As borrowing is often for longer dated periods (anything up to 50 years) the cost of carry needs to be considered against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position.
- 3.3 The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 3.4 Given the significant cuts to public expenditure and in particular to local government funding, the Authority'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.

3.5 By doing so, the Authority 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 sustained in the medium-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose the Authority's Treasury consultants will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2014/15 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

3.6 The Authority has a borrowing requirement in 2014/15 but has balances and reserves which will reduce the need for external borrowing. By essentially lending its own surplus funds to itself the Authority is able to minimise borrowing costs and reduce overall treasury risk by reducing the level of its external investment balances. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.

4. Sources of Borrowing and Portfolio implications

4.1 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Authority will keep under review the following borrowing sources:

- Public Works Loans Board
- Local authorities (Including Police & Fire Authorities, Pension Funds)
- Commercial banks
- European Investment Bank
- Money markets
- Capital markets (stock issues, commercial paper and bills)
- Structured finance
- Special purpose companies created to enable joint local authority bond issues.
- Leasing

4.2 The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance at favourable rates.

- 4.3 Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.
- 4.4 The cost of carry has resulted in an increased reliance upon shorter dated borrowing from other local authorities. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority's exposure to shorter dated borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs. A narrowing in the spread by 0.5% will result in an immediate and formal review of the borrowing strategy to determine whether the exposure to shorter dated and variable rates is maintained or altered.
- 4.5 **Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.
- 4.6 The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.
- 4.7 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertaken meaningful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling would be one or more of the following:
- Savings in risk adjusted interest costs
 - Rebalancing the interest rate structure of the debt portfolio
 - Changing the maturity profile of the debt portfolio
- 4.8 Borrowing and rescheduling activity will be reported to Full Council in the Annual Treasury Management Report and in the regular treasury management monitoring reports presented to Cabinet.

5. Annual Investment Strategy

- 5.1 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £40m and £110m, and similar levels are expected to be maintained in the forthcoming year.

5.2 The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown.

5.3 Investments are categorised as “Specified” or “Non-Specified” within the investment guidance issued by the DCLG.

Specified investments

5.4 Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the “high credit quality” as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

The CLG Guidance defines specified investments as those:

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

The Authority defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

5.5 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 1: Specified and Non-Specified Investments

Counterparty		Cash limit	Time limit
Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody’s and Standard & Poor’s is:	AAA	# £12.5m each or 15% of total.	5 years
	AA+		5 years
	AA		1 years
	AA-		1 years
	A+		1 years
	A		1 year
	A-		
The Authority’s current account bank HSBC if it fails to meet the above criteria		£0 m	next day
UK Central Government (irrespective of credit rating)		Unlimited	50 years

Counterparty	Cash limit	Time limit
UK Local Authorities (irrespective of credit rating)	£20m each	5 years
UK Registered Providers of Social Housing whose lowest published long-term credit rating is [A-] or higher	£5m each	5 years
UK Registered Providers of Social Housing whose lowest published long-term credit rating is [BBB-] or higher and those without credit ratings	£5m each	5 years
UK Building Societies without credit ratings	£1m each	1 year
Money market funds		n/a
Any other organisation, subject to an external credit assessment and specific advice from the Authority's treasury management adviser	£500 each	3 months
	£250 each	1 year
	£100k each	5years

the 15% limit will apply only to Call Accounts while the £12.5m max will apply to termed deposits.

5.6 There is no intention to restrict investments to bank deposits, and investments may be made with any public or private sector organisations that meet the above credit rating criteria. This reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the Banking Reform Act 2014 and the EU Bank Recovery and Resolution Directive are implemented.

5.7 In addition, the Authority may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Authority's treasury management adviser.

5.8 **Current Account Bank:** The Authority banks with HSBC. At the current time, it does meet the minimum credit criteria of A- (or equivalent) long term. If the credit rating falls below the Authority's minimum criteria A- will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

If funds come into the bank account during the day (after daily dealing has been undertaken) and cannot be placed out with any other approved financial institutions, they can be placed out with HSBC Call Account to attract interest even if it breaches the counterparty limit (the matter will be reported to the Director of Finance, Resources & Customer Services). The temporary breach will be addressed on the next banking business day.

5.9 **Registered Providers:** Formerly known as Housing Associations, Registered Providers of Social Housing are tightly regulated by the Homes and Communities Agency and retain a high likelihood of receiving government support if needed. The Authority will consider investing with unrated Registered

Providers with adequate credit safeguards, subject to receiving independent advice.

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

5.11 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 of between 0.10% and 0.20% per annum are deducted from the interest paid to the Authority. 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, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

5.12 Other Organisations: The Authority may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Authority's treasury management adviser.

5.13 Risk Assessment and Credit Ratings: The Authority 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 Authority'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.

Where a credit rating agency announces that a A- rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until

the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.14 Other Information on the Security of Investments: The Authority 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, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. 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.

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 Authority 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. 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 Authority'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.

5.15 Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority 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. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 2: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£10m
Total investments without credit ratings or rated below [A-]	£10m
Total investments in foreign countries rated below [AA+]	£5m
Total non-specified investments	£25m

5.16 Approved Instruments: The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- shares in money market funds and other pooled funds.

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.

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

6. Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

6.1 Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average [credit rating] or [credit score] of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target
Portfolio average credit score	6

6.2 Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target
Total cash available within 3 months	£25m

6.3 Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as a proportion of net principal borrowed or interest payable will be:

	2014/15	2015/16	2016/17
Upper limit on fixed interest rate exposure	100%	100%	100%

	2014/15	2015/16	2016/17
Upper limit on variable interest rate exposure	100%	100%	100%

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

6.4 Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	35%	0%
5 years and within 10 years	45%	0%
10 years and within 20 years	50%	0%
20 years and within 30 years	100%	0%
Over 30 years	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.5 Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2014/15	2015/16	2016/17
Limit on principal invested beyond year end	£25m	£10m	£5m

6.6 Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

The Authority has no plans to use derivatives, but is included for completeness.

Policy on Apportioning Interest to the HRA: On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Investment Training: The needs of the Authority's treasury management staff for training in investment management are assessed every six months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues.

Investment of Money Borrowed in Advance of Need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2014/15 is £300k, based on an average investment portfolio of £60 million at an interest rate of 0.5%. The budget for debt interest paid (including HRA& GF) in 2014/15 is £15.5 million, based on an average debt portfolio of £310 million at an average interest rate of 5%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Reduced risk of losses from credit related defaults
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

Annex A – Economic & Interest Rate Forecast

External Context

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

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

Stronger growth data in 2013 (0.4% in Q1, 0.7% in Q2 and 0.8% in Q3) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual. Arlingclose forecasts the MPC will maintain its resolve to keep interest rates low until the recovery is convincing and sustainable.

In the US expectations for the slowing in the pace of asset purchases ('tapering') by the Federal Reserve and the end of further asset purchases will remain predominant drivers of the financial markets. The Fed did not taper in September and has talked down potential tapering in the near term. It now looks more likely to occur in early 2014 which will be supportive of bond and equity markets in the interim.

Credit outlook: The credit risk of banking failures has diminished, but not dissipated altogether. Regulatory changes are afoot in the UK, US and Europe to move away from the bank bail-outs of previous years to bank resolution regimes in which shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process. This is already manifest in relation to holders of subordinated debt issued by the Co-op which will suffer a haircut on its conversion bail-in to alternative securities and/or equity. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper. Diversification of investments between creditworthy counterparties to mitigate bail-in risk will become even more important in the light of these developments.

Interest rate forecast: Arlingclose's forecast is for the Bank Rate to remain flat until late 2016, the risk to the upside (i.e. rates being higher) are weighted more heavily towards the end of the forecast horizon, as the table below shows. Gilt yields are expected to rise over the forecast period with medium- and long-dated gilts expected to rise by between 0.7% and 1.1%.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.6%, and that new long-term loans will be borrowed at an average rate of 4%.

Underlying assumptions:

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

Forecast:

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

	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	1.00
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
3-month LIBID rate													
Upside risk	0.20	0.25	0.30	0.35	0.40	0.50	0.55	0.60	0.65	0.70	0.75	0.90	0.95
Arlingclose Central Case	0.45	0.45	0.50	0.55	0.65	0.75	0.75	0.75	0.75	0.75	0.80	0.80	0.80
Downside risk			0.05	0.10	0.20	0.30	0.30	0.30	0.30	0.30	-0.35	-0.35	-0.35
1-yr LIBID rate													
Upside risk	0.35	0.30	0.35	0.40	0.45	0.50	0.60	0.70	0.75	0.75	0.75	0.80	0.80
Arlingclose Central Case	0.90	0.95	0.95	0.95	1.00	1.05	1.10	1.15	1.20	1.25	1.30	1.40	1.40
Downside risk	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	1.45	1.50	1.55	1.60	1.65	1.70	1.75	1.85	1.95	2.10	2.30	2.50	2.50
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
10-yr gilt yield													
Upside risk	0.50	0.50	0.50	0.65	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	3.00	3.10	3.30	3.50	3.50
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
20-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.25	3.30	3.35	3.40	3.45	3.50	3.55	3.65	3.75	3.85	4.05	4.15	4.15
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80
50-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.45	3.50	3.55	3.60	3.65	3.70	3.75	3.80	3.85	3.95	4.05	4.15	4.15
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80

Annex B: Prudential Indicators

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross Borrowing and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the local authority should ensure that the gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Director of Finance, Resources and Customer Services reports that the authority had no difficulty meeting this requirement in 2013/14, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Gross and Net Debt	2013/14	2014/15	2015/16	2016/17	2017/18
	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Capital Financing Requirement	425.8	477.1	511.2	527.8	561.8
Outstanding Borrowing (at nominal value)	292	342	410	427	461
Other Long-term Liabilities (at nominal value)	53	52	51	50	49
Gross Debt	345	394	461	477	510
Less: Investments	(40)	(30)	(20)	(20)	(20)
Net Debt	205	364	441	457	490

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2013/14 Estimate	2014/15 Estimate	2015/16 Indicative	2016/17 Indicative	2017/18 Indicative
	£m	£m	£m	£m	£m
Non-HRA	68.8	129.3	93.9	56.7	37.6
HRA	43.7	72.1	46.8	39.9	31.6
Total	112.5	201.4	140.7	96.6	69.2

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2013/14 Forecast	2014/15 Estimate	2015/16 Indicative	2016/17 Indicative	2017/18 Indicative
	£m	£m	£m	£m	£m
Government Grants	56.4	57.8	53.4	35.5	1.2
Revenue Contributions & Receipts	7.7	1.5	0.0	0.0	0.0
Capital receipts	1.2	4.7	4.2	4.2	4.2
General Reserves	2.0	2.5	1.6	1.9	0.4
HRA Balances	25.9	72.1	34.4	24.2	23.6
Total Financing	93.2	138.6	93.6	65.8	29.4
Borrowing	19.2	62.8	47.2	30.8	39.9
Total Funding	112.4	201.4	140.8	96.6	69.3

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 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. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income. Later years will be revised as projects are approved and Government funding announced.

Ratio of Financing Costs to Net Revenue Stream	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Indicative	2017/18 Indicative
	%	%	%	%	%
Non-HRA	7.0	8.5	10.1	11.4	11.7
HRA	50.3	59.4	58.8	46.3	44.9

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	2013/14 Forecast £m	2014/15 Estimate £m	2015/16 Indicative £m	2016/17 Indicative £m	2017/18 Indicative £m
Non-HRA	267.7	319.5	341.0	341.9	367.9
HRA	157.7	157.7	170.2	185.9	193.9
Total CFR	425.4	477.2	511.2	527.8	561.8

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2013	£m
Borrowing	303.8
Other Long-term Liabilities	55.3
Total	359.1

7. Incremental Impact of Capital Investment Decisions:

7.1 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 calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme. The Council can no longer afford to increase borrowing at previous levels and therefore the only changes in the Capital programme moving forward are those for which a definite source of funding has been identified.

Incremental Impact of Capital Investment Decisions	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Indicative £	2017/18 Indicative £
Increase in Band D Council Tax	-	3.97	19.68	32.03	38.17
Increase in Average Weekly Housing Rents	-	-	0.09	0.04	(0.17)

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated Treasury Management Strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved Treasury Management Policy Statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Borrowing	550.0	577.0	611.0	628.0	662.0
Other Long-term Liabilities	100.0	100.0	100.0	100.0	100.0
Total	650.0	677.0	711.0	728.0	762.0

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Director of Finance, Resources and Customer Services has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the

outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Council.

Operational Boundary for External Debt	2013/14 Estimate £m	2014/15 Estimate £m	2016/15 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Borrowing	450.0	500.0	525.0	550.0	600.0
Other Long-term Liabilities	75.0	75.0	75.0	75.0	75.0
Total	525.0	575.0	600.0	625.0	675.0

9 HRA Limit on Indebtedness

HRA Limit on Indebtedness	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
HRA Debt Cap (as prescribed by CLG)	198.0	198.0	198.0	198.0	198.0
HRA CFR	157.7	157.7	170.2	185.9	193.9
Difference	40.3	40.3	27.8	12.1	4.1

Annex C – Recommended Sovereign and Counterparty List – Specified investments

The following table sets out the current investment limits which are within the authorised limits set in the body of the Appendix. These limits will only be extended if recommended by our Treasury consultants and Director of Finance. The restrictions will be tighten if financial circumstances change for any financial institution on the Authority's approved list.

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Period
Term Deposits	UK	Debt Management Office (DMO) (Proxy for UK Government)	No limit	No Limit
Term Deposits	UK	UK local authorities including LGPS Funds, Police & Fire Authorities	£20m	Up to 364 days

Money Market Funds Constant Net Value

AAA- rated Money Market Funds (MMF)	Note 1	Constant Net Asset Value (CNAV) MMFs UK/Ireland/Luxembourg domiciled	Max 10% round up to the next £ million which ever is higher. The de- minimis limit is £2m	Available on Demand
The MMF's as an investment category can only account for a maximum of 50% of all investments. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF				

Financial Institutions

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Period
Term Deposits	Sweden	Handelsbanken	Max limit £12.5m	Up to 364 days
Call Accounts	Sweden	Handelsbanken	Up to 15% of total investments rounded to next £m	On demand
Term Deposits	UK	Santander UK Plc (Banco Santander Group)	Max limit £12.5m	Up to 364 days
Call Accounts	UK	Santander UK Plc (Banco Santander Group)	Up to 15% of total investments rounded to next £m	On demand

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Period
Term Deposits	UK	Lloyds TSB (Lloyds Banking Group)	Max limit £12.5m	Up to 364 days
Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	Up to 15% of total investments rounded to next £m	On demand
Term Deposits	UK	Barclays Bank Plc	Max limit £12.5m	Up to 364 days
Call Accounts	UK	Barclays Bank Plc	Up to 15% of total investments rounded to next £m	On demand
Term Deposits	UK	HSBC	Max limit £12.5m	Up to 364 days
Call Accounts	UK	HSBC	Up to 15% of total investments rounded to next £m	On demand
Term Deposits	UK	Nationwide Building Society	Max limit £12.5m	Up to 364 days
Call Accounts	UK	Nationwide Building Society	Up to 15% of total investments rounded to next £m	On demand
Term Deposits	UK	Royal Bank of Scotland (RBS Group)	Up to 15% of total investments rounded to next £m	On demand
Call Accounts	UK	Royal Bank of Scotland (RBS Group)	Up to 15% of total investments rounded to next £m	On demand

Total investment in any one financial institution will be limit to a maximum of 15% of total investments at the time of investment, but termed investments will be limited to £12.5m.

*Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened.

Annex D: Treasury Management Policy

1. INTRODUCTION AND BACKGROUND

- 1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.
- 1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
- A Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year and an annual report after its close, in the form prescribed in its TMPs.
- 1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Cabinet and for the execution and administration of treasury management decisions to the Director of Finance, Resources & Customer Services who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 1.5 The Council nominates the Council's Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

- 2.1 The Council defines its treasury management activities as:

"The management of the Council's investments 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 optimum performance consistent with those risks."

- 2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
- 2.4 The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.5 The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

Capital Programme 2013-18

APPENDIX 5

Department/Scheme	2013/14 Current Projection £000	2014/15 Current Projection £000	2015/16 Current Projection £000	2016/17 Current Projection £000	2017/18 Current Projection £000	Total Current Projection £000
ENVIRONMENT						
Transport for London funding:						
2013/14 Corridors, Neighbourhoods and Supporting Measures	2,157	0	0	0	0	2,157
2013/14 Principal Road Renewal	1,394	0	0	0	0	1,394
2013/14 Local Transport Funding	100	0	0	0	0	100
2013/14 Major Schemes	200	5,484	0	0	0	5,684
2013/14 Bus Stop Accessibility	490	0	0	0	0	490
2012/13 Highways & Streetscene	2,933	2,085	0	0		5,018
2013/14 Highways & streetscene	8,366	8,450	8,450	8,450	8,450	42,166
Environmental Protection	302	0	0	0	0	302
Community Safety	704	785	0	0	0	1,489
Waste & Recycling	30	170	150	220	0	570
Parks	524	3,110	1,000	0	0	4,634
Vehicle Replacement Programme	183	1,273	1,611	1,862	413	5,342
Depot	1,312	0	0	0	0	1,312
Parking	174	0	0	0	0	174
Building Improvement Programme	2,170	1,517	1,500	1,500	1,500	8,187
Sustainability	1,738	0	0	0	0	1,738
Disability Access Programme	206	302	200	200	200	1,108
ENVIRONMENT TOTAL EXPENDITURE	22,983	23,176	12,911	12,232	10,563	81,865
CORPORATE SCHEMES						
SAP Server Virtualised Server	93	0	0	0	0	93
Joint Service Centre	2,700	3,198	0	0	0	5,898
Civic Centre	0	806	2,770	2,770	1,934	8,280
Self Pay Kiosks Cashier	12	0	0	0	0	12
Residents Priority Fund	1,739	0	0	0	0	1,739
FINANCE, RESOURCES & CUSTOMER SERVICES/CEX TOTAL EXPENDITURE	4,544	4,004	2,770	2,770	1,934	16,022
HEALTH, HOUSING AND ADULT SOCIAL CARE						
Housing						
Disabled Facilities Grant (£1.156m grant funded)	1,556	2,900	2,000	2,000	2,000	10,456
Sub Regional Housing Grants	258	0	0	0	0	258
Housing Assistance Grants	120	1,507	818	818	818	4,081
Affordable Housing	1,286	3,679	2,100	2,100	2,100	11,265
Adult Social Care						
Welfare Adaptations	50	100	100	100	100	450
Residential and Social Care Provision - Elizabeth House	180	300	4,100	2,280	0	6,860
CareFirst Integration	60	125	0	0	0	185
Replace New Options Day Centre for LD Clients	1048	1,276	0	0	0	2,324
Park Avenue Resource Centre	0	270	772	0	0	1,042
HEALTH, HOUSING AND ADULT SOCIAL CARE TOTAL EXPENDITURE	4,558	10,157	9,890	7,298	5,018	36,921

Department/Scheme	2013/14 Current Projection £000	2014/15 Current Projection £000	2015/16 Current Projection £000	2016/17 Current Projection £000	2017/18 Current Projection £000	Total Current Projection £000
REGENERATION LEISURE & CULTURE						
Regeneration:						
Ponders End	694	1,694	935	0	2,250	5,573
Electric Quarter	1,402	3,580	2,700	3,150	1,650	12,482
New Southgate	260	813	1,850	750	1,750	5,423
Meridian Water	1,056	15,122	21,471	5,500	4,500	47,649
Edmonton Projects	15	1,288	1,700	1,500	375	4,878
Shires Estate - REACT Dysons Road	0	80	0	0	75	155
Market gardening	20	280	1,250	950	1,500	4,000
Enfield Town	0	0	1,675	1,675	3,350	6,700
Angel edmonton	0	0	150	150	150	450
Regeneration - conservation / design	466	257	650	0	570	1,943
Other heritage regen projects including acquisitions	0	0	1,100	1,100	1,100	3,300
Outer London Fund	109	0	0	0	0	109
Edmonton Green Regeneration	54	0	0	0	0	54
Industrial Estates Regeneration	0	84	0	0	3,250	3,334
Lea Valley Heat Network	0	0	0	0	3,500	3,500
Enfield Highway	0	0	0	0	225	225
Enfield Wash	0	0	0	0	225	225
Albany Park	0	0	0	0	950	950
Libraries	86	0	0	0	0	86
Leisure	542	0	0	0	0	542
Palmers Green Library Refurbishment	0	4,455	0	0	0	4,455
Culture	322	0	0	0	0	322
REGENERATION LEISURE & CULTURE TOTAL						
EXPENDITURE	5,026	27,653	33,481	14,775	25,420	106,355
SCHOOLS & CHILDREN'S SERVICES						
Schools Access Initiative	0	212	200	200	200	812
Target Capital - Special Needs	1,408	2,800	3,500	0	0	7,708
Devolved Schools Capital	3887	6,000	6,000	6,000	6,000	27,887
CHILDRENS CENTRES	258	849	0	0	0	1,107
Targeted Capital - School Meals Programme	97	98	0	0	0	195
Schools Condition Funding	132	3,581	4,200	4,200	4,200	16,313
City Learning Centres	19	0	0	0	0	19
Basic Need - Primary School Places	5,838	2,032	0	0	0	7,870
Additional Primary Placements September 2012	701	1,267	69	0	0	2,037
Primary Expansion Plan Phase 1	15,951	17,699	0	1,658	0	35,308
Primary Expansion Plan Phase 2 - Grange School	836	3,600	0	0	0	4,436
Primary Expansion Plan Phase 2 - Garfield School	434	4,393	3,520	0	0	8,347
Primary Expansion Plan Phase 2	200	20,230	16,845	7,042	9,207	53,524
Primary Schools	420	0	0	0	0	420
Secondary Schools	620	225	0	0	0	845
Fire Precaution Works	437	958	500	500	500	2,895
Non School Schemes	428	395	0	0	0	823
SCHOOLS & CHILDREN'S SERVICES TOTAL						
EXPENDITURE	31,666	64,339	34,834	19,600	20,107	170,546
GRAND TOTAL GENERAL FUND PROGRAMME	68,777	129,329	93,886	56,675	63,042	411,709

Department/Scheme	2013/14 Current Projection £000	2014/15 Current Projection £000	2015/16 Current Projection £000	2016/17 Current Projection £000	2017/18 Current Projection £000	Total Current Projection £000
HOUSING REVENUE ACCOUNT						
Decent Homes	23,421	23,418	0	0	0	46,839
General Works	14,530	20,804	35,941	33,250	20,867	125,392
Community Halls	68	0	0	0	0	68
Grants to vacate	500	500	500	500	500	2,500
Estate Renewals	5,201	24,907	10,377	6,150	10,222	56,857
Asbestos Contingency	0	2,500	0	0	0	2,500
HOUSING REVENUE ACCOUNT	43,720	72,129	46,818	39,900	31,589	234,156
GRAND TOTAL CAPITAL PROGRAMME	112,497	201,458	140,704	96,575	94,631	645,865

APPENDIX 6**Summary of Budget Risks**

This Appendix sets out the financial risks of the Council. Risk assessment and planning will minimise risk, whilst balances and reserves need to be adequate to meet those risks that still materialise. Risks have been categorised as:

- Corporate
- Capital
- Service Specific

CORPORATE RISKS

These are risks that may affect all or a number of Council services.

- **Uncertainties caused by the current economic downturn including:**
 - Increase in the number of residents that are reliant on Council services;
 - The general financial risk to Enfield of businesses failing in the Borough
 - Loss of rental income through businesses failing or moving out of commercial premises rented from the Authority,
 - Loss of other income / difficulty in collection.
- **Future impact of legislative changes:**

The Government has and will implement changes across public services. Several of these will impact on local government with the full impact only becoming clear in future years including:

 - National Health Service Reforms
 - Universal Benefits Reform
 - Regeneration / Tax Increment Financing
- **Central Government funding & local government resources:**

The reduction in central government funding has been part of local government financing since 2010. In June 2013 as part of the spending round the government announced indicative settlement figures for 2015/16. As part of this process it was also confirmed that the government would withhold £2bn of funds nationally in ring fenced pots of money for future allocation. The Council has assumed these funding reductions in the medium term financial plan but there is a risk that the new burdens associated with these ring fence funds will be greater than the grants distributed

The position after 2015/16 is unclear apart from the Chancellors commitment to further austerity in the future and represents one of the biggest risks to Council services and financial resilience over the Medium Term Financial Plan and the longer term.

- **Localisation of Business Rates from 2013/14.**

In 2013/14 Councils have locally retained 30% of their business rate yield. The local government finance settlement makes assumptions about future growth in business rates. There is a significant risk that if the yield from business rates falls below the government projections then the Council will have to bear the cost of this shortfall. The Government recognises significant losses through a safety net arrangement but Enfield would have to be exposed to a loss of business rates of up to £4.96m before it will be eligible for Government support.

- **Government Incentive Based Grants**

There is an increase in incentive based Government funding such as the New Homes Bonus and Council Tax Freeze Grant which replaces existing need led allocations. Councils with high deprivation such as Enfield will be worst hit if allocations increase to the wealthier areas as a result of this incentive based approach.

- **Litigation and Legal Actions:**

All Councils face potential litigation cases and the size and range of services provided by Enfield make this a risk that should not be ignored. There are no single specific legal items to be reported but it is recommended that the Council includes some assessment for any uninsured litigation when assessing the adequacy of balances. A worst case of £5m has been assumed to complete the assessment of balances.

- **Demographic and other changes in the Borough:**

One of the main risks to the Council's budget relate to the uncertainties surrounding demographic change. The birth rate has increased. Residents are living longer, with greater levels of disability, and have greater expectations of independence, care and achievement. Assumptions have been made in the budget about the likely increases in demand for services, particularly in respect of social services clients (both adults and children). However, there is inevitably a degree of uncertainty about such predictions.

- **Savings included in the 2014/15 budget:**

On top of the 2013/14 savings, agreed as part of the 2013/14 budget setting process a further £11m of new savings have been identified in 2014/15 to bridge the budget gap as a result of increased pressures and reduced Government funding. There is a risk that some of the savings identified as part of this budget setting process will not be achieved. Although each proposal has been scrutinised and the proposals have been assessed as viable and realistic, there is still an element of risk involved in terms of achieving these savings. These risks will be taken into account in setting the level of contingencies and general balances. The monitoring of the achievement of these savings will, as in previous years, form an integral part of the 2014/15 revenue monitoring process and if required, appropriate action will be taken to ensure that they are delivered, or if not other savings measures identified to compensate for any shortfall.

- **Changes in external factors such as interest rates:**

Interest rates are an area that is outside the Council's control and therefore represents a continuing area of significant risk. Any increases in rates will benefit the Council's financial position as the Council's borrowings are, for the most part, at long term fixed rates. Conversely, the low rates currently experienced due to the national economic position will reduce the resources available to the Council. An Equalisation Reserve has been in place for several years to "damp down" the effect of fluctuations in interest rates and this reserve will be used in a planned way to support the MTFP. Interest rates will continue to be closely monitored and planning assumptions will be updated as required. The low interest rate environment in short term rates does allow the Council to borrow at low historic rates. The Council however, is aware of the risk that interest rates may start to rise and we will need to finance loans for longer maturity dates.

- **Inflation and other cost increases:**

Staff pay represents the most significant proportion of the Council's expenditure. Consequently, variations in pay levels represent a significant risk. It should also be noted that the Council works in a range of labour markets, and the laws of supply and demand are pushing up costs in certain sectors. In addition, inflationary pressures in some parts of the Council's spending (particularly Social Services care packages) may exceed the assumptions in the plan.

- **Increased costs of waste disposal:**

It is important that the Authority does all it can to recycle as much waste as possible in order to minimise any cost pressure from landfill charges associated with household waste.

- **Changes in Adult Social Care provision:**

Adult Social care has undergone a major change to service provision with the introduction of the personalisation agenda. This initiative has improved the quality of life for social care clients, giving them more choice and freedom in the services they are able to purchase. There is a risk on any initiative of this size that hidden costs may still emerge in the future. Safeguarding adults will remain a priority in any service decision.

- **Income, including fees and charges:**

The budget includes a number of assumptions about income levels. Although all income assumptions have been validated using the most up to date information available, there is inevitably an element of risk that they might not all be achieved.

- **Future revaluations of the Pension Fund:**

The Pension Board is continuing to closely monitor the effect of the economic downturn on the fund as this may affect the future contributions required from the Authority.

- **VAT Exemption Limit:**

All councils are allowed to recover VAT on exempt supplies up to a limit of 5% of taxable supplies. Should an authority breach this threshold all exempt VAT becomes irrecoverable and a cost to the council. For Enfield, this would amount to £2.8m based on current levels of expenditure. The limit is monitored by finance officers who also provide training to services staff engaged in exempt VAT activities (in particular, Property Services).

- **Bellwin Scheme:**

The Government's Bellwin Scheme provides emergency financial assistance to local authorities. The scheme may be activated where councils incur expenditure on an emergency or disaster to

- safeguard life or property, or
- to prevent suffering or severe inconvenience, in their area or among its inhabitants.

There is no automatic entitlement to financial assistance: Ministers are empowered by Section 155 of the Local Government and Housing Act 1989 to decide whether or not to activate a scheme after considering the circumstances of each individual case. Council must exceed an expenditure threshold (£1.32m for Enfield in 2013/14) which Government may pay 85% of costs incurred.

- **Transfer of Primary Care Trust responsibilities:**

The NHS is currently going through a period of transition, with Public Health commissioning responsibilities transferring from the NHS to the Local Authority. Financial resources have been identified and allocated by the government to support this transfer. The assumptions are that the responsibilities transferred will be met from the proposed allocations but there is a risk that unforeseen pressures may emerge. The authority will continue to support joint commissioning priorities that contribute towards the Health and Social outcomes for local people.

- **Housing Benefit Subsidy for Temporary Accommodation:**

Changes were adopted by the Department of Works and Pensions from 2010/11 which affected the subsidy funding system for temporary accommodation for homeless households. These changes have reduced significantly the rental income that funds the Borough's homelessness service. Although a significant adjustment was added to the budget to resource this issue the sheer size of the budget means that this remains a potentially significant budget risk to the Council in 2014/15 and future years.

- **Localisation of Council Tax Support:**

The localisation of Council Tax Support has resulted in some of the poorest residents in Enfield being required to contribute to the council tax for the first time. Initial collection rates have been positive but the Council could face additional budget pressures if losses ultimately are in excess of the bad debt provision in the 2014/15 budget and MTFP.

The gap between Council Tax Support (CTS) grant and discounts provided may increase in later years due to:

- Reductions in Revenue support Grant (RSG) (of which CTS grant is transferred to from 2014/15) without equivalent reductions in local discounts. It will be difficult to monitor the position as CTS is not a clearly identified element of RSG from 2014/15.
- Growth in the caseload that is no longer funded by increases in grant
- **Welfare Benefits:**
Increased migration of homeless clients from inner to outer London is being experienced following welfare benefit changes by the Government. The benefit changes may also create financial difficulties for existing local residents. This may increase demand for services and impact on the local economy including the collection of council tax and other fees and charges of the Council.
- **Rental income from the Council's assets :**
The Council manages a substantial asset portfolio and is beginning to experience the effects of the economic downturn through a reduction in rental and service charges income from businesses and other tenancies.
- **IT Refresh**
Continued IT investment will be needed to meet ever increasing demands, support more efficient, transformed working practices and keep system up to date with current and future legislative requirements.

CAPITAL RISKS

The following risks are associated with the delivery of the Council's capital programme.

- **Generating the required level of capital receipts:**
As noted earlier in the report there are risks around achieving the level of receipts assumed in the current capital programme where disposals may not be achieved. If new receipts are not identified the gap will have to be met from borrowing.
- **Robustness of capital project plans:**
This could be a problem if schemes have not been sufficiently developed in detail before their inclusion in the capital programme. This is a particular risk when embarking on a substantial and complex programme. Nevertheless, the detailed work required to produce 'scheme reports' means that the risks are minimised by ensuring that commitments are not made before full costings and a project risk assessment have been completed.
- **Time and/or cost overruns:**
In the main these problems should be minimised by good project planning and management; the Council uses the Prince 2 methodology. Progress with and expenditure on individual projects are monitored monthly.

SERVICE SPECIFIC RISKS

Finance staff, working with staff in Departments, have assessed the risks associated with individual budgets. The most significant risks within departmental budgets are set out below:

Schools and Children's Services Department

- **Demand led services:**

There are a number of areas within the Department's services that are statutory and demand led, meaning that the service must be provided if the client meets the relevant criteria. Examples include supporting the placement of children with special education needs in independent and out borough settings, purchasing care packages for vulnerable children, increasing numbers of pupils in primary schools and giving financial support to families with no recourse to public funds. These budgets are at risk from any change in the numbers of children requiring services. The number of referrals of children possibly at risk remains high which can lead to increases in the number of placements needed. Whilst the implementation of the prevention strategy is helping to manage budget pressures in these areas welfare benefit and demographic changes continue to pose a risk that cannot be fully quantified at this stage, particularly in respect of services supporting homeless families and looked after children.

- **Staffing:**

The Department's salaries budgets include a vacancy factor, which recognises the cost savings as a result of staff turnover. This can be difficult to achieve in certain areas where it is necessary to maintain higher staffing levels in order to deliver safe essential services. Although the general success of the Council's policy for recruiting and retaining children's social workers has reduced the need to use agency staff in some areas of the service, the continuing increase in the number of referrals to the Children in Need Service may require additional staff resources.

- **Legal services:**

The cost of legal representation is difficult to control due to the complexities of some of the cases relating to children. As the number of cases remains high more cases require legal action. Whilst Legal Services are aiming to take on more legal work the specialised and technical aspects of some cases still require legal representation by external solicitors, barristers and QC's.

- **SEN Transport:**

An increase in the complexity of cases has been noted in the past year which could translate to increased costs if additional or more expensive means of transport are required.

- **School places:**

The provision of school places is continually under review and the Council's 2013-17 capital programme includes funding for additional primary school places. These are and have been partly funded by central government capital grants which have reduced the call on Council resources in the short-term.

The pressure for additional places passes on to secondary schools from 2017/18 onwards and there is a risk that the cost of providing the additional places needed will not be fully funded by central government grant, leaving the Council to meet any shortfall. As the school population increases the number of high needs learners has also increased and short and long term provision for places is being re-assessed. There is a risk that this may lead to increased costs to the schools budget if capital and revenue grant funding does not fully cover the costs of the additional places needed.

Health, Housing and Adult Social Care Department

- **Social Care Demand:**

Care purchasing budgets have been prepared on the basis of known levels of activity plus those that might reasonably be foreseen, based on demographic forecasts and historic trends. There remains, however, the possibility that demand will exceed these assumptions and in the Medium Term Financial Plan for 2014/15, Adult Social Care have allocated an additional saving of £2million in order to fund these demographic pressures. Enfield's population is increasing at the rate of about 3,500 people per year. Improved healthcare means that more adults with disabilities are surviving into adulthood and into old age. Older people are living longer but years of good health are not growing with them. This is driving an increased demand for services and whilst Adult Social Care is moving to a more preventative model of support, the ability to offer appropriate and sustainable levels of support to an increasing number of people and delivering a combined total of £11 million in savings is not without risk.

- **Contractual Price:**

The majority of services to local people with eligible needs are provided by the independent and voluntary sectors. In negotiating contracts with these providers the Council seeks to strike a fair balance between a meaningful recognition of providers' costs, affordability to local taxpayers and quality of services. The Council also needs to be mindful of those areas of service provision where there is a shortage or risk of insufficient capacity to meet demand. These are factors which can push prices up and working with the market and with other authorities to increase capacity which is value for money and remains a priority. The procurement service is also working with providers of services to understand price structures and how the cost of services provided is broken down. Retaining skilled staff, paying a living wage and investing in new technologies as well as cost of living pressures are all factors which can push prices up.

In relation to specialised services for people with more complex needs, the requirements of providers for increases above inflation represent the highest risk area. Although the number of service users affected may not be large, the budgetary impact of increasing already high cost packages is significant. Sustainability of the independent sector is an area of risk

nationally. The Council also maintains some in house provision, which is subject to the same cost pressures as other providers.

The Dilnot recommendations around the future of care funding also place a responsibility on Councils and providers to be more transparent about how the costs of care are broken down (accommodation costs versus care and support costs) and to provide a cost of care meter for service users. This does not come into force until April 2016, though work to prepare for the changes is beginning now. This includes people who currently fund the cost of their own care privately and will increase the number of people the Council is required to assess and review.

- **Enfield CCG & Barnet, Enfield & Haringey Mental Health Trust**

Monitoring of the Enfield CCG & BEH MH Trust financial position is reflected in the authority's budget monitoring processes and through Section 75 partnership meetings. Both the CCG and MH Trust are continuing with their own efficiency programmes. There is an inherent financial risk where spending and savings plans are not aligned between the Council and Health partners.

- **Client Income:**

Given the significant income assumptions in the budget, there is a risk that they might not be achieved in full. This is especially the case in the current economic climate, where vulnerable residents will be making difficult choices regarding basic living requirements and paying charges.

- **Homelessness Procurement and Benefit changes 2014/15:**

Welfare reform changes and a shortage of accommodation across all tenures has seen a lack of stability in the amount of accommodation available for homeless households, this has resulted in a rise in homeless households living in temporary accommodation during 2014/15.

- **Incentive Payments- Temporary Accommodation**

Rents paid on Temporary Accommodation and private sector properties that the Council uses to house homeless families are based upon Local Housing Allowance levels. Unfortunately, due to benefit caps and an increase in market rents compared to LHA levels, Local Authorities need to pay incentive payments to Landlords in order to secure affordable long term accommodation. Competition from other Local Authorities housing their homeless households in Enfield has led to incentive inflation within Enfield. There is a risk that the above factors will led to an increase in incentive payments above those assumed in this report.

- **The Procurement of Temporary Accommodation**

The cost of private rented accommodation is rising in London, which is placing significant pressure on budg ets to procure temporary accommodation for homeless households. The Temporary Accommodation budgets are showing a shortfall of £5.812m from the loss of Private sector leased properties and a higher use of Nightly paid Accommodation and this budget pressure is being funded by £3.329m from the MTFP for 2014/15. It is estimated that a further budget of £2.483m is required to pay for incentives to obtain more properties for

homeless households. In 2013/14 the budget pressure on homelessness has been supported by one off funding from the initiative reserve, MTFP and new Homes Bonus in 2013/14, however the reserve will run out by the end of 2013/14 and the new homes bonus one-off funding will end leaving the service requiring this additional investment to ensure statutory duties are met.

- **Welfare Reform**

The introduction of a total benefit cap will reduce the housing benefit for households in temporary accommodation, this will increase the risk of rent arrears and increase the staffing resources required to maximise the collection of rent. The prospect of the economic outlook may also impact on the level of arrears. It is therefore a risk to the Council that the provision for bad debts will increase in 2014/15. In 2013/14 this risk was mitigated by the use of Government funding for Discretionary Housing payments (DHP) to individuals for the payment of rent to the council. DHP may not be paid to tenants in 2014/15 and this could cause a build-up of rent arrears and therefore a higher provision for bad debts in 2014/15.

- **Judicial Review:**

The right of individuals to challenge in the Courts, Council decisions around Community Care Assessments and provision of services inevitably present risks. Even when the Council is able to successfully defend a judicial review, it will often be left with significant legal costs.

- **Empty Property Compulsory Purchase Order (CPO) programme**

The Council is liable to make 'Basic Loss payments'. Basic Loss Payments are statutory entitlements payable to former owners for interest in land, subject to certain criteria being met and up to a maximum amount. There are currently ongoing CPO cases which may be liable to make such payments in the future which will be met from central contingency as required.

Environment Department

- **Domestic Homicide Reviews**

Domestic Homicide Reviews (DHRs) were established on a statutory basis under Section 9 of the Domestic Violence, Crime and Victims Act (2004). This provision came into force on 13th April 2011; where responsibility for undertaking domestic homicide reviews lies with the Community Safety Partnership (CSP) within the victim's area of residence. The act states that a DHR means a review of the circumstances in which the death of a person aged 16 or over has, or appears to have, resulted from violence, abuse or neglect by either a person to whom they were related or with whom they were or had been in an intimate personal relationship, or a member of the same household as themselves, held with a view to identifying the lessons to be learnt from the death

Finance, Resources & Customer Services

- **Commercial Property Portfolio:**

The Council's commercial property portfolio is expected to generate rental income of approximately £5.4m in 2014/15. The current economic downturn, together with regeneration initiatives, continues to impact adversely on the income stream.

- **Security of Council Premises:**

Due to the heightened risk of the Council's vacant and open spaces being illegally occupied, there are potential additional costs on security to prevent illegal occupation of Council land.

Regeneration, Leisure & Culture

- **Meridian Water:**

A range of technical work is taking place to prepare for the delivery of a range of infrastructure projects including those related to the proposed new station, three tracking, the Central Causeway, the Lee Valley Decentralised Energy Network and appropriate land acquisitions.

- **Increase in specialist advice required to deliver regeneration schemes:**

In order to prepare for the delivery of key projects it is necessary to obtain specialist advice across a range of professional services in order to provide required levels of assurance. Appropriate provision will need to be made for this.

- **Costs associated with Examinations in Public:**

The authority has a large number of planning policy documents that will require substantial investment to achieve a successful outcome in these examinations. The DMD and further plans are expected to be ready for examination. This includes the Community Infrastructure Levy and the North London Waste Plan which still require specialist external planning advice and legal advice to reach a successful conclusion. Funding for the Local Plan for the financial years 15/16 and 16/17 is yet to be identified.

- **Market Gardening**

Capital funding will be required to support the land acquisition for the Market Gardening project for the creation of new community food growing spaces at various scales. The Council will need to develop a robust business case to ensure the project is fully affordable.

- **Broomfield House**

The Council is at the early stages of engaging with a professional fundraiser to assist in producing a fund raising strategy to assist with next stage for Broomfield House. Investment from the Council to this scheme is envisaged to be £1million, subject to this being justified by a business case.

APPENDIX 7(a)

Earmarked Reserves

This Appendix explains the purpose of the Council's main earmarked reserves. The reserves table also shows planned movements in the balances over the period of the Medium Term Financial Plan. Comments regarding the adequacy of the reserves held are set out below while **Appendix 7(b)** summarises forecast use and commitment of the reserves.

Reserves to meet specific programmes

- **Council Development Reserve**
This reserve helps support the implementation of Council initiatives, and funds various “one off” projects. Withdrawals from the fund depend on the timing of projects.
- **Regeneration Reserve**
This reserve is used for contributions towards and funding for the Council's regeneration agenda.
- **Vehicle & Equipment Replacement Fund**
The Fund is to finance the planned programme of replacement vehicles and equipment.
- **General Fund Capital Reserve**
This resource is available to fund new capital investment in the approved Capital Programme over the medium term. It supports the delivery of the Capital Programme set out in the main report.
- **ICT Investment Fund**
This reserve supports IT upgrades, new developments and implementation costs and is the principal source of funding for the corporate ICT Work Plan.
- **SAP Upgrade**
This reserve is set aside to finance SAP developments and improvements.
- **Revenues & Benefits Systems**
Reserve to support changes to the Revenues & Benefits systems following the CTS and other technical changes.
- **Industrial Estates Improvements**
Support to the North London Chamber of Commerce, to the Enfield Business & Retailers Association; to North London Business and North London Strategic Alliance, etc to improve the state of repairs of industrial estates in order to make them attractive for letting.

