



CABINET
Monday, 6th October, 2014

You are invited to attend the next meeting of **Cabinet**, which will be held at:

Council Chamber, Civic Offices, High Street, Epping
on Monday, 6th October, 2014
at 7.00 pm .

Glen Chipp
Chief Executive

Democratic Services
Officer

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The Directorate of Governance
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Members:

Councillors C Whitbread (Leader of the Council) (Chairman), Ms S Stavrou (Deputy Leader and Finance Portfolio Holder) (Vice-Chairman), R Bassett, W Breare-Hall, Mrs A Grigg, D Stallan, G Waller, Ms H Kane, A Lion and J Philip

<p>PLEASE NOTE THE START TIME OF THE MEETING</p>

1. WEBCASTING INTRODUCTION

- (a) This meeting is to be webcast;
- (b) Members are reminded of the need to activate their microphones before speaking; and
- (c) the Chairman will read the following announcement:

"I would like to remind everyone present that this meeting will be broadcast live to the Internet and will be capable of subsequent repeated viewing, with copies of the recording being made available for those that request it.

By being present at this meeting, it is likely that the recording cameras will capture your image and this will result in your image becoming part of the broadcast.

You should be aware that this may infringe your human and data protection rights. If you have any concerns then please speak to the Webcasting Officer.

Please could I also remind Members to activate their microphones before speaking.”

2. APOLOGIES FOR ABSENCE

(Director of Governance) To be announced at the meeting.

3. DECLARATIONS OF INTEREST

(Director of Governance) To declare interests in any item on this agenda.

4. MINUTES

To confirm the minutes of the last meeting of the Cabinet held on 8 September 2014 (previously circulated).

5. REPORTS OF PORTFOLIO HOLDERS

To receive oral reports from Portfolio Holders on current issues concerning their Portfolios, which are not covered elsewhere on the agenda.

6. PUBLIC QUESTIONS

To answer questions asked by members of the public after notice in accordance with the motion passed by the Council at its meeting on 19 February 2013 (minute 105(iii) refers) on any matter in relation to which the Cabinet has powers or duties or which affects the District.

7. OVERVIEW AND SCRUTINY

(a) To consider any matters of concern to the Cabinet arising from the Council's Overview and Scrutiny function.

(b) To consider any matters that the Cabinet would like the Council's Overview and Scrutiny function to examine as part of their work programme.

8. COUNCIL HOUSEBUILDING CABINET COMMITTEE - 17 APRIL 2014 (Pages 7 - 18)

(Housing Portfolio Holder) To consider the minutes of the meeting of the Council Housebuilding Cabinet Committee held on 17 April 2014, and any recommendations therein.

9. COUNCIL HOUSEBUILDING CABINET COMMITTEE - 21 AUGUST 2014 (Pages 19 - 28)

(Housing Portfolio Holder) To consider the minutes from the recent meeting of the Council Housebuilding Cabinet Committee held on 21 August 2014, and any recommendations therein.

10. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 18 SEPTEMBER 2014 (Pages 29 - 36)

(Finance Portfolio Holder) To consider the minutes of the Finance & Performance Management Cabinet Committee held on 18 September 2014, and any recommendations therein.

11. NORTH WEALD BASSETT MASTERPLAN STUDY (Pages 37 - 48)

(Planning Policy Portfolio Holder) To consider the attached report (C-027-2014/15).

12. MARKETING OF AN OPERATIONAL MANAGEMENT AGREEMENT AT NORTH WEALD AIRFIELD (Pages 49 - 54)

(Asset Management & Economic Development Portfolio Holder) To consider the attached report (C-031-2014/15).

13. DELEGATION OF POWERS FROM ESSEX COUNTY COUNCIL UNDER THE FLOOD AND WATER MANAGEMENT ACT 2010 - REVISED AGREEMENT (Pages 55 - 60)

(Environment Portfolio Holder) To consider the attached report (C-025-2014/15).

14. SURVEY OF THE RIVER RODING AND ASSOCIATED BRIDGES IN THE RODING VALLEY RECREATIONAL AREA (Pages 61 - 66)

(Environment Portfolio Holder) To consider the attached report (C-026-2014/15).

15. APPROPRIATION OF LAND AT BURTON ROAD, LOUGHTON (Pages 67 - 72)

(Housing Portfolio Holder) To consider the attached report (C-034-2014/15).

16. EPPING TOWN NEIGHBOURHOOD AREA CONSULTATION (Pages 73 - 78)

(Planning Policy Portfolio Holder) To consider the attached report (C-028-2014/15).

17. INTEGRATED PAYROLL/HUMAN RESOURCES ICT SYSTEM (Pages 79 - 84)

(Technology & Support Services Portfolio Holder) To consider the attached report (C-029-2014/15).

18. ICT CAPITAL REQUIREMENTS - 2015/16 (Pages 85 - 98)

(Technology & Support Services Portfolio Holder) To consider the attached report (C-033-2014/15).

19. REVIEW OF FLEET OPERATIONS SERVICE (Pages 99 - 138)

(Environment Portfolio Holder) To consider the attached report (C-032-2014/15).

20. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6)

and (24) of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

21. EXCLUSION OF PUBLIC AND PRESS

Exclusion

To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

<u>Agenda Item</u>	<u>Subject</u>	<u>Paragraph Number</u>
22	Re-Purchase of the former Council Property at 79 London Road, Stanford Rivers	3
23	Proposed Development of St Johns Road, Epping	3

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Confidential Items Commencement

Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers

Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

22. RE-PURCHASE OF THE FORMER COUNCIL PROPERTY AT 79 LONDON ROAD, STANFORD RIVERS (Pages 139 - 144)

(Housing Portfolio Holder) To consider the attached report (C-030-2014/15).

23. PROPOSED DEVELOPMENT OF ST JOHNS ROAD, EPPING (Pages 145 - 150)

(Asset Management & Economic Development Portfolio Holder) To consider the attached report (C-035-2014/15).

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Thursday, 17 April 2014
Committee

Place: Council Chamber, Civic Offices, **Time:** 5.30 - 7.50 pm
High Street, Epping

Members Present: D Stallan (Chairman), R Bassett, W Breare-Hall, Ms S Stavrou and G Waller

Other Councillors: Ms J Hart, Mrs C Pond, C Whitbread and K Angold-Stephens

Apologies:

Officers Present: A Hall (Director of Communities), P Pledger (Assistant Director (Housing Property and Development)), J Leither (Democratic Services Assistant) and A Hendry (Democratic Services Officer)

Also in attendance: A Gatrell (Head of Development, East Thames Group), I Collins (Client Lead, Pellings LLP) and Simon Smith (CIH Consultancy)

26. DECLARATIONS OF INTEREST

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

27. MINUTES

RESOLVED:

That the minutes of the last meeting held on 4 February 2014 be taken as read and signed by the Chairman as a correct record.

28. TERMS OF REFERENCE

The Director of Communities presented a report to the Cabinet Committee with regard to a Leader Decision that had extended the Committee's Terms of Reference. It was anticipated that the Council may wish to seek Investment Partner status with the Homes and Communities Agency (HCA) and to submit funding bids for grants in the future.

This extension of the Cabinet Committee's Terms of Reference empowered the Cabinet Committee to authorise an application for Investment Partner status and submission of funding bids.

Resolved:

To note the Leader Decision to extend the Cabinet Committee's Terms of Reference with an additional paragraph (Paragraph 12).

Reasons for the Decision:

To ensure that all members of the Cabinet Committee are aware of the extension to the Terms of Reference.

Other Options Considered and Rejected:

None – for noting only.

29. ACCELERATING THE HOUSEBUILDING PROGRAMME

The Director of Communities presented a report to the Cabinet Committee. He advised that at the last meeting, the Cabinet Committee requested a report to this meeting on how an accelerated and extended Housebuilding Programme could be funded, and the associated implications.

The Council's HRA Business Planning Consultant, Simon Smith from CIH Consultancy had produced a report on this issue, together with advice on the maximum amount for which HCA funding should be sought, in order to ensure that all 1-4-1 Receipts from Right to Buy sales are spent within the required 3 years of receipt and that none were passed on to the Government, with interest.

Simon Smith was in attendance to present his report, annexed to the main report, and to answer members' questions.

Based on the information within CIH Consultancy's report, the recommendations set out at the commencement of the report had been formulated by the Director of Communities, most of which would require endorsement by the Cabinet.

Recommended:

- (1) That the report from CIH Consultancy on the options for funding an accelerated Council Housebuilding Programme and the associated implications be noted;
- (2) That the following recommendations be made to the Cabinet:
 - (a) That the Council seeks to increase the number of affordable homes developed in Phases 3-6 from 20 to 30 per year;
 - (b) That HCA funding be sought, initially, for Phase 2 of the Housebuilding Programme at Burton Road, Loughton for 40 homes - based on a 56-home development, with the remaining homes in Phase 2 being funded from 1-4-1 Receipts and the other resources made available within the HRA as a result of the other recommendations within the CIH Consultancy report;
 - (c) That further bids for HCA funding be made in future years for future phases of the Housebuilding Programme, should the amount of 1-4-1 Receipts be less than forecast within the CIH Consultancy report, provided that the receipt of such HCA funding would not result in any 1-4-1 Receipts having to be passed to the Government;
 - (d) That, as a policy, the minimum balance held in the HRA be reduced from £3 million to £2 million;
 - (e) That the Council's HRA Self-Financing Reserve be re-profiled, to release funds for the Housebuilding Programme in earlier years of the HRA Business

Plan by increasing contributions to the Reserve in later years (closer to the HRA's first PWLB loan maturing in 2021/22), whilst ensuring that sufficient resources have been accumulated within the Reserve to repay this first loan on maturity (subject to no further borrowing being undertaken to extend the Housebuilding Programme, as referred to in Recommendation 2(h) below);

(f) That 30% of the Council's accruing HRA attributable debt balances be utilised to help fund the accelerated Housebuilding Programme;

(g) That the HRA's contribution to the Housing Improvements and Service Enhancements Fund between 2019/20 – 2021/22 (Years 7-9) be reduced by a sufficient amount to enable Phases 2-6 of the Housebuilding Programme to be funded (currently estimated at a reduction of £2.09 million - £2.24 million per annum, from £3.87 million per annum to £1.63 million - £1.78 million per annum), which will be dependent on:

- (i) The outcome of the HCA funding bid;
- (ii) The amount of 1-4-1 Receipts received in 2014/15;
- (iii) The receipt of any further financial contributions received as a result of Section 106 Agreements;
- (iv) Any property or land sales for which the Cabinet agrees the resultant receipt can be utilised to fund the Housebuilding Programme; and
- (v) Any adjustments that have to be made to the amount allocated to the Fund in the intervening period, due to unforeseen and un-budgeted reasons affecting the HRA.

(h) That, in principle, the Council Housebuilding Programme be extended by a further 4 years to 10 years, after the current Years 3-6, with an additional 30 new affordable homes provided each year;

(i) That no decisions be made now on the most appropriate way of funding an extended Housebuilding Programme, but that consideration be given at an appropriate time in the future - and before any commitments are made or expenditure incurred; and

(j) That the purchase of properties from the open market and/or the provision of local authority grant(s) to one of the Council's Preferred Housing Association Partners to fund affordable housing schemes in need of grant, continue to be kept as a contingency plan, should the amount of 1-4-1 Receipts still be in excess of the maximum amount that can be spent on the Housebuilding Programme, in order to avoid having to pass any 1-4-1 Receipts to the Government, with interest.

Decision:

(1) That, in accordance with its terms of appointment, the Council's Development Agent, East Thames, be asked to update the Council's Development Strategy, once the outcome of the Council's bid to the HCA was known, taking account of any decisions made to accelerate the Housebuilding Programme and other relevant decisions made by the Cabinet Committee and Cabinet since the time the current Development Strategy was produced; and

(2) That the outcome of any decisions to accelerate the Housebuilding Programme be included within the Council's HRA Financial Plan 2014/15, when it would be reviewed and updated at the end of Quarter 1 of 2014/15.

Reasons for the Decision:

A number of sites within the Council's ownership have been identified as being potentially suitable for Council housebuilding. The proposed number of new homes developed at Burton Road, Loughton was likely to be in excess of the numbers included within the HRA Business Plan. Furthermore, as a result of the current high number of Right to Buy (RTB) sales being completed, there was a risk that not all of the "1-4-1 Receipts" (i.e. those that can be spent on new housebuilding, to replace those lost due to the RTB) will be able to be spent within the required 3 years of receipt.

Moreover, the Cabinet Committee had indicated its wish for the Council to bid for funding from the HCA's forthcoming Affordable Homes Programme. In any event, the need for affordable housing continues to increase, whilst Council homes are also being sold through the Right to Buy, so an accelerated Housebuilding Programme would be welcomed.

Other Options Considered and Rejected:

- (a) Not to accelerate or extend the Programme, or accelerate it at a different rate or extend it for a different period;
- (b) Not to seek HCA Investment Partner status or bid for HCA funding, or to bid for different number of homes or a different unit grant cost;
- (c) Not to re-profile the HRA Self-Financing Reserve;
- (d) Not to utilise 30% of the HRA attributable debt to help fund the Programme, or to utilise more or less of the attributable debt;
- (e) To reduce further the amount allocated by the HRA to the Housing Improvements and Service Enhancements Fund than proposed;
- (f) To borrow further loans from the PWLB, as an alternative to the proposed approaches for funding; and
- (g) Not to reduce the minimum HRA balances to less than £3 million.

30. PHASE 2 FEASIBILITY REPORT - BURTON ROAD, LOUGHTON

The Assistant Director (Housing Property and Development) presented a revised report and feasibility studies regarding the Burton Road site in Loughton. Members were reminded that at the last meeting of the Cabinet Committee they had requested that the density of the site be increased and a new site design and feasibility study be brought to this meeting for approval. Officers presented the Cabinet Committee with two designs for the site:

- (a) a 42-home development; and
- (b) a 56-home development.

The Head of Development, East Thames Group stated that the Financial Appraisal models for both the Burton Road options had been formulated in line with the Council's approved:

- (i) Development Strategy;
- (ii) Economic Assumptions Framework; and
- (iii) Affordable Rent Policy.

The costs used to formulate the appraisal had been taken from the cost build-up provided by Pellings LLP's Quantity Surveyor.

The Head of Development, East Thames Group advised comparative information had been provided in the report to enable Members to decide between the two

schemes. He stated that the information was broadly divided into two areas; financial and non-financial.

Financial

For both schemes:

- (a) Revenue first exceeds cost in Year 1;
- (b) The loan repayment was Year 30;
- (c) They each had positive Nett Present Values (NPV) of £2,196,159 (Option 1) and £3,182,344 (Option 2) respectively; and
- (d) They each had an Internal Rate or Return (IRR) of 5.34% (Option 1) and 5.46% (Option 2) respectively.

Whilst Option 2 had a higher level of capital investment it also produced a greater return (better NPV and IRR).

Option 1 had an NPV per person of £14,739 whilst Option 2 was £25,664.

Option 1 had an NPV per unit of £52,308 whilst Option 2 was £56,828.

Option 1 had a debt per unit of £130,308 whilst Option 2 was £132,558.

Option 2 had a lower build cost per square metre of £1,894 (gross floor area) as opposed to Option 1 which had a build cost per square metre of £1,685 (gross floor area). This was partly due to the fact that the level of enabling works remained broadly similar, as was the allowance for risk in the ground.

Non-Financial

Option 1 accommodates 149 people whilst Option 2 accommodates 212 people; 63 more people in Option 2.

Option 1 produces 30 family homes (2 bed homes and above) whilst Option 2 produces 42; 12 more family homes in Option 2.

Option 1 delivers 9 houses compared to 18 in Option 2; 9 more in Option 2.

The second option would therefore provide more family accommodation and hence a significantly greater child density, which was a decision making factor.

The Head of Development, East Thames Group also confirmed that Secure by Design certification would be sought as per the Council's approved Development Strategy.

It was noted that Secretary of State consent would be required to appropriate the land for planning purposes, in order to facilitate the development.

Recommended:

(1) That, subject to Secretary of State consent, the former garage site and associated amenity land at Burton Road, identified for the development of Council Housebuilding, be appropriated for planning purposes under provisions laid out in the Local Government Act 1972 and Town and Country Planning Act 1990 on the grounds that the land was no longer required for the purposes for which it was currently held in the Housing Revenue Account.

Decisions:

(1) That the development feasibility for the Burton Road Site, Loughton consisting of a 56-home scheme be approved and progressed to detailed planning stage, and if

planning permission is received, for the invitation of tenders as Phase Two of the Council's Housebuilding Programme;

(2) That the estimated capital investment required to deliver a scheme consisting of 56 new affordable rented Council properties as Phase Two of around £8.9m, including fees and works, be noted;

(3) That an estimated subsidy of £1.512m for a 56-home scheme be set aside for Phase Two in order to achieve a pay-back of 30 years with a positive Net Present Value (NPV) as required by the Council's Development Strategy;

(4) That a financial contribution of £18,400 to the NHS to fund healthcare be included as part of the planning permission by way of a Unilateral Undertaking, subject to the money being specifically spent on services in the Loughton area; and

(5) That the Housing Portfolio Holder be authorised to submit a detailed planning application for the Burton Road development site.

Reasons for the Decision:

At its last meeting, the Cabinet Committee considered a feasibility study for a 31-home scheme at Burton Road, Loughton as Phase Two of the Council's Council Housebuilding Programme. However, it was resolved that an alternative scheme be developed for the site, which increased the density of the housing and reduced the parking allocation by taking advantage of the site's town centre location, good local shopping facilities and public transport infrastructure. Appropriating the land would override any third party access claims which may frustrate the Council's objectives for redevelopment.

Other Options Considered and Rejected:

1. Not to progress with either of the schemes presented in the report and revert to the 31-home scheme considered by the Cabinet Committee in February 2014.

2. To develop the site with a different number of homes, or with an alternative mix of property types or parking allocation.

3. Not to progress with any of the three schemes for this site and consider alternative sites to make up Phase Two.

4. Not to appropriate the land and take the risk that a third party will not try to prevent the development by laying claim to a long established right of access across the land.

31. HOMES AND COMMUNITIES AGENCY BID

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee. He advised that following the launch of the 2015-18 Affordable Homes Programme Bid Prospectus by the Homes and Communities Agency (HCA), the Council now had the opportunity to bid for an Affordable Housing Grant to subsidise the Council's Housebuilding Programme. The Prospectus signals the start of the Bid Round, which would close at 12 noon on 30 April 2014. The Prospectus prescribes that any bids must be made based on an executive decision.

Further documentation would need to be prepared in relation to the design and training standards that the HCA expects. These standards had not been published by

the HCA yet but East Thames was monitoring this situation and would work with the Council to deliver these statements on time.

Once the bid was submitted, the HCA expected to confirm successful bids by Mid July 2014. It was recommended that, should the Council's bid be successful, then East Thames be authorised to lead on the process of gaining investment partnership status with the HCA.

The advantage to bidding for grant from the HCA was that, if successful, more affordable homes could be provided within the Housebuilding Programme than otherwise would be the case.

Due to the limited amount of time between the meeting and the 30 April deadline to submit a bid to the HCA for Affordable Housing Grant, the Chairman of Council had agreed to waive the Call-in Procedure for this item.

Decisions:

(1) That East Thames, in consultation with the Director of Communities, be authorised to submit a bid to the Homes and Communities Agency (HCA) for Affordable Housing Grant as part of the Affordable Homes Programme 2015-18, before the 30 April 2014 deadline, initially to fund 40 homes at Burton Road, Loughton, based on a grant of £12,500 per home and the provision of affordable rents in line with the Council's Affordable Rent Policy, with the remaining 16 homes, plus the 23 homes included in Phase 1, being put forward as part of the bid with a nil grant requirement;

(2) That, as part of the bid for HCA Affordable Housing Grant, the Council reaffirms its intention to charge affordable rents for all new homes, but to retain social housing rent for existing housing stock and not convert vacant properties to affordable rent on re-let;

(3) That, subject to a successful grant application, East Thames be authorised to prepare an application on behalf of the Council for HCA Investment Partner Status so that the funding can be drawn down at the appropriate time; and

(4) That it be noted, due to the amount of time between the meeting and the 30 April deadline to submit a bid to the HCA for Affordable Housing Grant, the Chairman of Council had agreed to waive the Call-in Procedure for this item.

Reasons for the Decision:

In order for the HCA to consider any bids for Affordable Housing Grant, it requires the bid to be supported by an executive decision of the Board or other authorised Committee.

Other Options Considered and Rejected:

Not to submit an application for grant and to self-fund the programme.

32. POLICY ON UNDEVELOPABLE SITES

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee regarding the approach to be taken in respect of sites in the area that are not deemed appropriate for development by the Council. He advised that the Council's Development Agent was required to undertake a feasibility study

for each of the 65 garage and other surplus sites included on the list of potential development garage sites approved by the Cabinet. The future use of any site considered either unsuitable or financially unviable, or not receiving planning permission, would need to be considered and it was considered helpful for a general Policy to be agreed in advance. Following previous informal consultation with the Cabinet Committee, the report set out the proposed approach the Council should take where sites are found to be unsuitable for Council housebuilding.

Decisions:

1. That, should any of the potential development sites identified for Council housebuilding not be developable because:
 - (i) They do not receive planning permission;
 - (ii) They are not financially viable for the Council to develop based on a development appraisal; or
 - (iii) The Cabinet Committee considers, for whatever reason, the site should not be developed for Council housing;

Officers be authorised to consider the following options and submit a separate report to the Cabinet Committee to determine the future use of the site:

- a. To sell the site for social housing to a housing association in return for a capital receipt to fund future Council housebuilding and to gain nomination rights for Council housing applicants;
 - b. To sell the site for private development, either for residential or other use in return for a capital receipt to fund future Council housebuilding;
 - c. To divide up the site and sell the land to local residents to extend their private gardens in return for a capital receipt to fund future Council housebuilding;
 - d. To demolish the garages, re-surface and mark out the land and to leave the site as open car parking for local residents;
 - e. To sell the site to a Town or Parish Council for their own purposes (eg. public amenity space) in return for a capital receipt to fund future Council housebuilding; and
 - f. To continue to market and rent the garages to local residents; and
2. That the Cabinet Committee recommends to the Leader of the Council that the Terms of Reference for the Council Housebuilding Cabinet Committee be varied to empower the Cabinet Committee to determine the future use of garage sites and other Council owned land previously identified and approved by the Cabinet for possible Council housebuilding, where the Cabinet Committee agrees that development is not appropriate.

Reasons for the Decision:

The Cabinet has agreed to consider the development potential of 65 garage sites, and development would always be subject to feasibility, financial viability and planning approval. Where sites are not developable, then their future use must be considered to maximise the Council's benefit of the Asset.

Other Options Considered and Rejected:

To agree any other option for the future use of the sites as the Cabinet Committee deemed suitable.

33. ANNUAL REPORT TO CABINET

The Assistant Director presented a draft Progress Report for the Cabinet Committee to present to the Cabinet. He advised that, set out in its Terms of Reference, the Cabinet Committee was required to monitor and report to the Cabinet, on an annual basis progress and expenditure in relation to the Council Housebuilding Programme.

Recommended:

That the Annual Progress Report on Council Housebuilding be presented to the Cabinet.

Reasons for the Decision:

Set out in its Terms of Reference, the Cabinet Committee would be required to monitor progress and expenditure in relation to the Council Housebuilding Programme and report to the Cabinet on an annual basis.

Other Options Considered and Rejected:

This report was on the progress made over the last 12-months and was for noting purposes only. There are no other options for action.

