

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 2 February 2015

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 9.25 pm

Members Present: C Whitbread (Chairman), Ms S Stavrou (Vice-Chairman), W Breare-Hall, Mrs A Grigg, D Stallan, G Waller and J Philip

Other Councillors: K Adams, K Angold-Stephens, H Kauffman, J Knapman, Mrs J Lea, A Mitchell MBE, R Morgan, S Neville, B Rolfe, Ms G Shiell, B Surtees, Mrs J H Whitehouse, J M Whitehouse and D Wixley

Apologies: R Bassett, Ms H Kane and A Lion

Officers Present: G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), C O'Boyle (Director of Governance), K Durrani (Assistant Director (Technical Services)), S G Hill (Assistant Director (Governance & Performance Management)), P Maddock (Assistant Director (Accountancy)), P Maginnis (Assistant Director Human Resources), C Pasterfield (Assistant Director (Asset Management and Economic Development)), P Pledger (Assistant Director (Housing Property)), T Carne (Public Relations and Marketing Officer), G J Woodhall (Democratic Services Officer) and J Leither (Democratic Services Assistant)

Also in attendance: L Edwards (Colliers International)

118. WEBCASTING INTRODUCTION

The Chairman made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

119. DECLARATIONS OF INTEREST

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

120. MINUTES

Decision:

(1) That the minutes of the meeting held on 1 December 2014 be taken as read and signed by the Chairman as a correct record; and

(2) That the minutes of the meeting held on 15 December 2014 be taken as read and signed by the Chairman as a correct record.

121. REPORTS OF PORTFOLIO HOLDERS

There were no oral reports from the Portfolio Holders present on issues affecting their Portfolios, which were not covered elsewhere on the agenda.

122. PUBLIC QUESTIONS

There were no questions received from members of the public for the Cabinet to consider.

123. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee reported that the following items of business had been considered at its meeting held on 12 January 2015:

- (a) a presentation from the Youth Council, which gave an overview of their accomplishments over the past year;
- (b) consideration of the Council's Key Objectives for 2014/15 and the progress made during the second quarter of the year; and
- (c) noted forthcoming presentations from Essex County Council's Mental Health Services and the North Essex Parking Partnership.

The Key Decision List including Proposed Private Decisions was reviewed but there were no specific issues identified on any of the items.

124. ASSET MANAGEMENT & ECONOMIC DEVELOPMENT CABINET COMMITTEE - 11 DECEMBER 2014

The Portfolio Holder for Asset Management & Economic Development presented the minutes from the recent meeting of the Asset Management & Economic Development Cabinet Committee, held on 11 December 2014.

There were no recommendations for the Cabinet to consider. Other issues considered by the Cabinet Committee included: the Economic Development Team Progress Report; and the Asset Management Co-Ordination Group report.

Decision:

- (1) That the minutes of the meeting of the Asset Management & Economic Development Cabinet Committee, held on 11 December 2014, be noted.

Reasons for Decision:

The Cabinet was satisfied that the Cabinet Committee had fully addressed all the relevant issues.

Other Options Considered and Rejected:

The Cabinet was satisfied that the Cabinet Committee had considered all the relevant options and that there were no further options to consider.

125. COUNCIL HOUSEBUILDING CABINET COMMITTEE - 18 DECEMBER 2014

The Housing Portfolio Holder presented the minutes from the recent meeting of the

Council Housebuilding Cabinet Committee, held on 18 November 2014.

There were no recommendations for the Cabinet to consider. Other issues considered by the Cabinet Committee included: Feasibility Studies for various different sites across the District; an update of the Council Housebuilding Risk Register; Progress Reports on the developments at Marden Close and Faversham Hall in Chigwell, as well as Phases 1 and 2 of the Council Housebuilding Programme.

The Housing Portfolio Holder advised the Cabinet that the proposed development at Burton Road in Loughton had been refused planning permission and would be reconsidered by the Cabinet Committee in the near future. The principal options were to either appeal against the refusal of planning permission, submit a revised planning application or sell the site for a capital receipt.

Decision:

(1) That the minutes of the meeting of the Council Housebuilding Cabinet Committee, held on 18 November 2014, be noted.