- **Working Neighbourhoods Fund**
Working Neighbourhood's Fund and Local Authority Business Growth Incentive monies from the Government in order to tackle worklessness and support enterprise.
- **Homelessness Initiative**
This is ring-fenced homelessness underspend from previous years to fund initiatives to reduce numbers in temporary accommodation.
- **Waste Recycling Reserve**
Transitional funding for the changing of the outlet for the bulking and processing of the mixed garden and food waste from the North London Waste Authority (NLWA) to Enfield's contractor. This will make significant savings in future years but due to the NLWA Levy funding mechanism, funding is needed to bridge the 2 year time lag before the NLWA levy fully reflects the reduced tonnages in 2013/14.
- **European Match Funding**
The reserve was created as part of the 2010/11 outturn finalisation so that a further £1.5m has been set aside to provide match funding for the European Social Fund schemes run by London Councils and the Greater London Authority. Support will be given for projects which improve the employability of unemployed and economically inactive people in Enfield.
- **Enfield Community Capacity Building Fund**
As part of the Council's renewed determination to actively assist and build the capacity of all of our communities in Enfield, ring-fenced funding of £1.9m was set aside for defrayment over the next 3 operational years to build community capacity in the Borough – the Enfield Community Capacity Building Fund.
- **Empty Properties (New Homes Bonus)**
This reserve represents Government Grant Funding for New Homes Bonus. Enfield Council received £528k in 11/12 and this has been allocated to the Private Sector Housing Team to be spent on their empty properties programme to bring back empty properties into use.
- **New Homes Bonus**
Authorities that deliver new homes are awarded a New Homes Bonus. The Council is fully committed to the delivery of more homes in the borough and continues to progress a number of major housing renewal schemes including the Alma and Ladderswood Estates.

The Council has been awarded £8.2m of New Homes Bonus (NHB) so far. The Government fund New Homes Bonus by a top-slice from the existing Local Government Finance Settlement which adds to the reduction in Enfield's existing Government grants.

The £8.2m NHB confirmed to date has been specifically allocated in respect of:

- Money set aside to bring empty properties back into use £0.5m
 - Provision for homelessness and temporary accommodation initiatives £3.0m
 - Regeneration – development of new homes in Ponders End and Meridian Water £2.5m
 - Strategic Planning and the development of Area Action Plans enabling new Development Areas to be identified £1.0m
 - The allocation of uncommitted 2014/15 NHB is still to be finalised but will be split between homelessness initiatives and supporting regeneration at Meridian Water £1.2m
- **Welfare Reforms Reserve**
The Housing Benefit Subsidy Bad Debt provision was reduced in 2012/13 and the saving transferred to a new reserve to mitigate new costs that may arise from welfare reforms. The provision can be reduced as most subsidy claims have now been completed without any significant amendments. However, the changes to the housing benefit regime increase the risk of residents being unable to pay council tax bills and additional costs relating to the new benefit administration and regulations. This reserve will be available to meet these potential pressures.
 - **Council Tax Hardship Fund**
In recognition of the hardship faced by working age households affected by the changes to Council Tax support, the Council established a Hardship Fund for 2013/14. The balance of this fund will be rolled forward and the adequacy be reviewed in 2014/15.
 - **Statutory Community Care Services - Capacity Pressure**
Within the authorities Medium term financial plan the funding of Adult social care demographic pressures in 2013/14 and 2014/15 will be partially funded from £939k one off resources identified during 2012/13.
 - **NHS Social Care Grant**
The authority has been awarded a total of £6.8m over the last two years to fund Social care priorities which are jointly agreed between the authority and the Clinical Commissioning Group. A number of projects have slipped and as a result resources are earmarked to achieve desired outcomes in future years. Additionally, some of the funding has been allocated to contribute to the Council's Medium Term Financial Plan, in order to maintain current Adult Social Care Service levels to vulnerable Adults

- **Other specific General Fund reserves for small projects and invest to save initiatives**

These are considered adequate for the projects concerned.

Reserves set aside to smooth expenditure between years and meet contingent risks

- **Public Finance Initiative Investment Reserve**
These balances will equalise the funding available for the PFI Street Lighting project over the whole life. Holding an earmarked reserve for this purpose is considered prudent and good practice.
- **Insurance Fund**
The internal Insurance Fund provides cover in full for tree root damage claims, burglary and “all risks” on specified equipment. The Fund also meets the cost of all claims within the external policy excesses for general building fire damage (including housing properties), motor, cash and public and employer liability claims. In addition there is a potential liability with a former insurer of the council which would be a call on this fund.
- **Repair & Maintenance of Council buildings**
The revenue budget includes an annual contribution to the R & M fund. The fund supports day-to-day repairs, responsive maintenance, and service contracts in respect of Council buildings. The longer term requirement to match needs with resources will be addressed as part of the Council’s policy to rationalise its accommodation needs. With an ageing portfolio of buildings, the risk of expensive repairs and maintenance is increasing. The Leaner Programme is mitigating this by reducing the number of buildings and investing in those that remain.
- **Interest Equalisation Reserve**
This reserve is intended to address one of the most significant risks the Council potentially faces. The global economic downturn has had unprecedented effects on the UK economy, of which the dramatic reduction in interest rates is one of the most significant. This reserve is designed to provide some cushioning against further fluctuations.
- **Restructuring and Redundancy Reserve**
This reserve refers to funding set aside to meet the "one off" costs associated with service restructuring to achieve efficiency savings.
- **Repairs Fund for private sector housing leased to Council**
This funding is set aside to cover the cost of repairs to PSL properties when the leases come to an end and the properties are handed back to their owners. It is “routine” business, with a low risk, and this reserve acts as a buffer to support the repairs work.

Other Reserves

- **HRA Repairs Fund and Capital Reserve**
These funds represent the resources available for major repairs to the Housing stock and works to achieve the Decent Homes Standard.
- **Risk Reserve**
Set aside as a contingency sum in order to provide financial funding over the period of the Medium Term Financial Plan for potential pressures as detailed in the 2011/12 Outturn Report to Cabinet.

Lee Valley Heat Network Reserve (specific part of Risk Reserve):
The Lee Valley Heat Network project will provide a cost effective energy source for sites across the Borough. This reserve has been created to allow the set up costs of the project to be funded. Any drawdown from this reserve will require a report setting out specifically the proposed use of the funds.

ESTIMATED MOVEMENT IN EARMARKED RESERVES

APPENDIX 7(b)

RESERVE	2013/14			2014/18 Programmes		Forecast Reserves as at 31 March 2018
	Reserves as at 31 March 2013	Net Transfers 2013/14	Balance 31 March 2014	Revenue	Capital	
	£'000s	£'000s	£'000s	£'000s	£'000s	
General Fund Reserves						
Projects / Programmes						
Council Development Reserve	1,737	(1,593)	144	(140)		4
Regeneration Reserve	1,281	(356)	925	(925)		0
Vehicle and Equipment Replacement Fund	1,876	625	2,500	(785)		1,716
Capital Reserve - General Fund	1,771	(1,000)	771		(771)	(0)
ICT Investment Fund	6,636	(3,246)	3,390	(3,390)		(0)
SAP Upgrade	866	(663)	203	(203)		0
Working Neighbourhood Fund	65	(65)	0	0		0
Revenues & Benefits Systems	235	1,083	1,319	(1,319)		(0)
Homelessness Initiatives	2,923	(1,085)	1,838	(1,838)		(0)
Waste Recycling Reserve	740	(651)	89	0		89
European Social Fund match funding	1,274	(728)	546	(403)		143
Enfield Community Capacity Building Fund	1,741	(758)	984	(984)		0
Statutory Community Care - Capacity Pressure	1,929	0	1,929	(1,929)		0
NHS Social Care Grant	5,551	535	6,086	(5,998)		88
Winter Capacity Pressure (proposed)	882	(882)	0	0		0
Project Carry Forwards	9,018	(9,018)	0	0		0
Industrial Estates Improvements	460	(254)	206	(98)		108
Empty Properties (New Homes Bonus 2011/12)	467	(362)	105	(105)		0
New Homes Bonus	0	534	534	(534)		0
Other General Fund Reserves for small projects	3,821	(821)	2,999	(1,014)		1,985
	43,273	(18,705)	24,567	(19,663)	(771)	4,133
Risk / Smoothing						
PFI Investment Reserves	2,164	(750)	1,414	(1,272)		143
Insurance Fund	3,492	(1,100)	2,392	0		2,392
Repair & Maintenance of Council buildings	1,794	(241)	1,553	(465)		1,088
Interest Rate Equalisation Reserve	4,004	(2,554)	1,450	(1,450)		0
Restructuring and redundancy reserve	2,226	(100)	2,126	(1,726)		400
Repairs Fund for private sector housing leased to the Council	1,259	(121)	1,138	(363)		775
Risk Reserve for potential one-off pressures over period of MTFP	2,409	(284)	2,125	(2,103)		22
2013/14 Settlement One-off Reserve	0	2,532	2,532	(2,532)		0
Welfare Benefits Support	3,656	(1,000)	2,656	(2,656)		0
	21,005	(3,618)	17,387	(12,567)	0	4,820
Other Reserves						
Performance reward grant receivable (LSP)	415	0	415	0		415
S106 Receipts	572	(248)	324	(324)		0
Residents Priority Fund	1,183	(1,183)	0	0		0
	2,170	(1,431)	739	(324)	0	415
GENERAL FUND RESERVES	66,448	(23,754)	42,694	(32,554)	(771)	9,369
Other Ring-Fenced Reserves						
Dedicated Schools Grant	4,917	0	4,917	(800)		4,117
HRA Repairs/Capital Reserve	15,425	2,395	17,820	0		17,820
Total Earmarked Reserves	86,790	(21,359)	65,431	(33,354)	(771)	31,306

Note: figures rounded to nearest £000.

STATEMENT OF THE SECTION 151 OFFICER UNDER THE REQUIREMENTS OF SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003**ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF THE RESERVES FEBRUARY 2014****1 Introduction**

The Local Government Act 2003 places a duty on the Chief Finance Officer (the Council's Section 151 Officer) to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves.

Guidance on balances and reserves is provided by Local Authority Accounting Panel (LAAP) Bulletin 77 (Nov 2008) which is the basis on which the Chief Finance Officer's annual financial risk assessment has been updated in the Council Budget report to Council. The LAAP emphasises the importance of taking account of the council's medium term plans and forecasts of resources, and not to focus solely on short term considerations. The majority of council services face external demand and cost pressures in future years, but two key policies that clearly fit into the council's medium term planning are the LEANER Programme and its policy of prudential borrowing.

This Appendix focuses on the robustness of estimates and the adequacy of reserves. It builds on the statements included within the main body of the budget report, and monitoring of the 2013/14 budget.

2 Processes

Budget estimates are exactly that, estimates of spending and income made at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but gives members reasonable assurances that the budget has been based on the best available information and assumptions.

To meet the requirement on the robustness of estimates a number of key processes are in place, including:

- the issuing of clear guidance to accountancy teams on the preparation of budgets;
- peer review by accountancy staff involved in preparing the standstill base budget i.e. the existing budget plus inflation;
- the use of budget monitoring in 2013/14 in order to re-align budgets with current demand, for 2014/15;
- an updated medium term planning process;
- a review via Council Management Board of proposed savings and their achievability;
- review of the budget by the responsible Cabinet Member for the budget;
- the Chief Financial Officer providing advice throughout the process on robustness, including reflecting current demand and service standards

(unless standards and eligibility are to be changed through a change in policy); and

Notwithstanding these arrangements which are designed to test the budget throughout its various stage of development, considerable reliance is placed on the Service Managers having proper arrangements in place to identify issues, project demand data, and consider value for money and efficiency.

3 Robustness of Revenue Estimates

The 2014/15 draft budget includes over £24m of budget cost pressures partially balanced by offsetting savings and increased income. As part of developing the budget, Members have considered these options and they are reflected in the proposed budget.

The savings identified to balance the 2014/15 budget have been closely scrutinised by both officers and Members and where appropriate equality impact assessments have been completed. Savings approved in the budget round will be closely monitored through 2014 until they are fully embedded into the Council's budget.

To assess the adequacy of reserves, the key financial assumptions underpinning the budget and Medium Term Financial Plan are reviewed in accordance with the criteria recommended in LAAP 77.

1. The treatment of demand led pressures

The major demand factors affecting the 2014/15 and later years' budgets are:

- Demographic pressures. The draft budget and Medium Term Financial Plan provides for significant additional cost of services due to increases in client numbers.
- Future funding. The Government has announced provisional figures for 2015/16. There is considerable uncertainty after that with further information expected in 2015.
- Legislative Changes: The localisation of council tax support and impending introduction of Universal credit potentially will increase demand on services in Enfield. The changes may result in more claimants moving to Enfield along with increases in cost.

All Strategic Managers have reviewed their base budgets including demand led pressures based upon budget monitoring and projections made by service managers of demand in future years. Service managers are expected to put forward management and policy actions to manage the additional demand within the relevant legislation either within the relevant budget or reprioritising within their service budgets. If this is not possible and under-spending management action or policy actions in other service areas are not sufficient to cover the additional demand, then the minimum level of balances may have to be used to temporarily address the additional expenditure.

Such an eventuality has been considered in future years' budgets and it is assumed that general fund balances would be restored to at least the minimum prudent level in the following year.

2. The treatment of inflation and interest rates.

Vacancy factors have been built into salary budgets for 2014/15 reflecting the specific circumstances for each particular service based on management judgement taking account of service needs. A review of vacancy factors has been undertaken in order to ensure that they are all achievable and reflect the level of employee turnover on the particular serve area concerned.

Budgeted inflation has been contained where possible but it is recognised that there will be externally provided services that will be subject to contractual rates. Managers are required to manage inflation pressures within their budgets through procurement efficiencies.

The risk that Council income will be less than budgeted due to economic problems has been factored in when calculating service budgets and contingencies. Specific fees and charges are set at levels where increase can be achieved without damaging services to residents. Council tax collection levels have been adjusted to take into account the new local council tax support system. The overall collection rate remains at 96.87% which allows for council tax from taxpayers affected by the reduction in benefit support. The estimate is assumed over the life of the MTFP as achievable but will need close monitoring to ensure collection estimates are reasonable.

£300k is budgeted for interest earnings based on the average investment funds of £60m at a rate of 0.5%. An Interest Equalisation Fund still exists to protect the Council from future interest rate fluctuations in the short / medium term.

Interest rates for 2014/15 have been assumed at 0.5% from April 2014 for temporary investment. Most of the Council's debt is long term is at fixed interest rates with 4.0% assumed for any long term new borrowing resulting from the draft capital programme. The revenue financing costs are fully provided for in the draft revenue budget.

3. Estimates of the level and timing of capital receipts.

In the short term, unapplied capital receipts are treated as general cash balances when investing with interest earned used to support revenue expenditure. Capital receipts are used in the long term to finance new capital investment. Delays in capital receipts may add to short term borrowing costs but current low interest rates mean this a small risk to the Council's financial standing.

4. The treatment of efficiency savings/ productivity gains.

All service managers have a responsibility to ensure the efficient delivery of services and when efficiency savings are proposed that those savings are both realistic in terms of the level of savings and timing. Should the level and timing of such savings vary due to unforeseen events and under-spending, management action or policy actions within the relevant department and corporately if appropriate, will be implemented.

The LEANER efficiency programme is the delivery mechanism for achieving this. Across the authority a significant proportion of the recently achieved savings have been through "Leaner" initiatives.

5. The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments.

The sharing of risk is in accordance with the principle of the risks being borne by the party best placed to manage that risk. Inherent risks include any guarantee or variation of service throughput (service volumes). If risks materialise they will be considered in future years' budgets and General Fund reserves restored to at least the minimum prudent level.

6. The availability of other funds and insurance to deal with major contingencies.

Besides the general budget contingency of £1m, there are also General Balances of £14m and estimated General Fund Earmarked Reserves estimated at 31st March 2014 to be £42.7m (**Appendix 7(b)**).

The minimum level of general balances assumes that management 2014/15 and policy actions will be taken to address major issues that might arise. Should these be insufficient, general balances may have to be used temporarily and restored to at least their minimum prudent level or the optimal level through future budgets.

The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self-insure" some areas. External premiums are also managed by an excess payable by Enfield Council for claims received. Premiums and self-funds are reactive to external perceptions of the risks faced by the Council which includes both risks that are generic to all organisations and those specific to the authority.

The level of the Insurance Reserve was subject to an actuarial review in 2012. At present it is judged to be adequate, the position being that estimated outstanding liabilities are covered by the balance on the Reserve.

7. The overall financial standing of the authority.

In addition to the revenue spend that the Council will incur in 2014/15, it also has a Capital Programme that requires prudential borrowing in 2014/15 and future years (Appendix 5). The revenue financing costs are currently affordable and included in the budget and MTFP.

The assumed Council Tax collection rate for 2014/15 is 96.87% and is judged to be achievable. For each 1% not collected, the cost is approximately £1.0m in lost income to the Council. Legislation requires that any Collection Fund deficit be corrected through the Council Tax in the next year. The Council Tax Collection Fund is forecast to be in balance at 31st March 2014.

The Collection Fund for Business Rates as at 31st March 2014 is estimated to be in deficit by £1.064m. Enfield's share of this is £0.319m (30%). This has been built into the Medium Term Financial Plan.

8. The authority's track record in budget and financial management.

The Council's recent track record in budget and financial management is one of underspending.

The full year effect of previous decisions, demographic growth and legislative change has been identified and will continue to be identified during the budget and Medium Term Planning process.

Ultimately, financial performance relies on all budget managers actively managing their budgets and complying with financial regulations, including not committing expenditure if there is no budget provision available. The outturn position for 2013/14 will be closely scrutinised as £13.1m savings and additional income were introduced in order to balance the budget. This followed a total of £46m of savings which were achieved in 2011/12 and 2012/13. The monthly monitoring process for 2013/14 indicates that the Authority is on target to achieve these savings.

9. The authority's capacity to manage in-year budget pressures.

The Council has a good track record in managing in year pressures. These pressures have been identified and reported at an early stage through the monitoring process and departments have then in most cases been able to identify plans to absorb the cost. Specific contingent items have been identified and put aside to mitigate risk. For example a contingent item was set aside and then subsequently allocated in respect of the loss of income departments have experienced as a result of the economic downturn.

The 2013/14 projection is a small overspend (December monitoring). The monitoring position is a prudent view and it is expected that robust management action will ensure that the overspend will be fully contained by year end.

10. The strength of the financial information and reporting arrangements.

It is recognised that the financial information and reporting arrangements needs to be strengthened. The Council is continuing to improve the usability of the system (SAP) for non-financial users.

A programme of SAP development and remedy was initiated in September 2011. The key driver for the programme is to maximise the investment made to date in SAP as a key business system. This in turn will underpin effective service delivery by exploiting additional functionality available and lead to enhanced financial and budgetary management information across the Council.

The programme consists of over a dozen projects that will help to deliver enhanced data quality and processes leading to improved management information. The following tasks were completed before the end of January,

- base salary estimates
- risk based balances calculation;
- prudential borrowing – a model was tested with advisors
- inflation – modelling over the period of the MTFP

4 Risk

In reports to the Budget Scrutiny Commission and Scrutiny Panels in December 2013 and January 2014, Members were able to assess the robustness of their budgets, the achievability of savings, income and reductions. It is expected that the key budget risks will be:

- Social care- demographic pressures
- Future Government legislation creating extra burdens
- Further reductions in public expenditure

The budget assumptions and potential changing circumstances will require forecasts for future years to be reviewed early in each financial year leading to more detailed budgets being prepared for the next financial year and the medium term during the autumn of each financial year.

There is also a significant risk as a result of the 2013 Spending Round. The Government have centrally held £2bn of funds for 2015/16 for ring fenced allocation for specific schemes. It is unclear at this stage how much of this funding Enfield will receive and indeed the additional burdens that will accompany the funding.

5 Capital Budget 2014-2018

The recommended programme's revenue implications are fully incorporated in the MTFP. The Council's policy is to fund its Capital Programme over the four year MTFS cycle, from three sources, capital receipts, grants and finally borrowing. Receipts are invested as part of the Council's normal treasury management activity and the interest continues to be used to help to support the Council's revenue expenditure.

If necessary the Council can choose to freeze parts of the programme throughout the year to ensure spend is kept within the agreed budget.

There are two main risks.

- Firstly is the risk of a shortfall in capital funding such as new capital receipts that would result in an increased need to borrow or delay schemes.
- Secondly is the ability of the Council to fully deliver the programme within the agreed timescales. Slippage relating to 2014/15 is fully funded over the MTFP period but this in itself will increase pressure on the Council to deliver the anticipated 2014/15 programme.

The Council has an ambitious Capital programme set out elsewhere in this report. All the various major capital projects will require clear business cases to be completed including a full assessment of affordability at each major stage before they are progressed.

6 Adequacy of the level of General Balances

Under the 2003 Act the Secretary of State has reserve powers to set a minimum level of reserves. The most likely use of this power is where an authority is running down its reserves against the advice of their Chief Financial Officer.

Determining the appropriate levels of reserves is not a precise science or a formula e.g. a percentage of the Council's budget. It is the Council's safety net for unforeseen or other circumstances and must last the lifetime of the Council unless contributions are made from future years revenue budgets. The minimum level of balances cannot be judged merely against the current risks facing the Council as these can and will change over time.

Determining the appropriate levels of balances is a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions, and the Council's track record in budget management.

The table below brings together the risk quantification, the current level of General Fund balances and the value of specific reserves as yet not committed and which could be available to temporarily meet unplanned costs. The summary indicates that the Council has sufficient funds available to meet one-off expenditure in the short term based on the likely cost if the risks materialised.

MTFP Risk summary (Excluding Schools & HRA)	Likely £m
Risk Evaluation (appendix 8(b), column 4)	18.340
General Fund Balance at 31 March 2013	(13.996)
Forecast Reserves uncommitted (Appendix 7(b))	(9.369)
MTFP Resources exceed risks	(5.025)

It should be noted that the consequences of not keeping a minimum prudent level of balances can be serious. **Appendix 8(b)** identifies risks¹ in excess of the balances and reserves shown above and whilst this scenario would never arise, in the event of a major problem or a series of events, the Council might run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

Any drawing from balances to meet non-budgeted expenditure or loss of income has to be made good in the following year's base budget, which would compound the risks in that year and weaken the Council's financial standing should the minimum level be breached.

7. External Auditor's Review of the Council's arrangements for securing financial resilience.

As part of the external auditor's work on Value for Money, an annual review is undertaken to determine if the Council has proper arrangements in place for securing financial resilience. The review looked at:

- Key indicators of financial performance
- Its approach to strategic financial planning
- Its approach to financial governance: and
- Its approach to financial control
- The report concluded that all areas were assessed as 'green' with no cause for concern and that the Council has adequate arrangements in place for achieving financial resilience. However, two main recommendations are important to the financial standing of the Council:
 - To ensure that the MTFP remains responsive given the scale of savings still required and the financial uncertainty that remains within the timeframe of the plan.
 - To maintain appropriate levels of earmarked reserves.

¹ Appendix 8(b), column 2 total £58.6m

8. Conclusions, Statutory Advice and Guidance of the S151 Officer

Taking account of the above considerations the Director of Finance, Resources & Customer Services is of the view that the budget is robust.

In the light of the risks facing the authority, the Director of Finance, Resources & Customer Services recommends that the General Fund balance is maintained in the order of £14m and that this recommendation is taken into account when determining the level of transfers to and from reserves in the 2013/14 revenue outturn.

ADEQUACY OF RESERVES: RISK EVALUATION

Appendix 8(b)

Probability	Grade	Range	% Used
High	A	>80%	100%
Probable	B	60%-80%	75%
Possible	C	30%-60%	50%
Low	D	<30%	25%

Event 1	Worst Case 2	Level 3	Assessed Risk 4	Assessed Impact Profiled					Total 9
				2014/15 5	2015/16 6	2016/17 7	2017/18 8		
	£'000		£'000	£'000	£'000	£'000	£'000	£'000	
General Fund Revenue									
Inflation	2,000	C	1,000	1,000				1,000	
Pay 2013/14 capped at 1%. Potential for separate local government agreement	1,500	D	375	375				375	
Reduction in Income / Non-Payment	1,000	D	250	250				250	
Non-Achievement of Planned and FYE Savings 2014/15	23,159	D	5,790	5,790				5,790	
Localisation of Council Tax support. Non collection of former benefit debt and increase in caseload	4,000	D	1,000	1,000				1,000	
Temporary Accommodation Costs exceed budget provision following welfare reform changes	3,000	C	1,500	1,500				1,500	
Welfare Reform - other pressures on services to vulnerable residents (profiled risk as changes take affect)	2,000	C	1,000	500	500			1,000	
Business rates reduction Government safety net threshold	4,582	D	1,146	1,146				1,146	
VAT Exemption Limit	2,800	D	700	700				700	
Bellwin Scheme (2013/14 threshold)	1,320	D	330	330				330	
Demographics - increased numbers / care costs	5,000	C	2,500	2,500				2,500	
Litigation	5,000	D	1,250	1,250				1,250	
North London Waste Authority Levy - increased costs	1,000	C	500		500			500	
Actuarial Review of the Pension Fund	1,000	C	500		500			500	
Capital (Revenue Implications)									
Capital Financing Revenue Cost of shortfall in General Resources @ £10m @ 8.0%pa	800	C	400	400				400	
Capital project overspend of £5m	400	D	100	100				100	
General Fund Total	58,561		18,340	16,840	1,500	0	0	18,340	

STATUTORY CALCULATIONS AND RESOLUTIONS

To Follow for Council Report

Section Reference	<i>Italics denotes statutory fees</i>	Service is VARIABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
1	GIS MAPPING							
	Indexed Street Map – booklet		2.30	0.00	2.30	2.50	0.00	2.50
	1:1250 OS Map Return Scheme (6 copies)	V	34.00	6.80	40.80	35.00	7.00	42.00
	Colour Copying - A4		2.30	0.00	2.30	2.50	0.00	2.50
	Colour Copying - A3		3.60	0.00	3.60	4.00	0.00	4.00
	Colour Copying - A2		4.70	0.00	4.70	5.00	0.00	5.00
	Colour Copying - A1		9.80	0.00	9.80	10.00	0.00	10.00
	Colour Copying - A0		18.50	0.00	18.50	19.00	0.00	19.00
	Colour Copying - A1/A0 Glossy Paper		41.30	0.00	41.30	43.00	0.00	43.00
	GIS Plot A3/A4 - Internal only (copyright restriction on external sales)		4.60	0.00	4.60	5.00	0.00	5.00
2	STREET NAMING & NUMBERING							
	List of streets, places & footpaths in LBE (LSPF - Alphabetical Street Index) on hard copy or CD		45.00	0.00	45.00	46.50	0.00	46.50
	Amendments to the LSPF (annual charge)		50.50	0.00	50.50	52.00	0.00	52.00
	Post & Packing		3.70	0.00	3.70	4.00	0.00	4.00
	Numbering New Residential & Commercial Units – per unit		100.00	0.00	100.00	100.00	0.00	100.00
	Naming a Street – per street		263.00	0.00	263.00	270.50	0.00	270.50
	Naming a Block – per block		142.00	0.00	142.00	146.00	0.00	146.00
3	PROVISION OF INFORMATION							
3a	PROVISION OF INFORMATION (External)							
	Per half hour or part thereof – Technical Support Staff - GIS		25.00	0.00	25.00	26.00	0.00	26.00
3b	PROVISION OF INFORMATION (Internal)							
	Mapping Work per Hour		34.80	0.00	34.80	36.00	0.00	36.00
	1/2 day Mapinfo Training (up to 3 people)		244.30	0.00	244.30	251.00	0.00	251.00
3c	ADOPTED ROAD ENQUIRIES							
	Up to 3 Questions		23.20	0.00	23.20	24.00	0.00	24.00
	3 or more Questions		46.40	0.00	46.40	48.00	0.00	48.00
4	PROVISION OF PLANNING / BUILDING CONTROL INFORMATION							
4a	COPYING / SCANNING							
	A4 Sheet (includes VAT at standard rate)	V	4.58	0.92	5.50	5.00	1.00	6.00
	Extra Copy (includes VAT at standard rate)	V	0.42	0.08	0.50	0.42	0.08	0.50
	A3 Sheet		5.80	0.00	5.80	6.00	0.00	6.00
	Extra Copy		0.80	0.00	0.80	1.00	0.00	1.00
	A3 Plan		5.80	0.00	5.80	6.00	0.00	6.00
	Extra Copy		0.80	0.00	0.80	1.00	0.00	1.00
	A2 Plan		8.80	0.00	8.80	9.00	0.00	9.00
	Extra Copy		1.40	0.00	1.40	1.50	0.00	1.50
	A1 Plan		9.90	0.00	9.90	10.00	0.00	10.00
	Extra Copy		2.10	0.00	2.10	2.50	0.00	2.50
	A0 Plan		11.90	0.00	11.90	12.00	0.00	12.00
	Extra Copy		2.80	0.00	2.80	3.00	0.00	3.00
	Discount for Conservation Study Groups:							
	Discount for Conservation Area Study Groups - 50% reduction in fees identified in 4a							
4b	Postage for letters, large letters and packets.		Standard Council charges apply			Standard Council charges apply		
5	FOOTPATH CROSSINGS & PATHS ACROSS VERGES							
	Costs associated with amending Traffic Management Orders to facilitate footway crossovers in Controlled Parking Zones		121.80	0.00	121.80	125.00	0.00	125.00
	Application for Footway Crossovers - The Local Authorities (Transport Charges) Regulation 1998		160.00	0.00	160.00	162.00	0.00	162.00
	Construction of a crossover per square metre in paving slabs/blocks or asphalt. Excluding existing obstructions e.g. street lighting columns, street furniture, trees or utility apparatus. Note: Where a footway is currently constructed in asphalt / tarmacadam a new footway crossing will only be permitted to be constructed in asphalt / tarmacadam.		160.00	0.00	160.00	170.00	0.00	170.00
	Provision of a footway crossover when constructed as part of a planned footway reconstruction scheme - (35% discount on full price shown above) (per square metre). Note: crossover specification to comply with scheme construction.		96.00	0.00	96.00	110.00	0.00	110.00
	5% reduction for double crossings & bulk orders of 10 or more crossings in a limited area, per sq. metre.							
	Renewal of existing White line Entrance Marking on Highway		130.00	0.00	130.00	134.00	0.00	134.00
	New White line Entrance Marking on Highway		130.00	0.00	130.00	134.00	0.00	134.00
	Removal and replanting of shrub bed elsewhere in the Borough - per square metre		63.00	0.00	63.00	65.00	0.00	65.00
	Removal and replanting of grass verge elsewhere in the Borough - per square metre		55.00	0.00	55.00	58.00	0.00	58.00
	Application for Heavy Duty Footway crossover - The Local Authorities (Transport Charges) Regulation 1998		700.00	0.00	700.00	800.00	0.00	800.00
	Construction and site supervision of Heavy Duty crossover excluding statutory utility diversions.		Price on Application			Price on Application		
6	PROVISION OF STREET SEATS							
	Per seat (Estimate will be provided on request at actual contractors cost, officer time and actual cost of plaque)		Price on Application			Price on Application		
7	PROVISION OF STREET NAME PLATES							
	Per Street Name Plate		Price on Application			Price on Application		
	Relocation only of existing Street Name Plate for footway crossing application		Price on Application			Price on Application		
8	TEMPORARY TRAFFIC ORDER							
	14.1 TTO Standard Charge		1,290.00	0.00	1,290.00	1,330.00	0.00	1,330.00
	14.2 Notice Standard Charge		645.00	0.00	645.00	665.00	0.00	665.00
	16.A Special Event Orders - (excluding community street parties)		645.00	0.00	645.00	663.00	0.00	663.00
9	RETRIEVE KEYS ETC. FROM ROAD GULLIES							

Section Reference	<i>Italics denotes statutory fees</i>	Service is VARIABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Per occasion service is not provided out of hours. Note This		177.00	0.00	177.00	181.00	0.00	181.00
10	LICENCE FOR SKIPS							
	Skip Licence -28 days(changed from 30 days)		47.00	0.00	47.00	50.00	0.00	50.00
	Continuation Licence - 14 days(changed from 10 days)		24.00	0.00	24.00	30.00	0.00	30.00
11	LICENCE FOR HOARDING/SCAFFOLDING							
	Deposit before commencement of works (refundable against damage)							
	- Up to 10m ²		510.00	0.00	510.00	510.00	0.00	510.00
	- For each additional m ² over 10		51.00	0.00	51.00	51.00	0.00	51.00
	Licence:							
	Application fee (non refundable)		43.00	0.00	43.00	63.00	0.00	63.00
	Licence Fee up to 2 months max (if approved)		146.00	0.00	146.00	151.00	0.00	151.00
	Renewal licence fee each subsequent month (if approved)		43.00	0.00	43.00	63.00	0.00	63.00
12	LICENCE FOR THE ISSUE OF A STREET WORKS LICENCE UNDER S50 OF THE NEW ROADS & STREET WORKS ACT 1991							
	Administration fee		183.00	0.00	183.00	189.00	0.00	189.00
	Capitalisation fee in lieu of annual charge		610.00	0.00	610.00	627.00	0.00	627.00
12a	Licence for Cranes							
	Licence for Cranes on the Highway up to 50 Tonnes		53.00	0.00	53.00	100.00	0.00	100.00
	Licence for Cranes on the Highway over 50 Tonnes		158.00	0.00	158.00	175.00	0.00	175.00
	Deposit before commencement of works (refundable against damage)		5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00
13	CONTAMINATED LAND INFORMATION							
	Contaminated Land Enquiry - Site History - where no records held		28.30	0.00	28.30	29.00	0.00	29.00
	Contaminated Land Enquiry - Site History - where records are held		121.00	0.00	121.00	124.50	0.00	124.50
14	DEVELOPMENT CONTROL SERVICES							
	Provision of Information including Solicitors & Developers Inquires - per hour (1 hour minimum charge)		52.60	0.00	52.60	54.00	0.00	54.00
	Providing written confirmation of compliance with planning permission, including a site visit.		227.60	0.00	227.60	234.00	0.00	234.00
	Planning Decision Notice		11.50	0.00	11.50	12.00	0.00	12.00
	Retrieval of planning files from storage (1948 to 2005)		4.60	0.00	4.60	5.00	0.00	5.00
	London Local Authorities (Charges for Stopping Up Orders) Regulations 2000		2,466.40	0.00	2,466.40	2,540.00	0.00	2,540.00
	Temporary signs for housing developments a returnable deposit of per sign to cover our costs in removing the signs in default		107.30	0.00	107.30	110.00	0.00	110.00
15	TRANSPORTATION SERVICES							
	Requests for Advice and Policy Guidance on Directional Signs		48.80	0.00	48.80	50.00	0.00	50.00
	Checking fee for S38 Agreements (value of works based on current LBE term contract rates) (not subject to VAT)		Flat rate of £2,500.00 for works up to £10,000 in value + 8% of the value of works over £10,000 + actual cost to accrue street lighting etc.			Flat rate of £2,500.00 for works up to £10,000 in value + 8% of the value of works over £10,000 + actual cost to accrue street lighting etc.		
	Checking & supervision fee for S278 Agreements (value of works based on current LBE term contract rates) (not subject to VAT)		Flat rate of £2,500.00 for works up to £10,000 in value + 10% of the value of works over £10,000 + actual cost to accrue street lighting etc.			Flat rate of £2,500.00 for works up to £10,000 in value + 10% of the value of works over £10,000 + actual cost to accrue street lighting etc.		
16	BUILDING CONTROL SERVICES							
	Viewing Building Control Plans	V	24.75	4.95	29.70	25.83	5.17	31.00
	Completion Letter or Certificate on Building Regulations Applications	V	49.50	9.90	59.40	50.83	10.17	61.00
	Building control information including Solicitor's enquiries	V	54.25	10.85	65.10	55.83	11.17	67.00
	Copy of Decision Notice	V	10.50	2.10	12.60	10.83	2.17	13.00
	Issuing of Completion Certificate	V	54.25	10.85	65.10	55.83	11.17	67.00
	Demolition Notice		206.40	0.00	206.40	212.00	0.00	212.00
	BUILDING CONTROL FEES							
16a	Standard Domestic Charges for Estimate of costs less than £200,000							
	Loft conversions < 40m²							
	Full plan	V	175.33	35.07	210.40	180.00	36.00	216.00
	Inspection charge	V	263.00	52.60	315.60	270.00	54.00	324.00
	Loft conversions 40m² - 60m²							
	Full plan	V	204.58	40.92	245.50	210.00	42.00	252.00
	Inspection charge	V	306.92	61.38	368.30	315.00	63.00	378.00
	Each additional 20m² over 60m²							
	Full plan	V	21.92	4.38	26.30	22.50	4.50	27.00
	Inspection charge	V	32.92	6.58	39.50	34.17	6.83	41.00
	Extension <6m²							
	Full plan	V	146.17	29.23	175.40	150.00	30.00	180.00
	Inspection charge	V	219.17	43.83	263.00	225.00	45.00	270.00
	Extension 6m² - 40m²							
	Full plan	V	204.58	40.92	245.50	210.00	42.00	252.00
	Inspection charge	V	306.92	61.38	368.30	315.00	63.00	378.00
	Extension 40m² - 60m²							
	Full plan	V	248.42	49.68	298.10	255.42	51.08	306.50
	Inspection charge	V	372.67	74.53	447.20	382.50	76.50	459.00
	Extension 60m² - 100m²							
	Full plan	V	321.50	64.30	385.80	330.00	66.00	396.00
	Inspection charge	V	482.25	96.45	578.70	495.83	99.17	595.00
	Each additional 20m² over 100m²							
	Full plan	V	43.83	8.77	52.60	45.00	9.00	54.00
	Inspection charge	V	65.75	13.15	78.90	67.50	13.50	81.00
	Basements as extension above plus							
	Full plan	V	116.92	23.38	140.30	120.42	24.08	144.50
	Inspection charge	V	175.33	35.07	210.40	180.00	36.00	216.00
	Attached garage <30m²							
	Full plan	V	146.17	29.23	175.40	150.00	30.00	180.00
	Inspection charge	V	219.17	43.83	263.00	225.00	45.00	270.00
	Detached garage 30m² - 60m²							
	Full plan	V	146.17	29.23	175.40	150.00	30.00	180.00
	Inspection charge	V	219.17	43.83	263.00	225.00	45.00	270.00
	Through lounge							
	Full plan	V	58.42	11.68	70.10	60.00	12.00	72.00
	Inspection charge	V	87.67	17.53	105.20	90.00	18.00	108.00

Section Reference	<i>Italics denotes statutory fees</i>	Service is VARIABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Description of Fees & Charges							
	Removal of chimney breasts							
	Full plan	V	58.42	11.68	70.10	60.00	12.00	72.00
	Inspection charge	V	87.67	17.53	105.20	90.00	18.00	108.00
	Installation of new wc/shower/utility							
	Full plan	V	58.42	11.68	70.10	60.00	12.00	72.00
	Inspection charge	V	87.67	17.53	105.20	90.00	18.00	108.00
	Garage conversion							
	Full plan	V	146.17	29.23	175.40	150.00	30.00	180.00
	Inspection charge	V	219.17	43.83	263.00	225.00	45.00	270.00
	Replacement windows up to 5 windows							
	Full plan	V	58.42	11.68	70.10	60.00	12.00	72.00
	Inspection charge	V	87.67	17.53	105.20	90.00	18.00	108.00
	per extra 10 windows							
	Full plan	V	29.25	5.85	35.10	30.00	6.00	36.00
	Inspection charge	V	43.83	8.77	52.60	45.00	9.00	54.00
	Re-roofing							
	Full plan	V	73.08	14.62	87.70	75.00	15.00	90.00
	Inspection charge	V	109.58	21.92	131.50	112.50	22.50	135.00
	New wiring (non competent person)							
	Full plan	V	87.67	17.53	105.20	90.00	18.00	108.00
	Inspection charge	V	131.50	26.30	157.80	135.00	27.00	162.00
	Discount for each multiple works above							
	Full plan	V	29.25	5.85	35.10	30.00	6.00	36.00
	Inspection charge	V	43.83	8.77	52.60	45.00	9.00	54.00
	NEW BUILD DWELLINGS							
	(<300m ² per dwelling)							
	1 new dwelling							
	Full plan	V	248.42	49.68	298.10	255.00	51.00	306.00
	Inspection charge	V	372.67	74.53	447.20	383.33	76.67	460.00
	2-5 dwellings per extra dwelling							
	Full plan	V	102.33	20.47	122.80	105.00	21.00	126.00
	Inspection charge	V	153.42	30.68	184.10	158.33	31.67	190.00
	6-20 new dwellings per extra dwelling							
	Full plan	V	657.58	131.52	789.10	675.83	135.17	811.00
	Inspection charge	V	986.42	197.28	1,183.70	1,013.33	202.67	1,216.00
	Extra dwelling over 5							
	Full plan	V	87.67	17.53	105.20	90.00	18.00	108.00
	Inspection charge	V	131.50	26.30	157.80	135.00	27.00	162.00
	Flat conversion to form 2 flats							
	Full plan	V	204.58	40.92	245.50	210.00	42.00	252.00
	Inspection charge	V	306.92	61.38	368.30	315.00	63.00	378.00
	Plus for each additional flat							
	Full plan	V	73.08	14.62	87.70	75.00	15.00	90.00
	Inspection charge	V	109.58	21.92	131.50	112.50	22.50	135.00
	Other works -Estimate of cost:							
	<£5000							
	Full plan	V	86.67	17.33	104.00	89.17	17.83	107.00
	Inspection charge	V	130.00	26.00	156.00	133.33	26.67	160.00
	£5001 - £10,000							
	Full plan	V	104.00	20.80	124.80	106.67	21.33	128.00
	Inspection charge	V	156.00	31.20	187.20	160.42	32.08	192.50
	£10,001 - £20,000							
	Full plan	V	147.33	29.47	176.80	151.67	30.33	182.00
	Inspection charge	V	221.08	44.22	265.30	227.50	45.50	273.00
	£20,001 - £30,000							
	Full plan	V	190.75	38.15	228.90	195.83	39.17	235.00
	Inspection charge	V	286.08	57.22	343.30	294.17	58.83	353.00
	£30,001 - £40,000							
	Full plan	V	234.08	46.82	280.90	240.83	48.17	289.00
	Inspection charge	V	351.08	70.22	421.30	360.83	72.17	433.00
	£40,001 - £50,000							
	Full plan	V	277.42	55.48	332.90	285.00	57.00	342.00
	Inspection charge	V	416.08	83.22	499.30	427.50	85.50	513.00
	£50,001 - £60,000							
	Full plan	V	312.08	62.42	374.50	320.83	64.17	385.00
	Inspection charge	V	468.08	93.62	561.70	480.83	96.17	577.00
	£60,001 - £70,000							
	Full plan	V	346.75	69.35	416.10	356.67	71.33	428.00
	Inspection charge	V	520.17	104.03	624.20	535.00	107.00	642.00
	£70,001 - £80,000							
	Full plan	V	381.42	76.28	457.70	392.08	78.42	470.50
	Inspection charge	V	572.17	114.43	686.60	588.33	117.67	706.00
	£80,001 - £90,000							
	Full plan	V	416.08	83.22	499.30	427.50	85.50	513.00
	Inspection charge	V	624.17	124.83	749.00	641.67	128.33	770.00
	£90,001 - £100,000							
	Full plan	V	450.75	90.15	540.90	463.33	92.67	556.00
	Inspection charge	V	676.17	135.23	811.40	695.00	139.00	834.00
	£100,001 - £120,000							
	Full plan	V	485.42	97.08	582.50	499.17	99.83	599.00
	Inspection charge	V	728.17	145.63	873.80	748.33	149.67	898.00
	£120,001 - £140,000							
	Full plan	V	520.17	104.03	624.20	535.00	107.00	642.00
	Inspection charge	V	780.17	156.03	936.20	801.67	160.33	962.00
	£140,001 - £160,000							
	Full plan	V	554.83	110.97	665.80	570.42	114.08	684.50
	Inspection charge	V	832.17	166.43	998.60	855.00	171.00	1,026.00
	£160,001 - £180,000							
	Full plan	V	589.50	117.90	707.40	605.83	121.17	727.00
	Inspection charge	V	884.25	176.85	1,061.10	908.33	181.67	1,090.00
	£180,001 - £200,000							
	Full plan	V	624.17	124.83	749.00	641.67	128.33	770.00
	Inspection charge	V	936.25	187.25	1,123.50	962.50	192.50	1,155.00
16b	Standard Non Domestic Charges for work less than £200,000							
	Non Domestic New Builds & extensions up to 100m²							
	Other Residential/Institutional/Assembly/Recreational (<6m ²)							
	Full plan	V	146.17	29.23	175.40	150.00	30.00	180.00
	Inspection charge	V	219.17	43.83	263.00	225.00	45.00	270.00
	Industrial and Storage(<6m ²)							
	Full plan	V	116.92	23.38	140.30	120.00	24.00	144.00
	Inspection charge	V	175.33	35.07	210.40	180.00	36.00	216.00