34. DEVELOPMENT NAMING

The Director of Communities presented a report to the Cabinet Committee advising that some new Council developments would need to be named for postal and other purposes.

It was therefore suggested that the Cabinet Committee's Terms of Reference be extended through a Leader's Decision to include this provision.

Decision:

That the Leader of the Council be recommended to make a Leader's Decision to include, within the Cabinet Committee's Terms of Reference, the authority to decide, where necessary, in consultation with Ward Members, on the names of developments undertaken through the Council Housebuilding Programme.

Reasons for the Decision:

It was considered that the Cabinet Committee would be the most appropriate body to undertake this role.

Other Options Considered and Rejected:

- (a) To delegate responsibility to officers;
- (b) To request the Housing Scrutiny Panel to undertake this role; or
- (c) That responsibility be given to the full Cabinet.

35. RISK REGISTER UPDATE

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee regarding the Risk Register, which had been reviewed and updated by Pellings LLP. He highlighted risks found with part of the Phase I developments.

- (a) Marden Close, Chigwell Row - a problem had been identified with Japanese Knotweed growing on the site; and
- (b) The Former Red Cross Hall site, Waltham Abbey - the land was potentially contaminated.

At its meeting in July 2013, the Cabinet Committee considered the first iteration of the Risk Register prepared by East Thames. Since the Council's Housebuilding Programme was a major undertaking, involving significant amounts of money and risks, it was essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Following approval by the Cabinet of individual developments and development packages, East Thames had, and would continue to produce and keep updated, Risk Registers for each development/package, which would be monitored by the Project Team at Project Team Meetings.

In addition, it was appropriate to have a "Programme-wide" Risk Register, which was a "live document" for the Housebuilding Programme. East Thames, and specifically Pellings LLP, who are the Architects and Employers Agent appointed by East Thames, had updated the Programme-wide Risk Register, taking account of comments made by Members at the last meeting of the Cabinet Committee.

Resolved:

That the current Programme-wide Risk Register for the Council Housebuilding Programme be noted.

Reasons for the Decision:

The Council's Housebuilding Programme was a major undertaking, involving significant amounts of money and risks, it was essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Other Options Considered and Rejected:

- (a) Not to have a Risk Register – but it would not be appropriate to contemplate such an option; and
- (b) To request amendments to the format or content of the Programme-wide Risk Register.

36. ANY OTHER BUSINESS

Resolved:

That, in accordance with Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules, the Chairman had permitted the following item of urgent business to be considered following the publication of the agenda:

- (a) Outcome of Funding Bid for the Council Housebuilding Programme.

37. OUTCOME OF FUNDING BID FOR THE COUNCIL HOUSEBUILDING PROGRAMME

The Director of Communities presented a report advising the Cabinet Committee that the Council was a member of the West Essex Housing Forum, which had submitted a bid to the London-Stansted-Harlow Programme of Development (POD) Partnership Board for funding towards the costs of the Council Housebuilding Programmes of the three district councils in West Essex.

The bid for £112,000 was successful, and the Council's share would be £37,300.

Decision:

- (1) That the successful outcome of the bid by the West Essex Housing Forum to the London-Stansted-Harlow Programme of Development (POD) Partnership Board for funding towards the costs of the Council Housebuilding Programmes of the three district councils in West Essex be noted; and
- (2) That it be noted that the Council's share of the £112,000 total funding will be £37,300 - towards the costs of the development at Harveyfields, Waltham Abbey as part of Phase 1 of the Housebuilding Programme.

Reasons for the Decision:

For noting only.

Other Options Considered and Rejected:

For noting only.

38. EXCLUSION OF PUBLIC AND PRESS

The Cabinet Committee noted that there were no items of business on the agenda that necessitated the exclusion of public and press from the meeting.

CHAIRMAN

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Thursday, 21 August 2014
Committee

Place: Council Chamber, Civic Offices, **Time:** 6.30 - 7.54 pm
High Street, Epping

Members Present: Councillors D Stallan (Chairman), W Breare-Hall, Ms S Stavrou, G Waller and C Whitbread

Other Councillors: Ms H Kane, Mrs J Lea, Mrs A Mitchell MBE and Ms G Shiell

Apologies: Councillor R Bassett

Officers Present: A Hall (Director of Communities), P Pledger (Assistant Director (Housing Property and Development)) and J Leither (Democratic Services Assistant)

Also in attendance: I Collins (Pellings LLP) and Dan Read (East Thames Group)

1. SUBSTITUTE MEMBERS

The Cabinet Committee noted that Councillor C Whitbread substituted for Councillor R Bassett.

2. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, A Hall, Director of Communities declared a personal interest in agenda item 5, Acceptance of Tender – Council Housebuilding Phase 1, by virtue of being a Board Member of Riversmead Housing Association, for whom it was understood, that one of the tenderers was currently undertaking a building contract. The Director had determined that his interest was not pecuniary and would remain in the meeting for the consideration of the issue. However the Director stated that he would take no further part in the discussion, from the time that he became aware that he had an interest.

3. MINUTES

Resolved:

(1) That the minutes of the last meeting held on 17 April 2014 be taken as read and signed by the Chairman as a correct record.

4. TERMS OF REFERENCE

The Director of Communities presented the amended Terms of Reference of the Cabinet Committee and advised that there was an error in Paragraph 14 which could be amended by a Leader's Decision.

Decision:

(1) That the Leader of the Council be recommended to make a Leader's Decision to amend the Cabinet Committee's Terms of Reference. Members agreed at a meeting of the Council Housebuilding Cabinet Committee on 17 April 2014 that Ward Members would be consulted on New Development Naming, as well as local councils. This was omitted from the subsequent Leader's Decision and the last amended Terms of Reference that followed on 16 May 2014.

Reasons for Decision:

To ensure all members of the Cabinet Committee are aware of the amended Paragraph 14 of the Terms of Reference.

Other Options Considered and Rejected:

None.

5. ACCEPTANCE OF TENDER -COUNCIL HOUSEBUILDING PHASE 1

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee regarding the tender process for the Design and Build Contract for Phase 1 of the Council Housebuilding Programme.

The Assistant Director advised that a tender exercise had been undertaken in accordance with Contract Standing Orders for the Design and Build Contract for Phase 1 of the Council Housebuilding Programme which had resulted in 4 out of 5 tenders being returned. The tenders were then evaluated by Pellings LLP, the Employer's Agent acting on behalf of the Council's Development Agent, East Thames. However, it was recommended by Pellings LLP that any appointment should be subject to the Council undertaking a financial evaluation of the tenderers that were being considered which should be carried out and reported to the Cabinet Committee in order for a decision to be made on which tender to accept.

He advised that whilst all 12 of the Contractors on the East Thames Contractors Framework List were contacted, only 2 expressed an interest to tender. Therefore, a further 3 Contractors known to Pellings LLP, as having the necessary experience of working on similar schemes of size and nature, were added as a result. All of those invited to tender were registered on Constructionline and therefore could be invited to tender under the Council's Contract Standing Orders. The Tender List was made up of the following Contractors:

- Countryside Properties Ltd – (Original East Thames Contractors Framework List)
- Hill Partnership Ltd – (Original East Thames Contractors Framework List)
- Broadway Construction Ltd – (Suggested by Pellings LLP)
- Bugler Developments Ltd – (Suggested by Pellings LLP)
- MK Building Contractors (UK) Ltd - (Suggested by Pellings LLP)

Tenders were issued to all 5 Contractors listed above, based on a JCT Design and Build Contract using the designs approved by the Area Plans Sub-Committee and the comprehensive set of Council's Employers' Requirements. The pre-tender estimate for the works was £3,119,000

The tenders were received on 27 June 2014 and opened by the Housing Portfolio Holder on the same day. The tenders were registered as follows:

Tenderer	Place	Tender Sum
MK Building Contractors (UK) Ltd	1	£3,066,839.00
Broadway Construction Ltd	2	£3,245,143.62
Hill Partnership Ltd	3	£3,503,274.83
Bugler Developments Ltd	4	£3,744,504.97
Countryside Properties Ltd		Did not Tender

Arithmetical checks were carried out by Pellings LLP on all of the tenders received, with the two lowest tenders being analysed in detail. The tenders submitted by MK Building Contractors (UK) Ltd and Broadway Construction Ltd as lowest and second lowest respectively represented fully compliant bids.

Whilst a detailed tender evaluation report has been received from Pellings LLP, it was their recommendation that any appointment was subject to financial checks by the Council. Due to the limited time available to undertake this in advance of the Agenda being published, it was recommended that a further evaluation into the financial credit standing of the lowest and second lowest tenderers be carried out, and the outcome reported to the Cabinet Committee before a decision was reached.

The Chairman proposed that the meeting then went into private session to discuss the confidential part of this report.

6. EXCLUSION OF PUBLIC AND PRESS

Decision:

(1) That the public and press be excluded from the meeting for the items of business set out below on the grounds they would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Subject</u>	<u>Exempt Information Paragraph Number</u>
5	Acceptance of Tender for Council Housebuilding Phase 1 (Revised)	3

7. ACCEPTANCE OF TENDER - COUNCIL HOUSEBUILDING PHASE 1 (CONTINUED)

The Assistant Director (Housing Property & Development) stated that this report was to be read in conjunction with the report on the acceptance of tenders for Phase 1 of the Council Housebuilding Programme at Agenda Item 5. This report considered the financial credit rating of each of the two lowest tenderers and ranked them as either high medium or low risk.

Councillor Whitbread proposed that this item should be deferred to the Cabinet meeting on the 8 September 2014 and that a more detailed report on the financial standing of all the tenderers be prepared and considered. Councillor Waller seconded this proposal.

Decision:

(1) That this item be deferred and an updated report with more information on the financial standing of all the tenderers be submitted to the Cabinet at its next meeting on 8 September 2014.

Reasons for Decision:

The Council Housebuilding Cabinet Committee had agreed to tender the works using the East Thames Framework Agreement, based on a Design and Build Contract. Therefore, this tender exercise satisfied that decision and had been undertaken in line with the Council's Development Strategy and the Council's Contract Standing Orders. However, in view of the recommendation by Pellings LLP, although a financial review had been undertaken of the lowest tenderers, similar information was not available on all of the other tenderers.

Other Options Considered and Rejected:

To accept the lowest (or second lowest) tender without undertaking a financial check on the remaining tenderers. However, this could expose the Council to the potential risk of entering into a high profile contract with a company financially unfit to complete the works.

8. INCLUSION OF PUBLIC AND PRESS**Decision:**

(1) That the public and press be invited back into the meeting.

9. NAMING OF NEW COUNCIL HOUSING DEVELOPMENTS - PHASE 1

The Director of Communities presented a report to the Cabinet Committee with regard to the naming of new Council Housing Developments – Phase 1. He advised that at its meeting in April 2014 the Cabinet Committee recommended to the Leader of the Council that the Terms of Reference for the Cabinet Committee be amended to incorporate the future naming of developments undertaken through the Council Housebuilding Programme. Since the Phase 1 development in Waltham Abbey was shortly due to commence on site, it was necessary to set out the approach that was to be taken when agreeing the street and building names and addresses.

The Director advised that it was the Council's legal responsibility, exercised through the Director of Neighbourhoods, to ensure that all new properties were allocated an appropriate address as it facilitated:

- Emergency Services locating properties;
- Consistency of property based information across local government databases and within the community;
- Reliable delivery for post and other such deliveries; and
- Location of address for visitors to the area.

The Director stated that the Council had already got in place a Policy that aids developers in suggesting street and building names, for which the Council had the power to approve or reject under the Towns Improvement Clauses Act 1847 (S64 and S65) in conjunction with S21 of the Public Health Act Amendment Act 1907.

Taking account of the Council's Policy, it was recommended that the Cabinet Committee considered and agreed the approach they wished to take in respect of street naming for the Phase 1 development sites.

The Chairman proposed, on the initial suggestion of the Director, that the Cabinet Committee considered the name "John Scott Court", for the 9 new flats to be built at Harveyfields, Waltham Abbey, in recognition of the Council's former Chief Housing Officer and District Health and Housing Officer, who retired in 2007 after giving 29 years' loyal service to the Council and residents of the Epping Forest District.

Members had welcomed and supported this proposal.

Decision:

(1) That, following the consideration at its last meeting and the subsequent Leader's Decision, the Cabinet Committee's approach to the naming of new developments be clarified as follows:

(a) that, subject to the Cabinet Committee already agreeing a suitable name for new Council housing developments or names not being required (e.g. where existing numbering can be utilised), Town and Parish Councils be invited to submit a list of 5 street names / property names in preference order for new Council housing developments in their locality, having regard to the Council's Street Naming and Numbering Policy;

(b) that the relevant ward members be consulted on the list of names submitted by Town and Parish Councils; and

(c) that the names of new streets or properties be determined by the Cabinet Committee, having regard to the list of names put forward by the Town and Parish Councils and the views of ward members;

(2) That the ten converted self-contained flats at Marden Close, Chigwell be numbered 1 to 10 Marden Close, Lambourne Road, Chigwell - with odd numbers given to ground floor flats and even numbers given to first floor flats;

(3) That, at Faversham Hall, Chigwell, the two new ground floor flats be numbered 13-14 Faversham Close, Chigwell and the existing first floor flat be numbered 15 Faversham Close, Chigwell;

(4) That the new Council housing development comprising 9 flats at Harveyfields, Waltham Abbey be named "John Scott Court", after the Council's former Chief Housing Officer and District Health and Housing Officer, - who retired in 2007 after giving 29 years' loyal service to the Council and the tenants and other residents of the Epping Forest District;

(5) That the four new Council houses to be provided adjacent to 12 Oakwood, Waltham Abbey be numbered 13 - 16 Oakwood, Roundhills, Waltham Abbey and the two new Council houses to be provided adjacent to 27 Greenleas, Waltham Abbey be numbered 29 and 31 Greenleas, Roundhills, Waltham Abbey; and

(6) That, in accordance with (1) above, Waltham Abbey Town Council be invited to submit a list of 5 street names / property names in preference order for Cabinet Committee to consider at a future meeting, after consultation with ward members, for the following new Council housing developments:

- (a) comprising four houses and two duplex flats at the site of the former Red Cross Hall, Roundhills, Waltham Abbey (new street name required) ; and
 - (b) comprising two new houses to the rear of 66-72 Fairways (new property name required); and
- (7) That the detailed address and numbering arrangements for all of the developments be agreed in consultation with the Director of Neighbourhoods.

Reasons for Decision:

There was a legal requirement that all streets were named and properties numbered. In line with the Terms of Reference of the Cabinet Committee it was required to consider and approve the naming of each new Council Housebuilding development, following consultation with the Parish or Town Councils and Ward Members in line with the Council's Policy on Street Naming and Numbering.

Other Options Considered and Rejected:

Since all new developments required an address and the Council had the legal responsibility to ensure streets were named and properties numbered, the only other options available were whether to name the addresses now or at a later date.

10. PHASE 1 AND 2 PROGRESS REPORT

The Assistant Director (Housing Property and Development) presented a progress report to the Cabinet Committee on Phases 1 and 2 of the Council Housebuilding Programme. He advised that in July 2013, February 2014 and April 2014, the Cabinet Committee considered feasibility studies, investment reports and progress reports for Marden Close and Faversham Hall conversions as well as Phases 1 and 2 of the Council's Housebuilding Programme. This report provided Members with an update on both the progress to date and the budget position.

Marden Close and Faversham Hall Conversion

In July 2014 the Housing Portfolio Holder agreed the appointment of PA Finley Limited to undertake the Design and Build Contract for the conversion of 20 bedsits at Marden Close and the ground floor of Faversham Hall into 12 self-contained 1 bedroom flats, in the sum of £819,861 (excluding the Development Agent's fees of around £70,000). The contract was currently being drawn up and the Date of Possession was estimated to be around the beginning of September 2014, after the detailed design had been completed by the Contractor. Completion was estimated to be 12 months later, around September 2015.

Phase 1

Earlier on the agenda the Cabinet Committee considered the tender for Phase 1 of the Council's housebuilding programme. However, this was referred to the Cabinet on 8 September 2014, once further financial checks on each of the tenderers had been carried out.

Phase 2

Since the Cabinet Committee agreed to progress with a 56-home scheme at the Burton Road site in Loughton as Phase 2 of the Council Housebuilding Programme, Pellings LLP, the Architects appointed by the Council's Development Agent, East

Thames, had undertaken consultation with the Council's Planning Officers and developed the designs in line with their observations around overlooking issues. This had resulted in a slight reduction from 56 new homes to 52. The mix, subject to planning permission will therefore be as follows:

- 2 x 2-bed houses
- 15 x 3-bed houses
- 13 x 1-bed flats
- 22 x 2-bed flats
- 27 off street parking spaces

The estimated cost for Phase 2 remained at around £8.9m with a £1.512m subsidy to achieve a 30-year pay-back and a positive NPV. This excluded the sum of £18,400 agreed by the Cabinet Committee as a financial contribution to the NHS to fund healthcare by way of a Unilateral Undertaking, subject to the money being specifically spent on services in the Loughton area.

Recommended:

(1) That the current progress with regard to Marden Close and Faversham Hall, as well as Phases 1 and 2 of the Council housebuilding programme be noted, and in particular a reduced number of new affordable homes proposed at Burton Road, Loughton as Phase 2 from 56 homes to 52;

(2) That the current budget position be noted, based on:

- (a) Marden Close and Faversham Hall tender sum already agreed by the Housing Portfolio Holder in the sum of £890,000 (Works and Fees) for 12 new self-contained flats;
- (b) Phase 1 tender to be considered by the Cabinet taking account of further financial checks on each of the tenderers for 23 homes at Roundhills and Harveyfields, Waltham Abbey; and
- (c) Phase 2 feasibility estimate of £8.9m (Works and fees) for 52 new homes at Burton Road, Loughton.

(3) That the Programme timetable at Appendix 1 of the report to the Cabinet Committee be noted.

Reasons for Decision:

It was a requirement that the Housebuilding Cabinet Committee received regular updates on progress and monitors expenditure against the Housebuilding budget as delegated by the Cabinet.

Other Options Considered and Rejected:

None, this report was for noting only.

11. OUTCOME OF HCA AFFORDABLE HOUSING GRANT APPLICATION

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee regarding the Homes and Communities Agency (HCA) bid. The Assistant Director advised that following the launch of the 2015-18 Affordable Homes Programme Bid Prospectus by the HCA, the Council Housebuilding Cabinet Committee agreed at its last meeting in April 2014 that East Thames submit a bid on behalf of the Council for a total of £500,000 to subsidise the development costs of 40

new affordable homes, making up Phase 2 of the Council Housebuilding Programme. It was recently announced that this bid was successful, subject to the Council being able to achieve Investment Partner Status with the HCA and the Council being able to deliver the new affordable homes within the timescale of the Bid Programme 2015-18.

Resolved:

(1) That it be noted, the Council's bid to the Homes and Communities Agency (HCA) for £500,000 Affordable Housing Grant to subsidise the development of 40 new affordable homes as part of Phase 2 of the Council's Housebuilding Programme, made up of £12,500 per property, has been approved by the HCA.

(2) That it also be noted that the grant was conditional on the Council being able to achieve Investment Partner Status with the HCA and the Council being able to deliver the new affordable homes within the timescale of the Bid Programme 2015-18.

Reason for Decision:

This report is for noting only. No decision was required.

Other Options Considered and Rejected:

None, this report was for noting only.

12. DEVELOPMENT STRATEGY - YEAR 2 UPDATE

The Assistant Director (Housing Property & Development) advised the Cabinet Committee that this item had been withdrawn from the Agenda and would be reported to a future meeting.

13. RISK REGISTER UPDATE

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee regarding the Risk Register which had been reviewed and updated by Pellings LLP.

The Chairman advised that the Risk Management Schedule print was too small and illegible and asked Officers if this could be enlarged for future reports.

Resolved:

(1) That the Programme-wide Risk Register for the Council Housebuilding Programme be noted; and

(2) That the Risk Management Schedule print be enlarged for future reports.

Reason for decision:

The Council's Housebuilding Programme was a major undertaking, involving significant amounts of money and risks. It was essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Other Options Considered and Rejected:

(a) Not to have a Risk Register – but it would not be appropriate to contemplate such an option; and

(b) To request amendments to the format or content of the Programme-wide Risk Register.

14. ANY OTHER BUSINESS

The Cabinet Committee noted that there was no other urgent business for consideration.

CHAIRMAN

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance Management Cabinet Committee **Date:** Thursday, 18 September 2014

Place: Committee Room 1, Civic Offices, High Street, Epping **Time:** 7.00 - 7.40 pm

Members Present: Councillors Ms S Stavrou (Chairman), A Lion, J Philip, D Stallan and C Whitbread

Other Councillors: Councillors G Waller

Apologies:

Officers Present: R Palmer (Director of Resources) and S Tautz (Democratic Services Manager)

14. Declarations of Interest

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

15. Minutes

RESOLVED:

That the minutes of the meeting of the Committee held on 28 July 2014 be taken as read and signed by the Chairman as a correct record.

16. Any Other Business

It was noted that there was no other urgent business for consideration by the Sub-Committee.

17. Government Consultation on Finance Settlement

The Director of Resources reported that the Government had recently issued a consultation document which sought views on a range of detailed and technical issues in respect of the Local Government Finance Settlement for 2015/16.

Members noted that, of the proposals, only the "Rolling in" of council tax freeze support would change the level of grant for the Council, and that this would increase the Settlement Funding Assessment for the authority by £83,000 to £5,476,000. The Committee was advised that the consultation had not proposed any additional reductions in funding, but members were advised however, that the Funding Assessment for 2014/15 was £6,375,000 and that the additional funding for 2015/16 would mean that the reduction in Funding Assessment could be 14.1% instead of 15.4%.

Finance and Performance Management Cabinet Committee
Thursday, 18 September 2014

Whilst many of the other proposals set out within the consultation document were not particularly relevant to the Council, the Director of Resources presented a suggested response to each individual issue for consideration by the Committee.

RESOLVED:

That the proposed response to the consultation document in respect of the Local Government Finance Settlement for 2015/16, as set out in the report, be agreed.

Reasons for decision:

To determine the responses to be made to the consultation.

Other options considered and rejected:

Members could decide to not respond, to respond in part or to respond in full to each of the consultation questions.

18. Annual Outturn Report on the Treasury Management and Prudential Indicators 2013/14

The Director of Resources presented the outturn report in respect of the Council's Treasury Management and Prudential Indicators for 2013/14. The Committee noted that the annual treasury report was a requirement of the Council's reporting procedures and covered treasury activity and performance against the prudential indicators for the last year.

The report provided Members with a summary of the Council's treasury management activity during 2013/14, during which time all of the targets for treasury and prudential Indicators had been achieved. The Committee noted that the Council had financed all of its capital activity in 2013/14 through capital receipts, capital grants and revenue contributions, and that no additional borrowing had been added to the £185.456m taken out in 2011/12 in relation to the self-financing of the Housing Revenue Account.

The Director of Resources reported that Council's overall treasury position for 2013/14 showed £185.456m as total external debt and total investments at £58.7m, which had resulted in net investment position for the year of £126,756m. Members were also advised that further dividends of 16.7% (£420,000) had been received since 1 April 2013 in respect of the Council's Icelandic investments, which had taken the return to 94% of the investment made.