Reasons for Decision:

The Cabinet was satisfied that the Cabinet Committee had fully addressed all the relevant issues.

Other Options Considered and Rejected:

The Cabinet was satisfied that the Cabinet Committee had considered all the relevant options and that there were no further options to consider.

126. DEVELOPMENT STRATEGY - COUNCIL HOUSEBUILDING PROGRAMME

The Housing Portfolio Holder presented a report on the Development Strategy for the Council Housebuilding Programme, and advised the Cabinet that recommendation 1(a) should be amended to remove any reference to Burton Road in Loughton as this potential development had been refused planning permission.

The Portfolio Holder reported that, since its formation in March 2013, the Council Housebuilding Cabinet Committee had considered a number of policies that had shaped the way the Council was delivering new affordable housing across the District as part of the Council Housebuilding Programme; all of which had been captured in the Development Strategy that was agreed by the Cabinet in September 2013. Since then, a number of new and amended policies had been developed and incorporated in the updated Development Strategy that had been considered by the Council Housebuilding Cabinet Committee at its meeting in December 2014

The Portfolio Holder advised the Cabinet of the principal changes to the Development Strategy, which included; the adoption of Code 4 of the Code for Sustainable Homes as its standard for sustainable design, where energy efficiency measures would take a higher priority; the development of affordable housing within all settlements across the District; affordable rents to be charged for all new Council homes with the Rent Cap remaining at £180 per week; the acceleration of the Council Housebuilding Programme to ensure that all 1-4-1 Right to Buy receipts were expended within the required three years; the naming of developments to be consulted on with ward Members and local Councils; and the Cabinet Committee to consider further options should any potential site prove not to be developable.

The Portfolio Holder explained that monies received from Section 106 Agreements with Developers could be used directly for Housebuilding Programmes, but 1-4-1 capital receipts from Right to Buy sales were time limited in their use and hence were spent first. If they were not spent within three years then they would have to be passed back to the Government, but they could also be used to purchase properties on the open market. However, it was the Portfolio Holder's preference to use the receipts to build properties rather than buy properties, as this offered much better value for money since the Council owned the land.

The Portfolio Holder reiterated that the Council Housebuilding Cabinet Committee would consider the recent refusal of planning permission for the proposed development at Burton Road in Loughton. Although it was noted that the Council risked losing the grant monies from the Homes & Communities Agency if there were severe delays to the project. The Cabinet welcomed the adoption of Code 4 of the Code for Sustainable Homes. The Assistant Director (Housing Property and Development) added that the Council had adopted the East Thames Design Standards which met or exceeded the Essex Design Standards.

The Leader of the Council declared that it was important for the Council to build homes which people wanted to live in, as the Council had a substantial waiting list of local people waiting to be housed. The Cabinet was requested to approve the updated Development Strategy.

Decision:

(1) That the Development Strategy, attached at Appendix 1 of the report, be approved with specific attention drawn to the following:

- (a) starting with the Phase 2 developments, Code 4 of the Code for Sustainable Homes be adopted by the Council as its standard for sustainable design;
- (b) the prioritisation of potential sites taken forward for development under the Council's Housebuilding Programme be spread around the towns/villages where sites were located, on a rotational basis, so that all locations would have the benefit of affordable housing being provided in their area with priority for the development of potential sites given to areas in which the highest number of housing applicants lived;
- (c) Affordable Rents continue to be charged by the Council for all new Council homes built under the programme, with the Council's Rent Cap remaining at £180 per week;
- (d) should any of the development sites identified for Council housebuilding not be developable then the best options to determine the future use of the site be considered by the Council Housebuilding Cabinet Committee;
- (e) the Housebuilding Programme be accelerated in order to ensure that all 1-4-1 Receipts from Right to Buy sales were spent within the required 3 years of receipt; and
- (f) the naming of developments would be carried out in consultation with local Ward Members, as well as Town and Parish Councils.

Reason for Decision:

To update the Development Strategy for the Council Housebuilding Programme following its initial agreement in September 2013.

Other Options Considered and Rejected:

To not adopt the Development Strategy or alter any of the individual elements. However, this could have a detrimental effect on the Feasibility Studies already approved by the Council Housebuilding Cabinet Committee.