Section Reference	Description of Fees & Charges	Service is VARIABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	<i>italics denotes statutory fees</i>							
	Office and Shops(<6m ²)							
	Full plan	V	146.17	29.23	175.40	150.00	30.00	180.00
	Inspection charge	V	219.17	43.83	263.00	225.00	45.00	270.00
	Other Residential/Institutional/Assembly/Recreational (<6-40m ²)							
	Full plan	V	263.00	52.60	315.60	270.00	54.00	324.00
	Inspection charge	V	394.58	78.92	473.50	405.83	81.17	487.00
	Industrial and Storage(<6-40m ²)							
	Full plan	V	175.33	35.07	210.40	180.00	36.00	216.00
	Inspection charge	V	263.00	52.60	315.60	270.00	54.00	324.00
	Office and Shops(<6-40m ²)							
	Full plan	V	204.58	40.92	245.50	210.00	42.00	252.00
	Inspection charge	V	306.92	61.38	368.30	315.83	63.17	379.00
	Other Residential/Institutional/Assembly/Recreational (<40-100m ²)							
	Full plan	V	409.17	81.83	491.00	420.83	84.17	505.00
	Inspection charge	V	613.75	122.75	736.50	630.83	126.17	757.00
	Industrial and Storage(<40-100m ²)							
	Full plan	V	263.00	52.60	315.60	270.42	54.08	324.50
	Inspection charge	V	394.58	78.92	473.50	405.83	81.17	487.00
	Office and Shops(<40-100m ²)							
	Full plan	V	321.50	64.30	385.80	330.83	66.17	397.00
	Inspection charge	V	482.25	96.45	578.70	495.83	99.17	595.00
16c	Shop Fit out each 100m ² or part							
	Full plan	V	105.58	21.12	126.70	108.33	21.67	130.00
	Inspection charge	V	158.33	31.67	190.00	162.50	32.50	195.00
	Shop Front							
	Full plan	V	90.50	18.10	108.60	93.33	18.67	112.00
	Inspection charge	V	135.75	27.15	162.90	140.00	28.00	168.00
	Office Partitioning per 50m run							
	Full plan	V	90.50	18.10	108.60	93.33	18.67	112.00
	Inspection charge	V	135.75	27.15	162.90	140.00	28.00	168.00
	New Windows up to 10							
	Full plan	V	90.50	18.10	108.60	93.33	18.67	112.00
	Inspection charge	V	135.75	27.15	162.90	140.00	28.00	168.00
	Per Extra 10							
	Full plan	V	30.17	6.03	36.20	30.83	6.17	37.00
	Inspection charge	V	45.25	9.05	54.30	46.67	9.33	56.00
	Mezzanine Floor per 500m ² or part							
	Full plan	V	181.00	36.20	217.20	185.83	37.17	223.00
	Inspection charge	V	271.50	54.30	325.80	279.17	55.83	335.00
	Other Works-Estimate of cost:							
	<£5,000							
	Full plan	V	86.67	17.33	104.00	89.17	17.83	107.00
	Inspection charge	V	130.00	26.00	156.00	133.33	26.67	160.00
	£5001-10,000							
	Full plan	V	104.00	20.80	124.80	106.67	21.33	128.00
	Inspection charge	V	156.00	31.20	187.20	160.42	32.08	192.50
	£10,001-£20,000							
	Full plan	V	147.33	29.47	176.80	151.67	30.33	182.00
	Inspection charge	V	221.50	44.30	265.80	227.50	45.50	273.00
	£20,001-£30,000							
	Full plan	V	190.75	38.15	228.90	195.83	39.17	235.00
	Inspection charge	V	286.08	57.22	343.30	294.17	58.83	353.00
	£30,001-£40,000							
	Full plan	V	234.08	46.82	280.90	240.83	48.17	289.00
	Inspection charge	V	351.08	70.22	421.30	360.83	72.17	433.00
	£40,001-£50,000							
	Full plan	V	277.42	55.48	332.90	285.00	57.00	342.00
	Inspection charge	V	416.08	83.22	499.30	427.50	85.50	513.00
	£50,001-£60,000							
	Full plan	V	312.08	62.42	374.50	320.83	64.17	385.00
	Inspection charge	V	468.08	93.62	561.70	480.83	96.17	577.00
	£60,001-£70,000							
	Full plan	V	346.75	69.35	416.10	356.67	71.33	428.00
	Inspection charge	V	520.17	104.03	624.20	535.00	107.00	642.00
	£70,001-£80,000							
	Full plan	V	381.42	76.28	457.70	391.67	78.33	470.00
	Inspection charge	V	572.17	114.43	686.60	587.50	117.50	705.00
	£80,001-£90,000							
	Full plan	V	416.08	83.22	499.30	427.50	85.50	513.00
	Inspection charge	V	624.17	124.83	749.00	641.67	128.33	770.00
	£90,001-£100,000							
	Full plan	V	450.75	90.15	540.90	463.33	92.67	556.00
	Inspection charge	V	676.17	135.23	811.40	695.00	139.00	834.00
	£100,001-£120,000							
	Full plan	V	485.42	97.08	582.50	499.17	99.83	599.00
	Inspection charge	V	728.17	145.63	873.80	748.33	149.67	898.00
	£120,001-£140,000							
	Full plan	V	520.17	104.03	624.20	535.00	107.00	642.00
	Inspection charge	V	780.17	156.03	936.20	801.67	160.33	962.00
	£140,001-£160,000							
	Full plan	V	554.83	110.97	665.80	570.83	114.17	685.00
	Inspection charge	V	832.17	166.43	998.60	855.83	171.17	1,027.00
	£160,001-£180,000							
	Full plan	V	589.50	117.90	707.40	605.83	121.17	727.00
	Inspection charge	V	884.25	176.85	1,061.10	908.33	181.67	1,090.00
	£180,001-£200,000							
	Full plan	V	624.17	124.83	749.00	641.67	128.33	770.00
	Inspection charge	V	936.25	187.25	1,123.50	962.50	192.50	1,155.00
17	Planning Application Fees							
	Prior Approval under the General Permitted Development Order (Amendment) 2013							
	An application which involves the making of any material change in the use of any buildings, or other land under Classes J, K and M of the General Permitted Development Order					80.00	0.00	80.00
	Application Type							
	<i>Householder</i>							
	Relating to one dwelling		172.00	0.00	172.00	172.00	0.00	172.00
	Relating to 2 or more dwellings		339.00	0.00	339.00	339.00	0.00	339.00
	Certificate of Lawfulness							
	Section 191 (1) (c) - Establish Use		195.00	0.00	195.00	195.00	0.00	195.00
	Section 191 (1) (a) or (b) - Existing per unit		385.00	0.00	385.00	385.00	0.00	385.00

Section Reference	Description of Fees & Charges	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	<i>italics denotes statutory fees</i>							
	Section 191 (1) (a) or (b) - Existing 50 units		19,049.00	0.00	19,049.00	19,049.00	0.00	19,049.00
	Section 191 (1) (a) or (b) - Existing 51 and over units - per unit		115 Max 250,000	0.00	115 Max 250,000	115 Max 250,000	0.00	115 Max 250,000
	Section 192 - Proposed		Half full fee	0.00	Half full fee	Half full fee	0.00	Half full fee
	<u>Outline</u>							
	Site area not exceeding 2.5 ha - per 0.1ha		385.00	0.00	385.00	385.00	0.00	385.00
	Site area of 2.5 ha		9,527.00	0.00	9,527.00	9,527.00	0.00	9,527.00
	Site in excess of 2.5ha - per 0.1ha		115 Max 125,000	0.00	115 Max 125,000	115 Max 125,000	0.00	115 Max 125,000
	<u>Dwellings</u>							
	Per dwelling created - below 50		385.00	0.00	385.00	385.00	0.00	385.00
	50 dwellings		19,049.00	0.00	19,049.00	19,049.00	0.00	19,049.00
	Per dwelling - above 50		115 Max 250,000	0.00	115 Max 250,000	115 Max 250,000	0.00	115 Max 250,000
	Change of use		385.00	0.00	385.00	385.00	0.00	385.00
	<u>Other buildings</u>							
	No additional floor space and Floor space up to 40 sq.m		195.00	0.00	195.00	195.00	0.00	195.00
	Floor space between 40 sq.m. and 75 sq.m.		385.00	0.00	385.00	385.00	0.00	385.00
	Floor space between 75 sq.m. and 3750 sq.m. - for each additional 75 sq.m.		385.00	0.00	385.00	385.00	0.00	385.00
	3750 sq.m. created		19,049.00	0.00	19,049.00	19,049.00	0.00	19,049.00
	Each additional 75 sq.m. (or part thereof) above 3750 sq.m.		115 Max 250,000	0.00	115 Max 250,000	115 Max 250,000	0.00	115 Max 250,000
	<u>Erection, on land used for the purpose of agriculture</u>							
	Works up to 465 sq.m.		80.00	0.00	80.00	80.00	0.00	80.00
	Floor space between 465 sq.m. and 540 sq.m.		385.00	0.00	385.00	385.00	0.00	385.00
	Floor space between 540 sq.m. and 4215 sq.m. - for each additional 75 sq.m.		385.00	0.00	385.00	385.00	0.00	385.00
	4215 sq.m. created		19,049.00	0.00	19,049.00	19,049.00	0.00	19,049.00
	Each additional 75 sq.m. (or part thereof) above 3750 sq.m.		115 Max 250,000	0.00	115 Max 250,000	115 Max 250,000	0.00	115 Max 250,000
	<u>Erection of glasshouses on land used for the purposes of agriculture</u>							
	Works up to 465 sq.m.		80.00	0.00	80.00	80.00	0.00	80.00
	Works creating more than 465 sq.m.		2,150.00	0.00	2,150.00	2,150.00	0.00	2,150.00
	<u>The erection, alteration or replacement of plant or machinery</u>							
	Site area not exceeding 5ha- each 0.1ha or part thereof		385.00	0.00	385.00	385.00	0.00	385.00
	Site area of 5ha		19,049.00	0.00	19,049.00	19,049.00	0.00	19,049.00
	Site area in excess of 5ha - each additional 0.1ha or part thereof		115 Max 250,000	0.00	115 Max 250,000	115 Max 250,000	0.00	115 Max 250,000
	The carrying out of any operations not coming within any of the above categories - for each 0.1 ha of site area		195 Max 1,690	0.00	195 Max 1,690	195 Max 1,690	0.00	195 Max 1,690
	<u>Operations connected with exploratory drilling for oil or natural gas</u>							
	Site area not exceeding 7.5 ha - for each 0.1 ha of site area		385.00	0.00	385.00	385.00	0.00	385.00
	Site area of 7.5 ha		28,750.00	0.00	28,750.00	28,750.00	0.00	28,750.00
	Per 0.1ha in excess of 7.5ha		115 Max 250,000	0.00	115 Max 250,000	115 Max 250,000	0.00	115 Max 250,000
	<u>Winning and working of materials</u>							
	Per 0.1 ha site area to maximum 15 ha		195.00	0.00	195.00	195.00	0.00	195.00
	Site area of 15 ha		29,112.00	0.00	29,112.00	29,112.00	0.00	29,112.00
	Per 0.1 ha site area in excess of 15 ha		115 Max 65,000	0.00	115 Max 65,000	115 Max 65,000	0.00	115 Max 65,000
	<u>Disposal of refuse or waste materials or for the deposit of material remaining after minerals have been extracted from the land or for the storage of minerals in the open.</u>							
	Per 0.1 ha site area to maximum 15 ha		195.00	0.00	195.00	195.00	0.00	195.00
	Site area of 15 ha		29,112.00	0.00	29,112.00	29,112.00	0.00	29,112.00
	Per 0.1 ha site area in excess of 15 ha		115 Max 65,000	0.00	115 Max 65,000	115 Max 65,000	0.00	115 Max 65,000
	Construction of car parks, service roads and access for the purpose of a single undertaking		195.00	0.00	195.00	195.00	0.00	195.00
	<u>Extant Planning Permission</u>							
	Householder		57.00	0.00	57.00	57.00	0.00	57.00
	Major development		575.00	0.00	575.00	575.00	0.00	575.00
	All other applications		195.00	0.00	195.00	195.00	0.00	195.00
	<u>Non-Material Amendment</u>							
	Householder		28.00	0.00	28.00	28.00	0.00	28.00
	All other applications		195.00	0.00	195.00	195.00	0.00	195.00
	<u>Minor Material Amendment</u>							
	Reserved matters		385.00	0.00	385.00	385.00	0.00	385.00
	For non-compliance with conditions, variation or renewal of a temporary permission		195.00	0.00	195.00	195.00	0.00	195.00
	<u>Request for written confirmation of compliance with condition(s)</u>							
	Householder		28.00	0.00	28.00	28.00	0.00	28.00
	All other applications		97.00	0.00	97.00	97.00	0.00	97.00
	Playing Fields		385.00	0.00	385.00	385.00	0.00	385.00
	Telecoms prior approval		385.00	0.00	385.00	385.00	0.00	385.00
	Buildings and roads constructed under PD for agriculture/forestry		80.00	0.00	80.00	80.00	0.00	80.00
	Demolition prior approval		80.00	0.00	80.00	80.00	0.00	80.00
	Advert to premises		110.00	0.00	110.00	110.00	0.00	110.00
	Directional advert		110.00	0.00	110.00	110.00	0.00	110.00
	All other adverts		385.00	0.00	385.00	385.00	0.00	385.00
18	Coordinated Development Process & Sustainability Assessment Services							
18a	Coordinated Plan Drawing and Approval Service							
	N.B. 20% discount on Building Control Application fees included in the fees shown below.							
	Single Storey Extension	V	1,291.17	258.23	1,549.40	1,327.50	265.50	1,593.00
	Two Storey Extension	V	1,672.00	334.40	2,006.40	1,719.17	343.83	2,063.00

		LONDON BOROUGH OF ENFIELD						
Section Reference	<i>italics denotes statutory fees</i>	Service is VARIABLE	ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
Description of Fees & Charges								
	Loft Conversion	V	1,523.25	304.65	1,827.90	1,565.83	313.17	1,879.00
	Combination Loft & Extension	V	3,327.50	665.50	3,993.00	3,420.83	684.17	4,105.00
	Lawful Development Certificate	V	81.42	16.28	97.70	83.33	16.67	100.00
18b	Comprehensive Code for Sustainable Homes Assessment							
	For One Unit	V	5,268.83	1,053.77	6,322.60	5,416.67	1,083.33	6,500.00
18c	BREEAM Assessment	V	12,387.42	2,477.48	14,864.90	12,734.17	2,546.83	15,281.00
19	HIGHWAY RELATED CHARGES							
A	Emergency Call-Out Service							
	(a) Daytime Monday – Friday			Price on Application			Price on Application	
	Supervisor per hour (minimum 1 hour)			Price on Application			Price on Application	
	Highways Road gang (2 men) per hour (Minimum 1 hour)			Price on Application			Price on Application	
	(b) Overtime Monday - Saturday			Price on Application			Price on Application	
	Callout (Minimum of 2 hours)			Price on Application			Price on Application	
	Callout over 2 hours (per hour)			Price on Application			Price on Application	
	Highways Road Gang (2 men + lorry) (2 hours minimum charge)			Price on Application			Price on Application	
	Callout of Road Gang over 2 hours (per hour)			Price on Application			Price on Application	
	(c) Overtime Sunday & Bank Holidays & After Midnight			Price on Application			Price on Application	
	Callout (Minimum of 2 hours)			Price on Application			Price on Application	
	Callout (over 2 hours) per hour			Price on Application			Price on Application	
	Highways Road Gang (2 men + lorry) (2 hours minimum charge)			Price on Application			Price on Application	
	Callout of Road Gang over 2 hours (per hour)			Price on Application			Price on Application	
	(d) Bag of Granules used in Road Traffic			Price on Application			Price on Application	
	Accidents, per Bag			Price on Application			Price on Application	
	(e) Lost Lamp			Price on Application			Price on Application	
B	Replace Pedestrian Guardrails			Price on Application			Price on Application	
	One panel			Price on Application			Price on Application	
	Two panels			Price on Application			Price on Application	
	Three panels			Price on Application			Price on Application	
	Four panels			Price on Application			Price on Application	
	Five panels			Price on Application			Price on Application	
	Six panels			Price on Application			Price on Application	
C	Street Lighting & Illuminated Street Furniture – (Removal of damaged items, & replaced to working order)			Price on Application			Price on Application	
	Illuminated bollards per unit			Price on Application			Price on Application	
	Haldo Bollard			Price on Application			Price on Application	
	600 'O' Bollard			Price on Application			Price on Application	
	Pearce Gowshall Bollard			Price on Application			Price on Application	
	Lamp Columns per unit			Price on Application			Price on Application	
	Street Lighting Column - up to 5 metre			Price on Application			Price on Application	
	Street Lighting Column – 6 metre			Price on Application			Price on Application	
	Street Lighting Column – 8 metre			Price on Application			Price on Application	
	Street Lighting Column – 10 metre			Price on Application			Price on Application	
	Illuminated Large Base Sign Post/ Directional Sign per unit			Price on Application			Price on Application	
	Double Bracket/Post			Price on Application			Price on Application	
	Single Bracket/Post			Price on Application			Price on Application	
D	Repairs to Footways – Patching & Repairs on footways e.g. Bituminous, Artificial Stone Paving, Modular Block Paving, Block Paving and Seeding/Turfing as required			Price on Application			Price on Application	
	Per m ² (over 1m2)			Price on Application			Price on Application	
E	Bollards							
	Supply and fix concrete bollard - (per bollard)			Price on Application			Price on Application	
	Supply & fix metal bollard - (per bollard)			Price on Application			Price on Application	
	Supply & fix timber bollard - (per bollard)			Price on Application			Price on Application	
F	Brickwork							
	Provision of all material & construction of brick wall up to 1.3 metre high, 225 mm thick using sand faced Fletton or equivalent stretcher bond per square metre			Price on Application			Price on Application	
G	Grounds & Arboricultural Maintenance							
	Shrub Replacement per item			Price on Application			Price on Application	
	Up to 5 litre pot			Price on Application			Price on Application	
	Up to 10 litre pot			Price on Application			Price on Application	
	Up to 15 litre pot			Price on Application			Price on Application	
	Trees Hedges & Shrubs Causing Obstructions			Price on Application			Price on Application	
	Per tree, hedge or shrub fallen from privately owned land onto Public Highway			Price on Application			Price on Application	
	Per roots from tree, hedge or shrub from privately owned land causing damage to public highway			Price on Application			Price on Application	
	Per tree, hedge or shrub from privately owned land obstructing Council owned Street Lighting or Street			Price on Application			Price on Application	
	Removal after an accident			Price on Application			Price on Application	
	Per tree - removal and replacement of tree following vehicle damage or public interference			Price on Application			Price on Application	
	Up to 320 mm - DBH			Price on Application			Price on Application	
	Up to 400 mm - DBH			Price on Application			Price on Application	
	Up to 450 mm - DBH			Price on Application			Price on Application	
	Removal of Tree for Provision of Vehicle/Garage Crossover & Replacement Elsewhere			Price on Application			Price on Application	
	Up to 50 mm DBH			Price on Application			Price on Application	
	Up to 160 mm DBH			Price on Application			Price on Application	
	Up to 240 mm DBH			Price on Application			Price on Application	
	Up to 320 mm DBH			Price on Application			Price on Application	
	Up to 400 mm DBH			Price on Application			Price on Application	
	Up to 450 mm DBH			Price on Application			Price on Application	
	Root Pruning per m2			Price on Application			Price on Application	
	Repairs to footway per m2			Price on Application			Price on Application	

Section Reference	<i>Italics denotes statutory fees</i>	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Description of Fees & Charges							
	Root chasing per linear metre		Price on Application			Price on Application		
21	FOOD CERTIFICATES							
	Certificate		79.50	0.00	79.50	82.00	0.00	82.00
	Additional Charge per certificate if physical examination is required		170.30	0.00	170.30	175.00	0.00	175.00
22	FOOD HYGIENE COURSES AND BASIC HEALTH AND SAFETY COURSES – HELD AT CIVIC CENTRE							
	(i) BASIC HEALTH & SAFETY COURSES (include materials & exam registration) Total Fee per person		70.00	0.00	70.00	70.00	0.00	70.00
	(ii) FOOD HYGIENE COURSES (include materials & exam registration) Total Fee per person		70.00	0.00	70.00	70.00	0.00	70.00
	(iii) Replacement Certificates		28.00	0.00	28.00	30.00	0.00	30.00
	(iv) Examination Certificates		22.00	0.00	22.00	23.00	0.00	23.00
23	FOOD HYGIENE COURSES AND BASIC HEALTH AND SAFETY TRAINING - OFF SITE							
	(i) BASIC HEALTH & SAFETY COURSES (include materials & exam registration) Per Course (No VAT applicable) Exam Registration charged by CIEH		600.00	0.00	600.00	617.00	0.00	617.00
	(ii) FOOD HYGIENE COURSES (include materials & exam registration) Per Course (No VAT applicable) Exam Registration charged by CIEH		600.00	0.00	600.00	617.00	0.00	617.00
24	PUBLIC REGISTER COPIES							
	IPC Authorised Premises Provision of copies – per premise – per officer half hour or part thereof		21.70	0.00	21.70	22.00	0.00	22.00
	Environmental Regulation of Industrial Plant		Price on Application			Price on Application		
	Notification of Cooling Towers register							
	Copy of full register		25.80	0.00	25.80	26.50	0.00	26.50
25	ENVIRONMENTAL CRIME UNIT							
	Daily Storage Fee in Pound – no fees set by the Highways Act		40.00	0.00	40.00	40.00	0.00	40.00
	<i>Disposal Costs - no fees set by the Highways Act</i>		70.00	0.00	70.00	70.00	0.00	70.00
	<i>DVLA release fee within 24 hours</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>DVLA release fee over 24 hours</i>		200.00	0.00	200.00	200.00	0.00	200.00
	<i>DVLA daily pound storage fees after 48 hours in Pound (In addition to the release fee)</i>		21.00	0.00	21.00	21.00	0.00	21.00
	<i>Surety fee Payable if unable to provide current tax disc at time of vehicle collection. This fee is refundable if the tax disc is produced within 14 days.</i>		160.00	0.00	160.00	160.00	0.00	160.00
	Fee for a formal complaint made in respect of high hedges and trees, under part 8 of the Anti-Social Behaviour Act 2003		330.00	0.00	330.00	350.00	0.00	350.00

Section Reference	<i>Italics denotes statutory fees</i>	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
26	LICENCES							
	A. ANIMAL BOARDING ESTABLISHMENT							
	B. BREEDING OF DOGS	359.10	0.00	359.10	369.00	0.00	369.00	
	C. DANGEROUS WILD ANIMALS	282.80	0.00	282.80	291.00	0.00	291.00	
	D. PERFORMING ANIMALS	404.50	0.00	404.50	416.00	0.00	416.00	
	Registration	162.00	0.00	162.00	167.00	0.00	167.00	
	Certification	45.40	0.00	45.40	47.00	0.00	47.00	
	E. PET SHOPS	258.00	0.00	258.00	265.00	0.00	265.00	
	F. STREET TRADING							
	Vans/Stalls	167.20	0.00	167.20	172.00	0.00	172.00	
	Forecourt of shops and cafes/restaurants in designated areas	801.90	0.00	801.90	824.00	0.00	824.00	
	G. OCCASIONAL SALES							
	Initial Application	322.00	0.00	322.00	331.00	0.00	331.00	
	Subsequent Applications	162.00	0.00	162.00	166.50	0.00	166.50	
	H. RIDING ESTABLISHMENTS	565.50	0.00	565.50	581.00	0.00	581.00	
	I. SEX SHOPS	20,640.00	0.00	20,640.00	21,218.00	0.00	21,218.00	
	J. TABLES & CHAIRS							
	Up to 3 sq. m	199.20	0.00	199.20	205.00	0.00	205.00	
	Between 3 and 10 sq. m	397.30	0.00	397.30	408.00	0.00	408.00	
	Between 10 and 15 sq. m	794.60	0.00	794.60	817.00	0.00	817.00	
	Between 15 and (maximum) 25 sq. m	1,579.00	0.00	1,579.00	1,623.00	0.00	1,623.00	
	K. Zoos							
	Notification of intention to apply for a zoo licence	105.30	0.00	105.30	108.00	0.00	108.00	
	New application for a zoo licence	842.10	0.00	842.10	866.00	0.00	866.00	
	Renewal of licence	526.30	0.00	526.30	541.00	0.00	541.00	
	Transfer of licence	631.60	0.00	631.60	649.00	0.00	649.00	
	Variation of a zoo licence	631.60	0.00	631.60	649.00	0.00	649.00	
	(plus the costs of inspection where applicable)							
	L. Pleasure Boats							
	Application for a boat hire licence	210.50	0.00	210.50	216.00	0.00	216.00	
	Variation of a boat hire licence	105.30	0.00	105.30	108.00	0.00	108.00	
	M. Hypnotism							
	Application for consent to conduct an exhibition, demonstration or performance of hypnotism	105.30	0.00	105.30	108.00	0.00	108.00	
	TEMPORARY STREET TRADING LICENSE							
	Single event for a 'Seasonal' or 'Farmers' Market of up to 20 stalls for a maximum of 4 days' duration within a designated street trading area (3 Types)							
	1. Market which requires the closure of a non-classified road £175				175.00	0.00	175.00	
	2. Market on the footway only £70				70.00	0.00	70.00	
	3. Any other market / event, a licence fee will be set to recover the Council's costs						Price on application	
	Note: a licence will only be granted for an area where the Council is satisfied that highway safety and free pedestrian passage requirements are not compromised. Where the Council concludes that a Market cannot be held without compromising these requirements, a refusal fee will be applied as indicated for the relevant category of temporary licence							
27	APPROVALS							
	CIVIL MARRIAGE VENUES - Inspection Fee (3 year approval)	697.60	0.00	697.60	717.00	0.00	717.00	
	Registrars Inspection fee - C495	140.40	0.00	140.40	144.00	0.00	144.00	
28	LICENSING ACT 2003 - FEES AND EXEMPTIONS (statutory fee VAT Exempt)							
A	FEES PAYABLE:							
	1.1 The fee for an application for the grant or variation of a premises licence is based on the rateable value of the property and the band specified for that rateable value, is as follows:	GRANT & VARIATION FEE PAYABLE	VAT	GRANT & VARIATION FEE PAYABLE	GRANT & VARIATION FEE PAYABLE	VAT	GRANT & VARIATION FEE PAYABLE	
	RATEABLE VALUES							
	No rateable value to £4,300	100.00	0.00	100.00	100.00	0.00	100.00	
	£4,300 to £33,000	190.00	0.00	190.00	190.00	0.00	190.00	
	£33,001 to £87,000	315.00	0.00	315.00	315.00	0.00	315.00	
	£87,001 to £125,000	450.00	0.00	450.00	450.00	0.00	450.00	
	£125,001 and above	635.00	0.00	635.00	635.00	0.00	635.00	
	1.2 In addition, premises in Bands D and E, where an application relates exclusively or primarily for the supply of alcohol for consumption on a premises located in a city or town centre, must pay a further fee, as follows:	GRANT & VARIATION FEE PAYABLE	VAT	GRANT & VARIATION FEE PAYABLE	GRANT & VARIATION FEE PAYABLE	VAT	GRANT & VARIATION FEE PAYABLE	
	RATEABLE VALUES							
	£87,001 to £125,000	450.00	0.00	450.00	450.00	0.00	450.00	
	£125,001 and above	1,270.00	0.00	1,270.00	1,270.00	0.00	1,270.00	
	1.3 In addition, where 5,000 or more persons are admitted at the same time to a premises when the existing licence authorises licensable activities to take place, the application must be accompanied by a fee corresponding to the range of number of persons within which falls the maximum number of persons allowed as follows:	GRANT & VARIATION ADDITIONAL FEE	VAT	GRANT & VARIATION ADDITIONAL FEE	GRANT & VARIATION ADDITIONAL FEE	VAT	GRANT & VARIATION ADDITIONAL FEE	
	MAXIMUM NUMBER OF PERSONS							
	5,000 to 9,999	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	
	10,000 to 14,999	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	
	15,000 to 19,999	4,000.00	0.00	4,000.00	4,000.00	0.00	4,000.00	
	20,000 to 29,999	8,000.00	0.00	8,000.00	8,000.00	0.00	8,000.00	
	30,000 to 39,999	16,000.00	0.00	16,000.00	16,000.00	0.00	16,000.00	
	40,000 to 49,999	24,000.00	0.00	24,000.00	24,000.00	0.00	24,000.00	
	50,000 to 59,999	32,000.00	0.00	32,000.00	32,000.00	0.00	32,000.00	
	60,000 to 69,999	40,000.00	0.00	40,000.00	40,000.00	0.00	40,000.00	
	70,000 to 79,999	48,000.00	0.00	48,000.00	48,000.00	0.00	48,000.00	
	80,000 to 89,999	56,000.00	0.00	56,000.00	56,000.00	0.00	56,000.00	
	90,000 and over	64,000.00	0.00	64,000.00	64,000.00	0.00	64,000.00	
	1.4 The annual fee payable for a premises licence, is based on the rateable value of the property and the band specified for that rateable value, as follows:	ANNUAL FEE PAYABLE	VAT	ANNUAL FEE PAYABLE	ANNUAL FEE PAYABLE	VAT	ANNUAL FEE PAYABLE	
	RATEABLE VALUES							
	No rateable value to £4,300	70.00	0.00	70.00	70.00	0.00	70.00	
	£4,300 to £33,000	180.00	0.00	180.00	180.00	0.00	180.00	
	£33,001 to £87,000	295.00	0.00	295.00	295.00	0.00	295.00	
	£87,001 to £125,000	320.00	0.00	320.00	320.00	0.00	320.00	

Section Reference	Description of Fees & Charges	LONDON BOROUGH OF ENFIELD						
		ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT			
		AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15			
		Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total	
	<i>£125,001 and above</i>		350.00	0.00	350.00	350.00	0.00	350.00
	1.5 In addition, premises in Bands D and E, where an application relates exclusively or primarily for the supply of alcohol for consumption on a premises located in a city or town centre, must pay a further fee, as follows:		ANNUAL ADDITIONAL FEE	VAT	ANNUAL ADDITIONAL FEE	ANNUAL ADDITIONAL FEE	VAT	ANNUAL ADDITIONAL FEE
	RATEABLE VALUES							
	£87,001 to £125,000		640.00	0.00	640.00	640.00	0.00	640.00
	£125,001 and above		1050.00	0.00	1,050.00	1050.00	0.00	1050.00
	1.6 In addition, where 5,000 or more persons are admitted at the same time to a premises when the existing licence authorises licensable activities to take place, the application must be accompanied by a fee corresponding to the range of number of persons within which falls the maximum number of persons allowed as follows:		ANNUAL ADDITIONAL FEE	VAT	ANNUAL ADDITIONAL FEE	ANNUAL ADDITIONAL FEE	VAT	ANNUAL ADDITIONAL FEE
	MAXIMUM NUMBER OF PERSONS							
	5,000 to 9,999		500.00	0.00	500.00	500.00	0.00	500.00
	10,000 to 14,999		1000.00	0.00	1,000.00	1000.00	0.00	1000.00
	15,000 to 19,999		2000.00	0.00	2,000.00	2000.00	0.00	2000.00
	20,000 to 29,999		4000.00	0.00	4,000.00	4000.00	0.00	4000.00
	30,000 to 39,999		8000.00	0.00	8,000.00	8000.00	0.00	8000.00
	40,000 to 49,999		12000.00	0.00	12,000.00	12000.00	0.00	12000.00
	50,000 to 59,999		16000.00	0.00	16,000.00	16000.00	0.00	16000.00
	60,000 to 69,999		20000.00	0.00	20,000.00	20000.00	0.00	20000.00
	70,000 to 79,999		24000.00	0.00	24,000.00	24000.00	0.00	24000.00
	80,000 to 89,999		28000.00	0.00	28,000.00	28000.00	0.00	28000.00
	90,000 and over		32000.00	0.00	32,000.00	32000.00	0.00	32000.00
B	FEES PAYABLE:							
	2.1 The fee for an application for the grant or variation of a club premises certificate is based on the rateable value of the property and the band specified for that rateable value, is as follows:		GRANT & VARIATION FEE PAYABLE	VAT	GRANT & VARIATION FEE PAYABLE	GRANT & VARIATION FEE PAYABLE	VAT	GRANT & VARIATION FEE PAYABLE
	RATEABLE VALUES							
	No rateable value to £4,300		100.00	0.00	100.00	100.00	0.00	100.00
	£4,300 to £33,000		190.00	0.00	190.00	190.00	0.00	190.00
	£33,001 to £87,000		315.00	0.00	315.00	315.00	0.00	315.00
	£87,001 to £125,000		450.00	0.00	450.00	450.00	0.00	450.00
	£125,001 and above		635.00	0.00	635.00	635.00	0.00	635.00
	2.2 The annual fee payable for club premises certificate is based on the rateable value of the property and the band specified for that rateable value, is as follows:		ANNUAL FEE PAYABLE	VAT	ANNUAL FEE PAYABLE	ANNUAL FEE PAYABLE	VAT	ANNUAL FEE PAYABLE
	RATEABLE VALUES							
	No rateable value to £4,300		70.00	0.00	70.00	70.00	0.00	70.00
	£4,300 to £33,000		180.00	0.00	180.00	180.00	0.00	180.00
	£33,001 to £87,000		295.00	0.00	295.00	295.00	0.00	295.00
	£87,001 to £125,000		320.00	0.00	320.00	320.00	0.00	320.00
	£125,001 and above		350.00	0.00	350.00	350.00	0.00	350.00
C	OTHER FEES PAYABLE IN RESPECT OF APPLICATIONS MADE OR NOTICES GIVEN, ARE AS FOLLOWS		FEE PAYABLE	VAT	FEE PAYABLE	FEE PAYABLE	VAT	FEE PAYABLE
	APPLICATION OR NOTICE							
	Notification of theft, loss, etc. of premises licence or summary		10.50	0.00	10.50	10.50	0.00	10.50
	Application for provisional statement where premises being built, etc.		315.00	0.00	315.00	315.00	0.00	315.00
	Notification of change of name or address of premises licence holder or designated premises supervisor		10.50	0.00	10.50	10.50	0.00	10.50
	Application to vary premises licence to specify individual as designated premises supervisor		23.00	0.00	23.00	23.00	0.00	23.00
	Application for transfer of premises licence		23.00	0.00	23.00	23.00	0.00	23.00
	Application for a minor variation to a premises licence		89.00	0.00	89.00	89.00	0.00	89.00
	Notice of interim authority following death etc. of the premises licence holder		23.00	0.00	23.00	23.00	0.00	23.00
	Notification of theft, loss, etc. of club premises certificate or summary		10.50	0.00	10.50	10.50	0.00	10.50
	Notification of change of name or alteration of rules of club		10.50	0.00	10.50	10.50	0.00	10.50
	Notification of change of relevant registered address of the club		10.50	0.00	10.50	10.50	0.00	10.50
	Application for temporary event notice		21.00	0.00	21.00	21.00	0.00	21.00
	Notification of theft, loss, etc. of temporary event notice		10.50	0.00	10.50	10.50	0.00	10.50
	Application for grant or renewal of a personal licence		37.00	0.00	37.00	37.00	0.00	37.00
	Notification of theft, loss, etc. of personal licence		10.50	0.00	10.50	10.50	0.00	10.50
	Notification of change of name or address of personal licence holder		10.50	0.00	10.50	10.50	0.00	10.50
	Notification of right of freeholder to be notified of licensing matters		21.00	0.00	21.00	21.00	0.00	21.00
29	SPECIAL TREATMENT LICENCE FEES & EXEMPTIONS ANNUAL LICENCES							
	GROUP A							
	Establishments that offer invasive and high risk procedures such as lasers, electrolysis, tattooing, body piercing, body message.							
	The treatments are:							
	Anthroposophysical Medicine							
	Polarity Therapy							
	Aromatherapy							
	Qi Gong							
	Body Massage							
	Remedial/Sports Massage							
	Bowen Technique							
	Roifing							
	Champiassage/Indian Head Massage							
	Shiatsu							
	Endermologie							
	Fairbane/Tangent Method							
	Stone Therapy							
	Gyrotary Massage							
	Thai Massage							
	Manual Lymphatic Drainage							
	Therapeutic/Holistic Massage							
	Marma Therapy							
	Metamorphic Technique							
	Physiotherapy							
	Tui-Na							
	Acupressure							
	Botox							
	Lasers/Intense Pulse Light							
	Collagen Implants							

Section Reference	<i>Italics denotes statutory fees</i>	Service is VARIABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Moxibustion (if not accompanied by acupuncture it will be Group B)							
	Osteopathy							
	Sclerotherapy							
	Acupuncture							
	Micropigmentation							
	Beading							
	Bio Skin Jetting							
	Namripad Allergy Elimination Technique							
	Body Piercing							
	Electrolysis							
	Tattoo Removal							
	Korean Hand Therapy							
	Tattooing							
	NEW LICENCES	637.80	0.00	637.80	656.00	0.00	656.00	
	RENEWALS	477.80	0.00	477.80	491.00	0.00	491.00	
	VARIATIONS	318.90	0.00	318.90	328.00	0.00	328.00	
	TRANSFER	239.40	0.00	239.40	246.00	0.00	246.00	
	OCCASIONAL LICENCE	318.90	0.00	318.90	328.00	0.00	328.00	
	GROUP B							
	Establishments that offer medium risk and non invasive treatments such as UV tanning, facials and others. The treatments are:							
	Ayurvedic Medicine							
	Reiki							
	Sauna							
	Chiropody/Podiatry							
	Spa							
	Steam Room/Bath							
	Foot Detox							
	Hydrotherapy							
	Thalassotherapy							
	Thermo Auricular Therapy/Hopi Ear candles							
	Infra Red							
	Micro Current Therapy/Non-Surgical Face lifts							
	Colour Therapy							
	Detox Box							
	Facials							
	Faradism							
	Reflexology							
	Floatation Tank							
	Galvanism							
	Ultra Sonic							
	High Frequency							
	Ultra Violet Tanning							
	Trichology							
	NEW LICENCES	477.80	0.00	477.80	491.00	0.00	491.00	
	RENEWALS	371.50	0.00	371.50	382.00	0.00	382.00	
	VARIATIONS	211.60	0.00	211.60	218.00	0.00	218.00	
	TRANSFER	133.10	0.00	133.10	137.00	0.00	137.00	
	OCCASIONAL LICENCE	239.40	0.00	239.40	246.00	0.00	246.00	
	GROUP C							
	Establishments that offer manicures, pedicures, nail extensions and/or ear piercing only. The treatments are:							
	Nail Extensions							
	Pedicure							
	Manicure							
	Ear Piercing							
	NEW LICENCES	318.90	0.00	318.90	328.00	0.00	328.00	
	RENEWALS	266.30	0.00	266.30	274.00	0.00	274.00	
	VARIATIONS	185.80	0.00	185.80	191.00	0.00	191.00	
	TRANSFER	79.50	0.00	79.50	82.00	0.00	82.00	
	OCCASIONAL LICENCE	160.00	0.00	160.00	165.00	0.00	165.00	
	REPLACEMENT COPY OF LICENCE	26.80	0.00	26.80	28.00	0.00	28.00	
30	MOTOR SALVAGE OPERATORS							
	Sole Trader	154.80	0.00	154.80	159.00	0.00	159.00	
	Limited Company (one director)	154.80	0.00	154.80	159.00	0.00	159.00	
	Partnership	154.80	0.00	154.80	159.00	0.00	159.00	
	Additional fee for second & subsequent partners	77.40	0.00	77.40	80.00	0.00	80.00	
	Limited Company (multi - director)	154.80	0.00	154.80	159.00	0.00	159.00	
	Additional fee for second & subsequent director	77.40	0.00	77.40	80.00	0.00	80.00	
	Certified copy of Register Entry	41.30	0.00	41.30	42.50	0.00	42.50	
31	WEIGHTS AND MEASURES FEES							
	(Where hourly rates are quoted, these are computed up to the nearest half hour.)							
	Fees for the purpose of Section II(5) of the Weights and Measures Act 1985 & EEC Measuring Instrument (Fees) (as amended)							
	(A) SPECIAL WEIGHING AND MEASURING EQUIPMENT							
	The charges for examining, adjusting, testing, certifying, stamping, authorising or reporting on special weighing or measuring equipment be based on officer's time per hour or part hour at the place where the service is provided. Such types of equipment specifically excluded from tables (C) to (G) below include:							
	(i) Automatic or totalising weighing machines	93.90 per hour or part hour	0.00	93.90 per hour or part hour	96.50 per hour or part hour	0.00	96.50 per hour or part hour	
	ii) Equipment designed to weigh loads in motion							
	(iii) Bulk fuel measuring equipment tested following a Regulation 65 or 66 occurrence							
	(iv) Weighing or measuring equipment tested by means of statistical sampling							
	(v) The establishment of calibration curves for templates							