The Committee considered a possible revision to the Council's Treasury Management Strategy Statement for 2014/15 to 2016/17, to permit lending by the Council, for the purpose of supporting the provision of local services by its main service contractors. Members noted that the system of 'prudential borrowing' introduced by the Local Government Act 2003, allowed local authorities to invest in contracted functions through the provision of loans to service providers. As relevant service contractors would always be subject to rigorous financial checks before the award of a contract by the Council, the Director of Resources considered that prudential borrowing activities for appropriate loans would be of low-risk to the authority, which would be further reduced by the imposition of a charge over any assets purchased with loans that were made available to contractors.

The Director of Resources reported that the new waste management contractor (Biffa Waste Management) had expressed interest in entering into a loan arrangement with

Finance and Performance Management Cabinet Committee
Thursday, 18 September 2014

the Council as part of the contract mobilisation process, in order to facilitate the procurement of a new waste management vehicle fleet. If agreed, finance provided in respect of such an arrangement would be secured on the vehicles to be purchased.

The Committee was requested to consider whether the existing Treasury Management Strategy Statement should be amended to permit appropriate lending activity with the Council's largest service contractors, and noted that the Audit and Governance Committee would also consider this aspect of the treasury management outturn report at its meeting on 25 September 2014.

RESOLVED:

- (1) That the outturn position for the Council's Prudential Indicators for 2013/14 be noted;
- (2) That the Treasury Management Outturn Report for 2013/14 be noted; and

RECOMMENDED:

- (3) That subject to the concurrence of the Audit and Governance Committee, a recommendation be made to the Council to change the Treasury Management Strategy Statement for 2014/15 to 2016/17 to permit lending to service providers with which the Council is in a contractual relationship (e.g. the Waste Management Contractor).

Reasons for decision:

The report is presented for noting as scrutiny is provided by the Audit and Governance Committee who make recommendations on amending the documents, if necessary.

Other options considered and rejected:

Members could ask for additional information about the CIPFA Codes or the Prudential Indicators.

19. Quarterly Financial Monitoring

The Director of Resources presented the quarterly financial monitoring report for 1 April to 30 June 2014, which provided a comparison between the original profiled budgets for the quarter and actual expenditure or income. The report provided details of the revenue budgets, the Continuing Services Budget and District Development Fund as well as the capital budgets including Major Capital Schemes. The report had also been considered by the Finance and Performance Management Scrutiny Panel on 9 September 2014.

The Committee was advised that all directorates were either in line with the budget at the end of the first quarter, or were underspent. The Director of Resources reported that several of the Council's key income streams, including Development Control, Licensing, Local Land Charges and income from MOT's carried out by Fleet Operations, had all performed particularly well in the first quarter of the year, and appeared to provide some evidence of economic recovery. Members were reminded that a review of options for the future of the fleet operations service was to be considered by the Cabinet in the near future.

Members noted that the number of traders using the market at North Weald Airfield was still in decline, and that the Director of Neighbourhoods was currently liaising

with the market operator to consider options for the appropriate promotion of the market. Issues identified in the monitoring report in connection with the sporadic receipt of pay and display incomes, were being addressed with the North Essex Parking Partnership.

RESOLVED:

That the revenue and capital financial monitoring report for the first quarter of 2014/15, be noted.

Reasons for decision:

To note the first quarter financial monitoring report for 2014/15.

Other options considered and rejected:

Report presented for information. No other options available.

20. Risk Register

The Director of Resources advised the Committee that the Corporate Risk Register had recently been reviewed by both the Risk Management Group and Management Board, but that no new risks or revisions to the score allocated to existing risks had been identified.

The Committee considered the latest version of the Risk Register, which had been updated as necessary to reflect the views expressed at the last meeting in terms of the inclusion of North Weald Airfield and possible other large scale development sites within Risk 2 (Strategic Sites).

RESOLVED:

- (1) That the updated version of the Corporate Risk Register be noted; and
- (2) That no new risks be identified by the Committee for inclusion in the Risk Register.

Reasons for decision:

It is essential that the Corporate Risk Register is regularly reviewed and kept up to date.

Other options considered and rejected:

Members may suggest new risks for inclusion or changes to the scoring of existing risks.

21. Annual Governance Report

The Director of Resources presented a report regarding the key issues arising from the annual Governance Report for 2013/14. The International Standard on Auditing 260 required that the Council's external auditor should report to those charged with governance on certain matters before giving an opinion on the Statutory Statement of Accounts. The external auditor (BDO) had indicated that their audit of the Council's Statutory Statement of Accounts for 2013/14 would be presented to the Audit and Governance Committee on 25 September 2014.

Finance and Performance Management Cabinet Committee
Thursday, 18 September 2014

The report highlighted the significant findings of the audit of the financial statements of the Council for the year ending 31 March 2014, and the Director of Resources advised the Committee of the following key findings arising from the audit:

- (a) no material misstatements had been identified as a result of the audit and although some areas were outstanding, any significant issues would be reported to the Audit and Governance Committee;
- (b) subject to satisfactory completion of the outstanding work, it was anticipated that an unqualified true and fair opinion would be issued on the financial statements for the year;
- (c) no significant deficiencies in internal controls had been identified;
- (d) the Annual Governance Statement was not misleading or inconsistent with other information and complied with the 'Delivering Good Governance in Local Government' criteria;
- (e) the Whole of Government Accounts element was below the threshold for a full assurance review, although this element of the audit was still in progress and an update would be provided to the Audit and Governance Committee; and
- (f) the auditors were satisfied in all significant respects that the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in the Council's use of resources, and proposed to issue an unqualified value for money conclusion for the year.

In relation to an unadjusted audit difference identified by the external auditor, the Director of Resources advised the Committee that he was currently in discussion with BDO with regard to the unacceptable extrapolation of this error, which had the effect of decreasing the draft surplus on the provision of services in the Consolidated Income and Expenditure Statement by £115,000. It was hoped that this issue could be satisfactorily resolved prior to the meeting of the Audit and Governance Committee on 25 September 2014.

RESOLVED:

- (1) That the annual Governance Report of the Council's external auditor for 2013/14, be noted; and
- (2) That the appreciation of the Committee be extended to the Director of Resources and his officers, for their efforts in securing an excellent governance report for the last year.

Reasons for decision:

To ensure that Members are informed of any significant issues arising from the audit of the Statutory Statement of Accounts.

Other options considered and rejected:

Report presented for information. No other options available.

22. RISK MANAGEMENT TRAINING

The Director of Resources reminded the Committee that risk management training was to be held for members on 27 October 2014. Although the training was of particular relevance to members of the Committee and the Audit and Governance Committee, the session was open to all members but had so far only attracted a limited number of confirmed delegates. The Democratic Services Manager reported that a reminder of the session would be issued to all members.

23. Exclusion of Public and Press

The Sub-committee noted that there were no items of business on the agenda that necessitated the exclusion of the public and press from the meeting.

CHAIRMAN

Technical Consultation – Local Government Finance Settlement 2015/16 – Draft Responses

Question 1: Do you agree that compensation for the cap should be paid on the basis of the reduction to retained business rates income adjusted to account for lower tariffs and top-ups as in 2014/15?

Comment – The business rates retention scheme had anticipated annual indexation in line with the September RPI figure. However, in the 2013 Autumn Statement the increase was capped and so the increase was reduced from 3.2% to 2%. This reduced income to local authorities and so the Government paid a section 31 grant as compensation.

Draft Response – It is appropriate that local authorities are compensated for this change and this is an acceptable method.

Question 2: Do you agree that the 2014/15 Council Tax Freeze Grant should be rolled into Revenue Support Grant, and combined with the 2013/14 Council Tax Freeze funding element as a single element?

Comment – In line with the commitment to authorities at the time of take up, the Government wishes to ensure that the 2014/15 Council Tax Freeze Grant is protected in cash terms and only benefits authorities that froze council tax in 2014/15. As an authority that chose to freeze council tax we benefit from this proposal and the exemplifications show an increase of £83,000 in our funding from this change. The current funding mechanism is a very complicated one and so anything that combines elements improves our chances of understanding the overall calculation.

Draft Response – It is important that the Government honours its commitment to authorities that froze council tax. Anything that simplifies the allocation system or minimises the number of elements is supported.

Question 3: Do you agree that, subject to satisfactory progress by individual authorities, the 2014/15 Efficiency Support Grant should be rolled in as a separate element for the qualifying authorities?

Comment – Efficiency Support Grant was made available to assist the authorities suffering the greatest reductions in funding. This authority did not qualify for the grant and the exemplifications show no change arising from this proposal.

Draft Response – No comment.

Question 4: Do you agree that the 2014/15 Rural Services Delivery Grant should be rolled in and combined with the rural funding element?

Comment – The Government believes there are additional costs of service delivery in rural areas and so has allocated some funding on the basis of the “super sparsity indicator”. We are not sufficiently sparse to benefit from this. The only authorities in Essex who do benefit are Uttlesford, Braintree and Maldon although Uttlesford only receive £7,000 and the other two only £1,000 each.

Draft Response – No comment.

Question 5: Do you agree with the proposed methodology for reducing funding to authorities which have fallen below the threshold for participation in the Carbon Reduction Energy Efficiency Scheme, to take account of the loss in tax revenue to the Exchequer?

Comment – As you may have worked out from the question, this is extremely complicated but thankfully has nothing to do with district councils. The exemplifications show no change to our funding from this proposal.

Draft Response – No comment.

Question 6: Do you have any comments on the impact of the 2015/16 settlement on protected groups, and on the draft Equality Statement?

Comment – The DCLG are required to do an impact assessment and an Equality Statement as part of any consultation.

Draft Response – No comment.



Report to the Cabinet

Report reference: C-027-2014/15

Date of meeting: 6 October 2014

Portfolio:	Planning Policy	
Subject:	North Weald Bassett Masterplan Study	
Responsible Officer:	Anna Cronin	(01992 564119)
Democratic Services Officer:	Gary Woodhall	(01992 564470)

Recommendations/Decisions Required:

(1) To note the completion of the North Weald Bassett Masterplan Study, and accept it into the Local Plan Evidence Base.

Executive Summary:

This report seeks the acceptance of a key piece of technical work into the Local Plan Evidence Base for consideration as part of the preparation of the preferred option for the Local Plan. A copy of the full Masterplan Study is available in the Members' Room, and an Executive Summary is appended to this report.

Reasons for Proposed Decision:

Adopting this technical work into the Local Plan Evidence Base will enable the Council to work towards a sound new Local Plan, which uses robust information. This in turn means that the new Local Plan would be far more likely to be accepted at Examination in Public by the independent Inspector.

Other Options for Action:

Not to accept into the Local Plan Evidence Base or ask for additional work to be undertaken

Report:

Introduction

1. Following the Council's decision as landowner in August 2013, as a result of the Deloitte study, that a mixed use approach to the North Weald Airfield which retains the aviation activities would be the most appropriate, it was agreed that in order to inform the Local Plan a more detailed Masterplan exercise was required, to consider the way the Airfield relates to the wider village in the context of the other sites around the village put forward for consideration for development by their owners. Such a study would focus on feasibility, deliverability and potential options for development, and provide evidence as part of the assessment process leading to consultation on a Draft Local Plan.

2. The purpose of the study was to ensure that the implication of the decision for the 'mixed use' option for the Airfield was considered in relation to North Weald Bassett village. The Masterplan study has included consideration of the viable mix of land uses and associated infrastructure that should be considered across the village (and wider area where necessary), long term Green Belt boundaries, potential phasing of any change and mechanisms for delivery. Such a study was considered to be needed for North Weald Bassett for a number of reasons:

- The Council has expressed its intention as landowner to release part of the airfield site for development and this therefore needs to be addressed and the site considered as part of the portfolio of sites proposed by all landowners to go forward. The Airfield is only one of a number of possible development sites around the settlement which have been put forward by their owners.
- The possible mixed use of Council owned land at North Weald Airfield could be a key part of the eventual Plan strategy, particularly because it is a significant site in size and a previously developed site in the potential basket of sites from which development allocations will be selected.
- The overall area of land covered by North Weald Airfield is significant when compared to the size of the existing village and so any development there will need to be handled sensitively. (That is not to suggest that other developments should not also be handled sensitively).
- Given Government emphasis on ensuring the best use is made of publicly owned land, it is appropriate that North Weald Airfield is now fully considered in its wider context to ensure any approach to development respects the grain of the existing village and could function properly in terms of supporting infrastructure.
- The choices in terms of the viable delivery of the Airfield and other SLAA sites need to be reviewed for plan making, hence a number of alternative options for the configuration of uses on those sites put forward are being considered.

3. Allies and Morrison Urban Practitioners (including Alan Baxter Associates transport consultants and infrastructure engineers, and GL Hearn property consultants) were commissioned in November 2013 to undertake a Masterplan study for North Weald Bassett village, to identify a vision for the village and to provide a clear framework of options for future development and investment. The Masterplan covers transport and movement considerations, provision of new homes, economic opportunities, including the role of North Weald Airfield, shops and community services for the village and the role of open space, including the identification of a long term defensible green belt boundary. The study will feed into the Local Plan process and will form part of the evidence base to inform future planning decisions taken by the Council. The work has now been completed and the final report received. Members are therefore asked to note it and accept it as part of the evidence base for the Local Plan.

The Study

4. The work undertaken by the project team was in two phases. Stage 1 saw a review of policy documents including key background and technical documents together with an urban design and heritage review and a review of the transport and utilities within the settlement. Building on the existing evidence base the property consultants GL Hearn undertook a market review of all the relevant property market sectors, analysing how the local markets have performed. A socio economic review was undertaken to understand the future social infrastructure requirements. The sites identified in the Strategic Land Availability Assessment following the Council's 'call for sites' for the Local Plan were reviewed, along with the Deloitte report and the four possible sites identified at the airfield.

5. As part of establishing the key issues and priorities for North Weald Bassett the consultants undertook a range of engagement including an Officer Working Group session on 21 January 2014, a community workshop session at North Weald Village Hall on 25 January 2014 attended by around 85 people, and a landowners' discussion session on 13 February 2014. In addition individual interviews were carried out with key stakeholders. These workshops and discussions helped to identify an underlying set of principles to inform any future development and against which the potential options could be tested at stage two of the project. Any new development in North Weald Bassett, aside from small scale infill, would take place on land which is currently within the Green Belt. The study therefore sought to consider the suitability of sites in relation to their contribution to the national aims and purposes of the Green Belt and policies set out within the National Planning Policy Framework – the methodology used is consistent with that reported to Cabinet on 23 June 2014.

6. Based on the feedback the consultants developed an overarching approach and key principles. The overarching aim of any new development should be to improve North Weald Bassett and make the settlement more sustainable and help to better meet the needs of residents. The principles established to help meet these goals were:

- a sustainable commercial centre;
- easy access to green space;
- appropriate density range of between 30 and 40 dwellings per hectare;
- improving movement;
- preserving rural views; and
- providing community uses.

7. During stage 2 of the project the study team developed Masterplan options for any future development based on the development principles and the suitable parcels of land established during stage 1 of the project. These alternative scenarios were tested against existing facilities, viability and infrastructure requirements. The draft spatial options were reviewed with Council officers through the Officers Working Group on 15 May 2014 which included key stakeholders. A community exhibition on the two broad spatial options was held at the North Weald Village Hall on Saturday 28 June 2014 between 11 and 3pm. Leaflets advertising the exhibition were distributed to all residents' homes in the village and a briefing meeting was held with members of the Parish Council prior to the event. The exhibition was attended by approximately 160 people. Following the exhibition the material was displayed on the Council's website and comments requested by 14 July 2014. Visitors to the

exhibition were invited to complete a feedback form and residents and stakeholders could also email feedback to the Council. 35 feedback forms were returned, along with 9 written representations. A further workshop was held with officers on 12 August 2014 on how the proposed options might be delivered, should the Council decide to take them forward, and provided a further opportunity for comment. All the comments received including those from one of the landowners' have been carefully considered and taken into account in the consultants' final report. As a result of the comments the key changes made to the final report and to the material shown at the June exhibition are as follows:

- **Landscape character:** Clarified references to the importance of landscape and existing evidence of landscape sensitivity and use of existing hedgerows/watercourses as boundaries where possible.
- **Baseline analysis** - references to Local Wildlife Sites, Local Nature Reserves, TPOs and culverting have been added.
- The land ownership and call for sites plans included in the report make it clear that the land is currently in private ownership, and green shading has been removed to avoid any confusion that it is public open space.
- The plans illustrating the community feedback received at the workshop on 25 January 2014, and which were shown at the exhibition on 28 June, have been annotated to make it clear that they show an amalgam of views and there were contradictory views expressed.
- Alterations to the green infrastructure plans to clarify that the proposal for a Country Park to the south of the village is in Scenario A only as an aspiration that could potentially be enabled through housing to the south of the village.
- **Infrastructure** - Updated transport measures and cost estimates, risks and role of CIL/S106 in the chapter on infrastructure and implementation considerations.

8. The final Masterplan study sets out two scenarios, each with three growth options, and these formed the basis of the community exhibition and consultation (see attached indicative plans). **Please note that in the final reports the scenarios have been switched around from those shown at the community exhibition so that Scenario A is now Scenario B and B is now A.**

9. In the final report **Scenario A** proposes new homes both to the west and to the south and east of the settlement (ranging from 458 homes in option 1, to 1021 homes in option 2 and 1540 homes in option 3) whilst maintaining a maximum distance from the High Road and a minimum distance from the Ongar Redoubt. New homes are designed to strengthen the existing commercial centre, establish a small secondary centre at Tyler's Green and provide leisure and commercial uses between the settlement and the airfield. Green walking routes to the surrounding fields are established, with a particularly broad green area around the river corridor. The proposal includes the possibility of a country park around the Ongar Redoubt as an aspiration that could potentially be enabled through housing to the south. All three

options provide for new health facilities to be developed and a new primary school is proposed to the west of the village centre in options 2 and 3.

10. **Scenario B** proposes new homes to the north and west of the village only (ranging from 463 homes in option 1, to 1202 homes in option 2 and 1540 homes in option 3), designed to strengthen the existing commercial centre, establish a small secondary centre at Tyler's Green and provide leisure and commercial uses between the village and the airfield. As in Scenario A, green walking routes to the surrounding field are established, with a particularly broad green area around the river corridor. All three options within this scenario provide for new health facilities to be developed and a new primary school is proposed to the west of the village centre.

11. It is important to understand that the receipt of the Masterplan study does not pre-empt any decisions by the Council as to the location of future development in the emerging Local Plan. However, the consultants were asked to advise on the infrastructure and implementation considerations inherent in taking any of the options forward. To this end, the final report includes a delivery plan and risk assessment and advice on delivery structure and procurement.

Resource Implications:

Preparation of this work forms part of working towards the new Local Plan, and features within the existing Local Plan budget.

Legal and Governance Implications:

None.

Safer, Cleaner and Greener Implications:

The delivery of a Local Plan, informed by a robust evidence base, will contribute to safer, cleaner, greener objectives by planning for sustainable development.

Consultation Undertaken:

Internal consultation has taken place with senior officers, the Chief Executive, the Portfolio Holder, key stakeholders and the Local Plan OWG on 12 August 2014. A copy of the final report is being supplied to the Parish Council.

Background Papers:

- Report to Cabinet on Review of North Weald Airfield 22 July 2013.
- Final Masterplan report prepared by AMUP September 2014.
- Exhibition boards from the community exhibition on 28 June 2014.

Risk Management:

Preparation of the Local Plan is a key priority for the Council.

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Due Regard Record

Name of policy or activity:

What this record is for: By law the Council must, in the course of its service delivery and decision making, think about and see if it can eliminate unlawful discrimination, advance equality of opportunity, and foster good relations. This active consideration is known as, ‘paying due regard’, and it must be recorded as evidence. We pay due regard by undertaking equality analysis and using what we learn through this analysis in our service delivery and decision making. The purpose of this form is as a log of evidence of due regard.

When do I use this record? Every time you complete equality analysis on a policy or activity this record must be updated. Due regard must be paid, and therefore equality analysis undertaken, at ‘formative stages’ of policies and activities including proposed changes to or withdrawal of services. This record must be included as an appendix to any report to decision making bodies. Agenda Planning Groups will not accept any report which does not include evidence of due regard being paid via completion of an Equality Analysis Report.

How do I use this record: When you next undertake equality analysis open a Due Regard Record. Use it to record a summary of your analysis, including the reason for the analysis, the evidence considered, what the evidence told you about the protected groups, and the key findings from the analysis. This will be key information from Steps 1-7 of the Equality Analysis process set out in the Toolkit, and your Equality Analysis Report. This Due Regard Record is Step 8 of that process.

Date / Name	Summary of equality analysis
6.8.14 Anna Cronin	<p>The North Weald Bassett masterplan report prepared by AMUP relates to the potential options for future development and considers the needs of all. As a function of the Local Plan is to make provision for housing, jobs etc needed by local population in future, this evidence will assist in making provision to benefit of all those with protected characteristics in future.</p> <p>The masterplan and the report in itself will not have any adverse impacts that may arise as a result of the policy decision.</p> <p>This study in itself cannot foster good relations as it is a piece of technical evidence on potential options for future growth of North Weald Bassett, none of which relate to the protected characteristics.</p> <p>No actions are required as a result of this analysis. The Local Plan will be the subject to equality analysis (EQIA) before it is submitted for examination by an external Inspector.</p>

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Introduction

Allies and Morrison Urban Practitioners were commissioned by Epping Forest District Council to undertake a masterplanning study for North Weald Bassett, to identify a vision for the settlement and to provide a clear framework for future development and investment. The study covers transport and movement considerations, provision of new homes, economic opportunities, shops and community services for the settlement, and the role of open space. This report sets out a vision and objectives for North Weald Bassett, masterplan options and involved stakeholder and community engagement. The study feeds into the Local Plan process for Epping Forest District Council.

Baseline analysis and community engagement

A review of statutory and supplementary policy context has been undertaken along with a review of the socio-economic considerations and priorities specific to North Weald Bassett. These inform an understanding of the growth expected for the local area and how this sets the conditions for the masterplanning study.

The urban design and heritage analysis identifies key features of North Weald Bassett's character and identity to be retained and complemented in the future, while a review of transport and utilities identifies infrastructure capacity and future requirements. A review of the local property market provides an economic context highlighting trends in housing and employment for the area and establishes key assumptions against which masterplanning options can be assessed. Epping Forest District Council's Call for Sites highlights the enthusiasm of landowners for development in the area, and that objective consideration of these sites is necessary in order to ensure future development will be delivered in a fair, appropriate and sustainable way. Local residents were given the opportunity to feed their knowledge and thoughts about North Weald Bassett into the study at a workshop early in the process. The general attitude towards development was found to be positive so long as this brings improvements to social and physical infrastructure.

Vision

The analysis and consultation undertaken during the study indicated that the settlement has potential for some growth that can help to more effectively support the local community in the future, but that this growth must be minded to preserve the existing assets of the settlement and bring about additional benefits for the community. The assets include, but are not limited to, the settlement's relationship with the surrounding green open space, stand-out historic buildings, a range of housing types which can support a mixed community and the heritage and current economic role of the North Weald Airfield. The vision is to protect these assets, attract investment to strengthen the existing commercial centre and establish North Weald Bassett as a sustainable place in its own right with an active community life.

Spatial Framework

A general framework has been identified which could help to augment and consolidate the structure of the settlement and provide for various growth scenarios. Areas suitable for residential, commercial, employment, leisure and community uses have all been identified. North Weald Bassett has a relatively coherent pattern of settlement based on incremental development to either side of the High Road. The linear shape of the settlement set within Metropolitan Green Belt ensures that all residents live within a few minutes' walk to open countryside. New development should respect, protect and augment the inherent character of the North Weald Bassett to preserve and enhance the benefits it brings to its residents.