127. CONSTRUCTION OF OFF-STREET PARKING ON HOUSING LAND - REVIEW OF RANKINGS FOR FUTURE SCHEMES AND REVIEW OF CAPITAL PROGRAMME

The Housing Portfolio Holder introduced a report which reviewed the rankings for future schemes and the capital budget for the construction of Off-Street Parking Schemes on Council-owned Housing land.

The Portfolio Holder reminded the Cabinet that, commencing in April 2011, a succession of off-street parking schemes on Housing land were approved across the District, undertaken in priority order based on an approved list of sites. In December 2012, it was agreed to undertake feasibility studies, consult residents, submit planning applications and construct a number of schemes (where approval was granted), all subject to the average cost per bay being less than £5,000.

The Portfolio Holder reported that a total of 182 off-street parking bays had been constructed to date, at a total cost of £607,940 including works costs and fees; this equated to an average cost of approximately £3,340 per bay. All schemes so far had been completed on time and within budget, and had made a positive improvement to the parking situation at each of the sites. For 2014/15, the planned expenditure for schemes at Ladyfields and Paley Gardens in Loughton was £74,956, and £61,579 for the scheme at Centre Avenue/Drive in Epping which was pending the results of the public consultation exercise.

The Portfolio Holder highlighted that there was no Council-owned land identified at the sites in Millfield, High Ongar and Chester Green, Loughton to provide additional off-street parking spaces; hence it was proposed to remove these two sites from the Programme. Where sites were also included on the Council Housebuilding Programme, it was proposed that the Council Housebuilding Cabinet Committee should be delegated authority to consider the benefits of providing off-street parking as part of the Feasibility Study and recommend to the Cabinet when the site was to be included in the programme. Consequently, it was further recommended that the two sites at Pyrles Lane in Loughton plus the sites at Hillyfields in Loughton, Hornbeam Road in Buckhurst Hill, Graylands in Theydon Bois and Parkfields in Roydon be deferred pending consideration by the Cabinet Committee.

The Portfolio Holder proposed that feasibility studies be undertaken for the eight highest ranked schemes in the Programme, with planning applications submitted if feasible. Furthermore, that construction of these eight schemes should follow on, subject to: the support of local residents following public consultation; the granting of planning permission; the average cost per parking bay not exceeding £5,000; and the works and fees being funded entirely from the existing capital budget for the Programme.

In response to questions from the Members present, the Portfolio Holder confirmed that the Council Housebuilding Cabinet Committee would consider the feasibility of constructing off-street parking schemes at the two sites at Pyrles Lane and Hillyfields in Loughton when considering the development of Council properties at these locations after the Council-owned garages had been taken out of use. It was intended to progress the construction of new Council properties and off-street parking schemes in tandem at the relevant sites listed earlier. Off-street parking schemes in any case would not proceed at any site without both planning permission and a positive response from the public consultation with residents.

The Assistant Director (Housing Property and Development) added that sites could be nominated for inclusion in the Programme by Officers or Members, and the Portfolio Holder acknowledged the involvement of ward Members in getting both the sites at Roundhills at Waltham Abbey on the Programme. The Assistant Director accepted that Hornbeam Road (HH site) in Waltham Abbey should be removed from the Programme and had been included in error. The Cabinet welcomed the report and the speed and flexibility in assessing the schemes.

Decision:

(1) That the updated ranking table for future off-street parking schemes, attached at Appendix 1 of the report, be agreed;

(2) That, for any site listed in Appendix 1 where it was linked to any of the sites earmarked for future Council Housebuilding, the Council Housebuilding Cabinet Committee be delegated authority to consider the benefits of providing off-street parking as part of the feasibility study and recommend to the Cabinet when each site was to be included in future years of the off-street programme;

(3) That detailed feasibility studies be undertaken on the next eight schemes in the updated ranking table at:

- (a) Roundhills (Red Cross Site), Waltham Abbey;
- (b) Etheridge Green, Loughton;
- (c) Watermans Way, North Weald;
- (d) Alderwood Close, Abridge;
- (e) Tillingham Court, Waltham Abbey;
- (f) Sycamore House, Buckhurst Hill;
- (g) Roundhills (Site 4), Waltham Abbey; and
- (h) Rochford Green, Loughton;