Section Reference	<i>Italics denotes statutory fees</i>	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	(vi) Templets graduated in millilitres							
	(vii) Testing or other services in pursuance of a community obligation other than EC initial or partial verification							
	(B) SPECIAL CIRCUMSTANCES							
	Where work is requested to be undertaken during unsocial hours, including weekends, the fee shall be charged at double the hourly rate.	187.80 per hour or part hour	0.00	187.80 per hour or part hour	193.00 per hour or part hour	0.00	193.00 per hour or part hour	
	A minimum callout charge of 1 meter / 1 scale / 1 item will be charged for appointments cancelled on the day of the appointment							
	Waiting time / down time, at the cause of the customer, will be charged at an hourly rate .	93.90 per hour or part hour	0.00	93.90 per hour or part hour	96.50 per hour or part hour	0.00	96.50 per hour or part hour	
	(C) WEIGHTS							
	For weights submitted at the same time and on the same order there will be a fee added per weight tested as in the table below:	64.00	0.00	64.00	66.00	0.00	66.00	
	(i) Weights not exceeding 25kg	15.20	0.00	15.20	16.00	0.00	16.00	
	(D) MEASURES							
	For measures submitted at the same time and on the same order there will be a fee added per measure tested as in the table below:	64.00	0.00	64.00	66.00	0.00	66.00	
	(i) Linear measures not exceeding 3m or 10ft each scale	15.20	0.00	15.20	16.00	0.00	16.00	
	(ii) Linear measures exceeding 3m each scale	15.20	0.00	15.20	16.00	0.00	16.00	
	(iii) Capacity measures without divisions	15.20	0.00	15.20	16.00	0.00	16.00	
	(iv) Cubic ballast measures (other than brim measures)	148.70	0.00	148.70	153.00	0.00	153.00	
	(v) Liquid capacity measures for making up and checking average quantity packages	35.80	0.00	35.80	37.00	0.00	37.00	
	(vi) Templets							
	(a) per scale - first item	60.80	0.00	60.80	62.50	0.00	62.50	
	(b) second and subsequent items	21.70	0.00	21.70	22.50	0.00	22.50	
	(E) WEIGHING INSTRUMENTS Where an officer has to travel to the location of the weighing instrument for verification a fee will be charged in addition to the amount in the table below:	47.50	0.00	47.50	49.00	0.00	49.00	
	Exceeding Not Exceeding							
	15 kg	53.10	0.00	53.10	55.00	0.00	55.00	
	15kg 100kg	69.50	0.00	69.50	71.00	0.00	71.00	
	100kg 250kg	95.60	0.00	95.60	98.00	0.00	98.00	
	250kg 500kg	98.80	0.00	98.80	102.00	0.00	102.00	
	*Where an instrument exceeds 500kg, the fee will be based on per officer hour or part hour plus the cost of hiring the test unit where applicable	93.90 per hour or part hour	0.00	93.90 per hour or part hour	96.50 per hour or part hour	0.00	96.50 per hour or part hour	
	(F) MEASURING INSTRUMENTS FOR INTOXICATING LIQUOR							
	(i) Not exceeding 150ml.	23.80	0.00	23.80	24.50	0.00	24.50	
	(ii) Other	42.30	0.00	42.30	43.50	0.00	43.50	
	(G) MEASURING INSTRUMENTS FOR LIQUID FUEL AND LUBRICANTS							
	(i) Container type (unsubdivided)	92.30	0.00	92.30	95.00	0.00	95.00	
	(ii) Other types – single outlets	133.50	0.00	133.50	137.00	0.00	137.00	
	(iii) Other types – multi outlets	For flowmeters submitted for test at the same site on the same day there will be a charge of £54.70 with an additional fee of £66.04 per meter tested			For flowmeters submitted for test at the same site on the same day there will be a charge of £56.00 with an additional fee of £66.00 per meter tested			
	(iv) A charge to cover any additional costs involved in testing ancillary equipment which requires additional testing on site, such as credit card acceptors, be based upon the basic fee given above plus additional costs per officer hour	93.90 per hour	0.00	93.90 per hour	96.50 per hour	0.00	96.50 per hour	
	CALIBRATION AND CERTIFICATION FEES FOR THE PURPOSE OF SECTION 74 OF THE WEIGHTS AND MEASURES ACT 1985.							
	For weights submitted at the same time and on the same order there will be a fee added to which will be the fee per weight tested as in the table below:	V	66.08	13.22	79.30	67.92	13.58	81.50

Section Reference	Description of Fees & Charges	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
<i>italics denotes statutory fees</i>								
Weights								
Up to 500g – tolerance M1/M2	V	9.83	1.97	11.80	10.00	2.00	12.00	
Stated value	V	15.08	3.02	18.10	15.83	3.17	19.00	
(ii) 1kg to 5kg – tolerance M1/M2	V	9.83	1.97	11.80	10.00	2.00	12.00	
Stated value	V	15.08	3.02	18.10	15.83	3.17	19.00	
(iii) 10kg to 25kg – tolerance M1/M2	V	13.00	2.60	15.60	13.33	2.67	16.00	
Stated value	V	20.67	4.13	24.80	21.25	4.25	25.50	
Adjustment – (per weight)	V	10.83	2.17	13.00	11.25	2.25	13.50	
ID marking – (per weight)	V	3.25	0.65	3.90	3.33	0.67	4.00	
MEASURES								
(NB: These fees are subject to VAT at the standard rate).								
For measures submitted at the same time and on the same order there will be a fee added to which will be the fee per measure tested as in the table below:	V	66.08	13.22	79.30	67.92	13.58	81.50	
(i) Linear measures not exceeding 1m	V	31.50	6.30	37.80	32.50	6.50	39.00	
(ii) Capacity measures not exceeding 2L without subdivisions	V	31.50	6.30	37.80	32.50	6.50	39.00	
(iii) Capacity measures not exceeding 2L with subdivisions	V	16.33	3.27	19.60	16.67	3.33	20.00	
For each additional graduation	V	16.33	3.27	19.60	16.67	3.33	20.00	
All other measurements and tests to be based on a fee per officer hour or part hour	V	93.92	18.78	112.70	96.67	19.33	116.00	
A further discount of up to 10% may be available for bulk orders with the agreement of the Head of Trading Standards.								
Where a collection, delivery, courier or postal service is requested by the customer a 10% administration charge/arrangement fee will be added to the cost of collection, delivery, courier or postal charge.								
32 POISONS ACT 1972								
<i>Type of Licence</i>								
Initial Registration		51.60	0.00	51.60	53.00	0.00	53.00	
Alteration of List		20.60	0.00	20.60	21.00	0.00	21.00	
Retention of Name on List		51.60	0.00	51.60	53.00	0.00	53.00	
33 GREATER LONDON (GENERAL POWERS ACT) 1984								
Registration to hold sales by competitive bidding		290.00	0.00	290.00	298.00	0.00	298.00	
Exemption from registration		96.00	0.00	96.00	99.00	0.00	99.00	
34 LICENSING OF STORES AND REGISTRATION OF PREMISES FOR THE KEEPING OF EXPLOSIVES								
STATUTORY FEES								
<i>Licence</i>		178.00	0.00	178.00	178.00	0.00	178.00	
<i>Licence renewal</i>		83.00	0.00	83.00	83.00	0.00	83.00	
<i>Registration</i>		105.00	0.00	105.00	105.00	0.00	105.00	
<i>Registration renewal</i>		52.00	0.00	52.00	52.00	0.00	52.00	
<i>Amending name of licensee or address of site</i>		35.00	0.00	35.00	35.00	0.00	35.00	
<i>Any kind of variation</i>		<i>Reasonable cost of the work done by the licensing authority</i>			<i>Reasonable cost of the work done by the licensing authority</i>			
<i>Transfer of licence or registration</i>		34.00	0.00	34.00	34.00	0.00	34.00	
<i>Replacement licence document</i>		34.00	0.00	34.00	34.00	0.00	34.00	
<i>All year Fireworks supply licence</i>		510.00	0.00	510.00	510.00	0.00	510.00	
35 CESSPOOL EMPTYING								
- Domestic Properties (No VAT)								
Normal time per hour	V	Price on Application			Price on Application			
Call out (time and ½ rates)	V	Price on Application			Price on Application			
Sundays, Bank Holidays or after Midnight	V	Price on Application			Price on Application			
Thames Water disposal charge to be added to above rates.								
37 SCHEDULE 2 CLINICAL WASTE COLLECTION								
Roll of 13 Clinical Waste Sacks	V	58.58	11.72	70.30	60.00	12.00	72.00	
Sharps Bins – 1 litre	V	5.17	1.03	6.20	5.42	1.08	6.50	
Sharps Bins – 5 litre	V	9.08	1.82	10.90	9.16	1.84	11.00	
38 DOMESTIC COLLECTIONS								
N.B. Domestic Bin Hire/Collection is Non Business - i.e. no VAT to be charged								
Special Bulky Waste Collections								
Bulky waste collection in 12 months:								
1st Bulky waste collection up to six items (or 15 Sacks)		26.00	0.00	26.00	28.00	0.00	28.00	
2nd collection in 12 months of up to six items		52.00	0.00	52.00	58.00	0.00	58.00	
Additional charge for non standard sized items		52.00	0.00	52.00	53.50	0.00	53.50	
GREEN WASTE BIN (per extra bin)		50.00	0.00	50.00	51.50	0.00	51.50	
Bulky electrical items / white goods (up to 3 items)		20.00	0.00	20.00	20.50	0.00	20.50	
39 GAMBLING ACT 2005								
FEES AND EXEMPTIONS (VAT exempt)								
NB Fee capped by Government								
New Applications								
<i>Bingo</i>		3500.00	0.00	3,500.00	3500.00	0.00	3,500.00	
<i>Betting Shop</i>		3000.00	0.00	3,000.00	3000.00	0.00	3,000.00	
<i>Adult Gaming Centre</i>		2000.00	0.00	2,000.00	2000.00	0.00	2,000.00	
<i>Track</i>		2500.00	0.00	2,500.00	2500.00	0.00	2,500.00	
<i>Family Entertainment Centre</i>		2000.00	0.00	2,000.00	2000.00	0.00	2,000.00	
New Applications - where provisional statement already issued								
<i>Bingo</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00	
<i>Betting Shop</i>		1250.00	0.00	1,250.00	1250.00	0.00	1,250.00	
<i>Adult Gaming Centre</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00	
<i>Track</i>		950.00	0.00	950.00	950.00	0.00	950.00	
<i>Family Entertainment Centre</i>		950.00	0.00	950.00	950.00	0.00	950.00	
Provisional Statement Applications								

Section Reference	Description of Fees & Charges	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	<i>italics denotes statutory fees</i>							
	<i>Bingo</i>		3500.00	0.00	3,500.00	3500.00	0.00	3,500.00
	<i>Betting Shop</i>		3000.00	0.00	3,000.00	3000.00	0.00	3,000.00
	<i>Adult Gaming Centre</i>		2000.00	0.00	2,000.00	2000.00	0.00	2,000.00
	<i>Track</i>		2500.00	0.00	2,500.00	2500.00	0.00	2,500.00
	<i>Family Entertainment Centre</i>		2000.00	0.00	2,000.00	2000.00	0.00	2,000.00
	Transfer Applications							
	<i>Bingo</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00
	<i>Betting Shop</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00
	<i>Adult Gaming Centre</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00
	<i>Track</i>		950.00	0.00	950.00	950.00	0.00	950.00
	<i>Family Entertainment Centre</i>		950.00	0.00	950.00	950.00	0.00	950.00
	Reinstatement Applications							
	<i>Bingo</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00
	<i>Betting Shop</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00
	<i>Adult Gaming Centre</i>		1200.00	0.00	1,200.00	1200.00	0.00	1,200.00
	<i>Track</i>		950.00	0.00	950.00	950.00	0.00	950.00
	<i>Family Entertainment Centre</i>		950.00	0.00	950.00	950.00	0.00	950.00
	Variation Applications							
	<i>Bingo</i>		1750.00	0.00	1,750.00	1750.00	0.00	1,750.00
	<i>Betting Shop</i>		1500.00	0.00	1,500.00	1500.00	0.00	1,500.00
	<i>Adult Gaming Centre</i>		1000.00	0.00	1,000.00	1000.00	0.00	1,000.00
	<i>Track</i>		1250.00	0.00	1,250.00	1250.00	0.00	1,250.00
	<i>Family Entertainment Centre</i>		1000.00	0.00	1,000.00	1000.00	0.00	1,000.00
	Annual Fees							
	<i>Bingo</i>		870.00	0.00	870.00	870.00	0.00	870.00
	<i>Betting Shop</i>		470.00	0.00	470.00	470.00	0.00	470.00
	<i>Adult Gaming Centre</i>		840.00	0.00	840.00	840.00	0.00	840.00
	<i>Track</i>		1000.00	0.00	1,000.00	1000.00	0.00	1,000.00
	<i>Family Entertainment Centre</i>		750.00	0.00	750.00	750.00	0.00	750.00
	<i>Notification of Change of Circumstances</i>		37.00	0.00	37.00	37.00	0.00	37.00
	<i>Request for copy of Premises Licence</i>		25.00	0.00	25.00	25.00	0.00	25.00
	GAMBLING ACT 2005 - FEES AND EXEMPTIONS (STATUTORY FEE VAT exempt)							
	Alcohol Licensed Premises Gaming Machine Permit Fees							
	<i>New</i>		150.00	0.00	150.00	150.00	0.00	150.00
	<i>New Existing S34 Permit holder (more than 2 machines)</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>Variation of information on permit e.g. number of machines</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>Notification of 2 machines or less (new & existing)</i>		50.00	0.00	50.00	50.00	0.00	50.00
	<i>Transfer - If transfer of Premises Licence to sell alcohol granted</i>		25.00	0.00	25.00	25.00	0.00	25.00
	<i>Name change i.e. new married name etc.</i>		25.00	0.00	25.00	25.00	0.00	25.00
	<i>Replacement permit</i>		15.00	0.00	15.00	15.00	0.00	15.00
	<i>Annual fee (payable by premises with three or more machines)</i>		50.00	0.00	50.00	50.00	0.00	50.00
	Club Gaming & Club Gaming Machine Permit Fees							
	<i>New</i>		200.00	0.00	200.00	200.00	0.00	200.00
	<i>New Existing Part II or Part III Gaming Act 1968 registrations</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>New (fast track) holder of Club Premises Certificate under Licensing Act 2003</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>Renewal</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>Variation</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>Replacement permit</i>		15.00	0.00	15.00	15.00	0.00	15.00
	<i>Annual fee</i>		50.00	0.00	50.00	50.00	0.00	50.00
	Unlicensed Family Entertainment Centre Gaming Machine Permit Fees							
	<i>New</i>		300.00	0.00	300.00	300.00	0.00	300.00
	<i>New Existing Part II and Part III Gaming Act 1968 registrations</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>Renewal</i>		300.00	0.00	300.00	300.00	0.00	300.00
	<i>Change of Name</i>		25.00	0.00	25.00	25.00	0.00	25.00
	<i>Replacement permit</i>		15.00	0.00	15.00	15.00	0.00	15.00
	Prize Gaming Permit Fees							
	<i>New</i>		300.00	0.00	300.00	300.00	0.00	300.00
	<i>New Existing Section 16 Lotteries & Amusement Act 1976 Permit holder</i>		100.00	0.00	100.00	100.00	0.00	100.00
	<i>Renewal (every 10 years)</i>		300.00	0.00	300.00	300.00	0.00	300.00
	<i>Change of name</i>		25.00	0.00	25.00	25.00	0.00	25.00
	<i>Replacement permit</i>		15.00	0.00	15.00	15.00	0.00	15.00
	<i>Temporary Use Notice</i>		250.00	0.00	250.00	250.00	0.00	250.00
	Small Society Lotteries							
	<i>New</i>		40.00	0.00	40.00	40.00	0.00	40.00
	<i>Annual fee</i>		20.00	0.00	20.00	20.00	0.00	20.00
40	STREET CLEANING							
40a	Flytip removals from private land							
	<i>Flytip removals from private land - small items - first hour only</i>	V	108.33	21.67	130.00	111.25	22.25	133.50
	<i>Flytip removals from private land - large items - first hour only</i>	V	153.08	30.62	183.70	157.50	31.50	189.00
	<i>Area cleansing - Deep clean, clearance and/or tidy - first hour only</i>	V	108.33	21.67	130.00	111.25	22.25	133.50
	<i>Admin Charge (charge shall apply per job request)</i>	V	36.08	7.22	43.30	37.08	7.42	44.50
40b	Removal of Supermarket Trolleys							
	<i>Removal of abandoned trolley from land and Return to stores or disposal:</i>							
	<i>Cost per trolley (Up to 10 trolleys)</i>	V	24.08	4.82	28.90	24.58	4.92	29.50
	<i>Cost per trolley (Over 10 trolleys)</i>	V	Special Charges apply			Special Charges apply		
	<i>Cost of storage after notification (per day per trolley) (maximum 6 weeks before automatic disposal)</i>	V	1.58	0.32	1.90	1.67	0.33	2.00
	<i>Administrative fee per transaction</i>	V	36.08	7.22	43.30	37.08	7.42	44.50
41	PRE-APPLICATION CHARGING SCHEME							

Section Reference	Description of Fees & Charges	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Initial Assessment for all the below (up to 15 minutes)		FREE			FREE		
	Category A proposals (significant developments) - 25 or more dwellings / 2000 m2 of non-residential floor space	V	2,840.58	568.12	3,408.70	2,920.00	584.00	3,504.00
	Category B proposals (schemes that are of lesser scale but fall within the Government's category for major development) - 10 - 24 dwelling units / 1000 - 2000 m2 of non-residential floor space	V	1,415.58	283.12	1,698.70	1,455.00	291.00	1,746.00
	Category C proposal - 2-9 new residential units or 100-999m2 of non-residential floor space	V	624.33	124.87	749.20	641.67	128.33	770.00
	Additional Specialist Advice (per hour)	V	102.33	20.47	122.80	105.00	21.00	126.00
	Follow up Meetings - charged at half the fee of initial meeting							
	Category A proposals (significant developments)	V	1,420.33	284.07	1,704.40	1,460.00	292.00	1,752.00
	Category B proposals (schemes that are of lesser scale but fall within the Government's category for major development)	V	707.75	141.55	849.30	727.50	145.50	873.00
	Category C proposal - 2-9 new residential units or 100-999m2 of non-residential floor space	V	312.17	62.43	374.60	320.83	64.17	385.00
	Schemes of significant magnitude that require a series of development team meetings		Fee to be agreed between the Council and the developer based on the programme of work.			Fee to be agreed between the Council and the developer based on the programme of work.		
43	TRANSPORTATION PLANNING							
	Monitoring outputs of travel plans secured by S106 Obligations		3,431.40	0.00	3,431.40	3,530.00	0.00	3,530.00
44	SAFETY CERTIFICATES FOR SPORTS GROUNDS							
	Sports Grounds:							
	Application for a sport ground safety certificate		1,107.30	0.00	1,107.30	2,000.00	0.00	2,000.00
	Application to change a safety certificate for a sports ground		885.50	0.00	885.50	1,500.00	0.00	1,500.00
	Regulated Stands at sports grounds:							
	Application to certify a regulated stand at a sports ground		553.20	0.00	553.20	1,500.00	0.00	1,500.00
	Application to change a safety certificate for a regulated stand at a sports ground		332.30	0.00	332.30	1,000.00	0.00	1,000.00
45	ENVIRONMENTAL PERMITTING (PPC)							
	<i>Statutory fee (set by DEFRA)</i>							
45a	LAPPC Application Fees:							
	Application for an environmental permit part B - Standard Activities		1,579.00	0.00	1,579.00	1,579.00	0.00	1,579.00
	Additional Fee for operating without a permit		1,137.00	0.00	1,137.00	1,137.00	0.00	1,137.00
	PVRI, SWOB and Dry Cleaners Reduced Fee Activities		148.00	0.00	148.00	148.00	0.00	148.00
	PVRI & II Combined		246.00	0.00	246.00	246.00	0.00	246.00
	VRs and Other Reduced Fee Activities		346.00	0.00	346.00	346.00	0.00	346.00
	Reduced fee activities: Additional fee for operating without a permit		68.00	0.00	68.00	68.00	0.00	68.00
	Mobile screening and crushing plant		1,579.00	0.00	1,579.00	1,579.00	0.00	1,579.00
	Application fee for mobile crusher 3rd - 7th Permit		943.00	0.00	943.00	943.00	0.00	943.00
	Application fee for mobile crusher 8th Permit and higher		477.00	0.00	477.00	477.00	0.00	477.00
	Where an application for any of the above is for a combined Part B and waste application, add an extra £297 to the above amounts		297.00	0.00	297.00	297.00	0.00	297.00
45b	LAPPC Annual Subsistence Charge							
	Standard Processes- Low Risk		739.00	0.00	739.00	739.00	0.00	739.00
	Standard Processes- Low Risk - Additional charge where a permit is for a combined Part B & Waste installation		99.00	0.00	99.00	99.00	0.00	99.00
	Standard Processes- Medium Risk		1,111.00	0.00	1,111.00	1,111.00	0.00	1,111.00
	Standard Processes- Medium Risk - Additional charge where a permit is for a combined Part B & Waste installation		149.00	0.00	149.00	149.00	0.00	149.00
	Standard Processes- High Risk		1,672.00	0.00	1,672.00	1,672.00	0.00	1,672.00
	Standard Processes- High Risk - Additional charge where a permit is for a combined Part B & Waste installation		198.00	0.00	198.00	198.00	0.00	198.00
	Annual Subsistence Fee - Reduced Fee Activity - Low Risk		76.00	0.00	76.00	76.00	0.00	76.00
	Annual Subsistence Fee - Reduced Fee Activity - Medium Risk		151.00	0.00	151.00	151.00	0.00	151.00
	Annual Subsistence Fee - Reduced Fee Activity - High Risk		227.00	0.00	227.00	227.00	0.00	227.00
	Annual Subsistence Fee - Reduced Fee Activity PVR I+II - Low Risk		108.00	0.00	108.00	108.00	0.00	108.00
	Annual Subsistence Fee - Reduced Fee Activity PVR I+II - Medium Risk		216.00	0.00	216.00	216.00	0.00	216.00
	Annual Subsistence Fee - Reduced Fee Activity PVR I+II - High Risk		326.00	0.00	326.00	326.00	0.00	326.00
	Annual Subsistence Fee - Vehicle Respraying - Low Risk		218.00	0.00	218.00	218.00	0.00	218.00
	Annual Subsistence Fee - Vehicle Respraying - Medium Risk		349.00	0.00	349.00	349.00	0.00	349.00
	Annual Subsistence Fee - Vehicle Respraying - High Risk		524.00	0.00	524.00	524.00	0.00	524.00
	Annual Subsistence Fee - Mobile Crushing - Low Risk		618.00	0.00	618.00	618.00	0.00	618.00
	Annual Subsistence Fee - Mobile Crushing - Medium Risk		989.00	0.00	989.00	989.00	0.00	989.00
	Annual Subsistence Fee - Mobile Crushing - High Risk		1,484.00	0.00	1,484.00	1,484.00	0.00	1,484.00
	Annual Subsistence Fee - Mobile Crushing 3rd - 7th Permits - Low Risk		368.00	0.00	368.00	368.00	0.00	368.00
	Annual Subsistence Fee - Mobile Crushing 3rd - 7th Permits - Medium Risk		590.00	0.00	590.00	590.00	0.00	590.00
	Annual Subsistence Fee - Mobile Crushing 3rd - 7th Permits - High Risk		884.00	0.00	884.00	884.00	0.00	884.00
	Annual Subsistence Fee - Mobile Crushing 8th & subsequent permits - Low Risk		189.00	0.00	189.00	189.00	0.00	189.00
	Annual Subsistence Fee - Mobile Crushing 8th & subsequent permits - Medium Risk		302.00	0.00	302.00	302.00	0.00	302.00
	Annual Subsistence Fee - Mobile Crushing 8th & subsequent permits - High Risk		453.00	0.00	453.00	453.00	0.00	453.00
	Late payment fee		50.00	0.00	50.00	50.00	0.00	50.00

Section Reference	<i>Italics denotes statutory fees</i>	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Where a Part B installation is subject to reporting under E-PRTR Regulation add an extra £99 to the above amounts		99.00	0.00	99.00	99.00	0.00	99.00
	Where subsistence charges are paid in four equal instalments the total amount payable is increased by £36							
45c	Transfer & Surrender							
	Standard process transfer		162.00	0.00	162.00	162.00	0.00	162.00
	Standard process partial transfer		476.00	0.00	476.00	476.00	0.00	476.00
	New operator at low risk reduced fee activity		75.00	0.00	75.00	75.00	0.00	75.00
	Surrender: all Part B activities		0.00	0.00	0.00	0.00	0.00	0.00
	Reduced fee activities: transfer		0.00	0.00	0.00	0.00	0.00	0.00
	Reduced fee activities: partial transfer		45.00	0.00	45.00	45.00	0.00	45.00
	Temporary transfer for mobiles: first transfer		51.00	0.00	51.00	51.00	0.00	51.00
	Temporary transfer for mobiles: repeat following enforcement or warning		51.00	0.00	51.00	51.00	0.00	51.00
45d	Substantial Change							
	Standard process		1,005.00	0.00	1,005.00	1,005.00	0.00	1,005.00
	Standard process where the substantial change results in a new PPC activity		1,579.00	0.00	1,579.00	1,579.00	0.00	1,579.00
	Reduced fee activities		98.00	0.00	98.00	98.00	0.00	98.00
45e	LA-IPPC Charges:							
	Application		3,218.00	0.00	3,218.00	3,218.00	0.00	3,218.00
	Additional fee for operating without a permit		1,137.00	0.00	1,137.00	1,137.00	0.00	1,137.00
	Annual subsistence fee: Low risk		1,384.00	0.00	1,384.00	1,384.00	0.00	1,384.00
	Annual subsistence fee: Medium risk		1,541.00	0.00	1,541.00	1,541.00	0.00	1,541.00
	Annual subsistence fee: High risk		2,233.00	0.00	2,233.00	2,233.00	0.00	2,233.00
	Late payment fee		50.00	0.00	50.00	50.00	0.00	50.00
	Substantial variation		1,309.00	0.00	1,309.00	1,309.00	0.00	1,309.00
	Transfer		225.00	0.00	225.00	225.00	0.00	225.00
	Partial transfer		668.00	0.00	668.00	668.00	0.00	668.00
	Surrender		668.00	0.00	668.00	668.00	0.00	668.00
	Where subsistence charges are paid in four equal instalments the total amount payable is increased by £36							
46	STRAY DOGS SERVICE							
	Reclaim of a stray dog:							
	Statutory Fee		25.00	0.00	25.00	25.00	0.00	25.00
	Kennelling fee (per day)		20.00	0.00	20.00	20.00	0.00	20.00
	Seizure fee		80.00	0.00	80.00	80.00	0.00	80.00
	Veterinary fees(Depends on any treatment that is needed)			Price on application			Price on application	
47	PARKS AND OUTDOOR FACILITIES							
	Charges marked ** do not include VAT, which will be added in certain circumstances in accordance with VAT Regulations							
	Public Liability Insurance is not included in these charges.							
	IN COMMEMORATION							
	Sponsor the planting of a tree	V	158.33	31.67	190.00	416.67	83.33	500.00
	Bench or Tree plaque & Fixing	V	108.33	21.67	130.00	112.50	22.50	135.00
	Memorial Bench	V	670.83	134.17	805.00	691.67	138.33	830.00
	CRICKET **							
	Season bookings can be made for 10 or 20 matches							
	Grade 1 - Saturdays (10 Matches)		570.00	0.00	570.00	585.00	0.00	585.00
	Grade 1 - Sundays (10 Matches)		625.00	0.00	625.00	645.00	0.00	645.00
	Grade 2 - Saturdays or Sundays (10 Matches)		485.00	0.00	485.00	495.00	0.00	495.00
	Casual matches, per day							
	Grade 1	V	66.67	13.33	80.00	70.83	14.17	85.00
	Grade 2	V	54.17	10.83	65.00	58.33	11.67	70.00
	BASEBALL – Enfield Playing Fields							
	Grade 1 (inc changing rooms & showers) Sat or Sun per session	V	31.67	6.33	38.00	33.33	6.67	40.00
	FISHING (15 June - 15 March)							
	Grovelands Park & Trent Country Park							
	Licensed adult, per day	V	5.42	1.08	6.50	6.25	1.25	7.50
	Licensed junior, per day	V		FREE			FREE	
	Season Ticket - adult	V	43.33	8.67	52.00	45.83	9.17	55.00
	Season Ticket - junior	V		FREE			FREE	

Section Reference	Service is VARIABLE	LONDON BOROUGH OF ENFIELD					
		ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
		AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
		Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
<i>italics denotes statutory fees</i>							
FOOTBALL / GAELIC FOOTBALL / RUGBY **							
Season bookings can be made for 16 or 32 games							
SENIOR							
Grade 1 - Saturdays (16 games)		680.00	0.00	680.00	680.00	0.00	680.00
Grade 1 - Sundays (16 games)		785.00	0.00	785.00	785.00	0.00	785.00
Grade 2 - Saturdays (16 games)		435.50	0.00	435.50	450.00	0.00	450.00
Grade 2 - Sundays (16 games)		475.00	0.00	475.00	490.00	0.00	490.00
Casual matches, per match							
Grade 1 Saturday	V	70.83	14.17	85.00	70.83	14.17	85.00
Grade 1 Sunday	V	77.50	15.50	93.00	77.50	15.50	93.00
Grade 2 Saturday	V	51.67	10.33	62.00	51.67	10.33	62.00
Grade 2 Sunday	V	56.67	11.33	68.00	56.67	11.33	68.00
JUNIOR							
Grade 2 - Saturdays or Sundays (16 games)		252.00	0.00	252.00	260.00	0.00	260.00
Casual matches, per match							
Grade 2	V	27.50	5.50	33.00	29.17	5.83	35.00
Mini-Soccer							
Every Saturday or Sunday (32 Matches)		320.00	0.00	320.00	330.00	0.00	330.00
Casual, per match	V	13.33	2.67	16.00	13.75	2.75	16.50
5-a-side Football, per pitch, casual							
Casual, per match	V	13.33	2.67	16.00	13.75	2.75	16.50
Every Saturday or Sunday (32 Matches)					330.00	0.00	330.00
9-a-side Football, per pitch							
Grade 2 - Saturdays / Sundays (16 games)		364.00	0.00	364.00	375.00	0.00	375.00
Grade 2 Saturday /Sunday, casual	V	42.08	8.42	50.50	43.33	8.67	52.00
Floodlit Training - Henry Barrass Stadium, per hour							
Available Mon/Tues/Wed/Thurs 6-9pm for 32 games		820.00	0.00	820.00	835.00	0.00	835.00
Post Football litter clearance	V	26.50	5.30	31.80	41.67	8.33	50.00
GOLF (WHITEWEBBS)							
Golf Card: Adults only							
5 day Season	V	47.92	9.58	57.50	49.17	9.83	59.00
Weekday per round discount for Golf card holders (5 day season)	V	2.92	0.58	3.50	2.92	0.58	3.50
Maximum total payment (5 day season)	V	458.33	91.67	550.00	471.25	94.25	565.50
Annual Season Tickets:							
7 Days play	V	516.67	103.33	620.00	529.17	105.83	635.00
5 Days play excluding week-ends	V	345.83	69.17	415.00	354.17	70.83	425.00
Green fees:							
Standard weekday (Adults)	V	13.75	2.75	16.50	13.75	2.75	16.50
Standard weekend (Adults)	V	17.50	3.50	21.00	18.33	3.67	22.00
Early bird weekends only (before 7am)	V	12.50	2.50	15.00	12.50	2.50	15.00
Standard weekday (Adults) - loyalty offer six rounds for price of five						New	
Weekend off peak ticket (variable times through year)	V	14.17	2.83	17.00	14.58	2.92	17.50
Weekday off peak ticket (variable times through year)	V	11.25	2.25	13.50	8.75	1.75	10.50
Juniors weekday	V	5.83	1.17	7.00	6.25	1.25	7.50
Juniors weekend (variable times throughout year)	V	7.08	1.42	8.50	7.50	1.50	9.00
Twilight ticket (2pm GMT 4pm BST)	V	8.75	1.75	10.50	8.75	1.75	10.50
60+ Monday to Thursday	V	8.75	1.75	10.50	9.17	1.83	11.00
Super Twilight ticket 2 hours before dusk(BST)	V	5.42	1.08	6.50	5.42	1.08	6.50
Golf Lessons							
Adult per half hour	V	15.00	3.00	18.00	15.00	3.00	18.00
Adult per 60 mins	V	23.33	4.67	28.00	23.33	4.67	28.00
Up to 3 adults sessions per half hour	V	41.67	8.33	50.00	41.67	8.33	50.00
Up to 3 adults sessions per 60 mins	V	62.50	12.50	75.00	62.50	12.50	75.00
Up to 5 adults sessions per half hour	V	67.08	13.42	80.50	67.08	13.42	80.50
Up to 5 adults sessions per 60 mins	V	98.33	19.67	118.00	98.33	19.67	118.00
Juniors 5 - 8 yrs per hour group lessons only (min 8 persons)	V	3.33	0.67	4.00	3.33	0.67	4.00
Juniors 9 - 12 yrs per hour group lessons only (min 8)	V	4.17	0.83	5.00	4.17	0.83	5.00
Juniors 13 - 18 yrs per hour group lessons only (min 8)	V	5.00	1.00	6.00	5.00	1.00	6.00
Equipment Hire							
Buggy Hire	V	15.83	3.17	19.00	16.25	3.25	19.50
Buggy Hire 9 holes	V	8.33	1.67	10.00	8.75	1.75	10.50
Trolley hire - 18 holes	V	2.50	0.50	3.00	2.92	0.58	3.50
Club hire - 18 holes (13 clubs)	V	4.58	0.92	5.50	5.00	1.00	6.00
Golf Society Days							
Spoon	V	33.58	6.72	40.30	33.75	6.75	40.50
Brassie	V	27.50	5.50	33.00	27.50	5.50	33.00
Mashie	V	25.83	5.17	31.00	25.83	5.17	31.00
Niblick	V	23.33	4.67	28.00	23.34	4.66	28.00
NETBALL**							
Adult Teams per court, per hour (incl changing rooms & showers)	V	11.67	2.33	14.00	12.08	2.42	14.50
Junior Teams per court, per hour (incl changing rooms & showers)	V	7.92	1.58	9.50	8.33	1.67	10.00
PUTTING (Grovelands Park)							
Per person per round, adult			Free			Free	
Per person per round, junior			Free			Free	
60+ (Mon-Fri) per round			Free			Free	
Putter and Ball			Free			Free	
ROUNDERS							
Per match (all Parks sites)	V	10.42	2.08	12.50	10.83	2.17	13.00
ATHLETIC TRACK-QEII							

Section Reference	<i>Italics denotes statutory fees</i>	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Per hour (Mon- Friday)	V	25.83	5.17	31.00	27.50	5.50	33.00
	HIRE OF PITCHES FOR SCHOOLS (the charges are normally VATable but the supply to LBE maintained schools is outside the scope of VAT)							
	FOOTBALL							
	Junior Pitch	V	13.75	2.75	16.50	14.17	2.83	17.00
	Senior Pitch	V	25.83	5.17	31.00	26.67	5.33	32.00
	NETBALL	V	7.50	1.50	9.00	7.92	1.58	9.50
	ROUNDERS	V	5.83	1.17	7.00	6.25	1.25	7.50
	RUGBY							
	Senior Pitch	V	25.83	5.17	31.00	26.67	5.33	32.00
	Athletics							
	Per hour (Mon- Friday)	V	25.83	5.17	31.00	27.50	5.50	33.00
48	CEMETERY CHARGES The service is non-business for VAT where marked * i.e. no VAT to be charged.							
	INTERMENT FEES							
	RESIDENTS							
	0-2 years		Waived			Waived		
	3-12 years		84.00	0.00	84.00	87.00	0.00	87.00
	Over 12 years		470.00	0.00	470.00	495.00	0.00	495.00
	NON RESIDENTS							
	0-12 years		255.00	0.00	255.00	265.00	0.00	265.00
	Over 12 years		1,410.00	0.00	1,410.00	1,455.00	0.00	1,455.00
	DIGGING FEES							
	Depth:							
	6'0" (Aged 2 years and under - fee waived for residents only)		495.00	0.00	495.00	520.00	0.00	520.00
	7'6"		575.00	0.00	575.00	610.00	0.00	610.00
	9'0"		780.00	0.00	780.00	805.00	0.00	805.00
	10'6"		880.00	0.00	880.00	905.00	0.00	905.00
	12'0"		965.00	0.00	965.00	995.00	0.00	995.00
	14'0"		1,190.00	0.00	1,190.00	1,225.00	0.00	1,225.00
	Caskets (Extra)		220.00	0.00	220.00	230.00	0.00	230.00
	SCATTERING OF CREMATED REMAINS ON GRAVES		42.00	0.00	42.00	44.00	0.00	44.00
	BURIAL OF CREMATED REMAINS IN GRAVES		220.00	0.00	220.00	230.00	0.00	230.00
	BURIAL OF CREMATED REMAINS IN COFFIN		125.00	0.00	125.00	130.00	0.00	130.00
	CHAPEL (per half hour)		95.00	0.00	95.00	100.00	0.00	100.00
	GREEN BURIALS		As for Grave digging			As for Grave digging		
	TREE PLANTING ASSOCIATED WITH GREEN BURIALS		At cost			At cost		
	ABOVE CHARGES FOR NON RESIDENTS		Treble fee			Treble fee		
	Except in cases where the deceased person meets one of the following criteria. Criterion 1 - where there is a substantial residence in the Borough of not less than 10 years on the part of the Deceased and that they have moved away from the Borough not more than 10 years before date of death. Criterion 2 - where the deceased was the registered owner of the grave.		Exception applies - See note			Exception applies - See note		
	PRIVATE GRAVES (exclusive right of burial 100 years) (Charge includes £42.00 for Grave Deed)							
	Reservation fee for Traditional graves [subject to location and availability].		310.00	0.00	310.00	320.00	0.00	320.00
	Buyback of Unused Traditional Graves		50% of current market value			50% of current market value		
	Baby Graves		325.00	0.00	325.00	335.00	0.00	335.00
	Traditional Grave 6' 6" x 2' 6"		2,700.00	0.00	2,700.00	2,995.00	0.00	2,995.00
	Lawn Grave (including base)		1,700.00	0.00	1,700.00	1,995.00	0.00	1,995.00
	Traditional Grave Outer Circle 9' x 4'		4,080.00	0.00	4,080.00	4,195.00	0.00	4,195.00
	Traditional Grave Inner Circle 9' x 4'		2,840.00	0.00	2,840.00	3,195.00	0.00	3,195.00
	MAINTENANCE on traditional graves							
	Tidying p.a. 6'6" x 2'6"	V	91.67	18.33	110.00	95.83	19.17	115.00
	Tidying p.a. 9'0" x 4'0"	V	141.67	28.33	170.00	145.83	29.17	175.00
	Planting twice 6'6" x 2'6"	V	170.83	34.17	205.00	175.00	35.00	210.00
	Planting twice 9'0" x 4'0"	V	245.83	49.17	295.00	254.17	50.83	305.00
	MEMORIAL permit fees [Includes Replacement Memorials]							
	Up to 3'0" with headstone only		165.00	0.00	165.00	170.00	0.00	170.00
	Kerbs only		165.00	0.00	165.00	170.00	0.00	170.00
	Up to 3'0" with headstone and kerb		230.00	0.00	230.00	240.00	0.00	240.00
	3'0" to 6'6" with headstone and kerb		340.00	0.00	340.00	350.00	0.00	350.00
	Up to 9'0"		670.00	0.00	670.00	690.00	0.00	690.00
	Inscription fee		62.00	0.00	62.00	65.00	0.00	65.00
	Vase		62.00	0.00	62.00	65.00	0.00	65.00
	Headstone and kerb for baby grave		1/2 above rates			1/2 above rates		

Section Reference	<i>Italics denotes statutory fees</i>	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	EXHUMATION							
	Pricing is specific to individual grave.			Special charge		Special charge		
	COPY OF GRAVE DEED		41.00	0.00	41.00	42.00	0.00	42.00
	REGISTRATION OF TRANSFER OF RIGHTS		41.00	0.00	41.00	70.00	0.00	70.00
	SEARCH FEE PER ENTRY	V	9.50	1.90	11.40	10.00	2.00	12.00
	GARDENS OF REMEMBRANCE							
	Scattering of cremated remains:							
	- resident		86.00	0.00	86.00	90.00	0.00	90.00
	- non-resident			Treble fee			Treble fee	
	Plaque	V	245.00	49.00	294.00	250.00	50.00	300.00
	Burial of cremated remains:							
	- resident		327.00	0.00	327.00	335.00	0.00	335.00
	- non-resident			Treble fee			Treble fee	
	The Book of Remembrance:							
	2 line entry	V	148.33	29.67	178.00	155.00	31.00	186.00
	5 line entry	V	208.33	41.67	250.00	215.00	43.00	258.00
	5 line entry with emblem	V	397.50	79.50	477.00	410.00	82.00	492.00
	Remembrance card:							
	2 line entry	V	87.50	17.50	105.00	90.00	18.00	108.00
	5 line entry	V	120.83	24.17	145.00	125.00	25.00	150.00
	5 line entry with emblem	V	310.00	62.00	372.00	320.00	64.00	384.00
	GARDENS OF REST:							
	Exclusive Right of Burial site fee [50 years]		480.00	0.00	480.00	500.00	0.00	500.00
	Memorials		105.00	0.00	105.00	110.00	0.00	110.00
	Inscription fee		62.00	0.00	62.00	65.00	0.00	65.00
	Interment fees							
	- resident		230.00	0.00	230.00	240.00	0.00	240.00
	- non resident			Treble fee			Treble fee	
	Reservation Fee		175.00	0.00	175.00	180.00	0.00	180.00
	Extension of Lease - 5 years		125.00	0.00	125.00	130.00	0.00	130.00
	COMMON GRAVES							
	Contribution towards headstone	V	53.33	10.67	64.00	55.00	11.00	66.00
	Remove / replace headstone		75.00	0.00	75.00	80.00	0.00	80.00
	Remove / replace monument		212.00	0.00	212.00	220.00	0.00	220.00
	Boards	V	58.33	11.67	70.00	60.00	12.00	72.00
	Concrete Slab	V	113.33	22.67	136.00	120.00	24.00	144.00
	MAUSOLEUM/VAULTED BURIAL CHAMBER							
	Mausoleum Chamber (one interment)		7,000.00	0.00	7,000.00	7,000.00	0.00	7,000.00
	Double Vaulted Burial Chamber (for two interments)		5,800.00	0.00	5,800.00	5,800.00	0.00	5,800.00
	Keepsake Niche		1,200.00	0.00	1,200.00	850.00	0.00	850.00
	Interment fee		500.00	0.00	500.00	600.00	0.00	600.00
	Inscription fee per line	V	33.33	6.67	40.00	37.50	7.50	45.00
	Posy holder	V	12.50	2.50	15.00	16.67	3.33	20.00
	Motifs up to 200mm high	V	33.33	6.67	40.00	37.50	7.50	45.00
	Custom motif	V		POA			POA	
	Remove and refit charge	V	50.00	10.00	60.00	54.17	10.83	65.00
	Oval ceramic plaque 5cm x 7cm (colour)	V	62.50	12.50	75.00	66.67	13.33	80.00
	Oval ceramic plaque 5cm x 7cm (black and white)	V	41.67	8.33	50.00	45.83	9.17	55.00
	Decorative Memorial Cross	V				150.00	30.00	180.00
	Decorative Candle Box	V				95.83	19.17	115.00
49	EVENTS							
	Funfairs							
	Per Operating Day (10 rides or more)		600.00	0.00	600.00	615.00	0.00	615.00
	Non Operating Day (10 rides or more)		300.00	0.00	300.00	300.00	0.00	300.00
	Per Operating Day (less than 9 rides)		550.00	0.00	550.00	565.00	0.00	565.00
	Non Operating Day (less than 9 rides)		250.00	0.00	250.00	250.00	0.00	250.00
	Circus's							
	Per Operating Day		450.00	0.00	450.00	465.00	0.00	465.00
	Per Non Operating Day		200.00	0.00	200.00	200.00	0.00	200.00
	Commercial Events (Inc Funfair and Circus's)							
	Administration Fee		150.00	0.00	150.00	155.00	0.00	155.00
	Small 50- 201 attendance							
	Per Operating Day		200.00	0.00	200.00	205.00	0.00	205.00
	Per Non Operating Day		100.00	0.00	100.00	100.00	0.00	100.00
	Medium Between 201-999 attendance							
	Per Operating Day		500.00	0.00	500.00	515.00	0.00	515.00
	Per Non Operating Day		250.00	0.00	250.00	250.00	0.00	250.00
	Large - Over 1000 attendance							
	Per Operating Day		750.00	0.00	750.00	775.00	0.00	775.00
	Per Non Operating Day		375.00	0.00	375.00	375.00	0.00	375.00
	Ticketed Events 15% of Gate Receipts							
	Community/Charities/Schools/Sporting/Internal departments							
	Administration Fee for events over 201 attendance		100.00	0.00	100.00	105.00	0.00	105.00
	75% Discount on Operating and Non Operating day							

Section Reference	<i>Italics denotes statutory fees</i>	Service is VATABLE	LONDON BOROUGH OF ENFIELD					
			ENVIRONMENT DEPARTMENT			ENVIRONMENT DEPARTMENT		
			AGREED CHARGES 2013/14			PROPOSED CHARGES 2014/15		
			Basic	VAT@ 20%	Total	Basic	VAT@ 20%	Total
	Ticketed Events - 9% of Gate Receipts for Community and Local Charities and internal departments							
	Ticketed Events - 10% of Gate Receipts for National Charities							
	Bonds							
	Funfair and Circus's	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	
	Medium Events Over 500 -999attending	500.00	0.00	500.00	500.00	0.00	500.00	
	Large Events 1000 – 5000 attending	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	
	Extra Large Events 5001+ attending	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	
	Activities - Private commercial Enfield based organisation (exercise/running classes) per day per park (annual fee)		new fee		150.00	0.00	150.00	
	Activities - Charitable/Community (exercise/running classes) per day per park (annual fee)		new fee		100.00	0.00	100.00	
	Activities - Private commercial National Organisation (exercise/running classes) per day per park (annual fee)		new fee		500.00	0.00	500.00	
	Exemptions - Memorial /remembrance services		new		FREE			
	Post event parks staff clear up (per hour)	V	new fee		27.08	5.42	32.50	
50	ALLOTMENTS							
	These charges require 1 year notice to allotment plot holders, therefore the proposed charges in this schedule relate to 2015/16. Allotment charges for 2014/15 were agreed at Full Council meeting in March 2013. They are shown below for the purpose of comparison.			AGREED CHARGES FOR 2014/15		PROPOSED CHARGES FOR 2015/16		
	Residents:							
	Grade A, 25 sq. metres (per pole)		9.50	0.00	9.50	10.00	0.00	10.00
	Grade B, 25 sq. metres (per pole)		6.50	0.00	6.50	7.00	0.00	7.00
	Concessionary rate - age concession/low inc/unemployed (Enfield Residents only from 1 April 2012)		25% Reduction above		25% Reduction above			
	Water charge per pole		1.40	0.00	1.40	2.00	0.00	2.00
	Shed rentals		19.00	0.00	19.00	20.00	0.00	20.00
	Key deposits		5.00	0.00	5.00	5.00	0.00	5.00
	Plot deposit		15.00	0.00	15.00	15.00	0.00	15.00
	Non-Enfield Residents							
	Grade A, 25 sq. metres (per pole)		12.00	0.00	12.00	12.50	0.00	12.50
	Grade B, 25 sq. metres (per pole)		9.00	0.00	9.00	9.00	0.00	9.00
	Water charge per pole		1.90	0.00	1.90	2.00	0.00	2.00
	Shed rentals		22.00	0.00	22.00	25.00	0.00	25.00
	Key deposits		5.00	0.00	5.00	5.00	0.00	5.00
	Plot deposit		15.00	0.00	15.00	15.00	0.00	15.00

APPENDIX 11

Adult Social Care Proposed Charges, Allowance & Disregards		
	2013/14 Charge	Proposed 2014/15 Charge
<u>Residential Care</u>		
LB Enfield owned Homes for Older People (maximum)	£719.70 per week	TBA once residential uplift for 14/15 agreed
Private or Voluntary sector homes	Maximum is full cost as determined by the home	Maximum is full cost as determined by the home
The maximum charges shown above are in most cases reduced in accordance with Department of Health Regulations (CRAG) to reflect the ability of residents to pay. Charges for residents placed by other Local Authorities in Enfield Homes are not reduced.		
<u>Community Based Services</u>		
<u>Day Services (In house and External Providers)</u>		
Physically disabled	£39.00 per day	40.00 per day
Mental Health	£39.00 per day	40.00 per day
Learning Disabilities	£39.00 per day	40.00 per day
Older People	£39.00 per day	40.00 per day
Meal contribution	£3.50	£3.50
- Snacks at Centre	Sold at cost	Sold at cost
Day care attendance for less than 4 hours will be charged at half the full day rate. Where clients attend a "drop in" service there is no charge as this service is usually for a brief period, e.g. 30 mins to 1 hour.		
<u>Transport</u>	£2.50 per journey	£2.50 per journey
<u>Home Care:</u> Maximum (incl. Additional Support)	£16.60 per hour	£15.90 per hour
<u>Respite</u>	Flat rate charge removed with contribution determined by fairer charging assessment	Contribution determined by fairer charging assessment
<u>Direct Payments</u>	Assessed as a weekly contribution in accordance with Fairer Charging guidelines as part of a Personal Budget.	
<u>Adults Placements</u>	Assessed as a weekly contribution in accordance with Fairer Charging guidelines. The maximum charge for placements in the private or voluntary sector is the full cost as determined by the placement.	
There is no charge for up to 6 weeks of any Enablement service provided.		