The masterplan study articulates a set of development principles, agreed by community stakeholders, which aim to:

- Preserve the discrete 'village-like' character of North Weald Bassett
- Preserve and enhance settlement's relationship to the Greenbelt/countryside
- Consolidate the structure of the settlement to make it more 'walkable' and accessible

- Increase the range and quantity of local shops, leisure and community facilities, both in an augmented centre, and in other convenient locations elsewhere
- Increase the range of types and quality of employment space within the settlement
- Enhance the context of North Weald Airfield to help stimulate additional uses and activities which benefit residents
- Improve the quality of local public transport links and mitigate present highways issues

Masterplan options

A number of masterplan options have been developed. Option 1 envisages up to 500 new dwellings being built in North Weald Bassett over the coming 20 years. Option 2 envisages between approximately 1,000 and 1,200 new dwellings and option 3 envisages between 1,500 and 1,600 new dwellings over the next 20 years. Broad spatial scenarios for new development exist, regardless of the level of growth. These consider whether new dwellings should be introduced to the south east of the existing settlement, covering land towards the Ongar Redoubt and including part of the existing golf course (Scenario A); or whether it is preferable for residential development to extend closer to the North Weald Airfield, up to Merlin Way (Scenario B). In addition to this, consideration is given to focusing new development on strengthening the existing commercial centre towards the southern end of the High Road, and the extent to which a secondary commercial centre at Tyler's Green is intensified.

The Masterplanning Study identifies suitable locations for commercial development, such as retail and leisure uses to support residential growth and other locations for employment generating uses, including those relating to airfield activity. The demand arising from a larger population at North Weald Bassett will help ensure the viability of these facilities and services. The Council's emerging Economic Development Strategy and studies relating to the future of the airfield will map and in greater detail the delivery of viable employment generating uses.

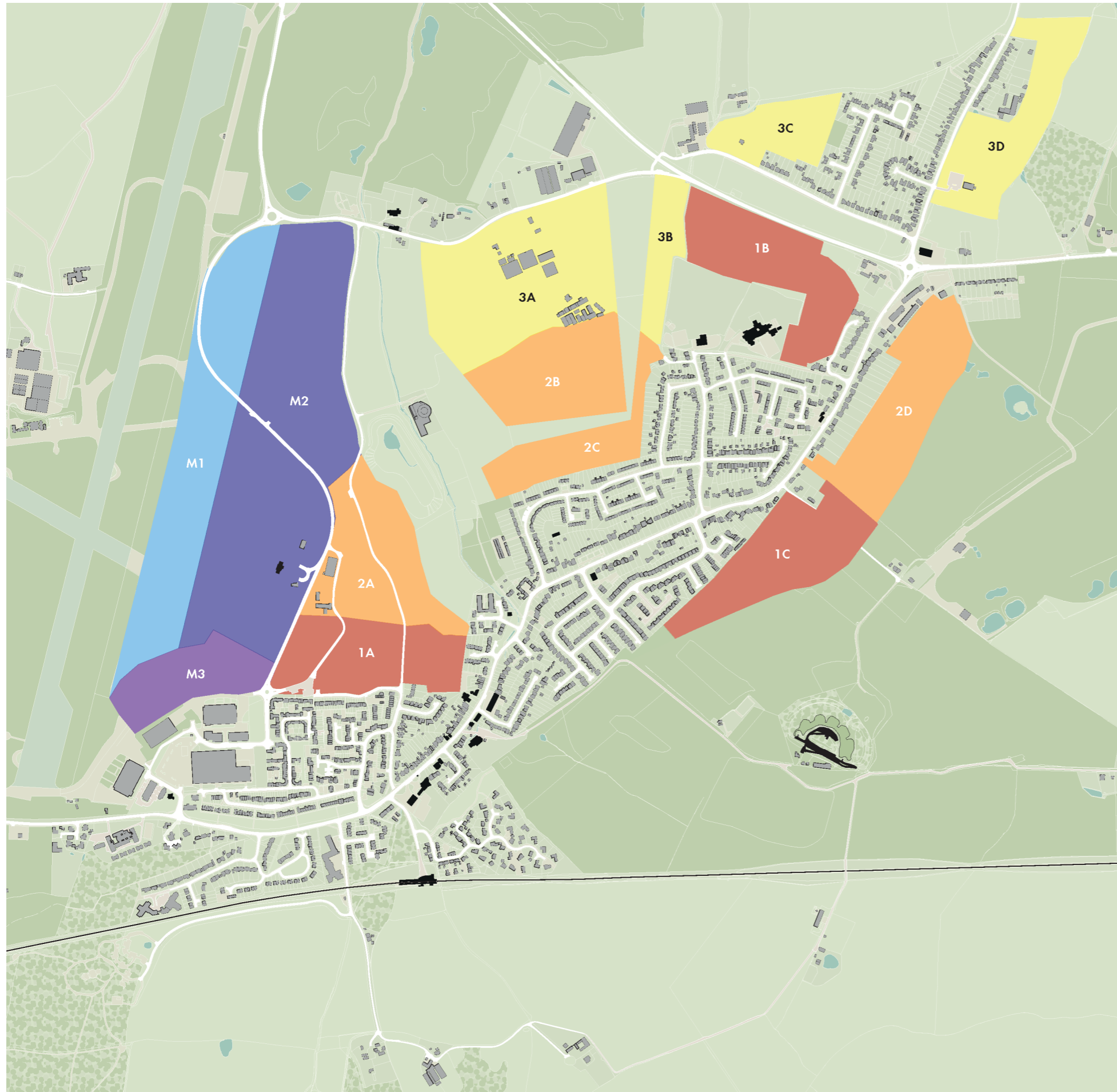
Residents were given further opportunity to comment on these options at an exhibition on the 28 June 2014. A summary of their feedback has been included in the report.

Viability and infrastructure considerations

The physical and community infrastructure requirements for new development at North Weald Bassett are identified and described in broad terms, related to the different spatial options.

A high level viability analysis has been undertaken to inform the masterplanning process and the assessment has indicated a viable development scenario. The results of the viability testing give an indication of the funding levels which might be available to invest in new social infrastructure in the settlement, including a new GP surgery premises, a new primary school and landscape open spaces and play spaces.

Delivery is envisaged over a long period of time and a number of phasing principles have been set out to ensure development integrates with existing development, and avoids disconnected and isolated pockets of residential development, and to ensure adequate services, facilities and infrastructure to support the new levels of housing proposed at each phase.

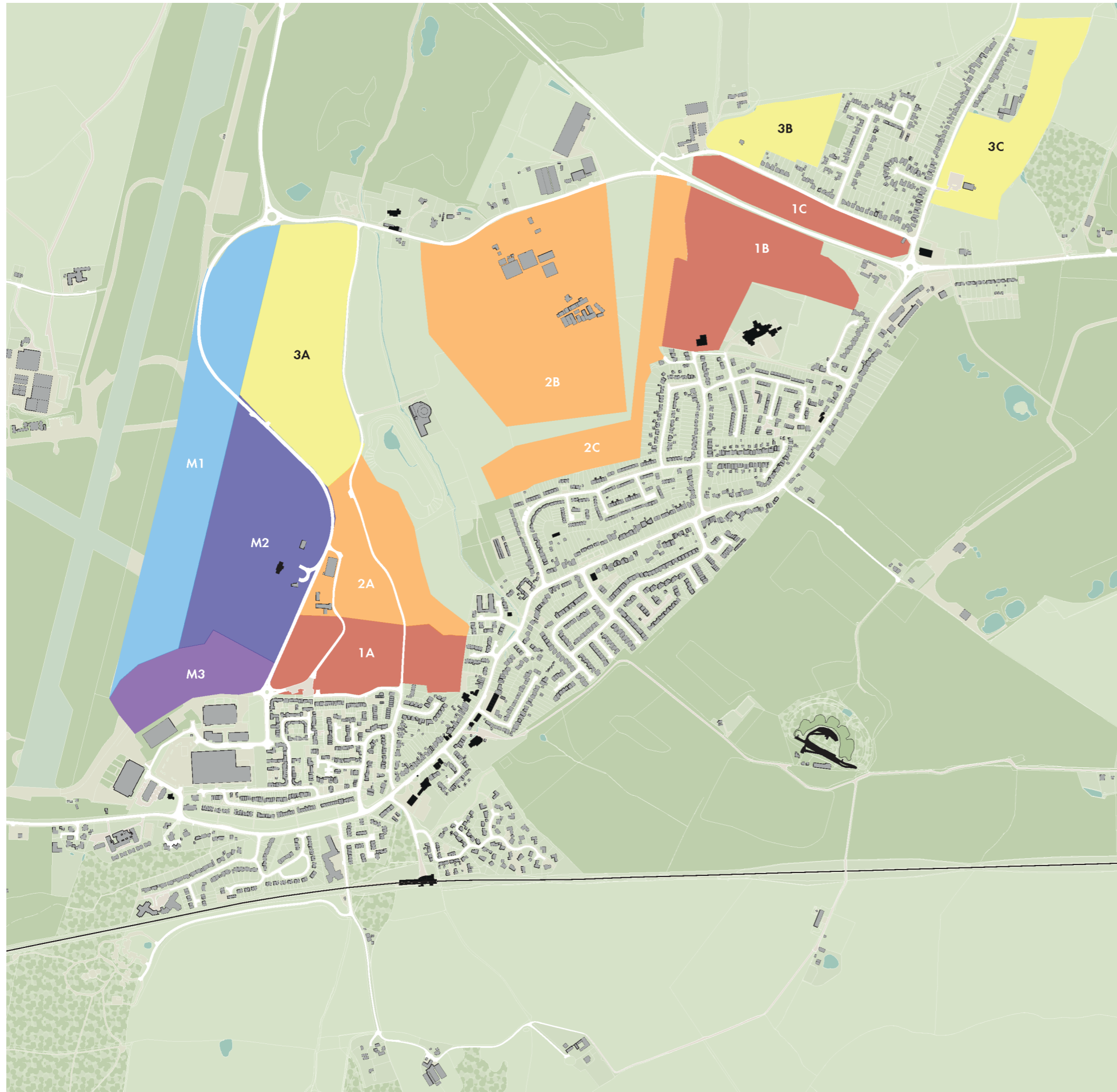


- Option 1
- Option 2
- Option 3
- Local waste plan site allocation
- Mixed-use
- Aviation/mixed-use

Scenario A

**North Weald Bassett
Masterplanning Study**

**Allies and Morrison
Urban Practitioners**



- Option 1
- Option 2
- Option 3
- Local waste plan site allocation
- Mixed-use
- Aviation/mixed-use

Scenario B

North Weald Bassett Masterplanning Study

Allies and Morrison
Urban Practitioners

Report to the Cabinet



**Epping Forest
District Council**

Report reference: C-031-2014/15
Date of meeting: 6th October 2014

Portfolio: Asset Management & Economic Development

Subject: Marketing of an Operational Management Agreement for North Weald Airfield

Responsible Officer: Chris Pasterfield (01992 564124).

Democratic Services Officer: Gary Woodhall (01992 564470).

Decisions Required:

- (1) To agree to seek an operational partner to work with the Council to produce a business plan for aviation at North Weald Airfield;**
- (2) To approve the procurement and appointment of agents up to an estimated cost of £60,000 and to delegate the terms of the appointment of agents to the Portfolio Holder for Asset Management and Economic Development;**
- (3) To recommend to the Council for approval, subject to (2) above, a supplementary District Development Fund estimate in the sum of £60,000; and**
- (4) To receive a further report on the outcome of the exercise.**

Executive Summary:

The Council has received a number of reports on the options for the future of the Airfield. The Cabinet on 22 July 2013 resolved that the future should be the “mixed aviation/development option”, subject to the Local Plan. These development options are now being considered in detail as part of the Local Plan review. In order to inform that process and assess the aviation potential, it is suggested that bringing in a private sector operating partner could be beneficial.

Reasons for Proposed Decision:

To progress Cabinet’s previous decision to try and secure a sustainable future for aviation it is suggested that an existing commercial airfield operator be sought to provide the expertise to increase income, improve efficiency and help guide future plans.

Other Options for Action:

The only option is to try and improve the airfield operations in-house without potential private sector expertise and operational risk transfer.

To sell or lease the a longer term interest in the Airfield for aviation use, which would mean less control and choice of options for the future for the Council.

Report:

1. Property consultants Savills, were appointed to review the current position and undertake a soft marketing exercise to obtain the views of companies operating in this sector of the aviation industry. Due to the considerable amount of unknown factors as to how the aviation operation could be improved, especially Civil Aviation Authority approvals and significant capital investment required, there was a clear preference from the private sector for a management agreement rather than a long lease.

2. A management agreement involves the Council paying a fee to an operator who takes responsibility for running the aviation business. The Council then receives the income generated by the business. Targets and incentives are built into the arrangement so both parties benefit from increases in net profit due to lower costs and higher income generation. Any short term capital investment has also to be agreed. A term of 5-10 years is envisaged. As the operator would not be required to inject a large amount of capital this would allow the Council to retain a high level of control over the running of the aviation side of the airfield.

3. A formal offering of this opportunity is now needed to try and ensure that the aviation business works towards becoming profitable in its own right, exclusive of the outdoor market income, which is currently in decline. The proposal would however not exclude other types of private sector involvement such as leasing, if interest was shown. There is no present intention of any outright sale of land at the airfield. It is hoped that a successful management agreement will show how the aviation business can be expanded and point the way for longer term improvement and investment to create a viable future.

4. It will take a month to engage the agents. The preparation of the proposal and activity will take a further 3 months. Timescales thereafter will very much depend on the type and level of response.

5. It is considered likely that aviation will initially be restricted to the west side of main runway but including operational buildings such as the control tower.

6. Whilst this exercise is looking to concentrate on the aviation related businesses at the airfield the future development of the airfield and adjoining land is likely to include a wide range of uses including business space, leisure and residential. Future development in the area is being considered in detail by the Council as part of the North Weald Master Plan which itself will be evidence for the Local Plan to be adopted by the Council in due course.

Resource Implications:

The cost of employing agents to conduct the marketing will require allocation of funds which cannot be recouped immediately as the Council does not expect to receive a capital receipt but hopefully if the proposal is successful then additional income will be created in due course..

Legal and Governance Implications:

There are no specific legal or governance arrangements at this stage in the process. The

appointment of the agent will comply with Contract Standing Orders.

Safer, Cleaner and Greener Implications:

There are no implications at this stage. The future use of the Airfield does and will continue to have a significant impact on the local environment. The environmental impact will be part of detailed negotiations with a future operator.

Consultation Undertaken:

No community consultation is required for the exercise but Airfield staff will be consulted both for their professional expertise but also as their terms of employment could be affected in the future.

Background Papers:

Savills Report (January 2014) contains exempt information.

Risk Management:

The risk that the exercise will not produce a proposition acceptable to the Council has to be accepted. However the enquiries already made indicate there should be interest.

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Due Regard Record

Name of policy or activity:

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Date / Name	Summary of equality analysis
8.9.2014 Director of Governance	The proposal to look for a partner for the Council to expand aviation business at North Weald Airfield would not raise any equality issues at this time.

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Report to the Cabinet

Report reference: C-025-2014/15
Date of meeting: 6 October 2014



**Epping Forest
District Council**

Portfolio: Environment

Subject: Delegation of powers from Essex County Council to the Council under the Flood and Water Management Act 2010 under a revised agreement.

Responsible Officer: Qasim (Kim) Durrani (01992 564055).
Susan Stranders (01992 564197).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) To enter into an agreement with Essex County Council to accept delegation of the powers and duties under sections 23, 24, 25 of the Land Drainage Act 1991, as amended by the Flood and Water Management Act 2010, for the consenting of works to and the enforcement of, ordinary watercourses; and

(2) Subject to the above that the agreement is based on the terms of a revised Letter of Understanding, due to Essex County Council's proposal to change the payment structure to the Council for carrying out the work.

Executive Summary:

The Council has been exercising certain powers of the Land Drainage Act 1991 (LDA) (as amended), on behalf of Essex County Council (ECC), since April 2012 through a Letter of Understanding (LoU). Cabinet agreed on 22 July 2013 (C-016-2013/14) to enter into an agreement on the basis that ECC supplemented the cost to the Council for carrying out aspects of the work set out in the LoU.

The agreement was never finalised by ECC. In April 2014, ECC notified the Council that it wished to change the terms of the original LoU by withdrawing all supplements. Discussions have been held with ECC and a revised level of supplement has been proposed. Approval is sought by Cabinet to accept the delegation of powers based on these revised terms.

Reasons for Proposed Decision:

To ensure that the Council retains the necessary powers to optimise the control of works to ordinary watercourses within the district in order to minimise flood risk.

Other Options for Action:

Not to accept the delegated powers and let ECC exercise the relevant powers.

Report:

1. On 22 July 2013 Cabinet agreed (C-016-2013/14) for the Council to enter into an agreement with ECC to accept delegated authority to exercise the powers and duties under sections 23, 24, 25 of the Land Drainage Act 1991, as amended by the Flood and Water Management Act 2010 (FWMA) and to charge for certain land drainage consents.
2. This agreement was to be based on the terms of a LoU (31 July 2012) that agreed to supplement the Council for carrying out work relating to the issuing of land drainage consents and the investigation of related complaints, on ECC's behalf. The costs of any further 'formal' enforcement were to be met by ECC. In simple terms, the costs due to the Council for the consenting and complaint work was based on the number of cases dealt with by the Council compared to the predicted number of cases, at that time, across Essex. The agreement was never finalised by ECC.
3. In April 2014, ECC informed the Council that it was unable to proceed along the original terms of the LoU as it could not justify the potential maximum spend. Of note is that the actual number of cases across Essex has been substantially more than originally predicted. At that time, ECC stated that in the interest of streamlining the consent process and continuing with the high level of service that the Council delivers that there was no objection to the powers being delegated but that all the costs were to be met by the Council.
4. Discussions have taken place with ECC who has subsequently proposed to supplement the Council for the work based on a flat proportion of an engineer's salary as against payment for the actual number of cases dealt with by the Council. Based on the average number of cases dealt with by the Council over the last two years this will result in slightly less income being generated through the agreement.
5. Epping Forest is the only council within Essex which has its own Land Drainage Byelaws. In principle, most of the type of work that is covered in the relevant sections of the Land Drainage Act, and subject to the proposed delegation arrangement with ECC, is also contained within the Council's own Byelaws. This means that there is a natural overlap with much of the work that will be carried out under delegated authority from ECC. Before the implementation of the FWMA the Council carried out the majority of this work through an informal agreement with the Environment Agency (EA); with no associated charging regime and with no income being generated.
6. It should be noted that the FWMA has introduced a huge amount of work for Local Authorities, ECC in our case, and changes the way in which historic flood risk management duties have been carried out. The working arrangements between ECC and the Council will need to be assessed and reviewed on a regular basis. It is considered that by taking on this delegated role a more streamline service will be delivered to the public, who will otherwise have to apply to both ECC and the Council for land drainage consent to do certain works. It is also strongly considered that this will allow the Council to maximise control over flood risk assets within the District and reduce flood risk.
7. ECC has stated that due to the number of land drainage complaints/cases that they are receiving that they are unable to do the work to the same standard that is currently being delivered by the Council. If the Council does not accept the proposed delegated role and ECC is left to exercise the powers, then it is very likely that many land drainage complaints within the district will not be investigated. In addition, ECC has stated that it will only investigate and carry out site visits where there is imminent risk to properties of internal

flooding. This approach and level of service is not one that the Council has historically accepted, given the flood risk history of the district and for the reasons set out in this report it is recommended that the Council should accept the delegated role under the revised terms, with the aim to conclude an agreement within six month of the decision.

Resource Implications:

Income generated under the original LoU based on the number of cases dealt with for 2012/13 was £12,100 and for 2013/14 was £15,300. Under the revised terms of the LoU a flat rate income of £9,975 will be received.

It is currently considered that the work can be carried out within existing staffing resources. A full assessment of the quantity and type of work and the impact on resources will need to be reviewed periodically. However, at this time it is considered that any additional staffing resources that may be required (through overtime etc) will be covered by the payments received from ECC.

As either party is able to terminate the agreement any income received cannot be considered as a permanent source of revenue. Therefore, this amount cannot be relied on to offset the existing Continuing Service Budget allocation. Previously the Council was carrying out the majority of the work on behalf of the EA with no financial recompense.

Legal and Governance Implications:

Local Government Act 1972 (section 101)
The Flood and Water Management Act 2010
Land Drainage Act 1991
Public Health Act 1936
Council's Land Drainage Byelaws

Safer, Cleaner and Greener Implications:

Efficient and effective management of watercourses and flood risk is in accordance with the Council's Safer, Cleaner, Greener strategy.

The proposed delegation will ensure the continued higher level of flood risk management service to the residents of the District.

Consultation Undertaken:

Legal Services

Background Papers:

ENV-002-2012/2013, C-016 -2013/14.

Risk Management:

By taking on this delegated function there is a small risk to the council if it was found to be negligent in exercising the powers. However, this risk is considered to be no greater than the risk to the Council in exercising any of its other statutory powers. If there is a complex case then the matter and proposed works will be agreed with ECC which should further minimise the risk.

Flooding is listed as a predominant risk in the Council's Emergency Planning Local Risk

Register. The ability to control and monitor the majority of works being carried out on ordinary watercourses within the district and to be able to take the necessary enforcement action, demonstrates that the Council is committed to minimising flood risk.

The inability to implement the requirements of the FWMA and the potential increase of risk of flooding to people, properties and land if the Council loses the local ability to control and monitor the condition of watercourses and other flood risk assets, are itemised in the Risk Matrix in the Neighbourhood Directorate's Business Plan 2014/2015. It is considered that if the Council continues to exercise the amended powers under sections 23, 24 and 25 of the LDA, under delegated power from ECC, then there will be no need to revise the Risk Matrix.

If the delegation is not accepted our residents will have to make two separate applications, which could result in inconsistency of services provided given ECC has stated that they are unable to deliver the work to the same standard the Council affords. Therefore some applications and complaints that strictly fall within the remit of the LDA will not be investigated by the Council. It is considered that overtime this will have the affect of increasing flood risk within the district. By working with ECC in this way we build a partnership approach, flood risk management will be maximised and a much better service given to our residents.

Due Regard Record



Name of policy or activity:

What this record is for: By law the Council must, in the course of its service delivery and decision making, think about and see if it can eliminate unlawful discrimination, advance equality of opportunity, and foster good relations. This active consideration is known as, 'paying due regard', and it must be recorded as evidence. We pay due regard by undertaking equality analysis and using what we learn through this analysis in our service delivery and decision making. The purpose of this form is as a log of evidence of due regard.

When do I use this record? Every time you complete equality analysis on a policy or activity this record must be updated. Due regard must be paid, and therefore equality analysis undertaken, at 'formative stages' of policies and activities including proposed changes to or withdrawal of services. This record must be included as an appendix to any report to decision making bodies. Agenda Planning Groups will not accept any report which does not include evidence of due regard being paid via completion of an Equality Analysis Report.

How do I use this record: When you next undertake equality analysis open a Due Regard Record. Use it to record a summary of your analysis, including the reason for the analysis, the evidence considered, what the evidence told you about the protected groups, and the key findings from the analysis. This will be key information from Steps 1-7 of the Equality Analysis process set out in the Toolkit, and your Equality Analysis Report. This Due Regard Record is Step 8 of that process.

Date / Name	Summary of equality analysis
	The subject of this report is about exercising delegated powers under flood and land drainage legislation. Whilst the issues themselves may have public health and environmental consequences, there are no issues with respect to the elimination of unlawful discrimination, advance equality of opportunity and fostering good relations with respect the personal characteristics protected by equality law.