(4) That planning applications be submitted for each scheme and then each of the schemes be constructed, subject to:

- (a) the support of local residents following public consultation;
- (b) the successful grant of planning consent;
- (c) the average cost per bay being no more than £5,000; and

- (d) the works and fees being able to be delivered within the existing Capital Programme budget;
- (5) That Millfield, High Ongar and Chester Green, Loughton be removed from the list as there was insufficient land suitable to provide additional off-street parking; and
- (6) That, subject to recommendation 2 above, the following sites be placed on hold pending a further recommendation from the Council Housebuilding Cabinet Committee taking into account the affect, if any, a housebuilding scheme might have on parking in the vicinity:
 - (a) the two sites at Pyrles Lane, Loughton;
 - (b) Hillyfields, Loughton;
 - (c) Hornbeam Road, Buckhurst Hill;
 - (d) Graylands, Theydon Bois; and
 - (e) Parkfields, Roydon.

Reasons for Decision:

To approve schemes only after assessing the effectiveness of the work undertaken on previously approved schemes, taking account of the costs incurred and benefits accrued. In order to progress with any further schemes and divert adequate resources to manage the Off-Street Parking Programme, which was one of the most resource intensive programmes within the Housing Assets Section, a decision was sought to approve both the updated ranking table and the capital expenditure.

Other Options Considered and Rejected:

To not undertake the construction of further off street parking bays. However, this would not resolve the parking problems across the District recognised during recent parking surveys.

To progress with a different number of schemes. However, a lesser number of schemes could mean reporting back to the Cabinet sooner, as it was likely that some schemes would not actually be feasible for any number of reasons.

To seek approval from the Cabinet on a stage by stage basis. However, this would lead to an increase in the frequency of future reports to the Cabinet.

128. OFF-STREET CAR PARKING STRATEGY AND REVISED TARIFF STRUCTURE

The Portfolio Holder for Safer, Greener & Transport presented a report concerning the Off-Street Car Parking Strategy and revised Tariff structure.

The Portfolio Holder advised that the consultation on the revised Off-Street Car Parking Strategy, requested by the Cabinet in March 2014, had closed on 31 July 2014. The consultation was carried out to get a better understanding of car park usage and public opinion. Proposals included the provision of differing tariffs for different locations, priority in parking to some users over others, and charging for parking based on demand. The consultation was open to all members of the public as the Council was keen to seek views from residents, visitors, workers, businesses

and commuters. In addition to the on-line questionnaire, the Council had engaged the services of Alpha Parking Limited, who carried out face to face surveys, at random, in all Council car parks. A total of 800 people participated in the survey; 500 of those took part in face to face interviews and 300 of whom completed online questionnaires. Unfortunately participation from the business community was very low, despite a number of targeted promotional activities, with only five returns.

The Portfolio Holder reported that pressure on Council car parks continued to grow from commuters, workers and shoppers. Availability of short stay parking space was essential for the vitality of high streets and town centres, and in order to balance the competing demands of various users careful consideration was required before any tariff change was introduced. It was for this reason that in Waltham Abbey and Ongar where there was negligible pressure from commuters, the only increase proposed was from 10p to 20p for 30 minutes parking. Free parking on weekends in the month of December would continue. A charge of £1 for all day parking on weekends and Bank Holidays would be introduced to recognise the high level of investment and the quality of the Council's car parks. However, in order to facilitate local shopping, free parking would be limited to the first 2 hours.

The Portfolio Holder added that investment in 'smart' meters would benefit car parks users and enable better operational management. The installation of new CCTV systems and the physical improvement works would make the car parks safer. The establishment of a Portfolio Holder Advisory Group would enable the impact of the new Off-Street Car Parking Strategy to be reviewed and would recommend further revisions to improve the operation of the Council's car parks.

The issue of all-day parking by residents who then caught the train to shop at the Westfield Shopping Centre in Stratford was highlighted. It was felt that the Council car parks should give priority to residents who shopped with local businesses, and that shoppers for the Westfield Shopping Centre should use the Station car parks provided. The Portfolio Holder hoped that this issue would be examined by the Advisory Group, but reassured the Cabinet that the intention of the Strategy would be to provide an incentive for residents to park and use local shops.