APPENDIX 11

	2013/14 Allowance per client	Proposed 2014/15 Allowance per client
Welfare Adaptations Under the CS & DP Act 1970	Nil	Nil
Legal charge placed on property equal to the value of the adaptation carried out.		
Personal Expense Allowance (determined by Department of Health)	£23.90	Yet to be determined by DoH
Treatment of an Individuals Capital Resources (determined by Department of Health)		
(i) Capital Resources Retained	£14,250	Yet to be determined by DoH
(ii) Income Assumed for every £250 in excess of (i) above	£1.00	Yet to be determined by DoH
(iii) Maximum charge applies where Capital Resources exceed	£23,250	Yet to be determined by DoH
NB: The department applies the values above as determined by the Department of Health		
Interest Charge for late payment and legal/deferred charges	Bank of England base rate plus 1%	
Disability Related Expenditure		
(i) DRE applicable under a full assessment	Increase by 2.5% (rounded to nearest £0.05)	
(ii) Optional minimum flat rate (Individuals are able to request a full assessment if required)	£10.25	£10.50
The minimum cost of the service for charging is set at £2.50 per week.		

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MUNICIPAL YEAR 2013/14 REPORT NO. 179**MEETING TITLE AND DATE:****CABINET** – 12th February 2014**JOINT REPORT OF:**

Director of Health, Housing & Adult Social Care
 Director of Finance, Resources and Customer Services

Contact Officers:

Fiona Peacock, extn 5033 DDI 8379 5033

Email: Fiona.peacock@enfield.gov.uk

Paul Davey, extn 5258, DDI 8379 5258

Email: Paul.davey@enfield.gov.uk**Agenda – Part: 1****Item: 7****SUBJECT:**

**Housing Revenue Account Estimates 2014/15
 and Rent Setting (HRA & Temporary
 Accommodation)**

ALL WARDS

CABINET MEMBERS CONSULTED: CLLR OYKENER
 CLLR STAFFORD

1. EXECUTIVE SUMMARY

- 1.1 The report presents for approval the revenue estimates of the Housing Revenue Account (HRA) for 2014/15 and the updated position on the HRA 30 year business plan.
- 1.2 The Council is asked to approve the level of rents and service charges to be operative with effect from 7th April 2014 for Council tenants and for tenants in temporary accommodation.

2. RECOMMENDATIONS

- 2.1 That the detailed revenue estimates of the Housing Revenue Account for 2014/15 be approved.
- 2.2 That the rents be increased in line with national social rent policy. This will result in an average increase of 4.6% for Enfield tenants.
- 2.3 That all void properties be re let at target rent.
- 2.4 The level of service charges as set out in Paragraph 6.1 for those properties receiving the services be agreed for 2014/15.
- 2.5 That the proposals for increases in other income as detailed in Appendices 2 and 11 be agreed for 2014/15.
- 2.6 That the Temporary Accommodation rents as set out in Appendix 6 be agreed for 2014/15 and that authority for any increase be delegated to the Cabinet Member for Housing and the Director of Health, Housing and Adult Social Care and the Cabinet member for Finance and Property Services and Director of Finance Resources and Customer Services.
- 2.7 That the total HRA capital programme of £63.3m be agreed for 2014/15.
- 2.8 That authority should be delegated to the Cabinet Member for Housing and the Director of Health, Housing and Adult Social Care to approve tenders for Decent Homes and General Works.

3. BACKGROUND HRA BUSINESS PLAN AND HRA SELF FINANCING

- 3.1 The Localism Act, replaced the current Housing Subsidy system with a system of HRA self financing which commenced from 1st April 2012.
- 3.2 The thirty year HRA business plan was approved by Cabinet in July 2012. The business plan is based on the following overarching assumptions:
- Rents will be increased in line with current government guidelines until the end of 2015/16 and thereafter increase by CPI plus 1% (thus mirroring the assumptions in the government financial settlement).
 - The council is likely to borrow up to the HRA debt cap in the early years and after that it will set aside reserves to repay debt or actually repay debt. Any treasury management decisions will be taken within the context of protecting the council interests as a whole.
 - The council will improve or renew 19 estates over the next 30 years, six of which will happen in the first 10 years Alma, Dujardin Mews, New Avenue, Ladderswood, Small Sites and Highmead.
 - The Decent Homes backlog plus all elemental backlog will be cleared by the end of year 5 (March 2017).
- 3.3 The business plan also included a treasury management plan and details of planned capital expenditure.
- 3.4 This report updates the previous HRA business plan which was submitted to Housing Board in December 2013. This report also sets out the proposed detailed budget for 2014/15 and the proposed increases in rents and service charges.

4. RENTS and SERVICE CHARGES

- 4.1 Each year the Council is required by law to set the level of rents for Council dwellings for the forthcoming financial year after consultation with tenants. The decision must be taken early enough for tenants to be advised of any change at least 4 weeks prior to the date of that change.
- 4.2 The rent increase for 2013/14 was based on an inflation increase of 2.6%. The rent increase for 2014/15 is based on an inflation increase of 3.2%. This reflects RPI as at September 2013.
- 4.3 The Government decided in 2003/04 that Local Authority and Registered Social Landlord rents should be calculated using a formula based system. Since 2003/04 Enfield rents have been calculated using this National social rents policy. The formula is based on:

- the market value of the property,
- average earnings for London manual workers
- the national average council rent
- the number of bedrooms in the property.

- 4.4 In addition to the rents, tenants may also be charged a service charge for certain communal services as appropriate. Government guidance gives some discretion over which services may be charged separately. The proposed charges for 2014/15 are shown in paragraph 6.1.
- 4.5 The move to formula rents (“rent convergence”), together with the separate charging for services, would have meant significant increases or decreases for some tenants if introduced immediately. In recognition of this the Government decided that the move to the new formula rents would be phased and that no rent should increase by more than £2 per week plus inflation plus 0.5%. It is intended that actual rents should converge with formula rents by 2015/16. A majority of tenants’ rents will converge by then.
- 4.6 The council has the freedom to establish a different rent policy but the impact of any change in policy will have a significant impact on the business plan. The Business plan as agreed in December assumed that the national social rent policy would be followed until convergence in 2015/16.

5. PROPOSED RENT CHARGES FOR 2014/15

- 5.1 As outlined in Paragraph 4.3 it is recommended that the 2014/15 rents be increased in line with National social rent policy. This calculation includes RPI of 3.2% at September 2013 plus 0.5% plus the move to convergence which is an average of 0.9%. This results in total in an average rent increase of 4.6% but because of rent restructuring and the need to move towards formula rents there is a variation in the increase of individual charges.
- 5.2 The formula rents regime sets upper limits on rents for different sized properties. In 2014/15 the caps on weekly rents are as follows:

TABLE 1 CAPS ON WEEKLY RENTS

	£
1 bed bedsit	137.70
2 bed	145.83
3 bed	153.90
4 bed	160.43
5 bed	168.93
6 bed	178.21

In cases where the formula rent exceeds the cap level the formula rent is set at the cap level and the actual rent will be moved in stages to the cap level.

- 5.3 Appendix 5 shows examples of the proposed rents for 2014/15 for different property types and sizes across the Borough. It should be noted that these will vary for each tenant depending on how far the actual rent is from the formula rent.

- 5.4 Rents are expected to converge next year and a majority of rents are close to the formula rent. It is therefore proposed that any voids be relet at the formula rent.

6. PROPOSED SERVICE CHARGES FOR 2014/15

- 6.1 It is also recommended that the following service charges be made to those tenants in receipt of the services listed below

TABLE 2 – PROPOSED SERVICE CHARGES 2014/15

	Charge per week 2013/14 £	Charge per week 2014/15 £
Caretaking level (2) (resident)	4.74	4.90
Caretaking level (1) (non resident)	2.92	3.04
Caretaking level (2) Sheltered	From 1.38 to 3.02	From 1.42 to 3.11
Concierge	10.61	10.61
Grounds maintenance	1.20	1.25
CCTV	1.25	1.37

- 6.2 These charges aim to recover the full cost of the service. Concierge charges have remained the same and reflect the cost of the current contract. There has been an increase in caretaking, CCTV and grounds maintenance charges due to inflation.
- 6.3 In addition to the above, water and sewerage charges will continue to be collected through the rents on behalf of the water authorities.
- 6.4 The above charges have also been built in to the expected income from leaseholders where appropriate.
- 6.5 It is proposed that garage rents will increase by the same percentage as housing rents 4.6% (details in Appendix 2). This is in line with previous rent setting practise.

7. SHELTERED HOUSING CLEANING CHARGE

- 7.1 A new sheltered housing cleaning charge is proposed for 2014/15. The Council's Procurement and Contracting Team are proposing to reduce the housing related support paid into the HRA by a total of 20% of the monthly payment from June 2014. The proposed reduction in housing related support equates to a loss of income to the HRA of £96k. A number of options have been considered and it is proposed to introduce a charge from 2014/15. This will generate £56k and other savings have been made to balance the HRA.
- 7.2 Two charging bands are proposed to reflect the number of weekly cleaning hours and these are outlined below.

	Charge per week 2014/15 £
Level 2 service (up to 8 hours per week)	1.75
Level 3 service(9-11 hours per week)	2.50

8. LEASEHOLDER SERVICE CHARGES

- 8.1 Details of estimated service charges for leaseholders are included at Appendix 4. This Appendix includes an estimate of all charges to leaseholders.
- 8.2 The administrative fee proposed for 2014/15 is £199.02 per leasehold unit; this is a 2.07% increase from 2013/14.

9. HEATING CHARGES

9.1 General Heating Costs

Energy costs are estimated to increase by 7% for Electricity and 8% for Fuel Oil in 2014/15. These are the estimated costs from our Energy Management Unit and Corporate procurement Team and are based on estimated price increases from the buying agents "LASER".

9.2 Gas Sheltered Housing (Individual Block Charge)

This new method of charging for Sheltered Housing Tenants in blocks heated by gas was implemented from the beginning of April 2013. These tenants ceased being part of the fund from April 2013 but instead were charged on a block by block basis. It is expected that these charges will reduce in 2014/15; reductions will be in the range of £0.64 to £3.44 per week. This is a pilot scheme and following further consultation may be extended to all blocks in 2015/16.

9.3 Main Fund for residents receiving Electric heating and Oil heated Pruden Close (Pooled charge)

These residents are included in the main fund pooled charge and there will be an increase of 5.91% in 2014/15 resulting in additional charges of between £0.24 and £1.76 per week; dependent on bed size, to balance the fund.

9.4 Alma and Bliss and Purcell (Gas Heated)

There are no proposals to increase heating charges at Alma and Bliss and Purcell as the Energy Management unit has advised that there will be a 0% increase in gas prices from 1st October 2014 as advised by our buying agents "LASER".

9.5 Scott House (Gas heated)

It is proposed to amend the method for charging heating for Scott House tenants and leaseholders as the heating system changes from fuel oil to gas supply. All flats will pay a standing charge of **£3.95 per week** to cover the costs of Wilson Energy systems and of LBE's Energy management unit's administration costs. The standing charge for leaseholders will be subject to consultation. This block will be removed from the heating fund pooled charge from 7th April 2014 and tenants and leaseholders will pay for the amounts used by using a card system for the purchase of heating. The card charge will be **£0.1108** pence per kilowatt hour.

- 9.6 **Curtis House and other Ladderswood properties** including Betspath, Lorne, Danford, Roberts and Mason Houses. (Oil Heated)
Fuel oil charges on these properties will remain the same as 2013/14 as the estate is decanted. The boiler at Curtis house which currently supplies heating to Betspath, Lorne, Danford, Roberts and Mason House is to be decommissioned and tenants will move to individual heating systems i.e. gas heating in Betspath, Lorne and Roberts and electric heating in Mason and Danford.

10. TEMPORARY ACCOMMODATION RENTS

Proposed Temporary Accommodation (TA) rents for 2014/15 are attached at Appendix 6. The rents have not changed from 2013/14. TA rents are set at Local Housing Allowance rate for the size of property in January 2011 less 10%, plus a flat rate management fee of £40 per week. The cap of £375 per week continues to limit rents for 4 and 5 bedroom accommodation.

11. HRA 30 YEAR BUSINESS PLAN

The updated HRA business plan is attached at Appendix 9. The capital position has been updated to reflect the changes in the estates renewals programmes. The business plan as at December included a number of indicative figures for these schemes which have now been updated.

This includes the changes to the assumptions made to Small Sites and New Avenue estate renewals. In addition the assumptions on the Alma Towers and Dujardin Mews development have been adjusted to reflect the up to date position following recent tendering exercises.

As a result of these updates the profile of the borrowing has changed slightly and there will be no borrowing until 2015/16. Interest rate assumptions have been amended in agreement with treasury management.

The business plan assumes RTB numbers remain at 70 for 2014/15 and reduce to 50 for 2015/16. This will be kept under review.

12. BASE BUDGET FOR 2014/15

12.1 Financial Monitoring 2013/14

It is necessary to review the projected expenditure against estimates for the current financial year to take into consideration the ongoing impact of any major changes. These have been highlighted throughout the year in the regular financial monitoring reports; the November monitoring report is indicating a net surplus of £1,296k on the HRA. A summary based on the November monitoring position is shown in Appendix1.

12.2 2014/15 Base Budget

Appendix 8 sets out the base budget for 2014/15 compared to the 2013/14 figures. The assumptions and explanations of the changes between 2013/14 and 2014/15 are outlined below.

12.3 Assumptions

Table 3 sets out the assumptions made in compiling the budget and medium term projections.

TABLE 3 - ASSUMPTIONS

Pay award	0%	1% set aside in a reserve
Inflation on supplies and services	0%	this reflects efficiency savings
R&M cost increases	0%	due to significant increase in budget for 2013/14
Garage income	4.6%	As rent calculation 4.6%
RTB	80	Based on actuals
Management fee	3% reduction	in line with the business plan
Interest rate on borrowing	5.5% on existing debt 3.48% on new debt	Reflects actual debt costs and estimates from Treasury Management
Interest rate on balances	0.5%	Libid rate

13. DETAILED BUDGET CHANGES

13.1 Dwelling rents income – increase of £1.820m

This represents the additional income from an actual average increase in rents of 4.6%. This has been adjusted for the expected level of voids and the reduction in the number of properties due to estate renewals.

13.2 Leaseholder Service charge income – increase of £145k

The initial charges to leaseholders are based on estimated costs but leaseholders pay actual costs for services and this increase in expected income reflects that adjustment.

13.3 Special Services – increase of £143k

This heading represents the following services: caretaking, cleaning, concierge, CCTV, grounds maintenance, sheltered accommodation and energy costs.

13.4 Council tax on void properties – increase £398k

An increase in the council tax on void properties budget is due to a high number of estate renewal properties being decanted and remaining void for 2014/15.

13.5 Repairs and maintenance

Following a base budget review an additional £3.1m was drawn down from the repairs reserve in 2013/14. The budget for repairs and maintenance has been set

at this higher level for 2014/15 and then reduces by of £1m in future years following the retendering of the service.

13.6 Contribution to bad debt provision - decrease of £526k

The budget was increased significantly from £500k to £2m because of the risks associated with the government changes to the benefit system. However the projected level of contribution required in 2013/14 is only £500k so the budget has been reduced to £1.47m for 2014/15 but this will be kept under review.

13.7 Revenue surplus to fund future capital expenditure - decrease of £1,520k

This represents the amount set aside from revenue to fund future year's capital expenditure. This figure is determined by the HRA business plan. This takes account of the capital programme and the other sources of funding available.

14. ENFIELD HOMES MANAGEMENT FEE

14.1 The management of the Council Housing stock was reviewed in 2012 (report to cabinet 18th July 2012) and the contract with Enfield Homes was extended for a two year period to the end of March 2015.

14.2 Enfield Homes is paid a management fee by the Council for managing and maintaining the Housing stock. Details of the services to be provided are included in the management agreement. The management fee agreed for 2013/14 was £15.1m.

14.3 It is proposed that the management fee for 2014/15 should be £14.8m. This fee has been agreed between the Council and Enfield Homes. The management fee for 2014/15 includes expenditure in Appendix 8 under the headings General Management and Special Services and part of the expenditure listed under Repairs.

14.4 A number of revenue budgets remain within the Council's accounts but are delegated to Enfield Homes to manage. These are outlined below:

- Rents dwellings (including service charges)
- Leaseholders service charges
- Garage income
- Repairs and maintenance
- Contracts for services i.e. concierge, cctv and grounds maintenance

15. CAPITAL FINANCE AND PRUDENTIAL CODE

15.1 The Prudential Code for Capital Finance requires the authority to have regard to affordability, prudence and sustainability when considering its capital investment plans and to set and keep under review a range of prudential indicators. The prudential indicators for the HRA are:

- estimated capital financing charges as a percentage of net revenue stream
- estimated capital expenditure
- estimated capital financing requirement
- incremental effect of capital investment decisions on housing rents.

- 15.2 The General Fund Budget report for 2014/15 elsewhere on the agenda sets out the background to the prudential code and shows the indicators for the HRA and the General Fund.
- 15.3 As part of the self financing determination the government has imposed a cap on HRA borrowing. This relates to the valuation calculation as determined by the self financing model. The cap for this Council is £198.015m. Actual borrowing at the end of 2013/14 is estimated to be £153.576m.
- 15.4 In essence the Prudential regime gives scope for the HRA to borrow for capital investment if the forecasts show that the resulting charges can be afforded over the medium to long term.
- 15.5 The Code, subject to an assessment of prudence, affordability and sustainability, gives scope to borrow above current levels. There is no additional HRA borrowing planned for 2014/15. However, the HRA business plan includes assumptions about borrowing in future years and about repaying debt during the lifetime of the business plan.
- 15.6 The CLG has made available Decent Homes funding of £94m so far (£15m in 2009/10, £35m in 2010/11, £14m in 2011/12, £18m in 2012/13 and £12m in 2013/14). Additional funding of £14.6m in total has been confirmed for 2014/15 and this will be paid as a capital grant.
- 15.7 Enfield Homes originally prepared a five year capital programme for works which was approved by cabinet and council in October 2012. The programme has now been updated and agreed by Housing Services Board in December. Projected expenditure for 2014/15 is £35.4m.
- 15.8 In addition to the works to the stock it is anticipated that the estates renewal programme will cost £24.9m in 2014/15. This is reflected in the updated HRA business plan.
- 15.9 Overall capital programme 2014/15

	£m
Works to Stock	35.4
Estate Renewals	24.9
Grants to Vacate	0.5
Asbestos Contingency	2.5
	63.3

- 15.10 The capital programme for 14/15 is £63.3m as shown in the business plan in appendix 10. However in addition to this it is estimated that £8.8m relating to work to stocks projects started in 13/14 will not be spent until 14/15. The total estimated capital budget for 14/15 will be £72.1m.
- 15.11 Capital expenditure for 2013/14 is estimated to be £43.720m; this includes the brought forward figure (£11.877m) from the previous year. The most recent monitor confirms that expenditure is on target. Whilst all the resources are committed to projects a number of these projects (including estate renewals) will not be completed until 2014/15 so some of this expenditure (£16.590m) will not take place until next year.

HRA 5 Year Capital Programme

Scheme	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
General Work	35,411	35,941	33,250	20,867	21,180
Grants to vacate	500	500	500	500	500
Estate Renewals	24,907	10,377	6,150	10,222	10,294
Asbestos Contingency	2,500	0	0	0	0
HRA 5 year Capital Programme	63,318	46,818	39,900	31,589	31,974

A reserve for asbestos was created in 13/14, this hasn't been used so has been carried forward into 14/15.

16. TREASURY MANAGEMENT STRATEGY AND BORROWING PROPOSALS

The original business plan as agreed at cabinet in July proposed that there would be no additional borrowing in 2014/15, this position has not changed.

17. HRA BALANCES

17.1 The estimated position on balances is set out below.

TABLE 4: HRA BALANCES

	Balance at 31/03/13	Use of balances/ increase in balances in 2013/14	Estimated balance as at 31/03/14	Estimated use of balances 2014/15	Projected balance at 31/03/15
	£m	£m	£m	£m	£m
HRA General Balances	12.67	1.31	13.98	0	13.98
Repairs Fund	3.34	0.50	3.84	0	3.84
Total	16.01	1.81	17.82	0	17.82

17.2 It is considered prudent to retain at least £6m in General balances given the risks and uncertainties set out in the following section.

17.3 In reality the business plan will have considerably greater balances than £6m next year. In addition to the balances of £17.82m outlined above the HRA will also have monies from depreciation and revenue surpluses to fund the capital programme and receipts to fund the estates renewals programme. These balances are estimated to total £12.66m at the start of 2014/15.

17.4 Previously the HRA has retained £25m in balances to support internal borrowing. However it is beneficial for the HRA to use these balances before going out to borrow externally so it is proposed that these balances be used first to fund HRA

expenditure. This does not change the spending plans it only changes the way in which they are funded.

17.5 The £3.84m in the repairs fund is intended for any significant increase in repairs costs. This is particularly likely in years where there are severe weather conditions.

17.6 In addition to the above reserves, a bad debt provision of £1.3m existed at 31 March 2013. The adequacy of this amount will be reassessed at the end of the financial year to reflect the level of rent arrears. It is considered prudent to sustain the current level of provision as there is a risk associated with the government changes to the benefit system and introduction of universal credit.

18. RISKS AND UNCERTAINTIES

18.1 HRA 30 year business plan and self financing

The reform of the HRA has had a major impact on the operation of the Housing Revenue Account from 2012/13. The freedoms and flexibilities for the HRA have been in operation for two years and are a major change for the management of the HRA.

18.2 Estate renewals

The following estate renewals are ongoing

Ladderswood

Highmead

Alma Towers

Small Sites

New Avenue

Dujardin Mews

The above estate renewal projects are factored into the HRA business plan and assumptions regularly updated as the schemes progress but any additional costs or receipts can have a significant effect on the business plan.

18.3 Benefit changes

The implementation of benefit changes will impact on the HRA. Implementation started in 2013/14. The change to the method of payment of benefit and the cap on benefits will impact significantly on tenants' ability to pay their rent and potentially on the level of arrears. The prospect of the economic outlook may also impact on the level of arrears. It is therefore prudent to significantly increase the contribution to the bad debt provision. This may change once the full impact of the benefit changes is known. Some of this resource will also be used to fund staffing to help prevent an increase in the level of rent arrears.

18.4 Right to Buy

The increase in the RTB discount to a maximum of £100k has seen applications increase four fold over the last two years. These applications have resulted in a large increase in actual sales. The total number of sales at the end January is 66, it is expected that sales in 2013/14 will total 80. The projected total of sales for 2014/15 is 70.

18.5 Council tax on void properties

Due to the high number of estate renewal properties being decanted and held void there has been an increase in council tax charges. There are currently 180 void estate renewal properties resulting in an increased charge of £200k.

19. ALTERNATIVE OPTIONS CONSIDERED

Two alternatives were considered; these were not increasing rents in line with the national social rent policy as recommended by the Government and increasing rents above this guideline. These two options were both discounted. If rents were not increased this would mean significant loss of income and would undermine the business plan in future years. The HRA self financing settlement was based on the assumption that rents were increased in line with national social rent policy. If rents were increased above this policy this would put additional unnecessary financial pressures on tenants.

20. REASONS FOR RECOMMENDATIONS

In view of the implications of the alternatives mentioned in paragraph 19, it is recommended to increase rents in line with national social rent policy and Government guidance on self financing.

21. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES & CUSTOMER SERVICES OTHER DEPARTMENTS

21.1 Financial Implications

The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of estimates and the adequacy of proposed financial reserves. The 2014/15 HRA estimates have been prepared taking into account the following:

- The estimated impact of inflationary pressures. Allowance has been made for cost increases over and above the general rate of inflation where these are known;
- The estimated impact of increasing demands on resources where these are unavoidable;
- The estimated impact of underlying cost pressures, evidenced by financial monitoring reports in the current year; and
- An assessment of key risks and uncertainties.

It is therefore the view of the Director of Finance and Corporate Resources that the HRA budget is robust and that the balances held are prudent.

21.2 Legal Implications

Sections 167 to 175 of the Localism Act 2011 introduced self financing. This replaces the Housing Revenue Account (HRA) Subsidy system and local authorities currently operating HRA will be able to keep all of their rental income and use it to support their housing stock. It also provides for the determination of settlement payments calculated in accordance with such formulae as the

Secretary of State may issue from time to time. The settlement payment under the 2011 Act replaced subsidy payments made under the HRA.

This report includes recommendations on the charges made by the council in respect of its HRA residential accommodation. Local authorities have the power to set their own rents under section 24 of the Housing Act 1985, as amended by section 162 of the Local Government and Housing Act 1989. Such charge must be reasonable for the tenancy or occupation of their premises. Section 24 also requires local authorities to periodically review rents and make such changes as circumstances may require. The section confers a broad discretion as to rents and charges made to tenants. It is noteworthy that The Guide to Social Rent Reform issued by the Office of the Deputy Prime Minister (ODPM) in 2003 states that local authorities retain the discretion to decide what services can be charged for in addition to rent. Local authorities are expected to set reasonable and transparent charges which closely reflect what is being provided to tenants. The Guide recommends that protecting tenants from sudden large increases in their rent and service charges should take priority.

In relation to Temporary Accommodation rent, local authorities have discretion over the rents charged to their tenants and consequently have the power to increase the rent so long as some notice is given. The statutory 4 week notice does not apply to this category of tenants as they are not secure tenants but it is advised that a comparable amount of notice is given. The Income-Related Benefits (Subsidy to Authorities) (Temporary Accommodation) Amendment Order 2010 came into force on 1st April 2011. It makes changes to the Income-related Benefits (Subsidy to Authorities) Order 1998 and the way Housing Benefit Subsidy is calculated for tenants in temporary accommodation. The new subsidy scheme has been designed to better reflect the actual cost faced by local authorities in providing this type of accommodation and thereby encourage them to charge tenants a fair market rent for the type and location of the property occupied.

The Council has a duty to show they have consciously addressed their mind to carrying out an Equality Impact Assessment (which includes any decision to increase or introduce charges to tenants).

22. KEY RISKS

These are detailed in Section 18

23. IMPACT ON COUNCIL PRIORITIES

Fairness for All

Providing high quality housing continues to be a priority. Rents are set in line with Government guidance and an increase of 4.6% is low when compared to a number of other London Boroughs.

Growth and Sustainability

The recommendations in the report will ensure that there is a sustainable HRA. The proposals will promote positive investment in the housing stock, ensure adequate funding is made available for the Council's landlord function and encourage compliance with the government regulation on setting rents.

Strong Communities

Setting fair rents, investing in the Council's housing stock and effective management of the Council's housing stock by Enfield Homes are some of the areas of this report that will have positive effect on the local community.

24. EQUALITIES IMPACT ASSESSMENT

The HRA Business Plan supports the delivery of high quality services that promote equality, and value diversity.

25. PERFORMANCE MANAGEMENT IMPLICATIONS

Setting a balanced budget for 2014/15 should enable the HRA performance targets to be met. Sound medium term financial plans are essential to support the delivery of excellent services and the efficient use of resources across the organisation. The budget proposals set out in this paper will ensure that the Council's limited capital and revenue resources are targeted on these key priorities.

26. PUBLIC HEALTH IMPLICATIONS

There are no public Health implications arising directly from setting this rent and detailed budget for 2014/15.

APPENDIX 1

Monitoring Variations for period ending 30th November 2013	
Service Centre	November This Month £'000
<u>Retained</u>	
<u>Capital Financing - Premiums and Discounts</u>	
An updated position on our outstanding loan premium payments has been provided by Treasury, our loans have now been almost fully paid and the outstanding payment is significantly lower than expected resulting in a saving of £70k.	(70)
<u>Rates</u>	
An overspend of £51k in the payments for council tax on void properties has been identified this month, this is due to an increase in the amount of Estate Renewal decants than originally estimated	51
<u>RTB's</u>	
The estimated number of RTB's was 40, at the end of October there have been 44 RTB's to date. Therefore we estimate the number to be around 70 for 13-14, this will result in additional income of £85k.	(85)
<u>Landlords Electricity</u>	
£205k has been set aside as a contingency for heating due to lower estimates produced by the energy management team in 13-14. It is unlikely that this is needed in 13-14 but can be used to offset shortfalls in energy costs due to estate renewal projects.	0
<u>Shops</u>	
Additional income of £39k from shops has been identified this month.	(39)
Total Variation on Retained budgets	(143)
<u>Managed</u>	
<u>Bad Debt</u>	
The bad debt calculation has been reviewed this month and a saving of £1.5m has been identified. Additional budget was added to the bad debt provision to account for the changes to welfare reform; this budget is now not needed as the tenants are receiving discretionary housing payments directly through benefits to cover any shortfall. The remaining £500k budget set aside for bad debt is being monitored closely; £212k is being given to Enfield Homes to fund the additional staff. It is currently estimated that a contribution of £44k will need to be made but further monitoring is being completed to confirm this figure.	(1,500)
<u>Dwellings Rent</u>	
An under-recovery of income in Dwellings Rent and Service Charges of £290k has been identified due to an increase in the void rate, the estimated void rate was 1.6% but the current rate is 1.89%.	290
<u>Garages</u>	
An under-recovery of income in Garages Rent of £57k has been identified due to an increase in the void rate, the current void rate is 58.07% compared to an estimated rate of 55%.	57
<u>Repairs and maintenance</u>	
This is projected to be on budget.	0
Total Variation on Managed budgets	(1,153)
Total HRA Variation	(1,296)

OTHER PROPOSALS FOR INCREASED INCOME IN THE HRA

1. Garage Rents

- 1.1 The garages which are let to Council tenants, leaseholders and private tenants are standard lock-up.
- 1.2 A 'non Council tenant premium' is also charged on all lets to private tenants, and any Council tenant or leaseholder who rents more than 2 garages. It is proposed that the rents be increased by 4.6%. The proposed charges for 2014/15 are:

	2013/14 Weekly Net Rent £	2014/15 Proposed Net Rent £
Category (G1) Standard Lock-up Garages	9.18	9.60
Non Council tenant premium (NCTP)	2.43	2.54

2. Communal Heating Charges

- 2.1 The Council has 1,727 properties in 71 blocks of flats serviced by communal heating systems and all costs of gas electricity and fuel oil were held in a pool and tenants were charged based on the total cost within the pool. However this system is changing and a number of properties are being removed from the main pool, the current position is outlined below.

In 2014/15 only 1,055 properties remain within the pool and the charge for tenants (which are reviewed annually) are calculated on a pooled basis rather than on the cost of the fuel used by individual systems. These blocks are managed within the main fund for energy costs and this is offset with the income collected from tenants and leaseholders and any balances on the fund is used to regularise charges to tenants in future years. These blocks are the electric heated blocks and Pruden Close which is heated by fuel oil. Communal systems do not have individual heating.

In 2013/14 the 412 gas sheltered properties were removed from the pooled charge and now have individual block by block charge and this will continue for 2014/15.

In 2014/15 the 159 Ladderswood Estate properties will be removed from the pool charge as the tenants are moved to individual heating to enable the boiler at Curtis house to be decommissioned and residents will receive individual heating systems.

Also, in 2014/15 Scott house with 101 properties will be charged on a block basis as the fuel type of the block is changed from the more expensive oil fuel to gas heating.

- 2.2 Since 1996 leaseholders have been charged a proportion of the actual cost of the fuel used in their blocks, calculated on the basis of individual property rateable values.

2.3 General Heating Costs

There will be a 5.91% increase in heating costs for properties in the main fund pool in 2014/15. Electricity costs are estimated to increase by 7% and Fuel Oil costs by 8% in 2014/15. However, with proper management of the pool, this has enabled the Council to keep the charges down to a 5.91% increase. **Appendix 11** below shows the type of fuel in each category and the method used for charging.

APPENDIX 4

ADMINISTRATION/MANAGEMENT CHARGE FOR LEASEHOLD UNITS

1. The administration and management charge is a flat rate added to the cost of services to cover the preparation of estimates and actual costs, billing consultation on repairs and improvement works and estate management.
2. It is estimated that by 31 March 2014 a total of 4,541 properties will have been sold under leasehold arrangements.
3. At the end of each financial year, the actual cost is determined and an appropriate adjustment made to the charge.
4. The cost of administration and management for 2014/15 is estimated at £904k and it is, therefore, recommended that the charge for 2014/15 be fixed at £199.02 per leasehold unit. This compares with the 2013/14 charge of £194.98 per leaseholder unit.
5. The charges below are estimates for 2014/15, adjustments will be made mid year to reflect actual charges.

	Charge per week 2013/14 £	Charge per week 2014/15 £
Administration & Management Charge	3.75	3.83
Caretaking level (1) (non resident)	2.92	3.04
Caretaking level (2) (resident)	4.74	4.90
Concierge		
Merlin House	10.03	10.03
Cormorant House	10.52	10.52
Kestral House	9.94	9.94
Curlew House	10.80	10.80
Walbrook House	11.82	11.82
CCTV		
Alma Road	1.09	1.19
Walbrook House	1.89	2.05
Shepcot House	1.32	1.44
Grounds Maintenance	1.20	1.25
Paladin Bins	1.70	1.75
Insurance		
1 Bed	1.80	1.80
2 Bed	2.03	2.03
3 Bed	2.32	2.32
4 Bed	2.59	2.59
Flat Repairs (Annual Charge)	1.00	1.00
Ground Rent (Annual Charge)	10.00	10.00
Estate Charge (Annual Charge)	10.00	10.00

AVERAGE RENTS

Property Type	Average Rent 13-14	Average Rent 14-15	% Increase	£ Increase
Bedsit	77.35	81.06	4.80%	3.71
1 bed flat	83.01	86.74	4.50%	3.74
1 bed house	92.98	98.41	5.84%	5.43
2 bed flat	92.34	96.10	4.07%	3.76
2 bed house	104.57	109.71	4.91%	5.14
3 bed flat	102.82	106.84	3.90%	4.01
3 bed house	114.89	120.95	5.27%	6.06
4 bed flat	107.58	112.07	4.16%	4.48
4 bed house	125.30	128.41	2.49%	3.11
5 bed house	131.54	137.66	4.66%	6.13
6 bed house	153.88	159.48	3.64%	5.60
Average	95.99	100.43	4.6%	4.43

The above are examples of the average rents likely to be charged for specific properties. They are not necessarily typical, nor the maximum or minimum rents which will be charged.

Service charges have been excluded, but will be payable in addition to the rent subject to the services provided to each property.

The rent calculation is a function of the formula rent (using the CLG formula) and the existing 2013/14 net rent and is subject to various caps and limits.

TEMPORARY ACCOMMODATION RENTS

The Government has not yet given any indication that the rents will increase for 2014/15 and there was no increase for 2013/14.