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Report to the Cabinet

Report reference: C-026-2014/15
Date of meeting: 6 October 2014



**Epping Forest
District Council**

Portfolio: Environment

Subject: Survey of the River Roding and associated bridges in the Roding Valley Recreational Area

Responsible Officer: Qasim (Kim) Durrani (01992 564055).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) To agree that in order to assess the condition of the River Roding and the risk of damage to the bridges and other assets a technical survey is carried out of the entire length of the River Roding where it flows through Council owned land in Roding Valley Recreational Area (RVRA);**
- (2) Subject to recommendation above to agree a DDF bid of £15,000 for 2015/2016 for the appointment of specialist engineering surveyors; and**
- (3) To report the findings and any recommended action of the survey to a future Cabinet.**

Executive Summary:

River Roding is one of the two major river systems flowing through the District. The responsibility for the management and upkeep of rivers falls to Riparian Owners (those land owners or occupiers through whose land a river passes). The responsibility for the management of the Roding Valley Recreational Area (RVRA) falls to various partners (Loughton Town Council, Buckhurst Hill Parish Council) and Essex Wildlife Trust, for areas in their management control that fall within the boundary of RVRA.

The last river condition survey of the River Roding through the RVPA was carried out in 2003. As a result a number of works were carried out to manage the risk to members of the public using the RVPA. Ongoing monitoring of the river, its banks and associated structures is carried out as suggested in the 2003 survey. In view of ongoing erosion damage it is now considered necessary to carry out another comprehensive survey of the river and the structures.

As the land owner it is felt that the District Council should take the lead in carrying out the investigation and work in partnership with town and parish councils to implement any necessary actions identified.

Reasons for Proposed Decision:

To establish the extent of river erosion along the River Roding and any potential impact on the associated structures especially the three bridges, identify remedial works, and manage

the risk to the users of the RVRA.

Other Options for Action:

It cannot be recommended to ignore the risk of injury to public and damage to property by allowing the risk of erosion to continue.

Report:

1. The Council is the land owner of the RVRA which is managed under various arrangements. For example the Council has signed a long term lease agreement with Loughton Town Council (LTC), Essex Wildlife Trust (EWT) manage a section under a management agreement and although no formal agreement exists with Buckhurst Hill Parish Council (BHPC) they carry out selective management of the part of RVRA that is within their Parish boundary.

2. River Roding is one of the two major rivers in the District, River Lee being the other. The River Roding and its catchment tributaries form an essential part of the watercourse and drainage system in the District. Erosion of river banks is a natural occurrence and the Roding is no exception. However the straightening of the stretch of the River through RVPA at the time of construction of the M11 has exacerbated the speed of erosion. It is for this reason that this stretch of the river requires a more frequent, than what would be expected for similar rivers, monitoring and intervention.

3. The previous river survey to assess the effects of erosion and siltation, formally known as 'morphological survey' was conducted by the River Restoration Centre in 2003. One of the conclusions of the investigation was that the Roding is trying to recover from the straightening of the river section at the time of the construction of the M11 motorway. This causes some very high water flow speeds in parts of the river which then contributes to erosion, and consequently results in transportation of silt further down the river. The report recommended a series of actions to address areas of high risk to the public or loss of land, these included: hard engineering works like removal of steel piles from the bed of the river, soft/green engineering works consisting of live willow spiling (planting live willow stakes and rolled willow bundles) to stabilise river banks, diversion of a public foot path, tree planting and ongoing monitoring of the river. These works have assisted in managing erosion along the River. However, over the last few years accelerated erosion has been observed at stretches of the river, one stretch being very close to a public foot path. The maintenance of the footpath is the responsibility of LTC, who has been monitoring the impact on the path and has placed warning signs in the area.

4. There are three bridges across the River Roding through the RVPA: The Charlie Moules Bridge, The Fishermans Bridge and The Arboretum Bridge. These enable pedestrian access across the River. These bridges are currently maintained as and when required. Following some concerns surrounding the state of Charlie Moules Bridge an engineering survey was produced by John Pryke & Partners, Consulting Engineers in August 2012. The costs of recommended remedial works, for maintaining the existing structure, costed by means of a competitive process, came in at £24,960. It was considered prudent to not carry out the remedial works, only make the bridge safe for use, and consider a wider scheme that addressed accessibility (particularly for disabled users) and sustainability issues resulting in an improved legacy.

5. Due to recent erosion of the river banks some measures have been taken to reduce the risk to users. These include fencing off river bank near a public footpath and essential works like regarding of the approach ramps of the Charlie Moules Bridge to make it safe, some willow planting, soft/green engineering works, allowing the vegetation to grow in certain

places at the river edge and inspections by officers to monitor these critical sites. It is recognised that a more detailed assessment is required to better manage the risk of erosion and avoid any further deterioration. For example if erosion in certain sections of the River continues unabated then there could be a longer term risk to some of the playing fields or the lake (an asset to local residents and the fishing club) which could result in a great environmental loss as well as pollution of the river if the silt in the lake got into the river. This could impact the rental income as well as reduce the amenity value of the RVRA. It is proposed that a river morphological survey be carried out of the River Roding from Chigwell Lane to Roding Lane to identifying the level of erosion of the banks of the river, and a structural condition survey of the three bridges to assess the level of risk to users and, if necessary, propose remedial measures (**recommendation 1**).

6. The activities required during the survey will include desk top research, visual inspections, structural assessment and possibly intrusive tests. At this stage no quotations have been obtained and it is officer estimation that the cost of acquiring external engineering surveyors for the survey of River Roding and structural engineers for assessing the condition of the three bridges and identifying remedial measures is not likely to be more than £15,000. (**recommendation 2**).

7. If physical works are identified as a result of the proposed surveys then depending on the nature of the repairs/refurbishment there are various options: LTC would share the costs of any works within its boundary, any works to the River itself will be carried out by the Council. BHPC, who have not signed the lease agreement, have been contacted to clarify their responsibilities. A report will be brought to a future Cabinet setting out the outcomes of the surveys and any financial implications. (**recommendation 3**).

Resource Implications:

There is no ongoing budget allocation for the maintenance and upkeep of the RVRA. The Council's budget for carrying out works in the RVRA ceased when the south of the District was parished in 1997.

LTC and BHPC pay the Council for grass cutting of the area of the ground within their respective boundary.

Legal and Governance Implications:

The Council is the Riparian Owner for this stretch of the River Roding by virtue of freehold ownership of the Roding Valley Recreational Meadows and the local Nature Reserve. The Council has responsibility for the river banks and ensuring adequate health and safety for members of the public using the area; subject to the terms and conditions contained within any existing agreement or arrangement with a third party such as LTC or BHPC.

A failure to carry essential maintenance and repairs work to the Main River and associated assets could result in the Council and other owners/occupiers becoming liable under the Land Drainage Act. This could result in an enforcement notice by the Environment Agency.

Safer, Cleaner and Greener Implications:

The Council is committed to action to make public open spaces safer, cleaner and greener to enhance the quality of life.

Consultation Undertaken:

BHPC have been consulted and a response is awaited.

LTC have been made aware of the previous surveys and the Council will work with them to seek improvement in the condition of the Charlie Moules Bridge.

EWT have previously helped with "soft" landscaping work along the river even when the areas concerned were outside of their remit. They are aware of the proposals to carry out surveys.

Background Papers:

Cabinet Report 2 February 2004 item 135.

Risk Management:

Flooding is listed as a predominant risk in the Council's Risk Register and therefore the Council is under a statutory duty to take reasonable action to eliminate or mitigate the risk having identified it.

If a condition survey of the river banks and associated structures is not carried out then the risk of injury to the users of the RVRA will increase. This risk is associated with the injury risk arising from the users of the footpath, where erosion is causing the river bank to move closer to the path. There is a financial risk due to the loss of amenity land and/or loss of income if rentable football pitches are compromised.

Due Regard Record

Name of policy or activity:

What this record is for: By law the Council must, in the course of its service delivery and decision making, think about and see if it can eliminate unlawful discrimination, advance equality of opportunity, and foster good relations. This active consideration is known as, 'paying due regard', and it must be recorded as evidence. We pay due regard by undertaking equality analysis and using what we learn through this analysis in our service delivery and decision making. The purpose of this form is as a log of evidence of due regard.

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Date / Name	Summary of equality analysis
	<p>The RVRA is enjoyed by a wide section of the community and is considered a district wide asset. As such the Council has to be cognisant of the needs and requirement of all residents and visitors while managing the RVRA.</p> <p>Out of the specific group or characteristics that the Council has a legal duty to have due regard for the following are affected:</p> <ul style="list-style-type: none"> (a) Age (elderly or infirm) (b) Disability <p>There are some provisions for those with disabilities (fishing platform on the lake as well as paved footpath along the river). If the assessment of the bridges result in the requirement to construct new then efforts would be made to ensure any new structures are compliant with the requirements for disabled access. This would enable the use of new areas of the RVRA to the public.</p>

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Report to the Cabinet

Report reference: C-034-2014/15
Date of meeting: 6 October 2014



Portfolio: Housing
Subject: Appropriation of land at Burton Road, Loughton
Responsible Officer: Paul Pledger (01992 564248)
Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

(1) In accordance with the previous decision of the Council House-building Cabinet Committee that the former garage site, and associated amenity land at Burton Road, ('the Land') (as shown edged red on the attached plan) identified for the development of Council House Building, be appropriated for planning purposes under provisions laid out in Section 122 of the Local Government Act 1972 ('the 1972 Act') and Section 226 (1) (a) of the Town and Country Planning Act 1990 ('the 1990 Act') on the grounds that the Land is no longer required for the purposes for which it is currently held (as under-utilised garages and grassed amenity land) in the Housing Revenue Account;

(2) That the Housing Portfolio Holder be delegated authority to sign a memorandum confirming the Cabinet decision that the Land has been appropriated from housing purposes to planning purposes prior to the planning application being submitted;

(3) That the Terms of Reference for the Council House-building Cabinet Committee be amended, delegating authority to the Cabinet Committee to appropriate Council-owned land, held for housing purposes and identified for Council house-building for planning purposes under provisions laid out in Section 122 of the 1972 Act and Section 226 (1) (a) of the 1990 Act on the grounds that the land is no longer required for the purposes for which it is currently held in the Housing Revenue Account; and

(4) That for future development sites where the Secretary of State consent will be required, pursuant to Section 19 of the Housing Act 1985 insofar as required, it is recommended that the Director of Communities be given delegated authority to apply to the Secretary of State for Communities and Local Government for such consent, and subject to receipt of that consent, to advertise the Council's intension to make the appropriation in accordance with the provisions of Section 122(A) of the 1972 Act.

Executive Summary:

At its meeting in April 2014, the Council House-building Cabinet Committee recommended that the land a Burton Road be appropriated under the 1972 Act and the 1990 Act to change the purpose for which the land is held for one statutory purpose to another. However, due to an administrative error that recommendation was not presented to the Cabinet for approval. In the mean-time, further advice from the Council's Solicitor has meant that additional

information must be provided in support of the decision, which is now contained within the report.

Reasons for Proposed Decision:

Appropriation of the land cannot take place after a planning application has been submitted otherwise there is a risk that the proposed re-development scheme may be frustrated by third party rights, which would in turn frustrate the Council's regeneration objectives for the site. By appropriating land, once planning permission is obtained, the rights of affected third parties can be overridden to the extent that they become an entitlement to compensation rather than a right to obtain an injunction to prevent the scheme.

Other Options for Action:

Not to appropriate the land and take the risk that a third party will not try to prevent the development by laying claim to a long established right of access across the land.

Report:

1. The Cabinet Committee, at its meeting in April 2014, considered as part of the feasibility study for Phase 2 of the Council's House-building Programme at Burton Road, Loughton the risks associated with any third party rights and claims over the land identified for redevelopment, and the benefits of appropriation.

2. To summarise, the Council wishes to see the Burton Road site redeveloped for the specific purpose of providing affordable housing for applicants on the Council's Housing Register on a site which previously was used for garages and grassed amenity land, which in the current usage the former are not fit for that purpose as evidenced through their under-utilisation. By appropriating the site for planning purposes, the Council will be able to secure its redevelopment and future use by relying on the statutory provisions relating to the redevelopment and disposal of the land held for planning purposes.

3. To this end, the Council holds property for various statutory purposes in order to provide its various functions. Such land is used only for the purpose of the function for which it was originally acquired, until such time as the land is disposed of or "appropriated" for another use. In this case, for the development of Council housing for applicants on the Council's Housing Register and not for profit.

4. Appropriation is the procedure under the 1972 Act and the 1990 to change the purpose for which the land in the Council's ownership is held from one statutory purpose to another, provided that the land is no longer required for the purpose for which it was held immediately before the appropriation. Where land is appropriated for planning purposes in accordance with Section 122 of the 1990 Act and/or Section 226 (1) (a) of the 1990 Act, the Council has powers to redevelop the land pursuant to Section 235 of the 1990 Act; and by virtue of Section 237 1990 Act, the erection, carrying out, construction, use or maintenance of any building or works on such land is authorised if done in accordance with planning permission, even if it interferes with third party rights such as legal easements (including 'leaseholders' rights).

5. The Council is authorised by Section 227 of the 1990 Act to acquire by agreement any land that it is authorised to compulsorily acquire pursuant to S226 of the 1990 Act. Section 226 of the 1990 Act allows the Council to acquire land compulsorily if it thinks that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land provided that the development will contribute to the achievement of the social, environmental or economic well-being of the area.

6. To the extent that private rights may be held in relation to the Land it is considered that the social, economic and environmental benefits that the proposed housing development will bring are such as to justify the interference with those rights on the basis that the public benefits will outweigh the private loss, if any.

7. Section 237 of the 1990 Act, provides that where land has been appropriated for planning purposes, third party rights over the land which could otherwise prevent development of the land in accordance with planning permission, can effectively be “interfered with”, either by the Council or by anyone deriving title to the land from the Council.

8. The Land needs to be appropriated prior to the planning application being submitted otherwise there is a risk that the proposed re-development scheme may be frustrated by third party rights, which would in turn frustrate the Council’s regeneration objectives for the site. By appropriating land, once planning permission is obtained, it does not extinguish or remove third party rights; rather, it has the effect of authorising interference with those rights, subject to an entitlement to compensation from the Council to those who’s rights are interfered with, rather than a right to obtain an injunction to prevent the scheme. There is no retrospective process for appropriation.

9. When the Cabinet Committee considered the matter of appropriating the Land, it supported the proposal by making a recommendation to the Cabinet. However, an administrative oversight has meant that the recommendation was not put to the Cabinet at that time.

10. It is further recommended that once the Land has been appropriated, then the Housing Portfolio Holder be delegated authority to sign a memorandum stating the Land has been appropriated prior to the planning application being submitted.

11. For all future phases of the Council House-building Programme, it is recommended that the Council House-building Cabinet Committee Terms of Reference be amended, giving authority to appropriate land identified for Council housebuilding for planning purposes under provisions laid out in Section 122 of the Local Government Act 1972 and/or Section 226 (1) (a) of the 1990 Act on the grounds that the land is no longer required for the purposes for which it is currently held in the Housing Revenue Account.

12. Whilst the consent of the Secretary of State for Communities and Local Government is not required in this instance as neither the land nor the garages are connected to the tenancy of a dwelling, there may be circumstances in the future where the Secretary of State consent will be required pursuant to Section 19 of the Housing Act 1985 insofar as required. In such instances, it is recommended that the Director of Communities be delegated authority to apply to the Secretary of State for Communities and Local Government for such consent as mentioned above, and subject to receipt of that consent, to advertise the Council’s intention to make the appropriation in accordance with the provisions of Section 122(A) of the Local Government Act 1972.

Resource Implications:

There are no direct resource implications associated with this report. However, there may be claims from third parties whose rights have been “interfered with” as a result of the appropriation and development, which could entitle them to make a claim for compensation for any loss in market value they have suffered. This would need to be assessed in accordance with the “Compulsory Purchase Code”. Such claims are usually settled between Valuers, by agreement; but there is a right to refer the claim to the Upper Tribunal (Lands Chamber) for determination.

Legal and Governance Implications:

Local Government Act 1972, Housing Act 1985 and the Town and Country Planning Act 1990.

Safer, Cleaner and Greener Implications:

Not applicable.

Consultation Undertaken:

None.

Background Papers:

Council House-building Cabinet Committee report and minutes associated with the feasibility study for the Phase 2 development site at Burton Road, dated 14 April 2014.

Risk Management:

The risks associated with third party claims are set out within the body of the report, as well as the risk mitigation of appropriating the land.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Within the Housing Service Strategy, it has been identified that the target groups that are affected by the Council's house building programme are people in need of:

- affordable housing,
- homelessness assistance,
- supported housing for special needs groups,
- owners and occupiers of poor condition housing
- council and housing association tenants.

From that, it was identified that generally, there is an under provision of suitable accommodation for nearly all target groups. This has been reaffirmed in the most recent Strategic Housing Market Assessment.

Decision making is affected by funding and other factors, such as the availability of building land suitable for particular groups e.g. the elderly or young families.

There is no evidence of unlawful discrimination in relation to the provision of affordable housing.

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Report to the Cabinet

Report reference: C-028-2014/15
Date of meeting: 6 October 2014



**Epping Forest
District Council**

Portfolio: Planning
Subject: Epping Town Neighbourhood Area Consultation
Responsible Officer: Shanaz Zaman (01992 564732)
Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) To designate the neighbourhood area covering Epping Town parish following the receipt of representations; and**
- (2) To delegate future decisions to designate neighbourhood areas to the Director of Neighbourhoods following consultation with the Portfolio Holder, where the area covers the whole parish and there are no objections.**

Executive Summary:

Neighbourhood Development Plans (NDPs) were introduced as part of the Localism Act 2011. They enable local communities (town/parish councils or designated neighbourhood forums) to shape the way that their local area develops over the coming years. Once approved, NDPs form part of the statutory development plan, and are therefore a material consideration when deciding on planning applications.

To date three neighbourhood areas have been designated, all of which cover the whole parish area and none of which have attracted objections. A minor change to the governance agreed by Cabinet in July 2013 is proposed to enable such uncontentious requests to be approved by officers under delegated powers.

Reasons for Proposed Decision:

The decision regarding designation has been recommended in order that the Council meets its duties under the relevant regulations.

The recommendation regarding governance is to assist in making best use of resources.

Other Options for Action:

To not designate the proposed neighbourhood area, or to designate a different area. Neither action is recommended as there is nothing to support either approach.

To maintain governance arrangements as they are.

Report:

1. The Government introduced Neighbourhood Planning as part of the Localism Act 2011 in order to enable town/parish councils and Neighbourhood Forums to actively participate in plan making. A Neighbourhood Development Plan (NDP), once it has passed a referendum, forms part of the statutory development plan and is therefore taken into account in the determination of planning applications. They can include housing and employment land allocations, policies and design statements and can be as simple or as complicated as the town/parish council choose. Crucially, the NDP must be in conformity with national planning policy as well as the District Council Local Plan.

2. The District Council has a statutory obligation to perform certain duties during the preparation of an NDP. The governance arrangements for neighbourhood planning were agreed by Cabinet on 29 July 2013.

3. Epping Town Council submitted an application for the designation of a neighbourhood area in July 2014. The proposed neighbourhood area, which can be found in Appendix 1, follows the line of the parish boundary. Following receipt of the application, and in line with Regulation 6 of the Neighbourhood Planning (General) Regulations 2012, the Council invited representations on the proposed neighbourhood area for a period of 6 weeks from 8 August until 19 September 2014. Five responses have been received from two parishes: Buckhurst Hill Parish Council and Loughton Parish Council who made no comments; the Epping Society who support the designation; and two developers Croudace Strategic and Persimmon Homes who have asked to be kept informed of the progress of the Neighbourhood Plan.

4. Following designation of the neighbourhood area, the Town Council will progress with the preparation of the NDP. A draft Plan must be submitted to the District Council. Representations will then be invited on the plan for a period of at least 6 weeks, after which an independent examination will be held. Finally, the Plan will be subject to a referendum before Full Council is asked to bring it into force. At this point the NDP will become part of the statutory development plan for Epping Forest District.

5. Neighbourhood areas have previously been designated for Moreton, Bobbingworth and the Lavers, Chigwell and Theydon Bois Parishes. All cover the whole parish area, and none have attracted objections. The Council has recently received applications for the designation of neighbourhood areas from North Weald Bassett Parish Council and Buckhurst Hill Parish Councils.

6. In order to make best use of resources it is proposed that the ability to make uncontentious designations, which cover the whole parish and do not receive any objections, should be delegated to the Director of Neighbourhoods following consultation with the Portfolio Holder. Notification of decisions could then be given through the Member Bulletin. In the light of the increase in the number of neighbourhood plans being proposed it is suggested that the Director of Neighbourhoods should also consider whether additional resources are required in the budget for 2015/16 to support the preparation of plans.

7. It should be noted that the government is currently consulting on requiring councils to make decisions on uncontentious designations within 10 weeks. This minor extension of delegated powers would help facilitate this, should it come into effect.

Resource Implications:

Currently neighbourhood planning is currently being delivered within existing resources. The Government has a dedicated funding resource for the development of NDP's, and as such, the Council will receive £5,000 for designating a neighbourhood area. Further payments will

be received as the NDP is progressed up to a maximum total of £30,000. The minor change to delegated powers proposed would assist in making best use of resources. Future resources are to be considered for 2015/16 in the light of the number of neighbourhood plans being brought forward and the support being provided by the Planning Policy team.

Legal and Governance Implications:

The legal and governance arrangements were agreed by Cabinet on 29 July 2013.

Safer, Cleaner and Greener Implications:

N/A.

Consultation Undertaken:

Whilst not a consultation, representations were invited with regard to the designation of a neighbourhood area covering Epping Town Parish for a 6 week period between 8 August and 19 September 2014.

Background Papers:

Epping Town Council submission for Neighbourhood Area designation.

Risk Management:

It will need to be ensured that Council resources do not extend beyond the level of assistance agreed with the governance arrangements as approved at Cabinet in July 2013, and as may be altered as proposed in recommendation 2 of this report.

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Due Regard Record



Name of policy or activity: To agree the designation of a neighbourhood area for the Parish of Epping Town.

What this record is for: By law the Council must, in the course of its service delivery and decision making, think about and see if it can eliminate unlawful discrimination, advance equality of opportunity, and foster good relations. This active consideration is known as, 'paying due regard', and it must be recorded as evidence. We pay due regard by undertaking equality analysis and using what we learn through this analysis in our service delivery and decision making. The purpose of this form is as a log of evidence of due regard.

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Date / Name	Summary of equality analysis
Anna Cronin 8/9 14	<ul style="list-style-type: none">• The Cabinet report is seeking the designation of a neighbourhood area covering the Parish of Epping Town.• Once commenced, the Neighbourhood Plan may have various equality implications for a number of different groups, both in terms of the level of engagement that is undertaken during its preparation and the impact that any policies may have on different sections of the local community. However it is the duty of the Town Council to consider such issues during the preparation of the neighbourhood plan, and as such, the neighbourhood plan should be subject to equality analysis separately.• The designated neighbourhood area will cover the Parish of Epping Town in its entirety. This is considered to be an appropriate boundary and will ensure that the Neighbourhood Plan is inclusive of all parts of the local community who may be impacted by the proposals promoted within it.