A number of Members highlighted problems with the signage for the car parks across the District. The Portfolio Holder acknowledged that signage was very important and it had been inadequate in the past. The signage was due to be refurbished in July 2015, and it was hoped that the situation would be much improved subsequently. The Portfolio Holder also confirmed that the cost of the additional enforcement measures arising from the Strategy had been budgeted for.

The Finance Portfolio Holder, who was a local member for Waltham Abbey High Beach, welcomed the retention of free parking in Waltham Abbey at weekends, as this would encourage the trade of local businesses. A local Member for Loughton Roding raised concerns about the £1 charge for all-day parking on Saturdays being used by shop workers and not customers. The Portfolio Holder reassured the Cabinet that the Advisory Group would consider this issue, but highlighted the delicacy of the situation as shop workers also needed to park for the businesses to be open to trade. The Council-owned Car Parks were currently free for all-day parking on Saturdays and the Council had imposed a small incremental charge.

The Cabinet welcomed the installation of new smart meters to make it easier for customers to pay and CCTV to improve the safety of users, as well as the inclusion of the public car park at the Civic Offices for use by the public with appropriate charging whilst it was still free to use for visitors to the Civic Offices. A local Member for Chipping Ongar, Greensted and Marden Ash highlighted the parking problems

experienced in Ongar when there was a Railway or Sporting event taking place. The Portfolio Holder reassured the Cabinet that he was fully aware of the problems outlined by the local Member.

A local Member for Chigwell Village noticed that the charge for staying longer than 3 hours in a short stay car park had remained at £10 and suggested that if this was increased to £15 or £20 then it would further deter long stay parking in the short stay car parks. The Portfolio Holder stated that the Advisory Group would consider further measures to deter long stay parking in short stay car parks, and this would be examined again.

A local member for Epping Hemnall enquired as to why the free parking period on Saturdays could not be three hours rather than the proposed two hours in Epping, as this would further benefit local businesses in the town. The Portfolio Holder responded that the free parking period on Saturdays, whether two or three hours, was a matter of judgement. The Advisory Group would be empowered to consider any or all options for off-street parking within the District.

Decision:

(1) That a revised Car Parking Strategy based on the following principles be agreed:

- (a) in order to support the economic vitality of town centre businesses, a low-cost tariff level for the first 30 minutes in all car parks be retained, but that the tariff be increased from 10p to 20p;
- (b) with the exception of locations in (c) below, new tariffs be implemented as set out in the table in paragraph 9 of the report;
- (c) no tariff increases to take place in the Waltham Abbey and Ongar car parks (which did not offer access to the train and London underground systems) except for an increase in the tariff for the first 30 minutes from 10p to 20p;
- (d) except as provided in (e) below, a free 2 hour parking period followed by a charge of £1 to park all day be introduced in those car parks that were currently free on Saturdays, with the same charges applying in all other Council car parks on Sundays and Bank Holidays, with the exception of Waltham Abbey and Ongar where the current free all-day parking would continue;
- (e) parking to remain free of charge on Saturdays, Sundays and Bank Holidays during the month of December;
- (f) charging to be introduced at the Civic Offices car park, with free stays for visitors to the Council offices; and
- (g) Blue Badge holders to continue to be exempt from payment in Council car parks.

(2) That the revised tariffs be commenced on a target date of 1 July 2015, following the installation and commissioning of new pay-and-display machines;

(3) That capital and revenue budget estimates in 2015/16 be agreed for the following improvement and enhancement works in the Council-owned Car Parks:

- (a) £100,000 capital allocation for the purchase of new pay-and-display machines, 'smart' meters;
 - (b) £15,000 District Development Funding for the making of new traffic orders and installation of new information boards in the car parks;
 - (c) £ 100,000 capital allocation for the installation of new CCTV systems to ensure all car parks had full coverage; and
 - (d) a Continuing Services Budget growth bid in the sum of £26,670 in 2015/16, £5,280 in 2016/17 and £8,189 in 2017/18 be approved for the additional costs associated with the changes agreed above;
- (4) That Contract Standing Order C1(10) be waived to instruct the North Essex Parking Partnership (NEPP) to carry out the necessary work associated with the introduction of the new tariff structure in the Council car parks; and
- (5) That a Portfolio Holder Advisory Group be established to review the impact of the new Car Parking Strategy and to make recommendations for the future.