Category	Weekly rent 2013/14	Weekly rent 2014/15
	£	£
Shared accommodation	178.75	178.75
1 bedroom self contained	200.88	200.88
2 bedroom	247.90	247.90
3 bedroom	310.00	310.00
4 bedroom	375.00	375.00
5 bedroom and larger	375.00	375.00

General Works Block Programme 2014/15

APPENDIX 7

PROGRAMME (14-15)

Project	PROG YEAR	Blocks	Leaseholders	Tenants	BUDGET COST	Made Decent
Bush Hill Park Externals	3	6	22	38	720,000	50
Church Street	3	12	70	98	2416,000	98
Cowper Blocks	3	31	87	124	2,548,000	104
Hyde Blocks	3	44	59	90	1,713,000	78
Jubilee Blocks	3	23	113	126	3,242,000	114
Lytchet Way Externals	3	17	198	242	6,160,000	179
Dodsey Place	3	1	16	8	420,000	8
Bridport House	3	1	6	3	230,000	3
SuffolkPods Phase 1	3			78	2,340,000	71
Brigader Hill Internals	3			349	2,792,000	205
Channel Island	3	5	61	159	2,200,000	97
Exeter/Welsh & Woolpack	3	10	74	356	3,500,000	0
Others (including: Voids, Aids & Adaptations and Estate Quality Works)					7,130,000	
					35,411,000	1,007

HOUSING REVENUE ACCOUNT 2013/14 TO 2014/15

APPENDIX 8

	2013-14 Estimate	2014-15 Estimate	Variations	See Para
Expenditure				
General Management	14,434,720	14,402,690	-32,030	
Special Services	5,534,530	5,677,480	142,950	13.3
Rent Rates and other Charges	110,640	508,460	397,820	13.4
Cost of Borrowing	6,923,500	7,326,720	403,220	
Depreciation set aside to fund future repairs	13,512,850	13,538,660	25,810	
Repairs and Maintenance	15,865,390	15,864,030	-1,360	
Provision for bad and doubtful debts	2,000,000	1,473,770	-526,230	13.6
Total Expenditure	58,381,630	58,791,810	410,180	
Income				
Dwellings rent and service charges	-57,259,000	-59,079,270	-1,820,270	13.1
Garages	-658,750	-623,060	35,690	
Shops/Commercial	-2,168,540	-2,266,530	-97,990	
Leaseholder service charges	-2,960,530	-3,105,460	-144,930	13.2
Total Income	-63,046,820	-65,074,320	-2,027,500	
Net cost of services	-4,665,190	-6,282,510	-1,617,320	
Cost of Premiums and Discounts	98,100	0	-98,100	
Interest on Balances	-125,000	0	125,000	
RTB Mortgage Interest	-1,000	-1,000	0	
Net Operating expenditure	-4,693,090	-6,283,510	-1,590,420	
Contribution to Reserves for future capital expenditure	7,802,990	6,283,510	-1,519,480	13.7
Draw down from repairs reserve	-3,109,900	0	3,109,900	13.5
Net Operating expenditure	0	0	0	

APPENDIX 9 Business Plan Revenue

Year	Year	Income					Expenditure							Provision for repayment of loans	RCCO	Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest	Surplus (Deficit) c/fwd
		Net rent Income	Other income	Misc Income	RTB Admin	Total Income	Managt.	Depreciation	Responsible & Cyclical	Other Revenue spend	Total expenses	Capital Charges	Net Operating (Expenditure)						
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2014.15	59,928	3,460	1	200	63,589	(19,646)	(13,539)	(16,192)	(286)	(49,662)	(7,408)	6,518	0	(12,695)	(6,177)	23,591	205	17,619
2	2015.16	61,029	3,460	1	143	64,633	(19,467)	(13,560)	(15,353)	(286)	(48,665)	(8,583)	7,384	0	(14,214)	(6,830)	17,619	213	11,002
3	2016.17	62,191	3,460	1	86	65,737	(19,347)	(13,573)	(15,553)	(286)	(48,759)	(9,358)	7,621	0	(6,217)	1,404	11,002	176	12,582
4	2017.18	63,495	3,460	1	86	67,042	(19,327)	(13,698)	(15,789)	(286)	(49,100)	(10,009)	7,933	0	(5,132)	2,801	12,582	210	15,593
5	2018.19	64,898	3,460	0	86	68,444	(19,539)	(13,856)	(16,041)	(151)	(49,587)	(10,182)	8,675	(0)	(13,819)	(5,145)	15,593	326	10,774
6	2019.20	66,825	2,902	0	86	69,813	(19,814)	(14,094)	(16,368)	(151)	(50,426)	(10,059)	9,328	0	(14,096)	(4,769)	10,774	210	6,214
7	2020.21	69,576	2,902	0	86	72,564	(20,193)	(14,472)	(16,832)	(151)	(51,648)	(10,059)	10,857	0	(8,242)	2,615	6,214	188	9,017
8	2021.22	72,432	2,902	0	86	75,420	(20,576)	(14,861)	(17,309)	(151)	(52,897)	(10,057)	12,466	(0)	(6,239)	6,227	9,017	303	15,548
9	2022.23	74,583	2,902	0	86	77,571	(20,859)	(15,114)	(17,662)	(151)	(53,786)	(10,019)	13,765	0	(9,950)	3,816	15,548	436	19,809
10	2023.24	76,827	2,902	0	57	79,786	(21,146)	(15,373)	(17,866)	(151)	(54,536)	(10,019)	15,231	0	(290)	14,941	19,800	682	35,422
11	2024.25	79,169	2,902	0	57	82,128	(21,436)	(15,650)	(18,135)	(151)	(55,371)	(9,662)	17,095	(13,000)	(4,041)	55	35,422	886	36,369
12	2025.26	81,583	2,902	0	57	84,542	(21,730)	(15,933)	(18,410)	(151)	(56,224)	(8,947)	19,371	(13,000)	(164)	6,207	36,363	987	43,557
13	2026.27	84,070	2,902	0	57	87,029	(22,028)	(16,220)	(18,690)	(151)	(57,088)	(8,232)	21,709	(13,000)	(4,748)	3,961	43,557	1,138	48,656
14	2027.28	86,632	2,902	0	57	89,592	(22,330)	(16,513)	(18,977)	(151)	(57,971)	(7,517)	24,104	(13,000)	(604)	10,500	48,656	1,348	60,503
15	2028.29	89,273	2,902	0	57	92,232	(22,635)	(16,810)	(19,326)	(151)	(58,923)	(6,802)	26,508	(13,000)	(3,663)	9,844	60,503	1,636	71,983
16	2029.30	91,994	2,902	0	57	94,953	(22,946)	(17,114)	(19,626)	(151)	(59,837)	(6,087)	29,029	(13,000)	0	16,029	71,983	2,005	90,017
17	2030.31	94,798	2,902	0	57	97,757	(23,260)	(17,422)	(19,933)	(151)	(60,765)	(5,372)	31,620	(13,000)	(3,921)	14,700	90,017	2,439	107,156
18	2031.32	97,687	2,902	0	57	100,647	(23,579)	(17,736)	(20,246)	(151)	(61,713)	(4,657)	34,277	(13,000)	0	21,277	107,156	2,949	131,382
19	2032.33	100,665	2,902	0	57	103,624	(23,902)	(18,055)	(20,567)	(151)	(62,675)	(3,942)	37,007	(13,000)	(4,410)	19,597	131,382	3,534	154,513
20	2033.34	103,733	2,902	0	57	106,692	(24,230)	(18,381)	(20,954)	(151)	(63,717)	(3,373)	39,602	(13,000)	0	26,602	154,513	4,197	185,312
21	2034.35	106,894	2,902	0	57	109,854	(24,562)	(18,712)	(21,290)	(151)	(64,714)	(2,554)	42,585	(13,000)	(5,081)	24,504	185,312	4,941	214,758
22	2035.36	110,150	2,902	0	57	113,109	(24,901)	(19,049)	(21,633)	(151)	(65,734)	(1,839)	45,536	(13,000)	0	32,536	214,758	5,776	253,070
23	2036.37	113,504	2,902	0	57	116,464	(25,243)	(19,391)	(21,984)	(151)	(66,769)	(1,118)	48,576	(13,190)	(5,877)	29,509	253,070	6,696	289,274
24	2037.38	116,961	2,902	0	57	119,920	(25,591)	(19,742)	(22,343)	(151)	(67,827)	(756)	51,337	0	(330)	51,008	289,274	7,869	348,151
25	2038.39	120,523	2,902	0	57	123,482	(25,944)	(20,096)	(22,773)	(151)	(68,964)	(756)	53,762	0	(19,875)	33,887	348,151	9,127	391,165
26	2039.40	124,503	2,902	0	57	127,462	(26,303)	(20,458)	(23,193)	(151)	(70,105)	(756)	56,602	0	(7,483)	49,119	391,165	10,393	450,677
27	2040.41	128,928	2,902	0	57	131,888	(26,754)	(20,943)	(23,664)	(151)	(71,512)	(756)	59,620	0	(13,806)	45,814	450,677	11,840	508,331
28	2041.42	132,557	2,902	0	57	135,516	(27,161)	(21,320)	(24,023)	(151)	(72,655)	(756)	62,106	0	(7,564)	54,542	508,331	13,390	576,263
29	2042.43	136,287	2,902	0	57	139,246	(27,576)	(21,703)	(24,388)	(151)	(73,818)	(558)	64,870	(13,169)	(14,386)	37,315	576,263	14,873	628,450

**APPENDIX 10
Business Plan Capital**

		Expenditure								Financing					
Year	Year	Catch up works	Future Major Repairs	Improvements	Disabled Adaptations	Exceptional Extensive	New Build Development Costs	Other	Total Expenditure	Borrowing	RTB Receipts	Other	MRR	RCCO	Total Financing
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2014.15	2,090	29,467	0	1,045	2,808	24,907	3,000	63,318	0	5,270	29,315	13,539	15,195	63,318
2	2015.16	2,121	29,909	0	1,061	2,850	10,377	500	46,818	12,450	1,810	4,785	13,560	14,214	46,818
3	2016.17	2,153	27,126	0	1,077	2,893	6,150	500	39,900	15,700	798	3,612	13,573	6,217	39,900
4	2017.18	1,240	15,606	0	1,093	2,928	10,222	500	31,589	8,000	831	3,929	13,698	5,132	31,589
5	2018.19	1,259	15,840	0	1,110	2,972	10,294	500	31,974	2,290	864	1,145	13,856	13,819	31,974
6	2019.20	1,277	16,078	0	1,085	3,017	10,368	500	32,325	0	897	3,238	14,094	14,096	32,325
7	2020.21	1,297	16,319	0	1,143	3,062	4,418	500	26,739	0	931	3,094	14,472	8,242	26,739
8	2021.22	1,316	16,564	0	1,160	3,108	4,528	500	27,176	0	966	5,111	14,861	6,239	27,176
9	2022.23	1,336	16,812	0	1,178	3,154	4,642	500	27,622	0	1,001	1,557	15,114	9,950	27,622
10	2023.24	946	13,030	0	1,195	1,648	4,758	0	21,577	0	601	5,313	15,373	290	21,577
11	2024.25	961	13,355	0	1,213	1,672	4,877	0	22,078	0	623	1,765	15,650	4,041	22,078
12	2025.26	975	13,586	0	1,231	1,698	4,998	0	22,488	0	645	5,746	15,933	164	22,488
13	2026.27	990	13,792	0	1,250	1,723	5,123	0	22,878	0	667	1,244	16,220	4,748	22,878
14	2027.28	1,005	14,002	0	1,269	1,749	5,252	0	23,275	0	690	5,468	16,513	604	23,275
15	2028.29	937	14,571	0	1,288	230	5,383	0	22,409	0	713	1,222	16,810	3,663	22,409
16	2029.30	952	15,120	0	1,307	233	5,517	0	23,130	0	736	5,705	16,688	0	23,130
17	2030.31	966	15,544	0	1,327	237	5,655	0	23,729	0	760	1,201	17,847	3,921	23,729
18	2031.32	980	15,788	0	1,347	240	5,797	0	24,152	0	784	5,957	17,410	0	24,152
19	2032.33	995	16,234	0	1,367	244	5,942	0	24,781	0	809	1,180	18,382	4,410	24,781
20	2033.34	1,014	16,556	0	1,387	248	6,090	0	25,295	0	834	6,227	18,235	0	25,295
21	2034.35	1,029	17,027	0	1,408	251	6,242	0	25,957	0	859	1,159	18,858	5,081	25,957
22	2035.36	1,045	17,297	0	1,429	255	6,398	0	26,425	0	885	6,513	19,026	0	26,425
23	2036.37	1,060	17,792	0	1,451	259	6,558	0	27,120	0	911	917	19,415	5,877	27,120
24	2037.38	1,076	18,077	0	1,472	263	6,722	0	27,611	0	938	6,602	19,742	330	27,611
25	2038.39	1,856	31,005	0	1,494	592	6,890	0	41,839	0	965	903	20,096	19,875	41,839
26	2039.40	1,884	31,492	0	1,517	601	0	0	35,494	0	992	6,561	20,458	7,483	35,494
27	2040.41	1,912	32,229	0	1,540	610	0	0	36,291	0	1,020	522	20,943	13,806	36,291
28	2041.42	1,941	32,737	0	1,563	619	0	0	36,860	0	1,048	6,929	21,320	7,564	36,860
29	2042.43	1,970	33,508	0	1,586	629	0	0	37,693	0	1,082	522	21,703	14,386	37,693

APPENDIX 11

<u>Heating Fund Charges 2014/15</u>				
<u>Estate/Block</u>		Type of Fuel	Price Increase to Tenants 2014-15	Comments
ALMA		GAS	No Increase	
BLISS AND PURCELL		GAS	No Increase	
Gas Sheltered Housing		GAS	Reduction	Each property will have reductions between ££0.64 to £3.44 as the full contingency is not needed in the 2nd year of charging on a block by block basis
Scott House		OIL	New charge	Standing charge of £3.95 per week per tenant to cover the admin costs of the company managing the collection of Income; Energy management unit costs for paying the gas bills; Electric pump costs etc. A tariff will be introduced at £0.1108 per kwh
MAIN FUND (Includes all Electric tenants and Pruden close (Oil Heated block)		Electric and Oil	5.91%	5.91 % Increase to tenants and leaseholders. There is an estimated 7% increase for Electric Bills from Oct 14 but we could reduce this as the expensive Ladderswood Oil Fuel Estate and Oil Fuel Scott House tenants are taken away from the fund making savings to the Electric tenants fund) . Increase will range from £0.24 to £1.76 per week increase
LADDERSWOOD ESTATE		OIL	No increase	Boiler at Curtis house to be decommissioned, tenants to go to individual heating; gas in Betspath, Lorne and Roberts, electric in Mason and Danford

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MUNICIPAL YEAR 2013/14 REPORT NO: 180**MEETING TITLE AND DATE:**Cabinet: 12th February 2014**AGENDA PART 1****ITEM: 8****Subject: Revenue Monitoring Report
2013/14: December 2013****Wards: All****Report Of:**Director of Finance, Resources and
Customer Services**Contact:**

Isabel Brittain: 0208 379 4744

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of December 2013. The report forecasts an outturn position of £0.388m overspend for 2013/14.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the £0.388m overspend revenue outturn projection.
- 2.2 Directs departments reporting pressures to formulate and implement action plans to ensure that they remain within budget in 2013/14.

3. BACKGROUND

- 3.1 The Council's revenue expenditure against budget is monitored through regular reports to the Corporate Management Board and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council as a whole, and give details of any projected additional budget pressures and risks, or any significant underspends. Where departments are reporting projected overspends management action will be undertaken to ensure expenditure is reduced to budget.
- 3.2 The Revenue Monitoring Report is a result of the monthly monitoring process carried out by Departments, which is based on the following principles to ensure accuracy, transparency and consistency:
 - Risk assessments, to enable greater emphasis to be placed on high-risk budgets throughout the year.
 - Comparisons between expenditure to date, current budgets and budget profiles.
 - Expenditure is predicted to the year-end, taking account of seasonal

fluctuations and other determinants of demand.

- The 'Key Drivers' that affect, particularly, the high-risk budgets are monitored and reported to Department Management Teams.
- Action plans to deal with any areas that are predicting or experiencing problems staying within agreed budgets are produced.

3.3 This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, the variations in this report are deliberately limited to +/- variances of £50,000 or over in order to provide a greater strategic focus.

3.4 A summary overview of financial performance is outlined below in Table 1. It is designed to capture the key messages across the Council's main financial areas, namely:

1. Income and expenditure;
2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
3. Cash flow forecasting and management.

Table 1: Summary performance overview

Area of review	Key highlights	Risk Rating		
		September	October	November
Income and expenditure position	<ul style="list-style-type: none"> • Year-end forecast variances of £0.388m overspend have been identified to date in relation to General Fund net controllable expenditure. Budget variances identified to date will need to be managed closely to ensure timely appropriate action can be taken. 	Amber	Amber	Amber
	<ul style="list-style-type: none"> • Improved focus on budget profiling across all departmental budgets will continue to be applied in order to better reflect predicted net spending patterns throughout the year. This will change to green when we are satisfied that the profiles for 13-14 are correct with managers working with accountancy teams to fine tune this work. 	Amber	Amber	Amber
	<ul style="list-style-type: none"> • The HRA is projecting a £1.3m underspend for year-end outturn against budget as a result of a significant reduction in the level of bad debt provision required relating to the recent welfare reforms (section 7). 	Green	Green	Green
Balance Sheet	<ul style="list-style-type: none"> • The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return. 	Green	Green	Green
	<ul style="list-style-type: none"> • The year-end projections for General Fund balances are in line with the Council's Medium Term Financial Strategy target levels. 	Green	Green	Green
Cash flow	<ul style="list-style-type: none"> • The Council's cash balances and cashflow forecast for the year (including borrowing) will ensure sufficient funds are available to cover planned capital and revenue commitments when they fall due. 	Green	Green	Green
	<ul style="list-style-type: none"> • Interest receipts forecast for the year are on target with budget. 	Green	Green	Green

4. DECEMBER 2013 MONITORING – GENERAL FUND

4.1 A summary of the departmental and corporate projected outturns and variances against budget is set out in Table 2 as follows:

Table 2: Forecast Outturn Table- Net Controllable Budget / Projected Outturn

December 2013		Net Controllable Budget			
Department	Original Budget	Approved Changes	Approved Budget	Projected Outturn	Projected Variation
	£000s	£000s	£000s	£000s	£000s
Chief Executive	3,525	159	3,684	3,684	0
Environment	27,628	2,222	29,850	29,701	(149)
Finance, Resources & Customer Services	41,449	2,997	44,446	44,446	0
Health, Housing and Adult Social Care	95,697	3,437	99,134	99,134	0
Regeneration, Leisure & Culture	8,974	449	9,423	9,423	0
Schools & Children's Services	54,096	1,917	56,013	56,550	537
Total Department Budgets	231,369	11,181	242,550	242,938	388
Contribution to / from balances	0	(3,374)	(3,374)	(3,374)	0
Collection Fund	(1,086)	0	(1,086)	(1,086)	0
Corporate Items	29,282	(7,807)	21,475	21,475	0
Government Funding	(163,223)	0	(163,223)	(163,223)	0
Council Tax Requirement	96,342	0	96,342	96,730	388

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & PROJECTED SAVINGS

5.1 Chief Executive's Department

The department is currently projecting a balanced budget. There are no current budget variances over £50k to report.

5.2 Environment

The department is currently projecting an underspend of £149k, explanations for variances over £50k (totalling -203k) are detailed below:

- +£215k – Continued loss of income from Building Control fees due to the continuing low level of building construction activity in the current economic climate.
- +£230k – Continued underachievement in Planning fees as a result of recent changes in planning regulations and a decrease in number of

major planning applications. The change from the previous month's forecast is due to the service incurring external legal fees.

- -£222k – Underspend in Waste Operations due to delay in recruitment within Street Cleansing and a reduction in clinical waste collection costs following the change in the routing of work from 5 days to 2 days per week. The change from last month is due to reduced cost of staff required in undertaking leaf clearance because of the implementation of new street cleansing vehicles and a reduction in the number of vehicles currently used across the service.
- -£237k - Underspend in leasing costs as a result of the decision to introduce a nine year replacement cycle for the majority of waste vehicles following a review of the vehicle replacement programme undertaken recently. The changes have led to the re-profiling of the outstanding internal leasing payments for these vehicles over their remaining life, resulting in a short term reduction in annual charges until the vehicles are disposed of.
- -£189k - Over achievement of cemeteries income in Parks client due to the increased supply for traditional burial plots at Edmonton Cemetery.

5.3 Finance, Resources & Customer Services

The department is currently projecting a level spend. Explanations for variances over £50k are detailed below:

- There is a projected £300k pressure from the cost of external legal costs for additional safeguarding & contractual demands. These costs will be funded from the specific provision within the Council's contingency.
- There are two underspends in the department the first relates to reduced Audit Fees of £124k, and there has also been a reduction in insurance premiums of £150k.
- There is currently a £278k budget risk relating to Community Alarm expenditure increased costs. HHASC have agreed to fund costs up to £200k on this service.
- Property Services have continued to be affected by the general downturn in the economy with lower occupancy rates of commercial / industrial sites and the resultant loss of rentals. There is a specific provision within the Council's contingent items to recognise this but the department will continue to work hard to maximise the use of all commercial properties. (+£500k). There is a report being prepared to draw down these funds from contingency.
- Property Services have also has incurred additional expenditure from the increased provision of security including boarding-up and CCTV costs to protect Council sites (+£200k).

5.4 Health, Housing & Adult Social Care

The department is currently projecting a year end outturn variance of nil. Explanations for variances/ movements over £50k are detailed below:

- -£462k Strategy & Resources continue to forecast a year end underspend arising from the early achievement of housing related support savings, maximising one-off resources and reduced commitments across the service. The movement in month is mainly due to a detailed review of commitments against a net budget of £17 million.
- +£450k The Learning Disabilities service continue to project an overspend position. The service operates a monthly efficiency programme that reviews progress against savings and manages demand for services during the year.
- +£200k The Customer pathway are projecting care purchasing overspend against a net budget of £30m, which will actively be reviewed and managed throughout the remainder of the financial year.
- -£245k The Provider service is projecting an underspend, due to an over achievement of income from client receipts and reduced operational costs, The movement in month of £26k is due to a further increase in client receipts and a reduction in forecast agency costs.
- +£50k the care purchasing contingency is held centrally to manage demand across the department. It will be allocated during the year to individual services as required, once all management actions to absorb the pressure within the service have been exhausted. The movement from last month represents a contribution of forecast underspends across HASC to fund the additional £1m 2014/15 medium term financial plan commitments.

The departmental forecast excludes a number of grants and current project carry forwards:

- NHS Social care grant - The NHS social care grant is £4.6m. The 2013/14 forecast spend on jointly agreed projects is circa £2m, based on the Quarter 2 spending plan with an additional one off contribution of £2.1m in 2014/15 to cover demographic pressures (rising to a cumulative contribution in the council medium term financial plan of £11m by 2016/17).
- Public Health grant - The Public Health grant of £12.9m allocated to the authority in 2013/14 is projected to underspend by £760k. This is due to delays in recruiting to the new staffing structure and progress on specific Public health funded projects. It should be recognised that there is material risk associated with the demand led PH services which may impact of year end forecast, particularly for sexual health services. The Public Health grant is ring fenced and as per the Department of Health guidance and underspends will be carried forward into the next financial year to meet the grant conditions.

Community Housing

There is currently an overspend projection of £204k for 2013/14. This overspend will be managed within the Initiatives Reserve Fund leaving the Community Housing Division in a balanced position for 2013/14.

There is a net overspend of £576k on the rental portfolio (Gross overspend £3.225m less funding of £2.649m) and this is due to the increased cost of temporary accommodation procurement. In addition there is an £50k overspend of on bad debt provision.

It should be noted that the funding used to offset this pressure is one off and will not be available in 2014/15. This has been recognised and the pressure has been included in the Council's medium term financial planning from 2014/15 onwards.

The overspend on rents is offset by underspends of £200k on furniture storage and repairs budgets due to reduced number of Private Sector Leases; £44k on refund of deposits and £178k on other miscellaneous budgets.

This budget pressure is after the use of Discretionary Housing payments (DHP) made to tenants to offset the bad debt pressure in 2013/14. DHP may not be available and current level will lead to an anticipated budget pressure in 2014/15.

5.5 Regeneration, Leisure & Culture

The department is currently projecting a nil variation from approved budget and there are no current variances over £50k to report.

5.6 Schools & Children's Services

Departmental (General Fund Budget)

Schools and Children's Services are currently projecting an overspend of £537k. Within this there are a number of individual budget areas with projected variances over £50k. Explanations for these are detailed below:

- Catering Service - the previously reported underspend resulting from the increased take up in the school meal service has reduced this month to £265k due to additional produce costs.
- Early Years' Service - an underspend of £254k is forecast due to reduced expenditure in the project budget and the application of trajectory grant funding of approximately £170k to fund the work undertaken by this team on ensuring the provision of two year old places.
- Schools Early Retirement Enhancement Pensions - a review of the expenditure chargeable to this provision has identified a saving of £75k.

- Progression & Pathways – an underspend of £70k is anticipated as a result of transferring staff to DSG funding.
- Educational Welfare - an underspend of £92k is reported due to staff vacancies (£52k) and additional income (38K).
- Asset Management - a review of staffing forecasts, consultancy costs and a projection of which costs can be recharged to capital projects has been completed and indicates an overspend of approximately £339k.
- The Lettings Agency team are reporting an overspend of £98k as a result of cover for maternity leave plus a general reduction in income from schools & academies choosing not to use the service.
- Schools Project Team - an overspend of £131k is reported as a result of staffing costs that cannot be recharged to projects plus other miscellaneous expenses on surveys and valuations.
- Special Educational Need - staffing costs are projected to overspend by £59k due to continuing consultant and agency costs
- Child & Family Commissioning - an overspend of £75k is reported primarily due to interim cover for vacant posts.
- Children's Centres - a saving of £212k is projected against the commissioning budget as a result of a planned reduction in spend in order to contain the departments projected overspend.
- Strategy, Planning & Performance - an overspend resulting from a delay in the Commissioning and Community division restructure (£205k) has been partially off-set by an underspend (£96k) resulting from the early winding up of the Children's Services Trust resulting in a net overspend of approximately £109k.
- External Residential Child Care Placements - the projected overspend has increased to £469k due to an additional 10 agency fostering and 4 community homes placements required in December.
- Children in Need – Social Work Team – an overspend of £65k is reported as a result of higher translation and interpretation costs and the additional agency staffing required until the end of March to cover key team management and senior practitioner posts that cannot be left vacant.
- Prevention of Care Section 17 – an overspend of £74k is being reported. Discussions are still in progress to establish if some of the costs of accommodation and personal essentials can be funded from the Discretionary Housing Payments or the Emergency Support Scheme.

- No Recourse to Public Funds - a projected overspend of £453k is based on the 98 families we have supported during 2013/14 so far. This is an increase of 4 families since last month. As it is becoming more difficult to resolve the immigration status of these clients the costs are increasing as families are now being supported longer with resultant additional costs. In an attempt to mitigate this expenditure we are in the process of actively lobbying Government on this issue.
- In-House Fostering - is now projecting an underspend of £32k, which is a decrease of £125k since November. This is due to use of an earmarked reserve of £160k which was set aside from the 2012/13 departmental underspend to offset a potential increase in the allowances payable to connected carers (friends and families) following the Tower Hamlets judgement in 2013. The projection now includes provision for the increase in allowances to these carers subject to them completing the necessary training. There were also 3 new and 3 planned foster placements in December.
- Section 20 - Additional LAC Placement Expenses. A projected increased underspend of £180k is based on last year's actual expenditure and current spending levels.
- Leaving Care - the service is projecting an overspend of £119k due to increasing numbers of clients requiring accommodation and support.
- Unaccompanied Asylum Seekers - the service is projecting an overspend of £186k. The budget is now supporting an additional 454 Unaccompanied Asylum Seeking Children (UASC) client weeks and the average costs of supporting them has also increased by £223 per week. This increase is due to a shortage of suitable accommodation for the recent arrivals but it is expected that a new service provider will soon be able to provide more cost effective accommodation.
- Former Unaccompanied Asylum Seeking Children now 18+ - This service is projecting an overspend of £140k. The accommodation costs for this client group have increased this year due to additional UASC turning 18. The overall client numbers are still below the 25 full time equivalent threshold at which point this expenditure becomes eligible for government grant funding.
- Youth & Family Support Service – is reporting an underspend of £89k as a result of staffing vacancies and a review of running expenses throughout the service.
- Joint Service for Disabled Children – Cheviots – this service is now reporting an underspend of £85k following a review of service user requests for its overnight breaks service, play scheme and transport needs.

- Graduate Social Worker Training Programme - A freeze has now been placed on new recruits to this programme as the recruitment and retention of social workers has improved. This will result in an underspend of £189k.
- Departmental Risks
 - The LAC, Leaving Care and UASC external care purchasing budget projections may show increased spending as new placements are made or existing placements are extended beyond their current projected end dates.
 - Youth Justice Secure Remand Pressures - with effect from November 2012 the new Youth Sentencing proposals started to impact upon the Council as those young people remanded into secure custody obtained LAC status.
 - Welfare Benefit Changes - these were introduced in April and an impact has been noticed with an increase in the number of CiN referrals. At present no specific cost pressures are being identified as a result of these changes.
 - Youth Service - The My Place Project building works are completed however there is a potential dispute with the contractor which could result in additional costs to the council which cannot be funded from the capital budget. Project officers are currently assessing the contractors claim and they will be aiming to minimise any compensation payment as it would need to be funded from the Youth Service revenue budget.
 - Transport – The estimated outturn figures are still to be determined. Discussions between SCS and Environment are to be held in the near future to finalise the position.

Schools Budgets - These variations do not form part of the General Fund position.

The Schools Budget is currently projecting an overspend of £326k. The substantial items are:

Special Needs Education - a net underspend of £81k is the result of underspends of £224k and £200k currently reported respectively for Independent Residential and Independent Day Services both due to projected savings against contingency provisions. These underspends are reduced by an overspend on Speech & Language Therapy costs.

A probable overspend of £50k for Carbon Reduction Credits based on last year's actual charge.

A net overspend of £51k reported by Schools Repairs & Maintenance, the main item being an overspend of £90k as a result of fire precaution works within Secondary Schools.

An £146k overspend reported by Hire of External Premises the main items being unbudgeted security costs and energy costs totalling £126k relating to the Bell Lane site.

An £86k overspend reported by the Nursery Education Grant based on latest pupil numbers.

6. OTHER GENERAL FUND ITEMS

6.1 Treasury Management and Cash Flow Analysis

Treasury management activities have been affected by the Government's lending for borrowing policy which has meant that interest paid on deposits has fallen.

This has however been counterbalanced to some extent by the new Treasury Management Strategy, which has increased our maximum lending period from three months to one year.

The Council cash flow position has also been affected by the change in timing in which local government now receives Revenue Support Grant. This in effect will mean we have higher cash balances over the first two months of the financial year.

During the month a Call Account was opened with Handelsbanken (they have a local branch in Enfield) which has meant the Authority has been able to move funds from lower interest accounts into the new account. This move will should yield an additional £32k per year.

Long term borrowing has increased to reflect the Salix loans (interest free loans) to fund the Council's refit programme on solar panels. No other long term borrowing has been undertaken during the year.

The Authority has also started to re-finance the maturing short term debt on its short-term loans. We have borrowed ahead of maturity on some loans to take advantage of favourable rates being offered.

The Treasury Management position as at 31st December is set out below:

	Position September £m	Position October £m	Position November £m	Position December £m
Long term borrowing	265.2	266.2	266.2	266.8
Short-term borrowing	22.0	37.0	37.0	37.0
Total borrowing	287.2	303.2	303.2	303.8
Total investments	(72.0)	(80.5)	(73.7)	(57.3)
Net debt	215.2	222.7	229.5	246.5

London Borough of Enfield Investments at 31st December 2013

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
Call Accounts						
HSBC Bank PLC	£1,000,000		On demand	0.40%	1	AA-
Royal Bank of Scotland PLC	£12,500,000		On demand	0.50%	1	A
Svenska Handelsbanken	£12,500,000		On demand	0.60%	1	AA-
Money Market Funds						
Ignis	£3,800,000		On demand	0.44%	1	AAAm
Termed Deposits						
Barclays Bank PLC	£7,500,000	10 th April 13	9 th March 14	0.82%	68	A
Nationwide Building Society	£7,500,000	12 th April 13	11 th April 14	0.72%	101	A+
Lloyds Bank PLC	£7,500,000	7 th May 13	7 th May 14	0.75%	127	A
Lloyds Bank PLC	£5,000,000	15 th Oct 13	22 nd April 14	0.75%	112	A
Total - Investments	£57,300,000		Average	0.62%		
Number of Investments	8					

London Borough of Enfield Short Term loans at 31st December 2013

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Slough Borough Council	£4,000,000	15 th Jan 2013	14 th Jan 2014	0.45%	14
Wakefield Met District Council	£5,000,000	1 st Mar 2013	11 th Feb 2014	0.5%	42
Humber Fire Authority	£1,000,000	15 th Mar 2013	28 th Feb 2014	0.40%	59
Humber Bridge Board	£2,000,000	28 th Mar 2013	27 th Mar 2014	0.40%	86
Hertfordshire County Council	£5,000,000	30 th Oct 2013	30 th July 2014	0.46%	211
Wokingham Borough Council	£3,000,000	15 th Oct 2013	18 th Sept 2014	0.45%	261
Bath & Northeast Somerset District Council	£5,000,000	4 th Oct 2013	3 rd Oct 2014	0.47%	276
South Yorkshire Joint Secretariat	£5,000,000	10 th Oct 2013	8 th Oct 2014	0.45%	281
South Yorkshire Joint Secretariat	£5,000,000	9 th Oct 2013	9 th Oct 2014	0.45%	282
Solihull MBC	£2,000,000	29 th Oct 2013	28 th Oct 2014	0.45%	301
Total	£37,000,000		Average	0.45%	

6.2 Corporate Items (Including Contingency & Contingent Items) General Fund

The Council maintains a general contingency of £1.0m. There are also a number of contingent items set aside for various purposes. These budgets are monitored and allocated throughout the year and any variance is reported to Cabinet.

7. HOUSING REVENUE ACCOUNT (HRA) PROJECTED £1.312M UNDERSPEND

An updated position on our outstanding loan premium payments has been provided by Treasury Management, the outstanding loans have now been almost fully paid and the outstanding payment is significantly lower than expected resulting in a saving of £70k

An overspend of £51k in the payments for council tax on void properties has been identified due to an increase in the amount of Estate Renewal decants.

The estimated number of RTB's was 40 for the year, at the end of September there have been 63 RTB's to date. Therefore we estimate the number to be around 80 for 2013/14, this will result in additional income of £114k.

Additional income of £39k from shops has been identified this month. This may change if the proposal to sell off some Hertford Road shops is agreed.

An under-recovery of income in dwellings rent and service charges of £300k has been identified due to an increase in the void rate, the estimated void rate was 1.6% but the current rate is 1.94%

An under-recovery of income in garages rent of £60k has been identified due to an increase in the void rate, the current void rate is 58.24% compared to an estimated rate of 55%.

The bad debt calculation has been reviewed and a saving of £1.5m has been identified. Additional budget was added to the bad debt provision to account for the changes to welfare reform, this budget is now not needed as the tenants are receiving discretionary housing payments directly through benefits to cover any shortfall. The remaining £500k budget set aside for bad debt is being monitored closely and it is expected that a contribution is to be made.

8. ACHIEVEMENT OF SAVINGS

8.1 The 2013/14 Budget Report included savings and the achievement of increased income totalling £13.147m to be made in 2013/14.

8.2 To date £12.612m of savings (96%) are classified as Blue or Green (on course for full achievement). £235k are currently Amber with £300k currently classed as Red. Appendix 1 provides supporting information for the Amber / Red savings. The overall savings position in terms of traffic light classifications is set out below:

2013/14 Savings- Traffic Light Classification: December 2013

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
Chief Executive	0	0%	(50)	13%	0	0%	(343)	87%	(393)
Environment	0	0%	0	0%	(612)	44%	(772)	56%	(1,384)
Finance & Corporate Resources	0	0%	0	0%	(75)	5%	(1,367)	95%	(1,442)
Housing, Health & Adult Social Care	0	0%	(185)	4%	(98)	2%	(4,683)	94%	(4,966)
Regeneration, Leisure & Culture	0	0%	0	0%	(126)	23%	(417)	77%	(543)
Schools & Children's Services	(300)	12%	0	0%	(560)	23%	(1,555)	64%	(2,415)
Corporate	0	0%	0	0%	(2,004)	100%	0	0%	(2,004)
Total Savings for 2013/14	(300)	2%	(235)	2%	(3,475)	26%	(9,137)	70%	(13,147)

9. ENFIELD RESIDENTS PRIORITY FUND (ERPF)

The key aim of the ERPF is to address local need within wards, through the funding of specific projects, under the Council's wellbeing power (now general power of competence). The Fund was reduced to £1.4m for 2013-14 and the split of one third revenue funding and two thirds capital funding retained. The financing of the Fund was included as part of the budget build up for 2013-14. Each project bid is evaluated to determine if it constitutes revenue or capital expenditure and only expenditure which creates or enhances an asset is determined as Capital. The Fund has been increased by the carry forward from 2012/13 of funding not awarded of £229k. The revenue budget for the year has been fully allocated and a transfer of £300k of resources has been undertaken from capital to revenue to support the increased number of revenue projects being put forward by residents. The use of this fund will continue to be monitored and reported during the year and the effect on both the revenue and capital budgets considered accordingly.

Position as at 31 st December 2013	Capital £000's	Revenue £000's	Total £000's
Allocation 2013/14	933	467	1,400
Allocation c/fwd from 2012/13		229	229
Schemes approved to date:	(279)	(1,077)	(1,356)
Transfer of budget between Revenue/Capital	(300)	300	0
Balance currently available:	354	(81)	273

10. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

11. REASONS FOR RECOMMENDATIONS

To ensure that Corporate Management Board are aware of the projected budgetary position for the Authority for the current year including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the Council's finances over the period of the Medium Term Financial Plan.

12. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

12.1 Financial Implications

As the Section 151 Officer, the Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority, including the development of the 2014-15 budget and Medium Term Financial Plan. The monthly revenue monitoring is part of this review process and this latest monitoring report confirms that there is no deterioration in the financial position of the Authority whilst plans are in place to develop the 2014-15 budget and Medium Term Financial Plan.

12.2 Legal Implications

The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

12.3 Property Implications

Not applicable in this report.

13. KEY RISKS

There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan:-

- Achievement of challenging savings targets.
- State of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt.
- Uncontrollable demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.

Risks associated with other services are mentioned elsewhere in this report.

14. IMPACT ON COUNCIL PRIORITIES

14.1 Fairness for All – The recommendations in the report fully accord with this Council priority.

14.2 Growth and Sustainability – The recommendations in the report fully accord with this Council priority.

14.3 Strong Communities – The recommendations in the report fully accord with this Council priority.

15. EQUALITIES IMPACT IMPLICATIONS

The Council is committed to fairness for all to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

16. PERFORMANCE MANAGEMENT IMPLICATIONS

The report provides clear evidence of sound financial management, efficient use of resources.

2013/14 Budget & Medium Term Financial Plan (£'000)
 Red & Amber Savings December 2013

Ref No.	Proposal Summary (from template)	Risk	Total 2013/14	Remarks
Red Savings			£000's	
Schools & Children's Services				
SCS S14	Prevention Strategy Impact	Red	(100)	External Residential Child Care Placements are now forecasting an overspend due in part to a new secure welfare placement.
SCS S10	Management Review - Asset Management Team capitalisation	Red	(200)	A review of staffing costs and recharges has concluded that the saving will not be achieved.
Total Red Savings			(300)	
Amber Savings				
Housing, Health & Adult Social Care				
HHASC S3	New Residential packages - price improvement target	Amber	(46)	OLM have sent breakdown of cost for each placement. Phase two renegotiations of 10 placements, and audits of providers who did not comply with providing the cost breakdowns. So is amber but underway.
HHASC S2	PD Service Review of Residential Placements	Amber	(39)	Original negotiations with provider undelivered, proposal is to commission OLM to support in delivery of required saving target.
HHASC S5	Electronic Monitoring System	Amber	(100)	£30k of Saving achieved to date, the remainder is to be review based on the analysis of commissioned hours versus contact time.
Chief Executive				
CE6	Increased design and print income	Amber	(50)	Income levels are being closely monitored for this service. Until the income is "banked" the saving traffic light remains amber.
Total Amber Savings			(235)	
Total Red / Amber Savings			(535)	

MUNICIPAL YEAR 2013/2014 REPORT NO. **181**

MEETING TITLE AND DATE:

Cabinet – 12 February 2014

REPORT OF:

Chief Executive

Contact officer and telephone number:

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Email: tony.gilling@enfield.gov.uk

Agenda - Part: 1	Item: 9
<p>Subject: Reorganisation of the Regeneration, Leisure & Culture Department</p> <p>Wards: All</p>	
<p>Cabinet Member consulted: All</p>	

1. EXECUTIVE SUMMARY

- 1.1 Following the retirement of the Director of Regeneration, Leisure & Culture, this report proposes the deletion of the Director of Regeneration, Leisure & Culture post as part of the Council's transformation programme to meet the financial challenges in the next three years.
- 1.2 In line with the organisation design principles and the need to increase management spans of control, the functions under the Assistant Director Policy, Performance & Economic Regeneration and Assistant Director, Leisure, Libraries & Culture will transfer to a new Regeneration & Environment Department and Finance, Resources & Customer Services Department respectively. The respective teams will remain intact and the priorities for the Council will remain unchanged.

2. RECOMMENDATIONS

- 2.1 The post of Director of Regeneration, Leisure & Culture is deleted with effect from 1 April 2014.
- 2.2 Members note the transfer of the Assistant Director, Policy, Performance & Economic Regeneration and their responsibilities to the Environment Department and the Assistant Director Leisure, Libraries & Culture and their responsibilities to the Finance, Resources & Customer Services Department with effect from 1 April 2014.
- 2.3 The post of Director of Environment is renamed Director of Regeneration and Environment to reflect the realignment of functions and illustrate that economic, social and physical regeneration remains a priority for the Council.

3. BACKGROUND

- 3.1 On 24 November 2010 Cabinet agreed the creation of the Department of Regeneration, Leisure & Culture with effect from 2 January 2011. The department has been responsible for all aspects of social, economic and physical delivery, leisure services, libraries, culture and heritage and has been led by Neil Rousell.
- 3.2 On 2 December 2013, Neill Rousell tendered his notice to retire from the Council as Director of Regeneration, Leisure & Culture with effect from 31 March 2014. The creation of this vacancy provides the Council with an opportunity to review the allocation of the Regeneration, Leisure & Culture functions within the Council. Given the financial challenges the Council faces, it is proposed to delete the position of Director of Regeneration, Leisure & Culture and to integrate the responsibilities within other departments. This is in line with the Council's organisation design principles creating wider spans of management control and forms part of the Council's transformation programme.
- 3.3 The deletion of the Director post will save £177k and is consistent with the general trend in London councils to reduce the number of Directors. The London Councils Chief Officer Pay Survey in 2013 identified that from 29 London councils that replied, 14 now have an organisational model of 4 Directors or less. Furthermore, 16 out of the 29 do not have a Director with specific reference to regeneration in their post title. Where regeneration is quoted it is aligned with other functions, 6 with Environment, 3 with Housing, 2 with Enterprise and Skills, 1 with Major Projects and 1 Strategic Planning.
- 3.4 When the Regeneration, Leisure & Culture Department was created, it was recognised that in order to address the considerable regeneration challenges, there needs to be a coherent strategic 'One Council' approach. To deliver this, the organisational structure needs to be appropriately aligned and configured to address key strategic issues, support the delivery of more with less, focus on quality and value for money and help staff clearly understand and empathise with the contributions they can and will make towards improving the lives of residents in the borough. With these principles in mind, the core functions which currently reside in the Regeneration Department will be relocated as detailed below.
- 3.5 The Assistant Director, Policy, Performance & Economic Regeneration and the responsibilities under their portfolio will transfer to the new department with effect from 1 April 2014. The transfer of these responsibilities will facilitate cross departmental working and develop a more holistic approach. The realignment will enable the Council to retain the ability to internally and externally prioritise the regeneration agenda. To emphasise this point, the post of Director of Environment will be renamed Director of Regeneration & Environment.

- 3.6 With effect from 1 April 2014 the Assistant Director Leisure, Libraries & Culture and the responsibilities under their portfolio will transfer to the Finance, Resources & Customer Services Department (which delivers a significant number of customer services and the Customer Contact Centre). There is a strong organisational argument to align libraries, leisure & culture services with other customer facing services under one department structure in line with the organisation design principle of 'Do it Once' Also, moving the management of the Leisure Fusion contract under Corporate Resources will enable the service to benefit from the contract management, procurement and property expertise located within the department.
- 3.7 The services previously provided by the Regeneration, Leisure & Culture Department will be delivered by the same teams who will retain their discrete identity. This will ensure that service provision is not impaired and the delivery of Council priorities is not undermined.
- 3.8 The transfer of functions to other departments will create wider spans of management control which, in turn, will create additional workload and time commitments. However, it should be noted that there are strong senior management teams within each of the receiving departments which should have the management capacity to deal with the new demands.

4. ALTERNATIVE OPTIONS CONSIDERED

Retain current structure. However, this would be counter to the Council's organisation design principles and would place budget pressures elsewhere within the system.

5. REASONS FOR RECOMMENDATIONS

The deletion of the Director of Regeneration, Leisure & Culture post and redistribution of responsibilities will help the Council meet its savings targets, while simultaneously maintaining the delivery of value for money services and a more holistic approach to the regeneration agenda.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 The deletion of the Director of Regeneration, Leisure & Culture post will generate savings of £177k. These savings have been incorporated into the Council's budget for 2014/15.

6.1.2 The transfer of functions to other departments will be cost neutral as set out in paragraph 3.6. Any financial implications of

changed business support arrangements will be incorporated into a separate report as set out in paragraph 3.7.

6.2 Legal Implications

6.2.1 The general power of competence is set out in s. 1.1 of the Localism Act 2011 and states that “a local authority has power to do anything that individuals generally may do”, although public law principles still apply. The actions set out within this report are within the scope of this power.

6.2.2 The Council has a duty to ensure continuous improvement to ensure value for money in accordance with the Local Government Act 1999. The decisions set out in this report assist in ensuring that such continuous improvement/value for money is achieved.

6.2.3 The decision to transfer functions is an operational decision and is in accordance with the Scheme of Delegation set out at 3.4 of the Constitution.

6.2.4 The report proposes the deletion of a post following retirement of the Director of Regeneration, Leisure & Culture. Employees of local authorities are subject to the provisions of the Superannuation Act 1972, and the detailed regulations made thereunder, including the Local Government Pension Scheme Regulations 1997 (as amended). Any relevant human resource policies must be applied to the retirement.