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Report to the Cabinet

Report reference: C-029-2014/15
Date of meeting: 6 October 2014



**Epping Forest
District Council**

Portfolio: Technology and Support Services
Subject: Integrated Payroll/Human Resources IT System
Responsible Officer: Paula Maginnis (01992 564536).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That a bid for capital expenditure in the sum of £80,000 for 2015/16 be made to purchase an Integrated Payroll/Human Resources IT System; and**
- (2) That, subject to the agreement of the capital bid above, the procurement evaluation criteria for selecting a provider be based on 60% price and 40% quality.**

Executive Summary:

The current Payroll/Human Resources IT system is not fit for purpose, as it cannot meet a number of requirements. This is mainly as a result of the current system being an employee based system (used mainly in the private sector) rather than a post based system which the Council requires (used mainly in the public sector).

In addition the system is unable to automate the new pension auto enrolment processes or the regular reports and information required by the Local Government Pension Scheme fund administrators. The deficiencies of the system require manual interventions and processes which have a significant impact on staff time and have the potential to result in errors.

The Council is using a system called Payroll+ which was installed in 2013 as a result of a failed implementation of a more advanced system called Sage/Snowdrop. Officers worked with the suppliers, Sage, to implement Sage/Snowdrop over a 2 year period but not all the functions worked and Officers had little confidence that the system would provide a reliable payroll for the Council.

As well as wishing to eliminate the problems with the current IT system, it is recognised that technology has progressed since 2004 when the Council first updated the HR/Payroll IT system. Many systems now have self-service functionality which enables employees and managers to access certain functions of the system, such as e-payslips, completing on line forms for mileage and other payments. Managers would have access to leave records for individuals and their teams and access to real time information on sickness absence. Self-service would assist in reducing potential human error (due to transposing figures) as input would be carried out by the employee or manager with checks taking place in Payroll/HR.

Officers have carried out a soft market testing exercise and approximate prices for an appropriate system vary between £60,000 and £165,000.

If the capital bid is successful a procurement exercise will take place in accordance with the Council's Contract Standing Orders. It is proposed that the evaluation criteria are based on 60% price and 40% quality.

Reasons for Proposed Decision:

The current Payroll/Human Resources IT system is not fit for purpose. There are a number of basic requirements which are not and cannot be met by the system. In particular, providing support for the pension auto enrolment legislation and the changes to the Local Government Pension Scheme (LGPS). This work is carried out manually by the payroll team.

In addition, other functionality also requires manual interventions including, reporting vacant posts and managing employees in multiple posts.

The functionality of the current IT system is no further advanced than what the Council had in place in 2004.

Other Options for Action:

Cabinet may decide not to purchase a new IT System. However the current system requires a number of manual interventions which have a significant impact reliability and efficiency. Payroll is a small team staffed by part-time officers and by its very nature their work is time critical, the system lacks crucial functionality to enable some/all automation of key processes.

Report:

Payroll Team and Current System

1. The Council's Payroll Team has an establishment of 2.11fte consisting of 3 part-time staff. They manage the core payroll and pension processes, including sickness absence, maternity pay, expenses, mileage and other payments. The Team also manage the quarterly member payroll and have recently taken on the responsibility for the elections payroll.
2. Currently the Council uses a system called Payroll+, provided by a company called Sage. The Council is using Payroll+ as the implementation of an advanced system called Sage/Snowdrop was not successful. Officers worked with Sage over a period of approximately 2 years to implement Sage/Snowdrop, unfortunately the implementation failed.
3. Due to the difficulties experience by the Council, Sage agreed to implement Payroll+ free of charge, however the Council still pays an annual licence of £12,500 (this amount increases annually, usually by the inflation rate).
4. Payroll+ has minimal functionality and whilst the Council is able to provide a payroll function and record employee details the system lacks key functionality which is required now and for the future. The main issues with Payroll+ are:
 - (a) it does not provide any support for auto enrolment processes, this is carried out manually;
 - (b) it does not support the changes to the Local Government Pension Scheme, or is able to provide detailed information to the pension fund administrators. The requirement for pension information has increased significantly over the past couple of years. The current system is unable to provide solution for these issues and therefore the work is carried out manually;

(c) the Council's Accountancy team is required to manually load the General Ledger information, it is not automated;

(d) the Council's establishment is post based whereas the current system is employee based which makes it difficult to record/report those employees who have multiple contracts. This also affects payroll processes and the way accountancy manages any apportionment issues; and

(e) it is not possible to produce an establishment list showing vacant posts this has to be provided manually.

5. 'Fixes' are in place where possible but they are not ideal and still require additional manual intervention.

Technology

6. In addition to specifying the requirements of any new system which will eliminate the issues set out in Para 4, there would be advantages from implementing self-service functionality across a number of processes. Self-service is a significant element of most current systems, whereby employees and managers have direct access to certain functions of the system. This would include such processes as requesting and recording annual leave, provision of electronic payslips, overtime, car mileage and other expenses claims being completed on-line, also managers would have access to leave calendars for their teams and to real time sickness absence information. In addition, self-service would assist in reducing the potential for human error (due to transposing figures) as input would be carried out directly by the employee or manager as appropriate.

Finance

7. Officers have carried out a soft market testing exercise and prices for an appropriate system vary between £60,000 and £165,000. Therefore a capital bid of £80,000 should cover the cost and may not all be spent.

Procurement

8. Officers explored the possibility of using a framework agreement to obtain costs, however no suitable option could be found. Therefore, if a bid is successful officers will work with the Essex Procurement Hub to carry out a procurement exercise in accordance with the Council's Contract Standing Orders. It is proposed that the evaluation criteria are based on 60% price and 40% quality.

Resource Implications:

The capital resource implications are set out fully in the report. Revenue costs will be met within existing resources.

If the bid is successful officers will explore the possibility of partnership working/shared services with other authorities for the payroll function. This will ensure the most economical and effective use of the budget.

Legal and Governance Implications:

The new system would automate the processes related to the auto enrolment legislation and changes to the Local Government Pension Scheme.

If the capital bid is successful procurement will be carried out in accordance with the Council's Contract Standing Orders.

Safer, Cleaner and Greener Implications:

N/A.

Consultation Undertaken:

N/A.

Background Papers:

N/A.

Risk Management:

Work carried out manually increases the potential for human error, implementing a system that is able to automate a number of processes would therefore reduce this risk.

Currently the Council relies on a small expert payroll team and putting in place an efficient IT system will help build resilience within the team.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

The report is requesting money to purchase an integrated Human Resources/Payroll IT System. No groups of people are affected by this report in terms of S149 of the Equality Act 2010.

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Report to the Cabinet

Report reference: C-033-2014/15
Date of meeting: 6th October 2014



Portfolio: Technology & Support Services
Subject: ICT Capital Requirements
Responsible Officer: David Newton (01992 564580).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) To determine the projects to be scheduled for the financial year 2015/16;
- (2) That a sum of £200,000 be included in the Capital programme for 2015/16 for the following ICT projects:
 - (a) BACS (Banker Automated Clearing Service) electronic payment system replacement;
 - (b) UPS (Uninterruptable Power Supply) Replacement;
 - (c) PC Remote management tools; and
 - (d) Implementation of other projects identified from the ICT strategy to improve productivity/efficiency, or maintain service; and
- (3) That £75,000 be included in the Capital programme for 2015/16, as a contingency sum for the Corporate Flexible working rollout.

Executive Summary:

Historically, ICT were allocated £300,000 per annum (PA) in the Capital programme for the updating and maintenance of the core technical infrastructure. Following the revision of the Capital programme, this allocation has been removed and now all proposed ICT projects are considered on an annual basis.

Estimated project costs for the following financial year 2015/16 are set out below.

Reasons for Proposed Decision:

The ICT projects detailed below are necessary to maintain the current ICT infrastructure, improve business continuity within the Council and allow staff to fully utilise the benefits available from ICT systems.

Other Options for Action:

To not approve the 3 critical projects identified above (recommendations 2 (a), (b) & (c)) will

impact on the reliability of the ICT infrastructure and could result in the inability to make payments (i), sustained periods of system unavailability (ii) and limit ICT ability to support remote workers (iii). To not approve (iv) will impact on the ICT strategy implementation and delay the long term vision of flexible working and improved process.

To not approve the Corporate Flexible working rollout will mean the Council is unable to gain the benefits of more efficient working practices in terms of productivity or the usage of office space.

Report:

1. Capital funding is sought for the following projects, which are listed in order of priority for ICT. Full details of each project are contained in the appendices:

Project	Amount requested	Appendix
BACS electronic payment system replacement	£17,000	Appendix 1 – Priority ICT Strategy Projects
UPS (Uninterruptable Power Supply) replacement	£30,000	
PC Remote management tools	£20,000	
Citrix Upgrades	£20,000	Appendix 2: Projects identified from the ICT Strategy
SQL Server Licenses and Client Access Licenses:	£20,000	
Replacement Service Desk System	£18,000	
VPN Replacement	£8,000	
Replacement of iPhones	£5,000	
Interim mobile/flexible working development	£10,000	
Gazetteer Integration a) Capita Academy b) Northgate OHMS	£15,000	
Good for enterprise	£7,000	
Information@work rollout	£10,000	
Confirm Migration	£10,000	
GIS Development Fund	£5,000	
Website Development Fund	£5,000	
Corporate Flexible Working rollout	£75,000 (Contingent sum)	
Total	£275,000 (Including £75,000 Contingent sum)	

Resource Implications:

At this early stage it is not possible to calculate exact costings for these projects. However, it seems prudent to allow an amount of £75,000 for the Corporate Flexible working project, and £200,000 for the ICT projects, making a total of £275,000 in the financial year 2015/16. An amount of £373,300 for Capital projects was agreed for the previous financial year. It is likely that revenue savings will be generated by these projects and further reports will be made on individual projects as they progress.

Legal and Governance Implications:

None.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

None.

Risk Management:

Failing to maintain and update the ICT infrastructure could disrupt the day to day operations of critical systems and will have a significant impact on staff's ability to carry out their duties.

Appendix 1 - Priority ICT Strategy Projects

BACS (Banker Automated Clearing Service) electronic payment system replacement; (ICT Strategy – New Project):

BACS is the system which processes the council's electronic payments such as Direct Debits. The current system will not be supported by our suppliers after August 2015, and as such must be replaced. The replacement system will ensure we are able to make payments to suppliers and residents.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X		X						
Council	X		X	X	X	X	X	X	
Members	X		X						

If the BACS system is not replaced, in the event of a problem the council would not be able to call on support, and the system may also not meet the increasingly stringent security requirements of the banks.

Estimated cost £17,000

UPS Replacement (ICT Strategy – New Project):

The UPS (Uninterruptable Power Supply) is used to provide back-up power to our servers in the event of power loss prior to the generator being engaged (or indeed in the absence of the generator). The current UPS arrangements in both Computer Suites are in need of replacement to ensure a reliable power supply to the ICT infrastructure in the Civic Offices. These new units will also provide power to the switch cupboards across the Civic Offices to ensure availability of the telephone system in the event of a power failure.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public		X	X						
Council		X	X			X	X	X	
Members		X	X						

It is recommended that the batteries within a UPS are replaced every 4-5 years. The current

UPS is 9 years old and is in need of replacement as the batteries can no longer retain the charge required for a sufficient period of time.

Estimated cost £30,000

PC Remote Management Tools

ICT currently lack the full suite of tools for remote deployment of software and management of PCs. Given the moves towards a more flexible workforce we require the ability to remotely install software without the need to physically visit each machine.

The tools we are looking at will also allow us to more effectively manage these devices in terms of security and remote monitoring of performance. This will make the ICT operation more efficient in providing desktop support, and also improve staff productivity.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public			X						
Council	X		X		X	X	X	X	X
Members	X		X						

If this is not implemented ICT will need to rely on manual deployment of software in many cases, and also require home based workers to bring machines to the offices for updates and installations of core software.

Estimated cost £20,000

Appendix 2: Projects identified from the ICT Strategy

Citrix Upgrades:

Citrix is the system that ICT uses to deliver software applications and virtual desktops to users. The current version we are using is now unsupported and requires replacement, we also require support around the implementation to ensure performance is optimised to give the best possible experience to our users.

Citrix is a key component in our flexible working rollout, as is the mechanism which allows users to remotely access corporate systems.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public									
Council			X		X		X		X
Members			X						

Estimated cost £20,000

SQL Server Licenses and Client Access Licenses:

We are currently upgrading our server estate to newer versions of MS Windows and MS SQL Server. As an economy measure we dropped out of the Microsoft Enterprise agreement some years ago, which has yielded a considerable saving to the Council. However we now need to purchase licenses to ensure compliance in terms of both server licenses and client access licenses for the newer versions.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public		X	X						
Council	X	X	X		X		X		X
Members		X	X						

Estimated cost £20,000

Replacement Service Desk System

The system used to manage the ICT service desk has been in place for 7 years and is no longer fit for purpose, and is pending de-support from our suppliers. This system is also used to manage our ICT asset inventory, and as such is critical to effective management of hardware with a flexible workforce. Adoption of a new system (linked or potentially integrated to the Remote PC Management tools outlined above) will allow greater use of self service, and also give a much more flexible solution for use within ICT. In addition this new system can also be used to log Facilities Management calls, allowing the ICT Service Desk to act as a single point of contact for both ICT and FM issues. ICT have already investigated a range of options, and have ruled out other possibilities in terms of cost (up to £40,000) and capability – all remaining solutions are around this price point.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public									
Council	X		X		X	X	X	X	X
Members									

Estimated cost £18,000

VPN Replacement

VPN (Virtual Private Network) access is in use by around half of our staff, parish councils, members and all of our ICT suppliers to provide remote access to systems. Although other solutions exist for remote access to email (Good For Enterprise) and access to network for home workers (Branch Routers), VPN is still an essential component of remote access. VPN would be used by staff in the field needing to access a back office system. This enhancement would move the current on premise based access control to a more resilient and scalable cloud based system. If this is not implemented, and the current system is retained, potential savings in licensing costs for additional users will not be realised. An enhanced VPN will greatly improve the user experience of flexible and mobile workers.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X	X						X	
Council	X	X			X	X	X	X	X
Members	X	X						X	

Estimated cost £8,000

Replacement of iPhones

We currently have around 40 iPhone 4 devices in use, many of which are now approaching 4 years old. The iPhone 4 is not capable of 4G, and the phone is not capable of running the latest version of the Apple operating system – this means it will not be supported on many of our systems. This sum allows replacement of the majority of these iPhones with a cheaper Windows alternative, which costs around £100, but also allows for a small number of iPhones to meet specific needs. Smart phones are integral to our flexible working rollout, as they provide the necessary hardware for email access on the move. It is proposed to recycle these obsolete phones and any funds received will be offset against future purchases.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public									
Council	X	X		X		X	X	X	X
Members									

Estimated cost £5,000

Interim mobile/flexible working development

While consultancy work is ongoing around mobile and flexible working a small working budget will still be required to meet ongoing needs to provide equipment to areas who have urgent requirements for mobile and flexible working. It is proposed to use this sum of funding to complete the rollout in Development Control and Building Control following testing that is currently underway in 2014/15, which has seen more than half of the overall team equipped with mobile/flexible working hardware – the remaining areas are Conservation, Trees and some staff in Building Control. To wait until the outcome of consultancy work will result in the impetus gained from the rollout being lost, so it is important that this funding is available from April.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X	X	X			X	X	X	
Council	X	X	X	X	X	X	X	X	X
Members	X	X	X			X	X	X	

Estimated cost £10,000

Gazetteer Integration

- a) Capita Academy
- b) Northgate OHMS

At present there is no automatic integration between the corporate land and property gazetteer and the Academy system (used by Revenues and Benefits) and the OHMS system (used by Housing). This means that the data held in these systems is not directly linkable to the corporate address data set, which limits its use in reporting (Big Data) and also means that there is a risk of addresses not being correctly entered or identified. This also leads to unnecessary duplication of work in the creation and management of address data.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X							X	
Council	X				X	X	X	X	
Members	X								

Estimated cost £15,000 (Academy £10,000, OHMS £5000)

Good For Enterprise

Good For Enterprise (GFE) is in use by 150 staff and members to access email securely from personal or Council smart phones. Good Share extends the functionality by giving access to files stored on our network in the same secure environment This project helps enable mobile working, by allowing secure easy communication with a dispersed mobile team. As well as providing the ability to do word processing Good Dynamics extends the functionality of Good For Enterprise (GFE – our system to access email on smart phones) by offering features such as access to network drives or remote desktop access. This has proven to be the system which has had the most immediate benefit to both flexible and mobile workers, and also to managers in terms of easy access to diaries (etc) in meetings. This sum will cover the procurement of additional licenses to meet Staff and Member requirements.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X	X				X	X	X	X
Council	X	X		X	X	X	X	X	X
Members						X		X	

Estimated cost £7,000

Information@work rollout

We currently have two Information@work scanners which are now approaching 9 years old, these are connected via a now unsupported connection type.

These scanners require replacement to ensure that the Planning scanning process can be carried out. The timely scanning of plans is vital for allowing planning to improve process and reduce internal costs, as well as facilitating flexible working by their staff.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X	X				X			
Council	X	X	X		X	X	X	X	
Members	X	X				X		X	

Estimated cost £10,000

Confirm Migration

The Neighbourhoods Directorate currently uses the Confirm system for management of the Grounds Maintenance function. It is proposed to migrate this team to the existing Northgate M3 Public Protection system. This will reduce the Councils ongoing costs of approximately £12,000 PA in terms of maintenance, as no additional costs will be incurred for the Northgate system outside of implementation as we already have a site license for the system. Funding currently used for covering the annual license cost of Confirm will be used to cover increases in licensing costs for other system, removing the need for additional revenue funding to cover inflationary cost increases.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public									
Council				X	X	X	X	X	
Members									

Estimated cost £10,000

GIS Development Fund

The implementation of the replacement GIS (Geographical Information System – GIS) is well underway. The project team has requested allocation of a small capital sum to fund implementation consultancy and enhancements. The system includes public facing mapping and tools for mobile working, both of which will give major improvements to how we use mapping information.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public		X	X			X		X	
Council		X	X		X	X	X	X	X
Members		X	X					X	

Estimated cost £5,000

Website Development Fund

The Website Development Board has requested allocation of a sum of money to provide for incremental upgrade work on the website and related systems.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X	X						X	
Council	X	X						X	
Members	X	X						X	

Estimated cost £5,000

Appendix 3: Corporate Flexible Working rollout

In 2013/14 and 2014/15 ICT have been using Capital funding to run a trial of mobile and flexible working solutions.

Successful testing has identified the following main hardware options to enable mobile and flexible working:

- Office based work with some home working – Laptop, Branch Router, Port Replicator
- Office based work with on site and some home working – Windows Tablet, Branch Router, Port Replicator
- Full time home worker – Terminal, Branch Router

This project could equip 50 staff with tablets, 50 staff with laptops, and an additional 15 staff with Terminals. Assuming the ratio here, it will also include the rollout of smart phones including remote email access to 50 of the staff included in the rollout.

It is proposed that this funding be provided for in the Capital Budget, but only made available when the business justification for adoption of flexible work in a range of business areas has been made clear. The funding is being requested at this stage to ensure it is available in a timely manner once this work is complete.

Assessed benefits:

	Customer Service	24/7 Service Availability	24/7 Service Resilience	Retain Low Council Tax and use finances efficiently				Improved communication	Enable flexible/remote working
				Reduced procurement costs	Reduced ongoing costs	Improved process	Improved Staff productivity		
Public	X	X	X			X	X	X	
Council	X	X	X	X	X	X	X	X	X
Members	X	X	X			X	X	X	

If this rollout is not committed to it will not allow the Council to gain the benefits of more efficient working practices in terms of productivity or the usage of office space.

Estimated cost £75,000

Due Regard Record

This page shows which groups of people are affected by the subject of this report. It sets out how they are affected and how any unlawful discrimination they experience can be eliminated. It also includes information about how access to the service(s) subject to this report can be improved for the different groups of people; and how they can be assisted to understand each other better as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Date / Name	Summary of equality analysis
8/9/14 David Newton	<p>The projects within this report will impact on both employees and the public</p> <p>The two groups impacted by the strategy are members of staff (if they lack ICT skills as our training offering is being changed) and people with disabilities. (Public in terms of online service via the website, staff in terms of new technology).</p> <p>Mitigation is in place for both of these areas, a training needs analysis is to be carried out for new starters, and one to one coaching will be available to them if required (and to existing staff). We will also ensure that suitable hardware and software solutions (e.g. Jaws) are tested and available to staff members with disabilities that require them</p> <p>In terms of online service provision, the Website Development Board continues to oversee the development of the website and collate any feedback received, which is then fed back into the design of the site.</p> <p>The projects also advance equality of opportunity by improving the ways we can collect and analyse data, which will help us pinpoint areas of need or analyse trends. Also the move to put more services online helps make information more available to all groups, and accessible to those with mobility issues, or who are unable to access our services in normal hours.</p> <p>The projects will also offer benefits by increasing the scope for flexible/remote working by staff, which will assist those with Caring responsibilities.</p>

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Report to the Cabinet

Report reference: C-032-2014/15
Date of meeting: 6 October 2014



**Epping Forest
District Council**

Portfolio: Environment
Subject: Review of the Fleet Operations Service (FOS)
Responsible Officer: Qasim (Kim) Durrani (01992 564055).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) To note the attached report by WYG Environment Limited on the review of the in house Fleet Operation Service (FOS); and**
- (2) Agree a two staged approach of scaling down FOS and relocating to a smaller vehicle maintenance workshop at Oakwood Hill.**

Executive Summary:

The Council provides an in-house FOS out of the Langston Road Depot in Loughton. The service provides a number of functions for all directorates of the Council. In addition FOS provides services to the private sector in the form of MOT tests.

The Service is intended to be relocated to the new proposed depot at Oakwood Hill as a result of the redevelopment of Langston Road Depot into a retail park. This offers an opportunity to review the way FOS is provided. WYG Ltd have carried out a review of FOS and their report is attached as Appendix-1.

There are a number of options available to the Council and at this stage it is proposed that the current service be scaled back and relocated to a smaller workshop in the new depot at Oakwood Hill. This will allow a full assessment of the extent of services required before a competitive procurement exercise could be carried out.

Reasons for Proposed Decision:

The volume of work carried out by FOS for the private sector and the associated income is significantly higher than the Councils own work. This exposes the Council to the risk of a legal challenge and a decision is required on how the FOS service is to be provided in future.

Other Options for Action:

The Service could be outsourced in its current form however WYG are advising that there is less certainty if the Council will achieve value for money.

Create an Arms Length Management Organisation (ALMO) to run the service. WYG are advising that the scale of the operation is not large enough to make an ALMO feasible.

Report:

Background:

1. The FOS has been operating at Langston Road Depot for a number of years. The Service consists of one manager and five mechanics. Besides servicing the 54 number Council Fleet Vehicles the Service undertakes MOT testing for the general public and other minor maintenance work. The income from the private sector heavily subsidises the cost of the Service.
2. The FOS also carries out MOTs and taxi inspection of the 62 Private Hire taxis, and as well as taxi meter calibration of the 430 Hackney Carriages in the District. By providing this service in house the Council ensures consistency in vehicle safety assessments and it exercises greater control on taxi inspections and meter calibrations.
3. The proposed development of the Langston Road Depot into a retail park relies upon all incumbent services being relocated elsewhere. It is intended that FOS will be relocated to the new proposed depot at Oakwood Hill along with Grounds Maintenance and a small Street Cleansing Service (provided by the new waste management contractor). The recently approved planning application provides adequate provision for the current FOS to operate from the new depot. WYG Environment were appointed in January 2014 to undertake a comprehensive review of FOS. The brief to WYG is on page 1 of their attached report.

Options:

4. There are three main options: first option is to outsource the existing 'as is' service: WYG are of the opinion, that in light of the costs associated with providing a client function, it is not a certainty that the Council will achieve value for money by outsourcing the current Service. The second option is to create an Arms Length Trading Organisation: it is WYG's view that there is no case for the Council to enter into such an arrangement. They do not see an advantage in such an arrangement rather a risk of costs and liabilities. The third option is to scale down FOS and relocate to a smaller workshop at the new proposed depot at Oakwood Hill. **(recommendation 1)**
5. The option of relocating a scaled down FOS to Oakwood Hill depot eliminates the risk of legal challenge to the Council, by reducing the size of workshop at Oakwood Hill it could be possible to relocate another service area to the new depot, continue to exercise control over taxi inspections and meter calibrations and to fully scope the requirements for testing the market in future **(recommendation 2)**.
6. The Council and Epping Forest College wish to explore possibilities for joint working to provide training and apprenticeships opportunities for students pursuing mechanical or related courses. By opting for the option to relocate to Oakwood Hill and retain an in-house FOS it would be possible to investigate partnership opportunities with the College.

Resource Implications:

The current FOS consists of 1 full time manager and 5 mechanics. The Service has provided a cost effective service for a number of years, including generating significant external income. In the year 2013/14 an income of £219,077 was generated from external MOT tests. Overall the Service made a loss of £22,833 in 2013/14. By scaling down the service the operational costs will be reduced and make the service more economic.

The estimated cost of fitting construction of a new vehicle workshop, including fitting out, at Oakwood Hill Depot is £100,000. This cost is based on providing four bays with ramps and associated infrastructure for replacement of the 'as is' workshop. This cost is estimated to reduce to £75,000 if the Service is scaled down, for example if two bays are constructed instead of four. It is proposed that any free space created by scaling down FOS should be utilised for accommodating other Council services.

Before FOS is scaled down a business plan is to be prepared which shall consist of detailed financial modelling on the viability of the Service. The plan shall justify the extent of scaling down that is necessary to make the service breakeven.

The client function of managing FOS is embedded within the existing service. If the service were to be outsourced then a dedicated client role would be required to manage an outsourced contract.

Safer, Cleaner and Greener Implications:

FOS provides services to all Directorates within the Council. Some of the work relates to supporting the front line operations that have a direct impact on the look and feel of the District: Housing Maintenance, Grounds Maintenance, Animal Wardens, Licensing - including Taxi checks and meter calibrations - and Emergency Response Vehicle.

Consultation Undertaken:

Director of Governance on the legality of generation of current levels of external income:

WYG was consulted on the preferred option of scaling down and relocating to Oakwood Hill, his comments are noted here "...reducing the size of the operation to balance resources with income has two benefits in the short term: it will reduce the budget gap and make the operation more economic; and it should mean that a lower proportion of the income is from external sources, which reduces the risk of a challenge in relation to external trading. It is clear from our discussions that Oakwood Hill would be a better location for EFDC users than a more distant location."

Background Papers:

None.

Risk Management:

It could be possible to outsource the Service straightaway, ask the new contractor to provide the workshop and save investment and more importantly space within the new Oakwood Hill Depot. The risk is that if the market could not provide a feasible solution, either on costs or the location of workshop, if too far from the south of the District, will create operational issues for service users. This risk will be managed by the provision of a scaled down workshop in Oakwood Hill. Procurement could then be carried out in future.

Due Regard Record

Name of policy or activity:

What this record is for: By law the Council must, in the course of its service delivery and decision making, think about and see if it can eliminate unlawful discrimination, advance equality of opportunity, and foster good relations. This active consideration is known as, 'paying due regard', and it must be recorded as evidence. We pay due regard by undertaking equality analysis and using what we learn through this analysis in our service delivery and decision making. The purpose of this form is as a log of evidence of due regard.

When do I use this record? Every time you complete equality analysis on a policy or activity this record must be updated. Due regard must be paid, and therefore equality analysis undertaken, at 'formative stages' of policies and activities including proposed changes to or withdrawal of services. This record must be included as an appendix to any report to decision making bodies. Agenda Planning Groups will not accept any report which does not include evidence of due regard being paid via completion of an Equality Analysis Report.

How do I use this record: When you next undertake equality analysis open a Due Regard Record. Use it to record a summary of your analysis, including the reason for the analysis, the evidence considered, what the evidence told you about the protected groups, and the key findings from the analysis. This will be key information from Steps 1-7 of the Equality Analysis process set out in the Toolkit, and your Equality Analysis Report. This Due Regard Record is Step 8 of that process.

Date / Name	Summary of equality analysis
	<p>The work carried out by FOS is essential to support front line operations that have a direct impact on the residents of the District, these include:</p> <p>Looking after Housing Maintenance fleet, Maintaining Grounds Maintenance vehicles, Vehicles for: Animal Wardens, Environmental Response Service, Emergency Response Vehicle, Technical Service Vehicle (flooding and emergency responses), and</p> <p>Support the Licensing team by carrying out Taxi checks and meter calibrations.</p> <p>The work carried out by FOS has a positive impact on some of the vulnerable groups such as elderly and infirm, for example calibration of taxi metres. While making changes to the FOS due care will be required to avoid any adverse impact on the vulnerable groups.</p>



Epping Forest District Council

Review of Fleet Provision

Revised Report – reflecting end of year position 2013/14

September 2014



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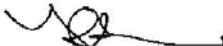
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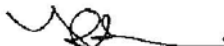
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WYG acknowledges the assistance of service clients and providers in the production of this report.



Contents Page

1.0	Introduction.....	1
1.1	Council Brief	1
2.0	Key Findings	2
3.0	Existing Services, Customers and Operations	4
3.1	Services	4
3.2	Customers	6
3.3	Operations	7
4.0	Service Quality.....	9
5.0	Value Comparison	10
5.1	Overview.....	10
5.2	Current Budgetary Position	10
5.3	Value for Money.....	12
5.4	Market Comparison	15
5.5	Market Conditions	15
5.6	The Council's Strategy: in-house, ALMO or external contract?	16
6.0	Other Aspects	20
6.1	Client Resource.....	20



Appendix Contents

Appendix A – Portfolio Performance Management: Finance Overview 2009-2014 with estimated outturn 2013/2014

Appendix B – Council Fleet List at April 2014 showing Current Open Market Maintenance Rates

Appendix C – Other Key Indicators 2011-2014

Appendix D – Possible Methodology for the Procurement of Vehicles Maintenance Services



1.0 Introduction

1.0.1 WYG was commissioned in January 2014 to review urgently the Council's current Fleet Management Service and to provide a report by April 2014. This version of our report incorporates officer comments on the April version; and, in particular compared to our last report reflects the financial position at the end of the financial year 2013/14.

1.1 Council Brief

1.1.1 The Council provided the following brief for the review:

"To undertake a comprehensive review of the current service, assessing income and costs to establish whether the Service is providing value for money for the Council and to make recommendations to the Council for the future servicing and maintenance of its vehicle fleet and other aspects of the service currently provided by Fleet Operations.

1.1.2 Factors to be included in the review:

- Could the Service be provided more economically through an external contract?;
- The value of income from MOTs to offset the cost of maintaining the Council's vehicle fleet;
- The investment necessary to relocate the service from Langston Road Depot to a new location as part of the development plans for the Langston Road site;
- The value to the District of having an MOT testing station that does not offer servicing or repairs to the general public;
- Measures that could be taken to improve the cost effectiveness of the service for it to remain in house;
- If the service is to be externalised, what aspects should remain the client's responsibility to deliver and what resource would be required to achieve that."

1.1.3 Following consideration of our report submitted in May 2014, the Council requested that we also include in this version of the report further consideration of the option of delivering the service through an arm's-length management organisation (ALMO) as well as consideration of the final budgetary position for 2013/14.



2.0 Key Findings

- The workshop has provided a cost effective service for several years during which external income had held up a level whereby the unit represented a net benefit to the Authority.
- It is clear that the workshop operation has successfully traded in the past and offered the Council excellent value-for-money by generating a good deal of external income, which has been used to offset the costs of the operation (to the point where in 2010/11 the effective net cost of maintaining the Council's fleet was well below market rates). What is not clear is that it could dependably continue to do so in the future.
- We have noted above that this trading surplus (as we would call it; it might also be regarded as operating profit) has declined significantly in recent years.
- External income has fallen 23% in 2 years, persisting into a third year (2013/14); and we see no obvious reason as to why this situation will be improved.
- Fundamentally we see (in macro terms) falling external income against a relatively constant cost base to the point where it is not entirely clear whether the workshop currently offers any significant financial advantage to the Council: that said, for the present, other alternatives raise other questions, challenges and, potentially, risks.
- There are ongoing risks to the authority in directly operating a service during economically challenging times when its usefulness and viability depend critically on sustained levels of external income.
- These risks would not exist were the service transferred to a private provider. Such a provider would be better positioned to maximise income streams and operate at an appropriate economic scale, responsive to market conditions.
- There are various models of arms' length organisations (ALMO) that might free the unit to trade more freely, but unless the Council could be sure that some more flexible system of managing sales, profitability and costs would be introduced there seems no advantage and some possible liabilities and additional operating costs from this route; as compared with an arrangement contracted for a term of several years with the private sector, from which we



believe the Council would not be financially disadvantaged. Fundamentally, we see no case for an ALMO arrangement.

- Were the service to be subjected to a procurement process, additional accommodation options could be explored, as could the inclusion of sundry related duties (e.g. with respect to red diesel, generators etc.).
- The fundamental difficulty with simply externalising the process is, or appears to be, the lack (of appetite at least, if not in terms of actual skills) for providing an effective 'client' structure for managing the contract. This is a difficulty that would also exist with an ALMO arrangement.
- In terms of an overall recommendation, we believe that the Council needs to choose between either:
 - A continuation of the current arrangement: which has the benefit of not requiring a 'client/contractor' split but which carries risks regarding the certainty of external income and thereby the overall cost as well as risks regarding the legality of external trading; or
 - A contractual arrangement for external provision of maintenance of the current fleet plus such other services as the Council wishes to include in the contract (e.g. arranging Road Fund Licences and MOTs, procurement of new vehicles, arranging livery and special equipment, ad hoc hire, taxi inspections): which raises a challenge for the Council in providing a 'client' function (without which the contract may be much less effective) but gives cost certainty and risk mitigation for the risks associated with continuing the current arrangement.
 - It should be noted that the first option necessarily implies the Council investing in a new vehicle workshop; whereas the second may or may not – this could be covered within a procurement exercise.
 - It should also be noted that we feel that under the first option the Council could consider reducing the staffing level to reduce costs.



3.0 Existing Services, Customers and Operations

3.1 Services

3.1.1 The Council's website showcasing the workshop can be found at <http://www.oneshopslocal.com/langston-road-mot-centre/Service List>

3.1.2 There are currently 54 Council Fleet Vehicles at present; EFDC Fleet vehicles are liveried as such in accordance with the Council's design guidelines.

3.1.3 The Council's workshop is licenced to undertake MOT testing for the general public.

3.1.4 Each EFDC Fleet vehicle receives 2 no. services each year, one of which is combined with its MOT test, where required.

3.1.5 MOT maximum charges are dictated by VOSA, however it would appear that the Council's charges are generally c.£5 less than VOSA's maximum:

Vehicle class IV £49 – trade discount £45 (cars and light vans) (vs. VOSA £54.85)

Vehicle class V £55 – trade discount £51 (passenger vehicles and ambulances)

Vehicle class VII £55 – trade discount £51 (goods vehicles)

Winter safety checks - £15

Car Service - £50 ph

Driver Assessments - £60ph

Taxi Tests - £45, or £55 if combined with MOT

London taxi tests - £45 for first test, £40 for the second if within 12 months.

3.1.6 The (internal) charge per hour for work is £40.

3.1.7 The service is not intended to make a profit, nor required to make a notional rate of return, but is intended to cover its costs.



Review of Fleet Provision

- 3.1.8 There is no doubt that users trust the service provided by the Council workshop and that this contributes to perceived value for money on their part.
- 3.1.9 The Unit appears well managed, has a low level of staff turnover, no history of serious accidents, and routinely meets necessary quality and accreditation standards.
- 3.1.10 A more complete list of services including minor tasks is shown overleaf at Table 1.

Table 1: Long list of Workshop Services

List of Services
Procurement of new vehicles, including any special adaptations (periodic).
Supply of liveries to new vehicles.
Servicing/mechanical repairs to fleet vehicles.
Driver assessments (prior to use of Fleet).
Bodywork repairs.
Insurance.
Road Fund Licences.
MoT testing to fleet vehicles.
Undertaking/arranging installation of ancillary equipment (such as amber warning beacons, tow bars etc).
Arranging temporary hire vehicles as required.
Vehicle conversions as and when required.
Servicing and Repair of Trailers.
Purchase of red diesel for grounds maintenance and North Weald Airport.
Servicing / repair of Community Transport Minibuses (and some schools by direct arrangement)
Servicing and repair of vehicles use at North Weald Airport (Responsive repairs only).
Servicing and repair of Grounds maintenance small plant service and repairs.



Service and repair to Council members' and staff vehicles using spare capacity.
Servicing and repair of mow and grow and handyman / Voluntary Action Epping Forest vehicles
Servicing and repairs to standby generators at the Civic Offices and Sheltered Housing Schemes.
Taxi inspections and MoTs on behalf of Licensing team.
London taxi MOT tests (twice a year) using spare capacity.
Annual check for accuracy of taxi fare meters but not fitting (commences late 2014/15).
Some servicing work for City of London Corporation.
MoT tests for general public using spare capacity.
Winter Safety checks for general public using spare capacity.

3.2 Customers

3.2.1 Key internal customers include:

Table 2: Internal Customers, Contacts and Indicative Quantities

Customer	No. Vehicles / Assets	Contact
Housing Maintenance (Mears)	30	Mike Gammack
Housing Cleaners	2	David Barratt
Animal Wardens	2	Jim Nolan
Grounds Maintenance	10 (plus equipment)	Phil Hawkins
North Weald Airfield	4	Darren Goodey
Messenger Services	2	Sharon Lekha
Countrycare	1	Abigail Oldham
Emergency Planning	1	Peter Charman
Licensing (Taxi checks)	(574 registered vehicles)	Kim Tuckey
Neighbourhood Services -flytipping/roadkill -graffiti removal -Sight lines	1	Richard Gardner
FM (Generator servicing)	8 Units	Mike Bateman
Fleet Operations Manager	1	Paul Spencer



Review of Fleet Provision

3.2.2 Customers and their representatives are not permitted to drive any class of Fleet vehicles until they have shown a valid driver's licence and completed a driver assessment supervised by a member of workshop staff.

3.3 Operations

3.3.1 The existing workshop is located at the Langston Road Depot, Langston Road, Debden IG10 3UE: a site due for development as a retail park.

3.3.2 The service prides itself on being one of the last remaining local authority workshops offering MOT facilities. It is identified as such on moneysavingexpert.com. As such it is subject to VOSA rules and inspection.

3.3.3 The testing station is rated by VOSA in the upper quartile of performance of all testing stations in England and Wales.

3.3.4 The facilities comprise basic office accommodation and

- 1 MOT ramps for Class 4
- 1 MOT ramp for Class 5 (Hi-Top Transits, e.g.)
- 1 bay with 2-post lift

3.3.5 The current operation employs 1 fte. Manager and 5 fte Mechanics. When the manager is on leave, an experienced administrator is assigned for the day.

3.3.6 At the time of writing, it is felt generally that the workshop could handle more work. Whilst workload has reduced somewhat, no changes in the number of mechanics has been made, although the staffing levels have been reduced somewhat by removal in 2012/13 of a 0.5 fte admin assistant and the removal of all but Saturday working overtime. Were the current level of work to continue, or to decline further, there is an option to reduce by 1 fte through natural wastage (saving c. £35,000 pa).

3.3.7 If prospects of improved workload then come about, productivity might be increased by either:

- restoration of 0.5 fte admin support to the workshop, freeing mechanic time, or



Review of Fleet Provision

- installation of a second one-man MOT ramp (@£30,000).

or incrementally, through both of these measures. However it is entirely unclear to us how this increased workload could be secured; and we are unsure of the legal basis for doing so (although we are not lawyers).

3.3.8 New additions to the fleet are procured by the Fleet Manager periodically. The fleet is liveried in District Council colours (now generally using polymer skins rather than paint).

3.3.9 Additional orders made by customer departments are authorised and communicated through the *Marketplace* procurement system. Ad hoc charges are recovered from client departments using the sundry debtor system, *AIMS*.



4.0 Service Quality

- 4.0.1 Of the ten client managers, WYG interviewed face to face and individually the six managers with most demand on the services.
- 4.0.2 All internal Customers spoke very highly of the service received, and of the helpfulness and flexibility demonstrated by workshop staff.
- 4.0.3 Scheduled maintenance runs very smoothly, and a pool vehicle is usually made available where planned maintenance is scheduled.
- 4.0.4 Text alerts are sent to remind external MOT customers requesting the service that their next test is due soon.
- 4.0.5 It is worth noting that all customers expressed strong concerns over the location of any future workshop, above all other considerations as vehicle downtime is to be avoided at all costs. All customers had experienced maintenance problems that had been rapidly 'patched up' until the end of its working day when a fuller repair can be carried out, and it is universally felt that proximity of the workshop is key to the standard of service made possible.
- 4.0.6 The location of any new workshop is of particular interest to Mears who provide housing maintenance services to the Council using 30 no. vehicles and who are located at Epping Depot and will soon be required to move to another location due to redevelopment. This is a demanding service impressed with the support given by the workshop. Some stock increases of key parts might further improve things.
- 4.0.7 The standard of any vehicle/adaptation procured by client departments is decided individually by the client department in discussion with the workshop manager.
- 4.0.8 Where MOT testing services were provided to staff and the public, a high degree of trust exists that no unnecessary additional works will be undertaken or recommended by the Workshop.
- 4.0.9 There was a concern from the Licensing Manager that any potential distribution of taxi testing to albeit a small group of workshops might result in an inconsistency in testing standards.



5.0 Value Comparison

5.1 Overview

5.1.1 In benchmarking the overall operation we have adopted the following general sequence:

Establish the total annual cost of the service.

Deduct any attributed costs that would not be saved were the serviced outsourced.

Establish the true annual cost incurred by the Council.

Establish annual income from external sources (inc trends).

Anticipate relocation capital costs

Establish the net annual cost / benefit to the Council.

Q/ Can the service be obtained elsewhere for this or better?



5.2 Current Budgetary Position

5.2.1 At the time of our original report (May 2014) the current budgetary position was as follows, based on the probable outturn for the current financial year (see also Appendix A: Portfolio Performance Management: Finance overview 2009-2014 with estimated outturn 2013/2014).

	£
Employees	254,340
Premises	43,150
Transport*	86,560
Supplies & Services	28,140
Support Services	27,920
Total Expenditure 2013/14	440,110



Review of Fleet Provision

	£
Income from MOT tests	230,883
Recharge to EFDC users	156,290
Additional repairs – internal	49,208
Additional repairs – external	15,000
Vehicle hire charges	2,324
Cost centre recharges	3,210
<i>Estimated 2013/14 Total Income / Recharges</i>	456,915
Surplus	16,805

** includes MOTs, licences and the insurance premiums*

5.2.2 In terms of calculating the cost of maintaining the current Council fleet, the 'recharge' was noted as £156,290; but this included the recharging of Vehicle Licences (£12,000 included under the Transport heading) and insurance premiums (£40,460 included under the Transport heading). The cost of maintaining and servicing the Council fleet, including MOTs as appropriate, was therefore some £103,830. Adding back the cost of vehicle licences took this to £115,830.

5.2.3 We now have the final figures for the current financial year which are as set out below.

	£
Employees	252,537
Premises	43,220
Transport*	107,728
Supplies & Services	24,200
Support Services	28,014
Depreciation	1,613
Total Expenditure 2013/14	457,312



Review of Fleet Provision

	£
Income from MOT tests	219,077
Recharge to EFDC users	150,570
Additional repairs – internal	36,189
Additional repairs – external	12,135
Vehicle hire charges	2,535
Cost centre recharges	13,973
<i>Estimated 2013/14 Total Income / Recharges</i>	434,479
Surplus	(22,833)

** includes MOTs, licences and the insurance premiums*

- 5.2.4 In terms of calculating the cost of maintaining the current Council fleet, the 'recharge' is noted as £150,570; but this includes the recharging of Vehicle Licences (£11,168 included under the Transport heading) and insurance premiums (£39,213 included under the Transport heading). The cost of maintaining and servicing the Council fleet, including MOTs as appropriate, was therefore some £100,189. Adding back the cost of vehicle licences takes this to £111,357.
- 5.2.5 However, one should also add the deficit, since there is nowhere else to charge it (!) meaning that (effectively) the cost of maintaining and servicing the Council fleet, including MOTs as appropriate, was therefore some £123,022. Adding back the cost of vehicle licences takes this to £134,190.

5.3 Value for Money

- 5.3.1 The overall trading position is in many ways key to informing a value-for-money judgement regarding this service. The current position show in Table 3 on page 13 is that the Council would be financially better off if an external provider would maintain its current vehicle fleet for less than £187,063 per annum: but in previous years the external provider would have had to maintain the fleet for a much lower figure (and e.g. in 2010/11 would have had to maintain it for less than £63,000 for the Council to be better off in an overall sense). It should be noted that this figure of



Review of Fleet Provision

£187,063 is ca. £35,000 higher than that stated in our original report, reflecting a significant change in the actual financial out-turn to that estimated.

- 5.3.2 An in-house service presents some inherent advantages over an externalised system, including during better times, the ability to offset costs of maintenance to Council fleet through the generation of external income and more detailed control over priorities and management arrangements.
- 5.3.3 An in-house service also carries reduced predictability of costs over 3-4 years, and uncertainty over and the extent to which external income will be realised over the same period.
- 5.3.4 Whilst the required footprint for Fleet Operation and related parking and circulation space is modest, if accommodation is at a premium, this will also present an opportunity cost in terms of depot land take. Another alternative might be to identify, suitable accommodation off-site at a market rate, so long as income streams are sufficiently high.
- 5.3.5 However they are met, there will be one-off costs of relocation and accommodation for the service. Illustrative economical new accommodation estimates are as follows:

£15k	Groundwork, drainage, pad
£53k	'Temporary' Aluminium building (4m clearance and 200m ²)
6k	Delivery and erection
6k	Decked office area
<u>25k</u>	Refitting and decorations
105k	Total

- 5.3.6 Table 3 below shows total expenditure to be fairly constant over the years (and is extremely constant once insurance premiums and Vehicle Licences are excluded); but that external income has steadily declined since 2010/11, with clear effects on the residual net cost to the Council.