6.3 Property Implications

None.

7. KEY RISKS

See paragraph 3.6 and 3.7.

8. IMPACT ON COUNCIL PRIORITIES

8.1 **Fairness for All**

8.2 **Growth and Sustainability**

8.3 **Strong Communities**

The realignment of Regeneration, Leisure & Culture services aims to build on the successes of initiatives to date with a view to meeting Council priorities

9. EQUALITIES IMPACT IMPLICATIONS

No implications.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Aligning the Regeneration, Leisure & Culture functions with other corporate functions will provide a more holistic approach and aid the realisation of the Council's regeneration agenda.

11. HEALTH AND SAFETY IMPLICATION

None.

12. HR IMPLICATIONS

Using national wastage as a means of meeting the budget demands will reduce the number of compulsory redundancies required in the future.

13. PUBLIC HEALTH IMPLICATIONS

None.

Background Papers

None

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MUNICIPAL YEAR 2013/2014 REPORT NO. 183

MEETING TITLE AND DATE:
Cabinet - 12th February 2014

JOINT REPORT OF:
Director - Environment
Director of Health, Housing & Adult
Social Care

Agenda – Part 1	Item - 11
Subject: Enfield Council Grounds Maintenance and Housing Grounds Maintenance Contract	
Wards: ALL WARDS KDs: 3841/3842	
Cabinet Members consulted: Councillor Chris Bond Councillor Ahmet Oykenner	

Contact officer and telephone number: Mike Vassiliou 020 8379 3518

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1. EXECUTIVE SUMMARY

- 1.1 This report details the evaluation exercise for the Enfield Council, and Housing Grounds Maintenance Contracts, which was tendered through London Tenders Portal in November 2013.
- 1.2 The Contract period is for 5 years. It is to commence on 1st April 2014, expiring on 31st March 2019, subject to the provision of a five year extension or part thereof.

2. RECOMMENDATIONS

- 2.1 That Cabinet notes and approves the award of the Enfield Council Grounds Maintenance Contract and Housing Grounds Maintenance Contract (G/MD369 and G/MD370 respectively) to the contractor listed in Part 2 of this report, to commence on 1st April 2014 for a five-year term with five year extension or part there of.
- 2.2 To note that the details of the evaluation exercise are contained in part 2 of this report on this agenda.

3. BACKGROUND

3.1 At present the Corporate Grounds Maintenance and the Housing Grounds Maintenance programme, revenue and capital works are delivered by a single Contractor on behalf of the London Borough of Enfield.

3.2 This report recommends that the new Contracts are also let to one Contractor to ensure that the Council achieve value for money, and also continuity of service delivery across Enfield Council and Enfield Homes.

3.3 The contract let is as follows:

- Enfield Council Grounds Maintenance Contract, which will include all Highway Grounds Maintenance works,
- Housing Ground Maintenance Contract – This will be managed by the Councils Arms Length Management Organisation (Enfield Homes) and will include all the Housing areas in the borough.

3.4 The existing Contract commenced on 9th February 2009 for an initial 3 year period, plus up to two 1 year extensions.

3.5 The existing contract was granted approval to be extended for the further 2 years in February 2012 and subsequently again for an additional month, to align the contract end with the end of the current financial year (31st March 2014).

3.6 The new contract was developed for the services detailed below, for commencement on 1st April 2014, and is subject to Transfer of Undertaking (Protection of Employment) Regulations (TUPE).

<ul style="list-style-type: none"> ▪ Reactive Grounds Maintenance Works ▪ Routine Grounds Maintenance Works for Grass Cutting ▪ Hard surface weed spraying 	<ul style="list-style-type: none"> ▪ Routine Grounds Maintenance Works for Shrubs verges/shrub beds ▪ Routine Maintenance Works for Hedge/Hedgerows ▪ Programmed Projects
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3.7 Whilst the present Highways contract specification was found to be working well, with high customer satisfaction, it was considered appropriate to make minor amendments to maximise value for money without needing to make significant changes to daily cutting cycles. The specification for Highways Grounds Maintenance was amended as follows:

- The Contract length has been increased to 5 years, with an optional 5 year extension. This allows the Contractor to spread the cost of new plant over an optimum period. The longer contact period also allows the Contractor to build in opportunities for Apprenticeships.
 - The Countryside footpaths have been reduced from 8 to 4, which will provide habitat opportunities and increase bio diversity.
 - The reinstatement of grass verges on every grass cutting cycle has been removed, as this had been inconsistent and difficult to manage.
 - The opportunity for the Contractor to recycle green waste has been offered within our Parks.
 - A number of rights of way were added to the schedule, which had previously been the subject of complaint.
- 3.8 Housing have kept their current specification, although have added additional requirements relating to the cutting of domestic gardens, and digital mapping of estates.
- 3.9 Although the above services are to run simultaneously for Enfield Council and Housing, the two contracts will be let separately because they each have separate contract specifications; however the two contacts can potentially be managed jointly in the future.
- 3.10 For the Enfield Council Grounds Maintenance Contract, the services will be for all Principal Roads, Classified Roads, District Roads, Public Footpaths/Cycle ways, Amenity Spaces and Public Car Parks.
- 3.11 For the Housing Grounds Maintenance Contract the services will be for all Council owned Housing Estates in and outside of the Borough and the contract will be managed by Enfield homes.
- 3.12 In July 2013 Pre Qualification Questionnaires were uploaded on to the London Tender Portal to gain expressions of interest, for the provision of these services. Twelve companies expressed an interest and returned a completed questionnaire.
- 3.13 Following evaluation six companies were selected to Tender for the contract. Tender documents were issued in November 2013 via London Tenders Portal. Completed tenders were returned on the 9th December 2013.
- 3.14 The tender documents were developed using the Council's Standard Condition of Contract.
- 3.15 From the original six companies selected five tenders were returned with one company withdrawing.
- 3.16 This contract has been tendered and evaluated on the basis of most economically advantageous to the council. This was based on a 30/70 Quality/Price ratio.

- 3.17 The tender documentation consisted of two parts, namely the completed Technical Questionnaire (Quality Submission) and the Schedule of Rates Submission.
- 3.18 A panel of six people were selected of representatives from the Highway Grounds Maintenance Section, and representatives from the Enfield Homes, which included officers and residents representation.
- 3.19 As part of the Technical Questionnaire (Quality Submissions) for both contracts, the evaluation panel conducted Contractor interviews on 16th / 17th December 2013. These interviews were conducted to clarify the Contractors written submission.
- 3.20 The financial assessments were undertaken in three separate stages. Each area had an evaluation model developed to reflect the delivery of Reactive Maintenance, Routine Maintenance and the current service delivery for Programmed Projects.
- 3.21 The criteria for the Award of the tender was stated under Item 16 (Award Criteria) in the Instructions for Tendering that were sent out as part of the Contract Documents prior to the tender period.
- 3.22 These contracts include a requirement for the contractor to pay their employees the London living wage.

4. ALTERNATIVE OPTIONS CONSIDERED

None to be considered.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The Tender received from the contractor listed in Part 2 of this Report is recommended for acceptance as their tender achieved the highest overall combined (financial and quality) evaluation score, in accordance with the Tender requirements.
- 5.2 The evaluation process is detailed in part 2 of this report.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The current budget for Enfield Council Grounds maintenance service (Routine Maintenance) is £424,110. The current contract cost is £456,198, which includes the compounded annual contract adjustment for 2012/13, and 2013/14. This gives a current budget pressure of £33,088.

- 6.1.2 The proposed contract value for the Enfield Council Grounds maintenance service with Ground Control is £361,997.91 plus depot costs of £6,000. Therefore, there will be a saving of 56k per annum compared to the current budget. This equates to £280k over 5 years.
- 6.1.3 This saving is included in the Medium Term Financial Plan for the Environment Department (MTFP reference ENV14 S08). The proposed contract value will also mean that the Council has avoided costs of £33k per year compared to the current actual expenditure, which equates to 165k over 5 years.
- 6.1.4 The current budget for Housing Grounds maintenance service (Reactive & Routine Maintenance) is £604,298. The proposed contract value for the Housing Grounds maintenance service with Ground Control is £575,213.94 including Routine and Reactive Maintenance plus depot costs of £6,000. Therefore, there will be a saving of 23k per annum compared to the current budget. This equates to £115k over 5 years.
- 6.15 The tender documents for Housing have included new specifications to survey and map each Housing Estate and provide updated GIS data and estate Maps. The total of these new specifications totals 67.6k per annum. Although included in the contract sum of 575k above it is not a contractual requirement and if not used would provide a potential contract saving to Housing of £455,000, over the 5 year contract period.
- 6.1.6 The programmed costs stated in the tender evaluation are to enable the comparison of bids only and not contract sums. The programmed works are for one-off projects funded via capital or revenue. The programmed works are non-contractual works. Any cost incurred by Enfield Homes on the programmed works will be funded from existing HRA resources. The cost incurred by the Council will be met through existing capital or revenue resources when required.

6.2 Legal Implications

- 6.2.1 Pursuant to S.96 of the Highways Act 1980, the Council has the power to maintain its highways including trees, shrubs and grass verges on the public Highway. The Council further has a duty under both the common law and legislation including the Occupiers Liability Acts 1957 and 1984, Health and Safety at Work etc Act 1974 and the Management of Health and Safety at Work Regulations 1999 to take such care as is reasonable in all the circumstances to ensure that individuals do not suffer injury on its premises and that it does all that is reasonably practicable to ensure that people are not exposed to risk to their health and safety. Under the Public Health Act 1875 and Open Spaces Act 1906 the Council has the power to provide open spaces and to manage and control them, and by virtue of s.111 of the Local Government Act 1972, the Council has the power to do anything

(whether involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of this function. Section 1 of the Localism Act 2011 further empowers the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. The recommendations in this report are in accordance with these powers.

- 6.2.2 The value of the contract is above the EU procurement threshold, however as the relevant service is a 'Part B Service' the full rigours of the Public Contract Regulations 2006 do not apply. The client has confirmed that the procurement has been carried out in accordance with the Council's Constitution, in particular the Contract Procedure Rules, and the EU principles of transparency, equal treatment, proportionality and non-discrimination.
- 6.2.3 The Council will comply with the provisions of the Transfer of Undertakings (Protection of Employment) Regulations.
- 6.2.4 The resultant contract must be in a form approved by the Assistant Director of Legal Services.

6.3 Property Implications

There are no Property implications for this report

7. KEY RISKS

- 7.1 **Challenge received prior to award** - The evaluation criteria is transparent and clear guidance was provided to bidders on how their bids will be evaluated.
- 7.2 Any challenges will be robustly defended and considered by Legal.
- 7.2 **Award of contract delayed** - Ensure contingency plan in place to extend the current arrangement to continue with the service.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

- 8.1.1 The provision of maintenance and improvement works to the highway and other assets will provide benefits for all users of roads and footways in the borough.
- 8.1.2 Council Priority 1.16 – High quality accessible value for money, customer focused services are provided

8.2 Growth and Sustainability

8.2.1 The letting of this contract will enable Enfield to protect its Environment through the effective delivery of projects and maintenance of the highway assets.

8.2.2 Council Priority 2.2 - Improve the public realm, introducing better design, cleaner streets, and a greener, more sustainable environment.

8.3 Strong Communities

Effective local partnerships working to improve the health and wellbeing of all Enfield's residents. Delivery of the Safer and Stronger Community Board priorities and improved community safety in public spaces (e.g. parks and retail areas)

9. EQUALITIES IMPACT IMPLICATIONS

It is not relevant or proportionate to carry out an Equality Impact Assessment/Analysis of the award of Grounds Maintenance Contracts.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 The Contractors performance in delivering the service will have a direct impact on the Council's Vision and Priorities. The Contractor's performance will be assessed in the following categories

1. Contract Management
2. Customer Satisfaction
3. Operational Performance

10.2 An Incentive Schedule of Key Performance Indicators will be in place to take into account the above categories with targets that will be set by the Council or agreed with the Contractor. These will be reviewed and updated throughout the duration of the contract to ensure the contractors continued performance.

10.3 Performance monitoring will be a continuous process and Key Performance Indicators will be reported monthly at the contract progress meetings and yearly at the Strategic Board Meetings.

10.4 Where specific KPI targets set in the Incentive table are not met, then Low Service Adjustments will be deducted from the application of payments.

10.5 The Strategic Board will assess performance trends and seek to achieve continuous improvement by encouraging innovation.

- 10.6 Continuous achievement of satisfactory and improving performance will be a pre-condition of future contract extension.

11. HEALTH AND SAFETY IMPLICATIONS

The key health and safety message to remember is that both parties will have responsibilities under health and safety law, indeed from an enforcement perspective, in circumstances where contractors are used it is not uncommon for the employer of the injured contractor to be prosecuted under section 2, as well as the organisation who engaged the contractor under section 3. Good contract performance monitoring must be built into the contract.

12. HR IMPLICATIONS

TUPE applies to the incumbent Contractors staff. The transfer process will be carried out the new Contractor. It is anticipated that the current Grounds Maintenance Staff, the Administrator, and Contract Supervisor, and Contract Manager will TUPE across, and therefore there is likely to be continuity of staff between the existing contract and the new contract.

13. PUBLIC HEALTH IMPLICATIONS

- 13.1 The proposals will improve the public health for the residents, by the Council and the successful Tenderer meeting the obligation of the Social Value Act.
- 13.2 The proposal states that were possible they will be recruiting local staff, they will develop and implement an apprentice training scheme, recruiting apprentices and trainees. The contractor will also be involved in nurturing new talent from schools and local colleges, they will engage with local suppliers in order contribute to the local community economy.
- 13.3 The contractor will also work closely with the council to seek ideas and initiatives to contribute to the local community such as providing additional services at no additional costs and to provide shrubs, plants, bulbs etc. at cost to enhance the open spaces.
- 13.4 They are also engaged in reduce the pollution, by reducing there carbon footprint, in reducing their travel time and using more efficient plant and equipment.

Background Papers

None.

MUNICIPAL YEAR 2013/2014 REPORT NO. **184**

MEETING TITLE AND DATE:

Cabinet 12th February
2014

REPORT OF:

Director of Health,
Housing and Adult Social
Care and Director of
Finance, Resources and
Customer Services

Agenda – Part: 1
Item: 12
Subject: Investment in Private Rented Sector
Wards: All
Key Decision No: KD 3782
**Cabinet Members consulted: Cllr Oykenor,
Cllr Stafford**

Contact officer and telephone number: Hayley Coates - 020 8370 3087

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1. EXECUTIVE SUMMARY

- 1.1 There are increasing pressures on housing supply for residents of the borough; in particular, pressure on temporary accommodation has increased significantly, after a period of declining numbers and relative stability. In March 2010 there were 2,450 households in temporary accommodation which steadily reduced to 1,956 in March 2012 but began to increase again to 2,143 in March 2013 and then 2,188 by the end of December 2013. In the most recent comparison with other boroughs in September 2013, Enfield was ranked 7th highest nationally for the number of households in temporary accommodation, most of which are housed in the Private Rented Sector. As demand is outstripping the supply, temporary accommodation prices in the borough have increased, particularly for Nightly Paid Accommodation, which is currently used for approximately 480 households.
- 1.2 The introduction of the benefit cap at £500 per week has resulted in further challenges, as some large families in temporary accommodation are unable to meet their financial commitments and are falling into debt. Consequently, there is an estimated budget pressure of £3.328 million with a risk this could rise to up to £7.8 million in 2014/15, unless management action is taken to increase the supply of more cost effective accommodation and reduce the demand for the service.
- 1.3 The challenges faced in Enfield are not dissimilar to the national picture, which has seen an increase in the number of statutory homeless households. The Department of Communities and Local Government therefore commissioned Social Finance to develop an institutional investment scheme to increase the supply of long term, well managed, private rented accommodation for homeless households at rents comparable to Local Housing Allowance levels. Enfield was selected as a partner authority and has worked with Social Finance in recent months to assess the viability of such a proposal and develop a robust financial model.

- 1.4 As a result of this work it is proposed that the Council establishes a local authority company to own and manage a portfolio of houses, to make available to those residents primarily with housing need or at risk of homelessness. Properties will be purchased on a case by case basis using funding from the Public Works Loan Board (PWLB) or via external finance depending on the most viable option at the time of purchase. Whilst the company will initially focus on the purchase of existing properties, consideration will also be given to using funding for new build developments if deemed financially viable.
- 1.5 The Council will be able to increase the supply of value for money housing and quality accommodation for Enfield residents and to discharge its statutory duties for homelessness. In turn this will help to alleviate the pressures on the temporary accommodation budget, which are estimated at £3.328 with a budget risk of up to £7.8 million in 2014/15 if management action is not taken. It is proposed that a phased approach is taken to the purchase of housing in order to manage risk and test the effectiveness of this model. Given the significant values involved, the Council has sought independent expert advice on the complex legal matters and financial viability, including scrutiny on the financial model and a number of sensitivities, and also expert opinion on the tax payable by the proposed company.
- 1.6 This proposal is part of an overall strategy to address and therefore mitigate the increase in temporary accommodation pressure by securing local properties for local people. The structure of the model and proposed finance stream is in accordance with the investment options set out in KD 3808.

2. RECOMMENDATIONS

Cabinet is invited to:

- 2.1 Agree the principle of utilising appropriate investment to develop a portfolio of houses (through a wholly owned company), subject to properties meeting the agreed financial criteria.
- 2.2 Agree to establish a company limited by shares, wholly owned by the Council in line with the proposed structure set out in sections 3.16 - 3.20, to own and manage the properties.
- 2.3 Delegate to the Director of Finance, Resources and Customer Services, Director of Health, Housing and Adult Social Care, Cabinet Member for Finance and Property and the Cabinet Member for Housing authority via a Portfolio Decision to finalise the timing, profile of acquisitions and the detail of the funding arrangements for each phase of the portfolio development, based on the most viable finance stream available, type and level of housing need at that time, and the Council's best interests, including but not limited to:
 - Approval of the terms of the investment
 - The terms of any guarantee to be provided to support the provisions of the investment
 - The term of any loan agreement between the Council and the Company
 - Such others matters as are regarded as necessary to enable the provision of the investment and acquisition of the properties and their subsequent lettings and on-going management.
- 2.4 Note that the investment model proposed is consistent with the viable options identified in the Framework of Investment in KD 3808, as per paragraph 3.13.
- 2.5 Delegate to the Director of Finance, Resources and Customer Services, Director of Health, Housing and Adult Social Care, Cabinet Member for Finance and Property and the Cabinet Member for Housing approval via a Portfolio Decision to finalise the Terms of Reference and Company Memorandum and Articles of the local authority company proposed and other such matters necessary to (i) incorporate and register the company and (ii) facilitate the objectives identified in this report.
- 2.6 Note that all investment and treasury management decisions about future phases of the portfolio will be subject to the Council's existing arrangements for governance and specialist advice.
- 2.7 Agree that an annual review will be undertaken to review financial viability of the property portfolio.
- 2.8 Agree to seek approval from Council to add this borrowing to the capital works programme.

3. BACKGROUND

Motivation for Proposal

- 3.1 In recent years, the demand for quality housing that offers value for money for Enfield residents has continued to put pressure on supply. This is in part due to the relative buoyancy of the London jobs market and the relative attractiveness of property prices in some parts of the borough compared with elsewhere in London. Additionally, as a result of the Government's welfare reforms, people are preferring to move out of expensive parts of London towards areas where rents are more competitive, such as Enfield.
- 3.2 In particular, there are significant pressures on temporary accommodation, for which demand has increased significantly after a period of declining numbers and relative stability. In September 2013, Enfield was ranked 7th highest nationally for the number of households in temporary accommodation. At the end of December 2013 there were 2,188 households in temporary accommodation, most of which are housed in the Private Rented Sector. The introduction of the benefit cap at £500 per week has resulted in further challenges, as some large families in temporary accommodation are unable to meet their financial commitments and are falling into debt.
- 3.3 As demand is outstripping the supply, rents have increased, which has resulted in an increase in the number of families presenting as homeless. For example, in December 2010 approximately 10% of the reasons for homelessness in the borough were due to the loss of Private Rent tenancies. In June 2013, this had risen to approximately 70%. Temporary accommodation prices have also increased in the borough, as landlords move away from more cost effective Private Sector Leasing Schemes (PSL) towards the more financially lucrative Nightly Paid Accommodation (NPA), which is currently used for approximately 480 households.
- 3.4 The budget pressures were managed in 2013-2014 by allocating an additional £1.6 million to the temporary accommodation budget and utilising the Homelessness Earmarked Reserve to meet the increased costs of temporary accommodation and an increase in rents payable to landlords, to help compete with boroughs with greater financial resources, particularly those from central London. However, this is not sustainable going forward. Consequently, there is an estimated budget pressure of £3.328 million with a budget risk of up to £7.8 million in 2014/15 for temporary accommodation, unless management action is taken to increase the supply of more cost effective accommodation and reduce the demand for the service.
- 3.5 In addition to the financial pressures, the increased use of private rented sector properties and NPA limits the degree to which the Council can manage the supply as it is not within its control. A

placement that is not within the vicinity of Enfield is not always suitable for local residents with housing needs, who may need to remain within, or near to, the borough to continue their education, maintain close proximity to family members or for proximity to their place of work, so more cost effective accommodation in and around Enfield is essential.

- 3.6 The challenges faced in Enfield are not dissimilar to those nationally, where there has also been a sharp increase in market rents due to an increasingly limited supply. In 2011-12, 108,720 households in England applied to their local authority for homelessness assistance, representing a 22% rise since 2009/10.
- 3.7 The Department of Communities and Local Government (DCLG) therefore commissioned Social Finance to develop an institutional investment model, with the aim of substantially increasing the supply of long term, well managed, private rented accommodation for homeless households at rents similar to Local Housing Allowance levels. Social Finance undertook an initial feasibility study in 2012 which concluded that there was the potential to deliver the necessary yields to attract annuity fund investment at scale.
- 3.8 In light of the findings, the DCLG extended the scope of Social Finance to undertake more detailed work with a small number of local authorities to confirm the viability of the scheme; structure of the financial model and company structure; identification of a number of potential investors; and consideration of how best to mitigate the risks. Given the significant challenges faced in the borough, Enfield was selected as a partner authority to work with Social Finance, with a view to creating the key principles of a model that can be used nationally by other local authorities.

Proposal

- 3.9 Detailed work has been undertaken to review the housing market in Enfield and to create a financial model that captures the income and expenditure required to develop and maintain a property portfolio. The framework of investment (KD 3808) has been reviewed in the selection of the most appropriate option for this project and it is proposed that the Council purchases properties on the open market, renovates them and transfers them to a local authority company to own and manage. If the Council is close to its 5% VAT exemption the company may purchase and renovate the properties directly. This model may be developed in future to build new homes depending on financial viability at the time.
- 3.10 It is proposed that the project is taken forward with the following guiding principles:

Target Group – properties will initially be purchased for people currently in temporary accommodation (2,199 people and continuing to

rise), to allow the Council to discharge its statutory duties, and also those at risk of homelessness. There will be flexibility built into the agreements to ensure that the target group and rental payments can change if required, so that the Council is able to respond to changing demands in future years to ensure long term financial viability.

Company Structure – a local authority company for which the Council has 100% ownership. This has the advantage of allowing the Council to retain full control of the company and therefore the allocations, selection of properties and the rent. As the properties will be owned by the company, Right to Buy will not apply therefore safeguarding the asset and investment. This structure gives the Council full flexibility to set an appropriate rent for the target population which is comparable to Local Housing Allowance rates. Membership of the Board of the company will comprise Councillors form the majority party and Council officers. There will also be two non-executive appointments, to provide additional expertise, challenge and advice.

Finance Stream – fixed rate annuity is accessed. Payments to the investor will be fixed throughout the life of the annuity. At the end of the term of the annuity, the properties can be purchased for a nominal figure (£1) so the Council gains an asset. PWLB funding or external finance may be secured; a decision will be taken at the time the funding is required following an assessment of the merits of each.

There will also be an initial working capital requirement, so the Council will be required to provide a start-up loan to meet the initial shortfall to be recovered throughout the term of the nomination agreement. The funding will be guaranteed from the General Fund and therefore show on the Council's balance sheet, so the level of risk the Council is exposed to will need to be carefully considered and regularly assessed.

Property Size – the portfolio will be developed based on financial viability of individual properties and will initially comprise of two and three bed properties as this is where demand is greatest. The portfolio will initially contain more two bedroom properties, as there is a greater need and the benefit cap is more likely to place pressures on the ability to pay the rent on three bed properties and therefore increase the risk of arrears. This will be subject to market availability but will also be reviewed in the light of housing needs over the agreed period of acquisition.

Property Criteria – the purchase of individual properties will need to be financially viable for the company. It is proposed that the Council sets guiding principles for the company, to provide an unrestricted framework for the acquisition of properties to ensure flexibility and allow decisions to be made, considering the individual merits and limitations of particular properties. This will include guidance on room sizes, geographical spread and number of bedrooms. This will be reviewed in liaison with the Community Housing team periodically.

Properties will be purchased or developed in Enfield and surrounding area based on demand and suitability for tenants. The company will be responsible for the identification of properties, though the acquisition may be carried out by the Council to enable it to benefit from a VAT exemption on renovation costs, then later transferred to the company if this proves more financially advantageous. The key factor for consideration will be financial viability.

Number of Properties – a phased approach to the acquisition/development of properties is proposed, taking into account market availability, demand and financial viability. The number of properties within the portfolio would be carefully managed to ensure that there is not a perverse impact on the market and there is management capability to deliver the scheme.

Term of loan – finance will be secured following independent advice. The Council will build flexibility into the company structure to enable a change in target population and the ability to charge market rents or sell properties and purchase others in different parts of the borough or surrounding area, to mitigate against a change in requirements in future years.

Rent – the rent will initially be set at a % of market rent, comparable to Local Housing Allowance (LHA). The specific % will be determined by the company at the time of allocation based on LHA rates and market rent at that point. The definition will be a % of market rent rather than being linked to LHA to provide flexibility with rent in the future so the Council can control the rent increases. The financial model is currently based on the initial rent being comparable to LHA rates in Enfield. Market rent has been calculated across the Broad Rental Market Area, to ensure consistency with the LHA calculation.

Property Management – there are a number of options for the management of the properties, which includes Community Housing or a separate company. It is proposed that the local authority company will assess the most appropriate option for the portfolio once established. In the interim Community Housing will provide management assistance whilst options are reviewed and the portfolio develops.

- 3.11 Prior to purchase, the financial viability of individual properties will be assessed, along with suitability for the target population, whilst also considering the impact on the financial standing of the overall portfolio. A number of exit strategies have been considered should the need for homelessness housing change or if the model becomes financially unviable. These include a review of the rent for a different target population, if the number of residents with housing needs reduces, to enable the company to generate more income whilst retaining the assets should these be needed again in the future. The terms of the loan may need to be reviewed at that point and legal advice would be

sought as required. Another option would be to change the target population to key workers. Alternatively, the company could sell the asset prior to the end of the 35 year lease term to release capital.

- 3.12 The development of a property portfolio through a local authority owned company will enable the Council to increase the quality and availability of private rented sector accommodation for homeless households or those at risk of homelessness in the borough. A reduced reliance on costly Nightly Paid Accommodation will provide greater value for money from Council services.
- 3.13 The proposed model is in line with the Framework of Investment set out in KD 3808. This proposal is premised on a 100% Council owned company, so control over the allocations and portfolio is greatest whilst Right to Buy obligations are not applicable. As this is not a joint venture, a procurement process is not required, however, as the investment will be entirely from Council borrowing (either directly using PWLB or supported through a guarantee if external finance is chosen) there isn't the option of a risk-share, therefore the benefits of the investment will need to be closely monitored.

Company Structures

- 3.14 It is proposed that the company is initially established with an off-the-shelf name from Companies House and a permanent name and brand will then be agreed by the Company Management Board.
- 3.15 It is recognised that the structure of the company may change and develop over time according to decisions made by the Company Management Board or by the Council, in line with the Scheme of Delegation. Initially it is proposed that the company is formed of Members, officers and two non-executive appointments. The Company Management Board will be guided by the company's Terms of Reference and Articles of Association. The Board positions will not be remunerated, with the exception of the non-executive director positions.
- 3.16 The Company Management Board will be responsible for the overall management of all aspects of the company. This will include making sure that the company upholds all legal requirements, such as submitting annual accounts and sending notifications of changes in personnel to Companies House. In addition the Company Management Board will oversee the management of the property portfolio, ensuring that properties are purchased in accordance with agreed criteria and regular reviews of the financial model are undertaken.
- 3.17 The company will have a Company Secretary whose duties would include maintaining the statutory registers including:
 - Register of Members
 - Register of Directors and Secretary

- Register of Director's Interests
- Register of Charges

3.18 Initially it is proposed that the board membership be as follows:

- Cabinet Member for Finance and Property – Board Chair
- Cabinet Member for Housing
- Director of Finance, Resources and Customer Services - who will also be Company Managing Director
- Assistant Director of Community Housing
- Assistant Director Corporate Governance – who will also be the Company Secretary
- 2 Non-Executive Directors (to be remunerated).

3.19 The sole member (or shareholder) of the company will be the Council. In order for the Council, as sole shareholder, to take decisions in its capacity as shareholder, it needs to have a person acting as its representative who can attend general meetings and/or make sole member resolutions. An example of when the Council as sole shareholder would need to take such decisions is whenever the company constitution needs to change. The Assistant Director Corporate Governance will be the Council shareholder's representative.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 The Council could decide not to take any management action. This is not considered a viable option as it would not address the significant budget pressures facing temporary accommodation.

4.2 A number of other initiatives are being considered in order to respond to the increasing demand for housing and the budget pressures this results in. This includes information and advice to those affected by the Government's welfare reforms. This project will complement current and planned interventions as, given the scale of the housing challenge facing the borough; any single proposal will not solve the problem. A combination of proposals implemented over time will help manage the pressure on temporary accommodation.

4.3 A number of finance streams and company structures have been considered as part of the development of this model, as outlined in the Framework of Investment models (KD 3808).

4.4 A financial model has been produced by Social Finance, giving consideration to a range of portfolio sizes, seeking to make an impact on the budget pressures without destabilising the local housing market. The model has been independently scrutinised by Baker Tilly and Price Waterhouse Coopers to provide the Council with greater assurance.

- 4.5 The company could charge market rent for the properties purchased, however, this would not currently be suitable for the target population of those in temporary accommodation as it would be above Local Housing Allowance, resulting in high voids and rent arrears and not achieve the aim of reducing budget pressures.

5. REASONS FOR RECOMMENDATIONS

- There is a shortage of cost effective, value for money temporary accommodation in the borough, so rents are increasing, placing significant budgetary pressure on the Council.
- The number of households requiring temporary accommodation or at risk of homelessness in Enfield is expected to increase over the coming years, due to an increase in population and changes to welfare reforms. Enfield already has 2,188 households in temporary accommodation, which was the 7th highest in London in September 2013. The Council therefore needs to identify cost effective housing stock to meet local needs.
- The proposed finance stream and company structure is in line with the options set out in the Framework of Investment Models (KD 3808).
- Independent expert advice has been sought on legal and financial matters, to provide the Council with additional assurance of the model's viability. This has included advice on State Aid, external scrutiny on the financial model and advice on tax payable by the company.
- The financial model captures income and expenditure across the life of the lease term and indicates that this project is financially viable, with opportunities to deliver better value for money services and reduce budget pressures on temporary accommodation.
- As circumstances may change in the future, a number of exit strategies have been considered. The proposed model factors in flexibility to change the target population and thus the rent payable in the future. Assets can be sold before the end of the 35 year term, for example, if housing needs change and demand for temporary accommodation reduces, to ensure continued financial viability.
- The development of a property portfolio of this nature is in line with Enfield's Housing Strategy (2012-2027) which outlines a commitment to make the best use of existing resources and attract inward investment in order to increase the supply of quality accommodation to enable the Council to fulfil its statutory duties.
- The proposed company structure of a local authority company enables the Council to retain control of the company and allocations

and rent policies, whilst still securing external investment and ensuring the portfolio is exempt from Right to Buy obligations in order to safeguard the investment. The proposed membership of the companies includes a mix of Members, officers and non-executive appointments.

- A phased approach to the purchase of properties will be taken, to manage risk and prevent the development of a local authority owned portfolio distorting the market. Regular reviews will be factored in, to ensure that the portfolio remains financially viable and meets the needs of its tenants.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 Properties will be purchased and owned by a separate local authority company which will act as owner of the properties. There will be an initial capital investment plus an initial start-up loan to cover working capital requirements. This funding will be used to purchase and renovate the houses.
- 6.1.2 The result of the financial analysis shows that the project is viable, with opportunities to reduce budget pressures on temporary accommodation if the savings are factored into the financial model.
- 6.1.3 The Council's Finance Team has worked closely with Social Finance to ensure that all income and expenditure relevant to the project is captured in the financial model.
- 6.1.4 It is anticipated that there will also be savings to the Council based on a reduction of families in Nightly Paid Accommodation; the most expensive form of temporary accommodation (TA).

6.2 Legal Implications

6.2.1 Homeless Duty

In accordance with Section 8 of the Housing Act 1985, and Part 7 of the Housing Act 1996 (as reformed by the Localism Act 2011), the Council is required to consider housing conditions/needs within its area, including the needs of homeless households, to whom local authorities have a statutory duty to provide assistance. In addition, the Homelessness Act 2002 places a duty on local housing authorities to have a strategy for preventing homelessness in their district. This includes the power to meet this duty via joint working with private sector partners which can be achieved using a company set up by the Council.

6.2.2 Local Authority Companies

The establishment of the company will be in accordance with section 95 of the Local Government Act 2003 and Section 1 of the Localism Act 2011 (the general power of competence).

The company will be set up in accordance with the Companies Act 2006, including the appointment to the Board of the company. The Memorandum and Articles of Association and any other relevant document for the setting up of such a company will be in a form approved by the Assistant Director of Legal Services.

6.2.3 Procurement

The wholly owned local authority company will provide the substantial part of its services to the Council therefore the Council can benefit from the Teckal Exemption, which enables the Council to procure the services of the local authority controlled company directly without the need for carrying out a procurement process. If the company is to have any private ownership/interest in the future, the Council will be required to carry out a procurement exercise in accordance with the Contract Procedure Rules and in particular the Public Contract Regulations 2006 (and amendments thereto) depending on the role of the private partner and the purposes of the joint venture.

6.2.4 Property

Any properties purchased by the Council for subsequent disposal (or disposal of existing stock) to the local authority company must be carried out in accordance with the Council's Property Procedure Rules, ensuring compliance with the provisions of section 123 of the Local Government Act 1972 which requires disposals for consideration not less than the best that can reasonably be obtained, unless with the consent of the Secretary of State.

The properties will (subsequent to their disposal from the Council) be owned by the local authority company; that company is able to offer tenancies such as Assured Shorthold Tenancy Agreements or full Assured Tenancies which would not attract right to buy. A nomination/management agreement can be agreed between the Council and the local authority company; such will be in a form agreed by the Assistant Director of Legal Services.

6.2.5 State Aid

The Council will either take out a PWLB loan or access external finance, therefore the Council has considered whether State Aid applies.

State Aid is aid granted by a Member State or through State resources (which could include loan finance to the company and other financial assistance from the Council) in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings and shall affect trade between Member States (Article 107(1) of the Treaty on the Functioning of the European Union).

In accordance with the Communication on the Revision of the Method for Setting the Reference and Discount Rates (“the Reference Rate Communication”) and Market Economy Investor/Lender Principles the Council can provide a loan if the interest rate charged is at or above the applicable reference rate. The reference rate is determined by using the 12 month LIBOR rate (as at the date of lending) and adding various percentage points based on the credit worthiness of the borrower and the collateral offered. Based on the information currently available, it is likely that the Council will lend above the reference rate. An interest rate above the reference rate will not in itself be sufficient to negate the presence of State Aid if any of the other terms of the loan (such as the repayment schedule, term or any guarantee) are such that no rational private sector investor/lender would agree to these. Therefore if the Council can comply with the above, the loan would not amount to State Aid.

Should the Council not be able to meet the above requirements the European Commission issued a Commission Decision in 2005 and updated it in 2012 (2012/C 8/02) (“the Decision”) which creates an exception to the State Aid rules. If State Aid is provided in connection with a Service of General Economic Interest (“SGEI”), it is compatible with the internal market and exempt from the notification requirements. The Decision refers specifically to undertakings providing “social housing for disadvantaged citizens or socially less advantaged groups” who (due to solvency constraints) cannot obtain housing at market conditions. The arrangements between the Council and the local authority owned company in relation to the provision of housing at below market cost, whether for rent or home ownership would be capable of being structured to comply with this exemption.

State Aid will be kept under review to ensure that the support from the Council is able to continue to be provided throughout the loan term in a way which is compatible with State Aid requirements.

6.2.6 Guarantee

In the event that the Council is required to give a guarantee in connection with the finance, a guarantee would not constitute State Aid if the local authority company) is not in financial difficulty, would in principle be able to obtain a loan on market conditions from the financial markets without any intervention by the State, the guarantee is linked to a specific financial transaction, is for a fixed maximum amount, does not cover more than 80% of the outstanding loan and is not open-ended, and the market price for the guarantee is paid.

Section 24(1) of the Local Government Act 1988 provides that, subject to section 25, a local housing authority shall have power to provide any person with financial assistance for the purposes of, or in connection with, the acquisition, construction, conversion, rehabilitation, improvement, maintenance or management (whether by that person or by another) of any property which is or is intended to be privately let as housing accommodation. The Secretary of State has issued a number of general consents under section 25 and general Consent C provides that a local authority may provide any person with any financial assistance (other than the disposal of an interest in land or property) for the purposes of or in connection with the matters set out in section 24(1). These powers in the Local Government Act 1988 would also apply to the provision of loan finance by the Council to the company referred to in the next paragraph.

6.2.7 On Lending Money

The Council has power to borrow in connection with its functions or for the prudent management of its finances under section 1 of the Local Government Act 2003. The Council has a duty under section 3 of the Local Government Act 2003 to determine and keep under review how much it can afford to borrow. The Council is also required to have regard to the Prudential Code for Capital Finance in Local Authorities when carrying out its duties under Part I of the Local Government Act 2003.

The Council will have both a charge over the properties and a loan agreement with the Company to protect the Council's interests.

6.2.8 Investment Powers

Section 12 of the Local Government Act 2003 (2003 Act) permits the Council to invest for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs.

6.2.9 Other Legal Matters

The Council has power to acquire properties. Under s 74(3) of the Local Government and Housing Act 1989 and property acquired by the Council for the purposes of onward disposal to someone else shall not be accounted for in the Council's HRA.

In the event that the Council incurs VAT on the cost associated with the refurbishment of dwellings, it should be able to recover that VAT under s33 of the Value Added Tax Act 1994 (which the local authority company would not be able to do). The Council will be required to give consideration to the 5% VAT exemption.

6.3 Property Implications

6.3.1 Properties are most likely to be purchased by private treaty, by finding suitable properties being marketed by local estate agents. Properties will be located in different parts of the borough, or in neighbouring boroughs if suitable for the prospective tenants, to achieve diversification and to avoid inflating prices. Care will be needed to ensure that the company is not seen as a special purchaser, resulting in paying more than market value. This can be best achieved by appointing several agents to handle acquisitions to handle a small number each.

6.3.2 Properties may need expenditure to bring them up to habitable standard. Any such works should be identified prior to purchase and scheduled to be undertaken immediately on purchase and prior to occupation. Following this they should be regularly inspected to ensure they comply with all relevant legislation.

6.3.3 A strategy will need to be prepared for the portfolio of properties, to set out the objectives for the longer term.

7. KEY RISKS

- **There is insufficient housing stock available in the borough that offers the target gross yield, thus reducing the potential to secure the intended portfolio size.** This can be mitigated by considering larger properties that offer the potential to refurbish and sub divide into smaller units and also considering properties in neighbouring boroughs, if they can meet the housing needs of Enfield residents. Detailed market analysis has been undertaken in the development of this proposal.
- **Housing needs change and the demand for properties of this nature change.** This will be addressed by devising a flexible approach within the company so that the target population and thus the rental income can be altered over time, as well as the option to sell an asset if required.

- **The project does not break even over the life of the lease term due to rent arrears, voids and also depreciation in capital value.** A robust financial model has been produced that makes prudent assumptions on income and expenditure. This will be reviewed and updated over the life of the project to ensure the assumptions continue to be accurate. Exit strategies have been considered as outlined in 3.11.
- **Finance is secured but properties are not fit for purpose.** This will be mitigated by ensuring that all properties are refurbished to Decent Homes standard and costs of such have been factored into the financial model. This includes costs of any adaptations for those with mobility difficulties.
- **Reputational risk for the Council if the company is not financially sustainable.** This is mitigated as far as possible by a robust financial model that will be monitored closely throughout the life of the lease term. A number of exit strategies have been considered as outlined in 3.11.
- **Properties are not appealing to households in temporary accommodation so the Council is unable to discharge its statutory duties as intended.** This will be mitigated by selecting properties in close liaison with the Community Housing team that can meet requirements of Enfield residents.
- **The Council receives a legal challenge due as the project is considered to be in breach of State Aid.** Expert legal opinion has been sought and concludes that provided the terms and interest rate offered on any loan by the Council to the company meet the Market Economy Lender Principles (set out in paragraph 6.2.5 above) that loan would not be State Aid or alternatively the arrangements between the Council and the company could be structured to meet one of the exemptions.
- **Purchasing a significant number of properties could destabilise the local housing market and result in an increase in property prices and reduce the number of properties on the market for first time buyers.** This will be mitigated by detailed market analysis of the trends and the purchase of properties in neighbouring boroughs, if suitable for individual needs. A phased approach to the acquisition will be taken, with the potential to use funding to build new houses to increase supply.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

This project will enable the Council to access finance to increase the supply of good quality, value for money housing in the borough, to meet the objectives set out in Enfield's Housing Strategy (2012-2027). By increasing the supply of quality accommodation within the Council's control, this will enable the Council to discharge its statutory duties or prevent homelessness and increase access to secure accommodation for some of the most vulnerable residents in the borough.

8.2 Growth and Sustainability

Access to good quality, stable housing is a key aspect of a person's health and wellbeing. By using long term finance the Council will remove concerns over refinancing or the need to sell properties after a few years. Furthermore by ensuring properties are maintained to a good standard, the scheme will be able to increase the supply of quality accommodation and in turn improve health and wellbeing and prospects of securing employment.

8.3 Strong Communities

By increasing the supply of quality homes that the Council can access within the borough and the surrounding area, this will increase opportunities for local residents to access employment and training and thus reduce the likelihood of them requiring additional services from the Council.

9. EQUALITIES IMPACT IMPLICATIONS

An overarching Equalities Impact Assessment is attached. Allocations to individual properties will be made in line with existing Council policies, which have also been equality impact assessed.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Through this project the Council has the opportunity to reduce the number of households in temporary accommodation and provide quality accommodation for some of the most vulnerable residents. This in turn, provides the opportunity for the Council to make a positive impact for wider objectives, such as reducing employment and improving health and wellbeing.

11. HEALTH AND SAFETY IMPLICATIONS

All properties purchased will be renovated to Decent Homes' standards and subject to health and safety checks prior to habitation.

12. HR IMPLICATIONS

The local authority company will appoint relevant personnel in accordance with HR processes and procedures. The terms of existing members of staff will not be affected as a result of this project.