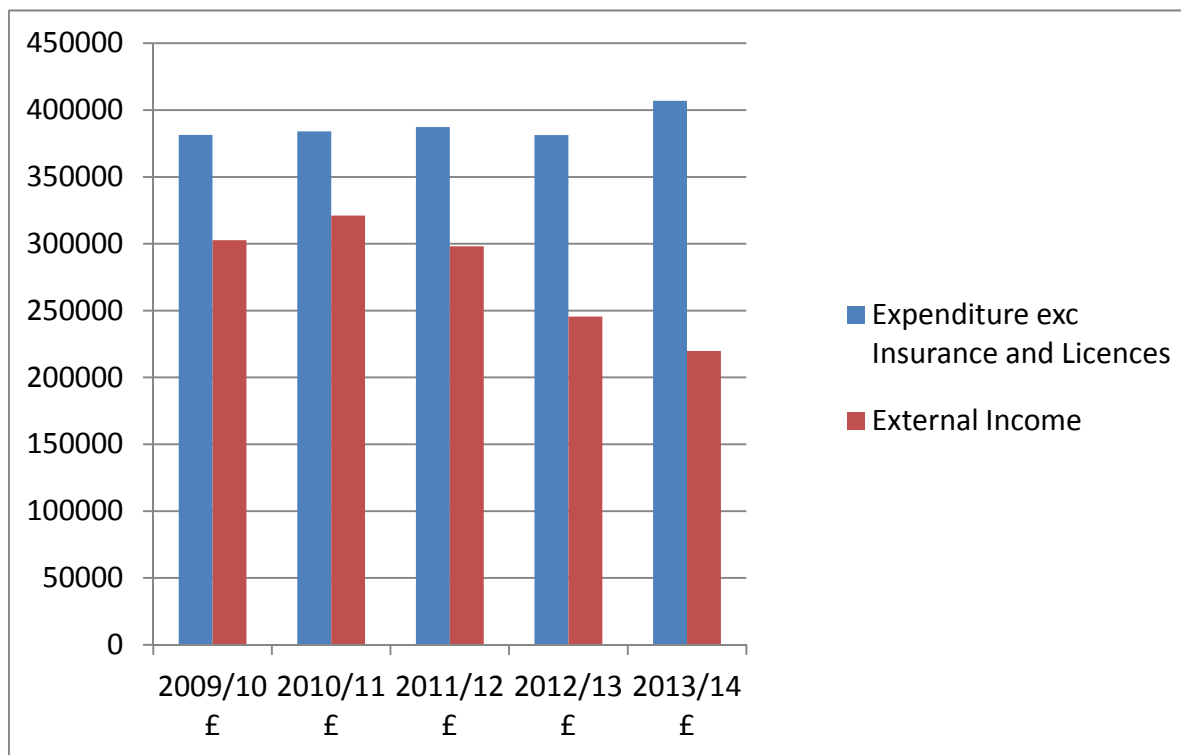


Table 3: Gross Income and Expenditure

	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £
Total Expenditure	448,913	448,800	440,020	423,330	457,312
Insurance / Licences	67,502	64,739	52,740	41,946	50,381
Difference	381,411	384,061	387,280	381,384	406,931
External income	302,619	321,067	298,064	245,561	219,868
Residual Net Cost	78,792	62,994	89,216	135,823	187,063

Figure 1: Net Expenditure v. External Income

(Data from Table 3)



5.3.7 The Council is faced with a decision as to whether it makes further investment in an operation made worthwhile by external income in circumstances where that external income continues to fall on a five-year pattern. It is not at all obvious to us that, if this were presented as a business case, it would be one where investment in new premises could be justified, even if amortised over 10-15 years.



- 5.3.8 In any event, the Workshop envisages no capital to be spent on independent analyser capabilities as and when the workshop relocates and will continue to rely on shared facilities.

5.4 Market Comparison

- 5.4.1 We are able, through examination of the rates for individual vehicles for these contracts, to provide an estimate of some £88,900 per annum for servicing, repairs, MOT testing and responding to call-outs, (prices detailed in Appendix B: Council Fleet List at April 2014 showing Current Open Market Maintenance Rates).
- 5.4.2 This Annual total of £88,900 includes for, MOT testing, routine servicing, road fund licences, all fair wear and tear repairs, and responding to call-outs. The total excludes driver damage, accident damage, any job caused by misuse of the vehicle or non-compliance with manufacturers' and other instructions, any job caused or compounded by unreported defects, and worn clutches and brakes where driver misuse has occurred.
- 5.4.3 To provide a fair comparison of costs, we must add to the open market vehicle maintenance rate of £88,900 an additional figure representing the costs incurred by the Council in non-routine additional repairs (e.g. to cover the driver damage and other items excluded above). In 2013/14 these additional rechargeable repairs amounted to £49,208, making our open market all-in cost $£(88,900+49,208)=£138,108$ a figure a good deal lower than the Council's costs of £187,063 identified above.
- 5.4.4 We understand that one of the barriers to the Council seeking an external supplier is that a new 'client' function would be required to manage the contract: and we are fairly sure that the cost of such a function could eat up much of the £48,000 or so which is the difference between the two figures. On that basis, this is a very close call in terms of a definitive value-for-money argument.

5.5 Market Conditions

- 5.5.1 External income to the Council continues to fall each year, and has done for around five years.
- 5.5.2 Diminishing external income makes an in-house operation less sustainable. In the past, a high volume of external work has effectively subsidised the Council's fleet maintenance costs. A significant, five-year reduction in external funding has made any net benefit to the Council of running the in-house unit negligible or negative.



5.6 The Council's Strategy: in-house, ALMO or external contract?

5.6.1 Were the Council not to invest in a new workshop, could the private sector service and maintain the vehicles for ca. £100,000 per annum (the current recharge for the service, excluding insurance and Vehicle Licence costs)? Since the current cost of delivering the services in-house is at or around that which would apply were an external provider engaged, then the answer is clearly 'yes'.

5.6.2 The Council must decide then either to

Incur the expenditure required to relocate the workshop to another local site (estimated at 4.3.4 excluding any land costs), **and**

proactively match the in-house staff resource more closely to fluctuating turnover, perhaps through the use of some agency arrangements, **and**

continue to formally review the service every year or two.

-or-

Consider in more detail an externalised arrangement through a targeted soft market test, given that potential service costs are not dissimilar to those in-house, whilst presenting less risk.

5.6.3 Current workload trends would have to reverse significantly and rapidly for the existence of an in-house service to provide significant benefits. Instead, the in-house operation faces increasing risk in this area, and the statutory impediments to its trading openly will disadvantage it when in competition with more freely scalable commercial operations.

5.6.4 For this scale of operation, we see no advantages either in exploring options around arms' length companies or Teckal type arrangements. There are various models of arms' length organisations that might free the unit to trade more freely, but unless the Council could be sure that some more flexible system of managing sales, profitability and costs would be introduced there seems no advantage and some possible liabilities from this route as compared with an arrangement contracted for a term of several years with the private sector, from which we believe the Council would not be financially disadvantaged. Sales of existing services are unlikely to increase (unless prices are severely cut) and the Council has no experience in costs management for new areas of work, representing a risk.



Review of Fleet Provision

- 5.6.5 We have been asked in this version of the report to expand more upon the Teckal or ALMO arrangement and how this might work; together with some greater reasoning as to why we do not recommend EFDC opting for this route. We offer the following thoughts.
- 5.6.6 The key advantages of an ALMO (as opposed to a 'simple' in-house DSO) are: first, that the ALMO can (to a point) determine its own terms and conditions for employees, including pay levels (thereby avoiding any additional costs in this area as discussed above); and, second, that there is a separate arms-length governance process, meaning that decisions can be taken within the ALMO that are more akin to decisions that might be taken in a (responsible) private sector company, thereby giving the ALMO a commercial edge (as compared to a DSO). Apart from these differences the situation is similar as for a DSO.
- 5.6.7 ALMOs are used fairly frequently by councils to deliver particular services, with housing a common choice of service: indeed, WYG has worked with a number of housing ALMOs (e.g. HF Homes, the ALMO for LB Hammersmith & Fulham, which includes e.g. cleansing on housing estates and which has a responsibility for grounds maintenance services on estates). We are also aware that some local authorities use the equivalent of an ALMO to deliver front-line and support services e.g. we have clients that are trading with Norse, which is owned by Norfolk County Council.
- 5.6.8 The key disadvantages of an ALMO arrangement (at least, as far as EFDC is concerned) are:
- First, the ALMO option raises exactly the same questions in terms of a suitable depot infrastructure that the current operation does;
 - Second it raises other questions as to the management structure and related infrastructure for support services, in particular for services such as payroll, purchasing, HR and financial services: meaning that cost reductions for these areas are unlikely;
 - Third, it is likely that these support services costs would increase, since there would be a need for separate accounting arrangements, including the calculation of taxation for the ALMO: and since improved management accounting arrangements would almost certainly be required – the deterioration in financial out-turn comparing actual to estimated in the period of this study demonstrates this point;
 - Fourth, there would be a need to set up not only a management infrastructure within the ALMO but the need to set up an infrastructure to manage the ALMO, which would add



further cost to this option: and these costs would be similar to those for managing a private contractor;

- Fifth, the very fact that management of the service would be through an ALMO means that there is less direct control than with an in-house service; indeed, it could be argued that a well-structured contract can give greater control;
- Sixth, there is, as far as we know, no existing ALMO structure for a service such as this and of this (relatively small) size: this means that EFDC would be an innovator in this area and would have no template to follow, meaning greater potential for costs to increase and greater risk;
- Seventh, if the ALMO was set up as a single-purpose organisation to deliver these services for EFDC alone, it is not at all clear whether the ALMO could have terms and conditions for its staff that would be (significantly) different to those enjoyed by EFDC's staff, meaning no obvious economies in this area (which is 55% of cost);
- Eighth, there seems no obvious reason as to why an ALMO would be better poised to generate additional external income than an EFDC operation – indeed, the reverse may be true since some organisations believe there is a value in trading with their local Council

5.6.9 Taking these points into account we can see no obvious advantage to such a model. We would estimate there would be one-off costs in setting up the arrangement, and also higher running costs, with no obvious benefit in terms of additional income. There would be some benefit in terms of legality, however.

5.6.10 Turning back to the option of an external contract, whilst regional framework contracts do exist for vehicle maintenance arrangements, we find these do not best serve Councils which seek to ensure a bespoke service at best price.

5.6.11 WYG has worked with a number of councils in market-testing vehicle maintenance operations in recent years and has procured contracts for fleet provision and maintenance, including for three councils in Essex (Basildon, Braintree and Colchester), all councils included their refuse fleets in the procurement process.



Review of Fleet Provision

5.6.12 We have additionally carried out some soft-market-testing with suppliers of these services. All three of the organisations approached, having been provided with a list showing ages and vehicle types (so that the details were anonymous) stated clearly that the annual maintenance-only cost (excluding unprogrammed repairs) would be less than £100,000.

5.6.13 In considering the external provider route, we believe that there are three actions the Council could take to make the package more attractive to suppliers:

- First, the Council could consider including the on-going supply of vehicles (with an inclusive supply and repair service) as an option within any contract;
- Second, as part of the above, the Council could consider the use of Prudential Borrowing (as it has done in the Waste contract);
- Third, the Council could require taxi operators to have their vehicles checked by its approved contractor and include this within the scope of the contract.

5.6.14 We discuss possible procurement options and a timetable in Appendix D.

5.6.15 In concluding this Section we offer the following thoughts and observations:

- In the past, the Council's in-house service has delivered good value for money overall, by successfully trading and using external income to offset the costs of its fleet services.
- In recent years the level of external income has declined, and no significant financial benefit gained.
- Additionally for the Council to continue to deliver services in this way requires investment in a new workshop when Langston Road is vacated.
- Other Essex districts have externalized this function and to date report good service quality as well as financial saving.
- The other Essex districts do, however, acknowledge that strong management of the external contractor is essential to deliver effective, value-for-money services: and it may be that EFDC is lacking in these skills for this service.



6.0 Other Aspects

6.1 Client Resource

- 6.1.1 Were the service to be outsourced there would be strong requirements around performance measures linked to a working methods and a payment mechanism. Combined with the day-to-day sensitivities to service failures we have no doubt that any quality shortcomings would be unlikely or short-lived.
- 6.1.2 If the opportunity is taken to include in the Contractor's duties sundry local tasks (such as management of red diesel stocks, or maintenance of generators on Council property), then all routine operational matters would have been transferred.
- 6.1.3 This would leave scope still for a central role to establish contract communication and billing protocols, especially and contract start and end, and any agreed annual price fluctuations. In these circumstances this function might most sensibly rest with the client with the largest dependency on the Contractor: in this case the Housing maintenance function. However, it is not at all clear that the appropriate skills or resource level exist there.



Appendices



Appendix A – Portfolio Performance Management: Finance Overview 2009-2014 with estimated outturn 2013/2014



Appendix B – Council Fleet List at April 2014 showing Current Open Market Maintenance Rates

Council Fleet List at April 2014 showing Current Open Market Maintenance Rates



Annual total of £88,900 includes for, MOT testing, routine servicing, road fund licences, all fair wear and tear repairs, and responding to call-outs.

Fleet Number	User Department	Manufacturer	Model	Type	Fuel	Date of Registration	User Department	Maintenance
003	Street Scene	Ford	Ranger	Pick up	Diesel	september 30 2009	Street Scene	£ 1,250.00
004	Legal & Admin.	Ford	Fiesta	TDCI 1400	Diesel	April 23, 2007	Legal & Admin.	£ 1,200.00
005	Legal & Admin.	Ford	Fiesta	TDCI 1400	Diesel	April 5, 2007	Legal & Admin.	£ 1,200.00
409	Animal Welfare	Ford	Transit Connect	221 LWB 1.8 Tdd	Diesel	June 27, 2003	Animal Welfare	£ 1,600.00
410	Animal Welfare	Vauxhall	Combo Merit Van	LS Car Derived Van	Diesel	April 30, 1999	Animal Welfare	£ 2,000.00
810	Grounds Maintenance	Vauxhall	Bravo	2.5 DI Single Cab Pick-Up	Diesel	February 1, 2000	Grounds Maintenance	£ 2,500.00
900	Grounds Maintenance	Ford	Transit 140 t350l	Cage Sided Tipper	Diesel	September 9, 2009	Grounds Maintenance	£ 1,800.00
901	Grounds Maintenance	Ford	Transit 140 t350l	Cage Sided Tipper	Diesel	September 9, 2009	Grounds Maintenance	£ 1,800.00
902	Grounds Maintenance	Ford	Transit 140 t350l	Cage Sided Tipper	Diesel	September 9, 2009	Grounds Maintenance	£ 1,800.00
903	Grounds Maintenance	Ford	Transit 140 t350l	Cage Sided Tipper	Diesel	September 16, 2009	Grounds Maintenance	£ 1,800.00
904	Grounds Maintenance	Ford	Transit 140 t350l	Cage Sided Tipper	Diesel	September 24, 2009	Grounds Maintenance	£ 1,800.00
905	Grounds Maintenance	Ford	Transit 140 t350l	Cage Sided Tipper	Diesel	September 29, 2009	Grounds Maintenance	£ 1,800.00
906	Grounds Maintenance	Ford	Transit 140 t350l	Cage Sided Tipper	Diesel	JUNE 04 2011	Grounds Maintenance	£ 2,100.00
907	Grounds Maintenance	Ford	Ranger 2.5 TD	Double Crew Cab 4WD	Diesel	September 09 2007	Grounds Maintenance	£ 1,200.00
958	Grounds Maintenance	Ford	Transit 125 T351	Cage Sided Tipper	Diesel	June 28, 2002	Grounds Maintenance	£ 2,750.00
008	Emergency Planning	Ford	Ranger	4WD Double Cab Pick-Up	Diesel	September 29, 2004	Emergency Planning	£ 2,400.00
046	Countryside Care	Land Rover	Defender	111 td5 county	Diesel	september 22 2007	Countryside Care	£ 2,700.00
060	Housing Directorate	Ford	Transit	281 Panel Van	Diesel	May 17, 2012	Housing Directorate	£ 1,100.00
061	Housing Directorate	Ford	Transit	280Panel Van	Diesel	May 16 2013	Housing Directorate	£ 1,100.00
200	North Weald Airfield	Land Rover	Defender	111 TDI	Diesel	September 13 2006	North Weald Airfield	£ 2,750.00
199	North Weald Airfield	Land Rover	Freelander	Estate TD4 ES premium	Diesel	02.10 2004	North Weald Airfield	£ 2,400.00
215	North Weald Airfield	Ford	Ranger XLT	4WD Double Cab Pick-Up	Diesel	September 28, 2004	North Weald Airfield	£ 2,400.00
230	North Weald Airfield	LAND ROVER	Defender	4WD Double Cab Pick-Up	Diesel	April 4, 2009	North Weald Airfield	£ 2,900.00
319	Fleet Operations	Ford	Escort	1.8 Diesel Van	Diesel	February 1, 1995	Fleet Operations	£ 1,500.00

/continued...



Fleet Number	User Department	Manufacturer	Model	Type	Fuel	Date of Registration	User Department	Maintenance
487	Building Maintenance DLO	Ford	Transit 125 T350	Cage Sided Tipper	Diesel	November 17, 2004	Building Maintenance DLO	£ 2,500.00
488	Building Maintenance DLO	Ford	Transit 125 T350	Cage Sided Tipper	Diesel	November 17, 2004	Building Maintenance DLO	£ 2,500.00
491	Building Maintenance DLO	Ford	Transit 125 T351	Cage Sided Tipper	Diesel	July 1, 2005	Building Maintenance DLO	£ 2,400.00
493	Building Maintenance DLO	Ford	Transit 350 L	LWB Panel Van	Diesel	April 7,2006	Building Maintenance DLO	£ 2,000.00
494	Building Maintenance DLO	Ford	Transit Connect	201 D SWB	Diesel	April 7,2006	Building Maintenance DLO	£ 1,300.00
495	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	April 29 2006	Building Maintenance DLO	£ 1,300.00
496	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	April 29 2006	Building Maintenance DLO	£ 1,600.00
497	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	April 29 2006	Building Maintenance DLO	£ 1,600.00
498	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	MARCH 28 2007	Building Maintenance DLO	£ 1,500.00
499	Building Maintenance DLO	Ford	Transit connect	SWB Panel Van	Diesel	MARCH 28 2007	Building Maintenance DLO	£ 1,050.00
500	Building Maintenance DLO	Ford	Transit Connect	SWB Panel Van	Diesel	MARCH 28 2007	Building Maintenance DLO	£ 1,050.00
501	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	May 31 2007	Building Maintenance DLO	£ 1,500.00
502	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	May 31 2007	Building Maintenance DLO	£ 1,500.00
503	Building Maintenance DLO	Ford	Transit connect	200D SWB	Diesel	April 21 2008	Building Maintenance DLO	£ 1,400.00
504	Building Maintenance DLO	Ford	Transit connect	200D SWB	Diesel	April 21 2008	Building Maintenance DLO	£ 1,400.00
505	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	May 31, 2008	Building Maintenance DLO	£ 1,400.00
506	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	May 31, 2008	Building Maintenance DLO	£ 1,400.00
507	Building Maintenance DLO	Ford	TRANSIT 280	SWB Panel Van	Diesel	May 31, 2008	Building Maintenance DLO	£ 1,400.00
508	Building Maintenance DLO	Ford	Transit connect	200D SWB	Diesel	May 28, 2009	Building Maintenance DLO	£ 1,100.00
509	Building Maintenance DLO	Ford	Transit 281	SWB Panel Van	Diesel	June 10 2010	Building Maintenance DLO	£ 1,100.00
510	Building Maintenance DLO	Ford	Transit 330	SWB Panel Van	Diesel	July 7, 2009	Building Maintenance DLO	£ 1,450.00
512	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	March 31, 2011	Building Maintenance DLO	£ 1,200.00
514	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	March 31, 2011	Building Maintenance DLO	£ 1,200.00
513	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	March 31, 2011	Building Maintenance DLO	£ 1,200.00
515	Building Maintenance DLO	Ford	Transit 281	SWB Panel Van	Diesel	December 10 2014	Building Maintenance DLO	£ 1,000.00
516	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	July 31 2013	Building Maintenance DLO	£ 1,200.00
517	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	July 31 2013	Building Maintenance DLO	£ 1,200.00
518	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	July 31 2013	Building Maintenance DLO	£ 1,200.00
519	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	July 31 2013	Building Maintenance DLO	£ 1,200.00
520	Building Maintenance DLO	Ford	Transit 280	SWB Panel Van	Diesel	July 31 2013	Building Maintenance DLO	£ 1,200.00
								£ 88,900.00



Appendix C – Other Key Indicators 2011-2014

Other Key Indicators 2011-2014



Attribute	2011/12	2012/13	2013/14 Up to month 10
How many services for external customers	25	35	17
How many services for Staff?	18	36	30
How many fleet services?	104	104	104
How many fleet repairs o/s of management agreement?	145	132	98
How many vehicles hired?	10	16	13
How many generators serviced?	16	48	48
How many fleet MOTs (including North Weald Airfield vehicles)?	46	50	50
How many staff MOTs?	303	276	316
How many other MOTs?	5869	4541	3420
How many taxi inspections?	1223	1228	1059
How many North Weald Airfield vehicle safety checks / services?	8	10	6
How many North Weald Airfield vehicle repairs?	17	18	19
How many driver assessments?	18	18	8
How many grounds maintenance small plant repairs / services?	11	53	34



Appendix D – Possible Methodology for the Procurement of Vehicles Maintenance Services

Possible Methodology for the Procurement of Vehicle Maintenance Services



Our experience is that the best way to procure these services to enable maximum service and financial benefit to the authorities is to use the Competitive Dialogue (“CD”) process. This enables a variety of service delivery models to be tested e.g. supply only; maintenance only; supply and maintenance; passing the risk for supplying spare vehicles to the supplier; and taking different risks on ‘driver damage’.

A web link describing the advantages of this process, including the experience of councils that have used it, may be found at http://www.lapv.co.uk/news/fullstory.php/aid/264/Competitive_dialogue_opens_new_avenues_for_Councils_in_Essex.html

In our most recent procurement (we found that we could complete the CD procurement using only two stages: this would, we feel, also be possible for Epping Forest.

To give an idea of a timescale and how we could support the Council we offer the following thoughts:

1. An OJEU notice could be placed in April 2014 for the supply and/or maintenance of vehicles to the Council using the Competitive Dialogue process. At this time we would look to draft a PQQ including evaluation criteria: we have a variety of templates or we could look to adapt the documents used on the current Waste procurement.
2. We would suggest that the contract is divided into Lots to cover options for: the supply of vehicles; the maintenance of vehicles; and the supply and maintenance of vehicles. Within the maintenance Lots we could include various options for the allocation of risk for non-routine repairs including ‘driver damage’.
3. Allowing for PQQ shortlisting and the deadlines of an OJEU procurement process, contract documents could be issued in late May. We would recommend a Bidders’ Day to be held at this point: which would enable a viewing of the facilities.
4. The contract documents would include: a Descriptive Document, Draft Contract Conditions, Draft Specification and a Response Document. We would be able to produce these: but would require assistance from the Council in setting out details of the current fleet, expectations for the future etc. and details regarding the current service including TUPE data.
5. We believe that we should allow for a half-day’s dialogue with each bidder at this stage.
6. Following dialogue, it should be possible to receive Outline Submissions in July; and from these it should be possible to determine:
 - a) Whether there is any real advantage in the Council changing its arrangements with regard to the splitting of purchase and maintenance functions: we expect the current market conditions would mean that there is: but we would need to evaluate solutions to be sure.

Possible Methodology for the Procurement of Vehicle Maintenance Services



b) What the options are for developing a workshop facility: including the possibilities for the Council to share third party income.

c) Whether there might be some advantage in using Prudential Borrowing as part of the purchasing function.

d) Whether the contract conditions and related matters require amendment and whether the proposed changes are acceptable to the Council. Our experience is that the market's views on performance management arrangements and on the wording of Bonds are constantly evolving (reflecting current economic conditions).

7. There would be a need to revise the contract documents and then for further dialogue sessions before closure of dialogue and call for Final Tenders. We would anticipate receiving Final Tenders in September.

8. Unless the process is aborted or otherwise amended, we believe the whole procurement could be concluded by late autumn 2014.

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