13. PUBLIC HEALTH IMPLICATIONS

By increasing the supply of good quality housing in the borough across tenures, health and wellbeing of individuals will be improved. All properties purchased will be fit for purpose or refurbished so that they fall in line with the Council's decent homes standard. Where investment is used to provide quality housing to enable the Council to discharge its statutory homelessness duties, residents selected for these properties will be most at need and therefore most affected by the Government's housing benefit cap.

Through the other support mechanisms in place around the Council (e.g. the Welfare Reform Task Force), people will be actively encouraged and enabled to return to work, with all the positive outcomes associated with being economically active i.e. improved general well-being, self-esteem and longer term employability.

Appendix

- Equalities Impact Assessment.

Predictive: assessing and analysing proposed changes to services, policies and budgets

Enfield Council

Predictive Equality Impact Assessment (EQIA) - Equality Analysis

**Predictive equality impact assessment/equality analysis
template**

Proposed change to service/policy/budget	Homelessness Private Rented Sector Investment Project
Officer completing the assessment	Hayley Coates
Extension Number	X 3087
Service	Housing
Department	Health, Housing and Adult Social Care
Date impact assessment completed	12/12/13

Section 1 – About the service, policy or budget, and proposed change

Q1. Please provide a brief description of the service/ policy/budget

Community Housing aims to promote independence and housing choice, as well as prevent homelessness and reduce the number of families in temporary accommodation. The shortage of quality housing in Enfield is placing pressure on housing supply for residents of the borough. In particular, the demand for temporary accommodation has increased significantly in recent years for a variety of reasons. In March 2013 Enfield was ranked 7th highest nationally for the number of households in temporary accommodation, which was approximately 2188 households. As demand is outstripping supply, temporary accommodation prices in the borough have increased. The service is therefore facing significant financial pressures if no management action is taken to increase the supply of more affordable accommodation and to reduce the demand for the service.

Q2. Please provide a brief description of the proposed change(s) to the service/ policy/budget

To respond to the budget pressures on the temporary accommodation service and generally to ensure that residents with housing needs can access better quality properties, it is proposed that houses are purchased via a local authority trading company, subject to market availability. These houses would then be used for those with housing needs, which may include enabling the Council to discharge its statutory duties for homelessness. Public Works Loan Board funding or from external finance would be accessed depending on the most advantageous source, and annual repayments will be made using the rental income from the properties. The rent will be set by the local authority owned company, taking into account financial viability and the constraints of the target population, for example by setting rent at a rate comparable to Local Housing Allowance if the properties are purchased for those in temporary accommodation to alleviate budget pressures. The tenants will benefit from a trusted landlord and better quality accommodation.

Q3. Does equalities monitoring of your service show that the beneficiaries in terms of the recipients of the service, policy or budget, and the proposed change, include people from the following groups?

R	Yes – the service is available to all residents with housing needs regardless of race.
D	Yes - the service is available to all residents with housing needs including those with disabilities. The model includes refurbishment costs, which will include special adaptations for those with disabilities where required.
G	Yes – the service is available to all residents with housing needs regardless of gender.
A	Yes – the service is available to residents with housing needs, which includes a range of ages.
F	Yes - the service is available to all residents with housing needs regardless of faith.

S	Yes - the service is available to all residents with housing needs regardless of sexual orientation.
T	Yes - the service is available to all residents with housing needs including members of the transgender community.
M	Yes - the service is available to all residents with housing needs, including those who are married or in a civic partnership.
P	Yes -the service is available to all residents with housing needs, including those who are pregenant.
Q4. If you answered 'no' to any of the groups listed in Q3, please state why?	
N/A	
Q5. How will the proposed change eliminate discrimination, promote equality of opportunity, or promote good relations between groups in the community?	
<p>The proposed change will initially develop a portfolio of two and three bedroom properties, to move people out of temporary accommodation. The portfolio will be regularly reviewed to ensure that there is an adequate mix of property sizes but initially this will be two and three bedroom properties due to high demand for this property size. The proposed change will reduce budget pressures on the temporary accommodation service, which will support the Council to continue to provide vital services to local residents. Allocations will be made in line with existing policies, taking into account individual needs.</p> <p>The proposal may also involve the purchase of properties for residents with housing needs more generally, increasing the supply of quality accommodation with a trusted landlord.</p> <p>A sum has been set aside within the financial model to refurbish the properties to an agreed standard. This has taken into account the requirement for some adaptations that may be necessary for tenants with physical disabilities, to ensure they are not disadvantaged.</p>	

Section 2 – Consultation and communication

Q6. Please list any recent consultation activity with disadvantaged groups carried out in relation to this proposal

R	The proposal is to change the way the Council accesses more affordable, quality accommodation for those with housing need and to discharge its homelessness duty. This is a back office change that will not have an adverse impact on local residents, including those from disadvantaged groups, so a consultation has not taken place.
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Q7. Please state how you have publicised the results of these consultation exercises, and what action you have taken in response

R	N/A as above.
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Section 3 – Assessment of impact

Q8. Please describe any other relevant research undertaken to determine any possible impact of the proposed change

In the development of the financial model, past trends of Local Housing Allowance rates have been analysed to ensure that the assumptions in the model about the appropriate rental amount for the tenants is reasonable. The development of the financial model has also included research into void rates, bad debts and cost inflation to test viability over the period and thus increase the security of the tenancies.

A set of key guiding principles for the purchase of properties has been developed following research on the types of properties required, for example the number of bedrooms that is preferable and the required yield to ensure the model is financially viable.

Q9. Please list any other evidence you have that the proposed change may have an adverse impact on different disadvantaged groups in the community

R	None – there is nothing to evidence that this project will have an impact on any different disadvantaged groups as it involves a proposal to access quality accommodation for those with housing needs in a different way and increase access to better quality accommodation.
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Q10. Could the proposal discriminate, directly or indirectly, and if so, is it justifiable under legislation? Please refer to the guidance notes under the heading, 7. Useful Definitions

This proposal will not discriminate, either directly or indirectly. The allocations for the tenancies will be based on those in greatest needs and on the suitability of the properties for individual needs, in accordance with existing policies.

Q11. Could the proposal have an adverse impact on relations between different groups? If so, please describe

This proposal is not expected to have an adverse impact on relations between different groups.

Q12. How could this proposal affect access to your service by different groups in the community?

R	Access to the service will not be affected by different groups in the community. Rather than utilising privately owned accommodation the Council will be able to access properties owned by a local authority company, which will be more cost effective for the Council.
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Q13. How could this proposal affect access to information about your service by different groups in the community?

R	This proposal will not have an impact on access to information about the service by different groups in the community.
D	
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Section 4 – Tackling socio-economic inequality

Q14. Will the proposal in any way specifically impact on communities disadvantaged through the following socio-economic factors? Please explain below. If it does not, please state how you intend to remedy this (if applicable to your service), and include it in the action plan

Communities living in deprived wards/areas

Yes, as many of the local residents who present with housing needs are from deprived wards in the borough. The proposal will contribute to a reduction in budget pressures for temporary accommodation, which will support the Council to continue to meet its statutory duties with regards to homelessness and in later stages support those with housing need more generally.

People not in employment, education or training

Yes as many of the local residents who present with housing needs are not in employment, education or training. By purchasing a number of properties to be owned by a local authority company, a number of households will benefit from quality accommodation with a trusted landlord, which may enable them to improve chances of accessing employment, training or education.

People with low academic qualifications

The proposal does not specifically impact on people with low academic qualifications unless they have housing needs.

People living in social housing

The target population is initially those in temporary accommodation, so will not impact on those currently living in social housing in the first phase, however, those in social housing may benefit as the scheme evolves and housing needs change.

Lone parents

The proposal does not specifically impact on lone parents unless they have housing needs.

People on low incomes

Yes, the proposal will impact on people on low incomes with housing needs as the financial model has taken into account Local Housing Allowance rates, to ensure the rent can be realistic for those on low incomes or unemployed.

People in poor health

The proposal does not specifically impact on people in poor health unless they have housing needs.

Any other socio-economic factor

None.

Section 5 – Impact on staff**Q15. How have you consulted, or otherwise engaged with, all relevant staff about this proposal (including any staff on sickness or maternity leave)?**

This proposal will not result in a restructure. The management of the properties is yet to be finalised but there is the potential for the properties to be managed by the Community Housing team as part of their portfolio. If this is agreed, a review of resources will be undertaken to determine if any additional support is required within the team. Alternatively a management agreement will be explored with an third party organisation, in accordance with procurement regulations.

Q.16 If your proposal involves a staff restructuring, how have you discussed this with relevant trade unions?

N/A

Q17. Does job matching of existing staff against the new proposed staff structure, following any assimilation process, indicate that any particular groups of staff are adversely affected more than others?

R	N/A
D	
G	
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Q.18 Are there any proposed changes to working hours, work locations or duties likely to have a negative impact on particular groups of staff?

R	N/A
D	
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M	
P	

Section 6 - Miscellaneous

Q19. Is your proposal likely to have an impact on services provided by another Council department or service? If so, have you discussed the possible impact with them?

The proposal will not have an impact on other Council services, however, it will help to respond to the temporary accommodation budget pressures but have an impact on the Council's borrowing. The proposal has been discussed with the Council's Finance team and an independent financial review has been undertaken.

Q20. Do you plan to publicise the results of this assessment? Please describe how you plan to do this

This assessment will be attached to the Cabinet report for the Homelessness Private Rented Sector project, which will be available electronically to the public.

This assessment/analysis will also be listed in the Council's Equality and Diversity Scheme Annual Report, and published on the Council website.

Q21. How and when will you monitor and review the effects of this proposal?

There will be an ongoing review of the financial viability and allocation of properties following the creation of the local authority company and the purchase of the properties. This will include consideration of the households that have been allocated on of the local authority company owned properties, to ensure that the allocation has been fair and transparent.

14. Action plan template for proposed changes to service, policy or budget

Proposed change to, or new, service, policy or budget – Homelessness Private Rented Sector Project

Team: Special Projects/Community Housing

Department: Health, Housing and Adult Social Care

Service manager: Malcolm Dabbs

Issue	Action required	Lead officer	Timescale	Costs	Comments
Obtain approval to progress	Prepare Cabinet report and attend to seek a decision	Hayley Coates	12 th February 2014	No direct costs associated with this action other than staff resources.	Item scheduled for Cabinet agenda on 12 February 2014.
Establish local authority owned company to purchase the properties	Follow legal process	Rhodri Morgan	February – March 2014 (subject to Cabinet approval)	External legal advice may be required. A quote has been requested.	
Undertake regular reviews of the property portfolio to ensure that the desired distribution of properties is achieved in terms of size and location.	Build a review process in the responsibilities of the company and Board of Directors.	Board of Directors	Ongoing following purchase of first property	Staffing costs have been factored into the financial model for the company.	

Communicate proposal to Community Housing staff.	Disseminate information about the plans to staff through team meetings, 1-2-1s and departmental news bulletins.	Malcolm Dabbs	Spring 2014 following set up of company	To be absorbed within existing budgets.	
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THE CABINET

List of Items for Future Cabinet Meetings (NOTE: The items listed below are subject to change.)

MUNICIPAL YEAR 2013/2014

12 MARCH 2014

- 1. Capital Monitoring Report: December 2013** James Rolfe

This will summarise the overall financial position of the Council as at 31 December 2013. **(Key decision – reference number 3763)**

- 2. Small Housing Sites Land Appropriation Report** Ray James

This will detail the appropriation of the small housing sites development land for planning purposes. **(Key decision – reference number 3780)**

- 3. Market Gardening – Community Interest Company for Enfield Veg Company** Neil Rousell

This will seek agreement to the formation of a Community Interest Company. (Part 1) **(Non key)**

- 4. London Borough of Enfield Key Decision Threshold Review** James Rolfe

This will recommend an amendment to the financial threshold criteria for a key decision in Enfield. (Part 1) **(Non key)**

- 5. Quarterly Corporate Performance Report** Rob Leak

This will provide Cabinet with the latest available performance against the indicators in the Corporate Performance Scorecard. (Part 1) **(Key decision – reference number 3864)**

- 6. Proposed Submission North East Enfield Area Action Plan** Neil Rousell

The North East Enfield Area Action Plan will form part of Enfield's Local Plan and will specifically deliver the spatial vision and land use strategy for the area. (Part 1) **(Key decision – reference number 3866)**

- 7. Brimsdown Primary School Investment** Neil Rousell

This will detail the reason for not proceeding with the proposed expansion of Brimsdown Primary School and will seek approval to fund the essential improvements to the kitchen and dining facilities at the school. (Part 1) **(Key decision – reference number 3869)**

8. **Assets of Community Value** James Rolfe

This will set out recommended processes to ensure that the Council complies with its responsibilities as set out in the Localism Act 2011. **(Key decision – reference number 3850)**

9. **Meridian Water: Development Opportunities** Neil Rousell

This will seek approval for development opportunities in Meridian Water (Part 1 and Part 2) **(Key decision – reference number 3827)**

10. **New Avenue Estate Renewal Scheme** Ray James

This will seek approval to appoint the preferred bidder at the final tender stage to develop the New Avenue Estate. (Parts 1 and 2) **(Key decision – reference number 3793)**

23 APRIL 2014

1. **February 2014 Revenue Monitoring Report** James Rolfe

This will set out the Council's revenue budget monitoring position based on information to the end of February 2014. **(Key decision – reference number 3765)**

2. **Health, Housing and Adult Social Care: Surveillance Policy** Ray James

This will seek approval of a policy which sets out the scope and options for use of surveillance, both overt and covert in order to prevent and detect the abuse of "adults at risk". (Part 1) **(Key decision – reference number 3836)**

3. **CCTV Staffing Contract Award** Ian Davis

This will seek approval to the award of the successful contractor for the CCTV monitoring services contract. (Parts 1 and 2) **(Key decision – reference number 3795)**

4. **Housing Development Strategy** Ray James

This will seek approval to the Council's Housing Development Strategy. **(Key decision – reference number 3369)**

NEW MUNICIPAL YEAR 2014/2015

1. Housing Revenue Account (HRA) Garages Sites Strategy Ray James

This will set out the Council's proposals for managing its HRA Garage stock into the future – the work undertaken in the preparation of this strategy will cover an options appraisal of each of the 331 sites currently managed within the HRA. (Part 1) **(Key decision – reference number 3726)**

2. Lee Valley Heat Network – Business Plan Ian Davis

This will seek approval of the Business Plan for the Lee Valley Heat Network. **(Key decision – reference number 3706)**

3. Procurement of Housing Repairs and Maintenance Contracts Ray James

Details awaited. **(Key decision – reference number tbc)**

4. Dujardin Mews – Appropriation for Planning Purposes Ray James

This will seek approval to the required appropriation for Dujardin Mews. (Parts 1 and 2) **(Key decision – reference number 3734)**

5. Alma Housing Management Strategy Ray James

This will explain the future housing management arrangement for the new Alma Estate and Dujardin Mews. **(Key decision – reference number 3806)**

6. Award of Contract for Extracare Service at Skinners Court Ray James

This will seek approval of the award of contract. (Parts 1 and 2) **(Key decision – reference number 3824)**

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CABINET - 22.1.2014

**MINUTES OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 22 JANUARY 2014****COUNCILLORS****PRESENT**

Doug Taylor (Leader of the Council), Achilleas Georgiou (Deputy Leader), Chris Bond (Cabinet Member for Environment), Bambos Charalambous (Cabinet Member for Culture, Leisure, Youth and Localism), Del Goddard (Cabinet Member for Business and Regeneration), Christine Hamilton (Cabinet Member for Community Wellbeing and Public Health), Donald McGowan (Cabinet Member for Adult Services, Care and Health), Ayfer Orhan (Cabinet Member for Children & Young People), Ahmet Oykenner (Cabinet Member for Housing) and Andrew Stafford (Cabinet Member for Finance and Property)

OFFICERS:

Rob Leak (Chief Executive), James Rolfe (Director of Finance, Resources and Customer Services), Ian Davis (Director of Environment), Andrew Fraser (Director of Schools & Children's Services), Ray James (Director of Health, Housing and Adult Social Care), Neil Rousell (Director of Regeneration, Leisure & Culture), Asmat Hussain (Assistant Director Legal), Peter George (Senior Project Manager), Dr Shahed Ahmad (Director of Public Health), Keezia Obi (Head of Public Health Strategy), Andrew Thomson (Strategy Manager), Elizabeth Paraskeva (Solicitor) and Laura Berryman (Press Officer) Jacqui Hurst (Secretary)

Also Attending: Councillor Derek Levy.

1**APOLOGIES FOR ABSENCE**

There were no apologies for absence.

2**DECLARATION OF INTERESTS**

There were no declarations of interest registered in respect of any items on the agenda.

3**URGENT ITEMS**

NOTED, that the reports listed on the agenda had been circulated in accordance with the requirements of the Council's Constitution and the Local

CABINET - 22.1.2014

Authorities (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012. These requirements state that agendas and reports should be circulated at least 5 clear days in advance of meetings.

**4
DEPUTATIONS AND PETITIONS**

NOTED that no requests for deputations (with or without petitions) had been received for presentation to this Cabinet meeting.

**5
ITEMS TO BE REFERRED TO THE COUNCIL**

NOTED that there were no items to be referred to full Council.

**6
REVENUE MONITORING REPORT 2013/14: NOVEMBER 2013**

Councillor Doug Taylor (Leader of the Council) varied the order of the agenda with this report being considered following Report No.165 as detailed in Minute No. 10 below. The minutes follow the order of the published agenda.

Councillor Andrew Stafford (Cabinet Member for Finance and Property) introduced the report of the Director of Finance, Resources and Customer Services (No.161) setting out the Council's revenue budget monitoring position based on information to the end of November 2013. The report forecast an outturn position of £0.606m overspend for 2013/14.

NOTED

1. Tables 1 and 2 of the report which set out the summary performance overview and forecast outturn table – net controllable budget/projected outturn figures.
2. The budget pressures of the Schools and Children's Services Department as set out in section 5.6 of the report. Andrew Fraser (Director of Schools and Children's Services) highlighted the national demands and challenges and those facing Enfield in particular. Members noted a projected overspend of £432k based on 94 families which the Authority was currently supporting who had no recourse to public funds. Decisions were awaited from the Border Agency on the future immigration status of these families. The Authority was lobbying ministers on this matter and also had the support of local Members of Parliament. Members discussed their views and concerns and highlighted the need for the matter to be resolved as soon as possible with Government funding being forthcoming to support these families.
3. Members also noted the projected overspend of £176k in Schools and Children's Services on unaccompanied asylum seekers as set out in the report.

CABINET - 22.1.2014

4. The increasing demands and challenges also being faced by Adult Social Care services.
5. The Treasury Management and Cash Flow Analysis set out in section 6 of the report.
6. The position with regard to the achievement of savings as detailed in section 8 of the report. To date 97% of savings were classified as blue or green which were on course for full achievement.
7. There had been no deterioration in the financial position of the Authority.

Alternative Options Considered: Not applicable to this report.

DECISION: The Cabinet

1. Noted the £0.606m overspend revenue outturn projection;
2. Agreed to direct departments reporting pressures to formulate and implement action plans to ensure that they remain within budget in 2013/14.

Reason: To ensure that Cabinet were aware of the projected budgetary position for the Authority for the current year including all major budget pressures and underspends which had contributed to the present monthly position and that were unlikely to affect the Council's finances over the period of the Medium Term Financial Plan.

(Key decision – reference number 3761)

7

THE JOINT HEALTH AND WELLBEING STRATEGY 2014-19 (DRAFT)

Councillor Donald McGowan (Cabinet Member for Adult Services, Care and Health) introduced the report of the Director of Health, Housing and Adult Social Care (No.162) seeking comments on the draft Joint Health and Wellbeing Strategy 2014-19.

NOTED

1. The significant amount of work which had been undertaken to produce the Strategy which was now being presented for consideration and comment by Cabinet prior to final approval by the Health and Wellbeing Board.
2. An extensive and well-received consultation exercise had been carried out with over 2,000 responses being received to date.

CABINET - 22.1.2014

3. Dr Shahed Ahmad (Director of Public Health) outlined the vision, principles and priorities of the Health and Wellbeing Strategy as set out in section 4 of the report. The Strategy was the statutory responsibility of the Health and Wellbeing Board and was based on the findings of the Joint Strategic Needs Assessment.
4. Members' attention was drawn to the draft Strategy document and noted the purpose of the Strategy, the definition of Health and Wellbeing, a summary on the many influences on health and wellbeing.
5. The consultation which had been undertaken was praised by Dr Ahmad which had resulted in a high level of engagement. He suggested that the consultation would be submitted to Public Health England as an example of good practice.
6. Councillor Taylor (Leader of the Council) highlighted the need for the final Strategy and its summaries to be produced in accessible formats. Members were advised of the proposals for producing the executive summary in plain English and easy to read versions.
7. Councillor Charalambous (Cabinet Member for Culture, Leisure, Youth and Localism) drew attention to section 5 of the Strategy which set out the success criteria and questioned if they were achievable and sufficiently challenging. Councillor McGowan assured Members of the value of the success criteria which were challenging and aimed to make a difference to the benefit of the local community. The outcomes would inform Clinical Commissioning Group strategic plans. Current activities had been taken into account and the Strategy would challenge the effective and efficient delivery of services and agreed criteria.
8. Councillor Hamilton (Cabinet Member for Community Wellbeing and Public Health) expressed her appreciation, on behalf of the Cabinet, to Keezia Obi (Head of Public Health Strategy) and her team for the significant work which had been undertaken and the progress which had been made in Enfield in this area of work.

Alternative Options Considered: It was a statutory requirement to produce a Joint Health and Wellbeing Strategy.

DECISION: The Cabinet

1. considered and commented on the draft Joint Health and Wellbeing Strategy 2014-19 as set out in 1 above, for consideration by the Health and Wellbeing Board in approving the final Strategy at its meeting on 13 February 2014.
2. Noted the outcome of the consultation on the Joint Health and Wellbeing Strategy as detailed in the report.

CABINET - 22.1.2014

Reason: It is a statutory duty on local authorities to produce a Joint Health and Wellbeing Strategy. Health and Wellbeing Boards were required to involve the local community in the preparation of this Strategy.

(Key decision – reference number 3838)

8

ESTATE RENEWAL LEASEHOLDER FRAMEWORK REPORT

Councillor Ahmet Oykenar (Cabinet Member for Housing) introduced the report of the Director of Health, Housing and Adult Social Care (No.163) seeking agreement to the Estate Renewal Leaseholder Framework.

NOTED

1. That the report considered the impact upon leaseholders across estate renewal sites. It set out the principles which would govern how the Council re-purchases leaseholders on these estates and future estate renewal projects as detailed in the report.
2. The following set of four principles which would govern the approach to leaseholders across all existing and future estate renewal sites (section 4.6 of the report referred):
 - (a) When purchasing a property that is comparable leaseholders should not be financially disadvantaged.
 - (b) Provide an opportunity for resident leaseholders to remain in the regeneration area.
 - (c) Provide resident leaseholders with a fair choice.
 - (d) Encourage resident leaseholders to exercise financial responsibility and have access to independent financial advice.
3. That the report set out how the proposals aligned with the Council's corporate objectives. Members had listened to the views previously expressed by leaseholders. The framework would ensure fairness for all leaseholders.
4. The estate renewal projects were aimed at revitalising communities and ensuring that local residents benefitted from the developments.

Alternative Options Considered: There was no statutory requirement for the Council to extend the offer to leaseholders beyond the statutory minimum offer described in the report. The alternative option was therefore to restrict the offer to leaseholders to the statutory minimum. The report explains that improving the range of options available to resident leaseholders ensure greater compliance with the Council's corporate objectives.

A second alternative option was to increase the options available to non-resident leaseholders. This would invariably necessitate a public subsidy of investors and could not be justified as a good use of public resources.

CABINET - 22.1.2014

DECISION: The Cabinet

1. Approved the guiding set of leaseholder principles included in paragraph 4.6 of the report.
2. Noted the intention for each estate renewal project to have an individual leaseholder booklet which would all be governed by the same principles.
3. Agreed to delegate to the Director of Health, Housing and Adult Social Care and the Director of Finance, Resources and Customer Services the authority to approve the estate specific leaseholder booklets.
4. Agreed to establish an Exceptions Panel, as set out in paragraph 4.11 of the report, and to delegate to the Assistant Director of Council Housing, the Assistant Director of Community Housing Services and the Assistant Director of Property Services the authority to make decisions on the Exceptions Panel in accordance with the financial limits prescribed in the respective schemes of delegation.

Reason: To be fully aligned with the Council's strategic priorities.
(Key decision – reference number 3773)

9

ALMA ESTATE REGENERATION COMPULSORY PURCHASE ORDER (CPO)

Councillor Ahmet Oykenar (Cabinet Member for Housing) introduced the report of the Director of Health, Housing and Adult Social Care and Director of Finance, Resources and Customer Services (No.164) regarding the preparation of the Alma Estate Regeneration Compulsory Purchase Order.

NOTED

1. That it was intended that the compulsory purchase order would only be used as a measure of last resort should the Council fail to reach a negotiated settlement with leaseholders and commercial lessees, as detailed in the report. Every effort would be made to reach negotiated settlements.
2. The Council had now selected Countryside Properties as the Council's development partner to redevelop the Alma Estate. The Council was obligated, under the contract with Countryside Properties, to achieve vacant possession on a phased basis.
3. That negotiations would be guided by the Estate Renewal Leaseholder Framework report, Minute No.8 above refers.

Alternative Options Considered: An alternative option would be for the Council to draw up one CPO for Phase 1 and another for Phases 2-4. As

CABINET - 22.1.2014

explained in the report, this strategy would weaken the Council's case at a public enquiry. If the Council decided not to seek CPO powers, the delivery of the whole regeneration would be significantly undermined as there would be a very high risk that vacant possession would not be achieved within the timescales as leaseholders might decide to not sell back, or hold out for unreasonable and unrealistic offers from the Council.

DECISION: The Cabinet

1. Resolved to use CPO powers and authorised officers to carry out all CPO preparatory work for the London Borough of Enfield (Alma Estate Regeneration) Compulsory Purchase Order 2014 to effect acquisition of land and new rights within the areas described in the report and shown edged red (bold) on the Plan attached to the report (the proposed "Order Land"). The Council being of the view that the proposed acquisition of the Order Land would:
 - (a) Facilitate the carrying out of the development/redevelopment or improvement on or in relation to the Order Land: and
 - (b) Would contribute to the promotion or improvement of the economic, social and environmental well-being of the Borough.
2. Noted that a further report would follow later in 2014, attaching the draft Order and Statement of Reasons, seeking a resolution from Cabinet at that future point in time that the Council proceed to make the London Borough of Enfield (Alma Estate Regeneration) Compulsory Purchase Order 2014.
3. Delegated to the Director of Health, Housing and Adult Social Care with the approval of the Assistant Director of Finance, Resources and Customer Services (Property Services), whereby the level and terms of such approval may be agreed in accordance with the Property Procedure Rules:
 - (a) To prepare a Statement of Reasons based on the purpose and justification set out in the report, finalise the Order Plan and effect any other procedural and/or preparatory requirements.
 - (b) To acquire any interests in land within the Order Land by agreement and the making of payments equivalent to the market value of the property interest being acquired plus any statutory payments and disturbance compensation or the provision of property or services in lieu of the market value of the property interest being acquired and any statutory payments and disturbance compensation, in contemplation of the Order being made.

Reason: This Compulsory Purchase Order (CPO) was required to provide the Council with a legal option to ensure that it could commit to obtaining vacant possession of the Alma Estate, as obligated in the Development Agreement, prior to the phased handover to Countryside Properties to commence demolition and construction. The CPO provides the Council with a fall-back

CABINET - 22.1.2014

position should it not be able to buy back leasehold interests via negotiation. The CPO would also ensure that public money was spent fairly and consistently.

(Key decision – reference number 3800)

Councillor Oykenner took this opportunity to express his thanks and appreciation to Peter George (Senior Project Manager – Development and Estate Renewal Team) and his colleagues for the significant work which had been undertaken in connection with this report and Report No.163 as set out in Minute No.8 above.

10

AWARD OF CONTRACTS FOR THREE SERVICES FOR SUBSTANCE MISUSE PROVISION IN ENFIELD

Councillor Christine Hamilton (Cabinet Member for Community Wellbeing and Public Health) introduced the report of the Director of Health, Housing and Adult Social Care and Director of Public Health (No.165) seeking approval to the award of three contracts for substance misuse provision in Enfield.

NOTED

1. That Report No.167 also referred as detailed in Minute No.20 below.
2. A full tender process had been implemented which adhered to Corporate Procurement Procedures and EU Procurement Regulations. The new contracts included an initial contracting period of three years with optional extensions on a two yearly basis rolling up to a further four years, as set out in the report.
3. The financial and performance elements of the contracts as detailed in the report.
4. Councillor Hamilton expressed her thanks and appreciation to Bindi Nagra (Joint Chief Commissioning Officer) and Andrew Thomson (Strategy Manager – Drug and Alcohol Action Team).

Alternative Options Considered: There were no alternative options to tendering externally as Enfield Council was unable to directly provide such a specialist service in-house within a competitive price range. There was no option to extend the existing contracts as this would leave Enfield Council vulnerable to a challenge as the opportunity to extend was not detailed during the last tender process and two of the contracts did not contain such provision.

DECISION: The Cabinet

1. Noted that the tender process had adhered to Corporate Procurement Procedures, EU Procurement Regulations and the new contracts would

CABINET - 22.1.2014

afford the Council with on-going year on year performance and value for money benefits.

2. Noted the procurement process and endorsed the award of the three contracts to the preferred bidders, as outlined in part 2 of the report (Minute No.20 below refers), for an initial period of three years, with the option to apply extensions on a two yearly basis rolling up to four further years.

Reason: It was important that the Council sustained substance misuse provision to: reduce the levels of harm caused by substance misuse to health and especially address the health inequalities in the Borough; reduce drug and alcohol related crime and anti-social behaviours; ensure that the Council's residents had direct access to services to help them make a positive and direct contribution towards the community; to ensure that young people had the best opportunity to stay safe, achieve and made a positive contribution; and, to ensure that substance misusing residents had direct access to high quality services that deliver the best interventions in the most cost effective community settings.

(Key decision – reference numbers 3736/3737/3738)

11

ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY PANEL/SCRUTINY PANELS

NOTED that no issues had been raised for consideration at this meeting.

12

CABINET AGENDA PLANNING - FUTURE ITEMS

NOTED the provisional list of items scheduled for future Cabinet meetings.

13

NOTICE OF KEY DECISION LIST

NOTED that the Notice of Key Decision list was due to be published on 31 January 2014, this will be effective from 1 March 2014.

14

MINUTES

AGREED that the minutes of the previous meeting of the Cabinet held on 11 December 2013 be confirmed and signed by the Chairman as a correct record.

15

MINUTES OF POLICY CABINET SUB-COMMITTEE - 4 DECEMBER 2013

NOTED the minutes of a meeting of the Policy Cabinet Sub-Committee held on 4 December 2013.

CABINET - 22.1.2014

16

MINUTES OF ENFIELD RESIDENTS' PRIORITY FUND CABINET SUB-COMMITTEE - 5 DECEMBER 2013

NOTED the minutes of a meeting of the Enfield Residents' Priority Fund Cabinet Sub-Committee held on 5 December 2013.

17

ENFIELD STRATEGIC PARTNERSHIP FEEDBACK

Members received a written update on the Enfield Strategic Partnership (Report No.166) which provided a summary of the minutes of the Board meeting held on 10 December 2013.

NOTED

1. Councillor Goddard (Cabinet Member for Business and Regeneration) highlighted the issues which had been considered and noted the discussion which had taken place at the previous Cabinet meeting with regard to the future strategic direction of the Enfield Strategic Partnership.
2. Councillor Orhan (Cabinet Member for Children and Young People) took this opportunity to highlight a successful event which had taken place earlier in the day with the newly elected Enfield Youth Parliament. It had been a well organised event with the Youth Parliament meeting with Cabinet Members. The engagement and influence of the Youth Parliament was increasing and the Council was listening to the feedback which they received. Councillor Stafford had allocated a £5k budget for the Youth Parliament which they could decide how to spend and report back to Cabinet. Members of the Youth Parliament had expressed a desire to shadow Cabinet Members and senior officers. Volunteers were being sought.

18

DATE OF NEXT MEETING

NOTED that the next meeting of the Cabinet was scheduled to take place on Wednesday 12 February 2014 at 8.15pm.

19

EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED in accordance with Section 100A (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the item of business listed on part 2 of the agenda on the grounds that it involves the likely disclosure of confidential information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule

CABINET - 22.1.2014

12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

20

AWARD OF CONTRACTS FOR THREE SERVICES FOR MISUSE PROVISION IN ENFIELD

Councillor Christine Hamilton (Cabinet Member for Community Wellbeing and Public Health) introduced the report of the Director of Health, Housing and Adult Social Care and Director of Public Health (No.167).

NOTED

1. That Report No.165 also referred as detailed in Minute No.10 above.
2. The additional information contained in the report in support of the recommendations detailed in Report No.165, Minute No.10 above refers.
3. In response to a question raised it was noted that the terms of the contracts did allow for payment by results in the future. The specific terms were outlined for Members' information.

Alternative Options Considered: As detailed in Minute No.10 above.

Reason: As detailed in Minute No.10 above.

(Key decision – reference numbers 3736/3737/3738)

(Exempt information as detailed in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))

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ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014

**MINUTES OF THE MEETING OF THE ENFIELD RESIDENTS PRIORITY FUND
CABINET SUB-COMMITTEE
HELD ON THURSDAY, 16 JANUARY 2014****COUNCILLORS**

PRESENT Christine Hamilton, Chris Bond and Bambos Charalambous
(Chair)

ABSENT Achilleas Georgiou

OFFICERS: Peter Doherty (ERPF Administrator), Antonia Mankanjuola
(Senior Lawyer), Joanne Stacey (Performance and
Information Manager) and Alison Trew (Head of Corporate
Policy and Performance) Penelope Williams (Secretary)

1**WELCOME AND APOLOGIES**

The Chair welcomed everyone to the meeting. Apologies for absence were received from Councillor Achilleas Georgiou.

2**DECLARATION OF INTERESTS**

Councillor Charalambous declared a non-pecuniary interest in the following applications in Palmers Green Ward: (PAL030), (PAL035).

3**URGENT ITEMS**

NOTED the reports listed on the agenda had been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information) (England) Amendment Regulations 2002.

There were no urgent items.

4**APPLICATIONS TO THE FUND**

Councillor Bambos Charalambous introduced the report of the Chief Executive (No. 172) presenting the applications that had been formally submitted up to 20 December 2013 for the Enfield Residents' Priority Fund 2013-14.

Joanne Stacey, Performance and Information Manager, presented the report to members.

NOTED

ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014

1. The summary of the applications received as detailed in Appendix A to the report:
2. Members considered each of the applications in detail, as follows:

2.1 Refuse Freighter (BOW048)

A project for Bowes ward to provide a refuse freighter to visit the area to collect bulky waste. Members noted that the application met the social and environmental wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and environment.

The application was approved subject to being signed and agreed by all three ward councillors.

2.2 Beautiful Beds – Bush Hill Park Flower Beds (BUSH019)

A project for Bush Hill Park Ward to refurbish planters in the area.

The application was withdrawn by the ward councillors.

2.3 Trent Park Nature Trail (CF017)

A project for Cockfosters Ward to install nature trail signs in Trent Park. Members noted that the application met the social and environmental wellbeing objectives and the following criteria: fairness for all, growth and sustainability and strong communities.

This project had the support of the Council's Environment Department.

The application was approved.

2.4 Volunteer Activities for Young People (HIWAY35)

A project for Highway Ward to provide volunteer activities for young people in the ward.

The application was withdrawn by ward councillors.

2.5 Falun Gong Classes (LOED049)

A project for Lower Edmonton Ward to provide Falun Gong classes for ward residents. Members noted that the application met the social and economic wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and crime.

It was noted that the teaching was being provided free and that expenses were required to cover the volunteer costs.

ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014

The application was approved.

2.6 Gifts for Friends (LOED050)

A project for Lower Edmonton Ward to provide employment for residents with learning difficulties. Members noted that the application met the social and economic wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and crime.

The application was approved.

2.7 Internet Radio Station (LOED051)

A project for Lower Edmonton Ward to set up a radio station based at the Bontagu Hub. Members noted that the application met the social and economic wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and crime.

The application was approved.

2.8 Family Boxing and Sports Sessions (LOED052)

A project for Lower Edmonton Ward to provide boxing and sports sessions for local families. Members noted that the application met the social and economic wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and crime.

The application was approved.

2.9 Somali Parent Advice (LOED053)

A project for Lower Edmonton Ward to provide support for Somali school students and parents. Members noted that the application met the social and economic wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and crime.

It was suggested that the group should link into the work being done by the Parent Engagement Panel.

The application was approved.

2.10 Palmers Green Triangle Flower Beds (PAL030)

A project for Palmers Green Ward to plant flowerbeds in the Palmers Green Triangle. Members noted that the application met the social, economic and environmental wellbeing objectives and the following criteria: strong communities and employment.

The application was deferred to enable ward councillors to look again at the costs.

ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014

2.11 Tatem Park Centenary Playground (PAL035)

A project for Palmers Green Ward to install a playground to mark the centenary of Tatem Park.

The application was not approved as the match funding required to implement the project could not be found.

2.12 CCTV Cameras in Ponders End (PE036)

A project for Ponders End Ward to install CCTV cameras in the ward. Members noted that the application met the economic and environmental wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities, education, skills and training.

The application was approved subject to confirmation of the costs and obtaining the signature of the Chair of the local CAPE.

2.13 Supplementary Classes (PE039)

A project for Ponders End Ward to provide classes in English and Maths for young people in the ward. Members noted that the application met the economic and environmental wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities, education, skills and training.

The application was approved.

2.15 Art Trail and Open Studios (SGT023) (WHM023)

A project for Southgate and Winchmore Hill Wards to provide a contribution to the funding of an art trail and public opening of studios. Members noted that the application met the social and environmental wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities, education, skills and training.

It was noted that a similar project, run last year, had been very popular.

The application was approved.

2.16 Bullsmoor Way Alleygate (TST052)

A project for Turkey Street Ward to provide an alleygate between 32a and 34b Bullsmoor Way. Members noted that the application met the environmental wellbeing objective and the following criteria: strong communities and crime.

The project had the support of the Council's Environment Department.

The application was approved.

ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014**2.7 Gifts for Friends (UPED047)**

A project for Upper Edmonton Ward to provide employment for residents with learning difficulties. Members noted that the application met the social and economic wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and crime.

The application was approved.

2.7 Gifts for Friends (WMH022)

A project for Winchmore Hill Ward to provide employment for residents with learning difficulties. Members noted that the application met the social and economic wellbeing objectives and the following criteria: fairness for all, growth and sustainability, strong communities and crime.

The application was approved.

Alternative Options Considered

That the projects were not considered and funding was not allocated, this would not be recommended as this will not support community engagement and will not allow residents the opportunity to further improve the local area in which they live and work.

DECISION

1. The Cabinet Sub Committee, following detailed consideration of the applications and the criteria, agreed that the following applications were suitable for funding from the Enfield Residents Priority Fund:

The following applications were approved:

WARD	PROJECT TITLE	AMOUNT
Cockfosters (CF017)	Trent Park Nature Trail	£2,000
Lower Edmonton (LOED049)	Falun Gong	£2,425
Lower Edmonton (LOE050),	Gifts for Friends	£1,900
Lower Edmonton (LOE051)	Internet Radio Station	£6,200
Lower Edmonton (LOE052)	Family Boxing and Sports Sessions	£3,960

ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014

Lower Edmonton (LOE053)	Somali Parent Advice	£4,723
Ponders End (PE039)	Supplementary Classes	£8,000
Southgate (SGT023), Winchmore Hill (WMH023)	Art Trail and Open Studios	£3,000 (Southgate) £8,000 (Winchmore Hill)
Turkey Street (TST052)	Bullsmoor Way Alley Gate	£6,000
Upper Edmonton (UPED047),	Gifts for Friends	£2,000
Winchmore Hill (WMH022)	Gifts for Friends	£900

2. The following applications were approved in principle, subject to listed conditions:
 - Bowes (BOW048) Refuse Freighter £3,877 subject to being agreed and signed by all three ward councillors
 - Ponders End (PE038) CCTV Cameras £12,000 subject to confirmation of the costs and obtaining the signature of the Chair of the local CAPE.

3. The following application was deferred, for consideration at a future meeting of the Sub Committee, to enable more information to be provided, before a decision was made:
 - Palmers Green (PAL030) Palmers Green Triangle Flower Beds to enable the ward councillors to re-consider the costs.

4. The following applications were withdrawn by ward councillors:
 - Bush Hill Park (BUSH019) Beautiful Beds Planter Scheme
 - Highway (HIWAY35) Volunteer Activities for Young People

5. The following application was not approved:
 - Palmers Green (PAL035) Tatem Park Centenary Playground as the match funding required, to implement the project, could not be found.

6. It was agreed that the contracts for all the projects approved on 16 January 2014 would continue up to March 2015 to give applicants enough time to deliver the projects.

ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014

7. The Chair of the Sub Committee be given delegated authority to provide approval in cases where applications are agreed in principle, subject to certain conditions, and these conditions have been met.

Reason: The projects submitted had been proposed and developed by the local people of Enfield, to help improve the social, economic or environmental wellbeing by tackling local need and deprivation. The projects all support the Council's vision of making Enfield a better place to live and work, delivering fairness for all, growth and sustainability and strong communities.

**5
PROJECT STATUS UPDATE**

The Committee received a project status update report listing all the projects which have still to be completed from 11/12, 12/13 and 13/14.

Joanne Stacey, Performance and Information Manager, introduced the report to the Committee.

NOTED

1. Enfield Homes had agreed the details on the Beale Close project (BOW007) which was now being progressed. A location had been agreed for the Ayleycroft cycle store (SOUB001) and Enfield Homes had agreed to maintain it and distribute keys to members.
2. Russell Hart (Head of Operations) would be attending the next meeting with Shanthi Gunesekera (Programme Manager) and Bob Griffiths (Assistant Director Planning, Highways and Transformation) to report back on the projects being carried out by the Environment Department.
3. The Police had advised that they would not be claiming for the police cars which had been approved under the scheme. It was likely that they would not claim for their other projects either. Any underspends would be taken back into the Council's main funds.
4. Work on the play area on the Alyeycroft Estate (SOUB014) was due to start on 31 January 2014.
5. Work on the Arnos Park Café (SGTG005) was progressing although Transport for London was not happy with the café designs put forward.
6. The planting proposed for the area around Southgate Underground Station (SGT016) was waiting for approval by Transport for London.
7. Enfield Homes had cleared the alley to the rear of Myrtle Road. This project was therefore no longer needed and could be closed.
8. The survey of works for the Palmers Greenery (PAL015) was due to take place on 22 January 2014.

ENFIELD RESIDENTS PRIORITY FUND CABINET SUB-COMMITTEE - 16.1.2014

9. Legal Advice was sought on whether it would be possible to write to all outstanding applicants for 11/12 stating that it would no longer be possible to claim on outstanding projects after a certain date. Advice would be provided for the next meeting.
10. The monitoring of outstanding projects would continue at meetings for the rest of the municipal year.
11. Councillor Charalambous agreed to write to members, encouraging them to get their applications in.

6

MINUTES OF THE MEETING HELD ON 5 DECEMBER 2013

The minutes of the meeting held on 5 December 2013 were agreed as a correct record.

7

DATES OF FUTURE MEETINGS

The dates agreed for future meetings of the Committee were noted as follows:

- Thursday 6 February 2014
- Tuesday 4 March 2014
- Thursday 3 April 2014