Reasons for Decision:

To approve a revised Off-Street Car Parking Strategy for the District, following its public consultation. The parking service was also required to generate additional income of £100,000 to support the 2015/16 Budget.

Other Options Considered and Rejected:

To not replace the existing pay-and-display machines. However, these were now obsolete with parts becoming increasingly difficult to source. Cheaper alternatives could be obtained but these would not offer the required functionality.

To delay the introduction of the revised tariffs. However, this would endanger the Council's budget objectives for 2015/16.

129. JOINT CONSULTATIVE COMMITTEE - REVIEW OF TERMS OF REFERENCE

In the absence of the Portfolio Holder for Technology & Support Services, the Leader of the Council introduced a report concerning the review of the terms of reference for the Joint Consultative Committee, the body for consultation between the Council and its staff.

The Leader reminded the Cabinet that the Committee consisted of nine Councillors and nine employees appointed by the recognised Trades Unions. The Council's Management Board had agreed that a review of the terms of reference for the Joint Consultative Committee should take place, and a report submitted in 2012 had identified a perception that non-union members were not represented by the staff representatives. Whilst this was technically correct as the trade unions were not required to represent non trade union members, it was noted that:

- (i) the trade union representatives who attended the Committee had to be employees of the Council;

- (ii) the trade union representatives were from a range of service areas who between them were likely to hold a range of views similar to employees who were not in a trade union; and
- (iii) all representatives, whether staff or Council, were permitted to share their views with the Committee and did so.

The Leader stated that a new responsibility had been included into the terms of reference for the Lead Officer to communicate the outcome of the Committee's meetings to all staff via the internal District Lines magazine or the equivalent. It was also highlighted that work was progressing on internal staff communications and this could be an opportunity to consider staff participation in a range of policy development from across the Council.

The Leader reported that the Joint Consultative Committee had considered the amendments to the Terms of Reference at its July meeting, which were agreed as set out in the report. The Constitution and Member Services Scrutiny Panel was also consulted at its November meeting which agreed the amendments, subject to a change to paragraph 3 (e) to allow more than one substitute member to be appointed in line with the Council's other Panels. The revised terms of reference were attached at Appendix 1 of the report and the Cabinet was requested to recommend their adoption by the Council.

Decision:

- (1) That the revised Terms of Reference for the Joint Consultative Committee, as attached at Appendix 1 of the report, be recommended to the Council for adoption.

Reasons for Decision:

It was acknowledged that the terms of reference for the Joint Consultative Committee had not been reviewed for a considerable period of time, and Management Board had agreed to instigate this.

Other Options Considered and Rejected:

To retain the current Terms of Reference. However, they had become dated and did not include the correct information regarding current processes.

130. PAY POLICY STATEMENT 2015/16

In the absence of the Portfolio Holder for Technology & Support Services, the Leader of the Council introduced a report on the Pay Policy Statement.

The Leader of the Council stated that Section 38(1) of the Localism Act 2011 required the Council to produce a Pay Policy Statement for each financial year setting out the details of its remuneration policy. Specifically, it should include the Council's approach to its highest and lowest paid employees. It drew on the Review of Fair Pay in the Public Sector (Will Hutton 2011) and concerns over low pay. The Pay Policy Statement for 2015/16 had been amended to reflect the Returning Officer fees paid in 2014/15 and the national pay award for 2014-16. It was highlighted that a 2% pay increase for Chief Officers had been agreed on the afternoon of the meeting. The Cabinet was requested to recommend the Pay Policy Statement for 2015/16 to the Council for approval.

Decision:

(1) That the draft Pay Policy Statement for 2015/16, as attached at Appendix 1 of the report, be recommended to the Council for approval.

Reasons for Decision:

To enable members of the Cabinet to comment on the Council's Pay Policy Statement before it was presented to the Council for agreement.

Other Options Considered and Rejected:

To amend the contents of the Statement prior to its approval by Council.

131. SALE OF LAND ADJACENT TO ONGAR LEISURE CENTRE TO THE SECRETARY OF STATE FOR EDUCATION

The Portfolio Holder for Asset Management & Economic Development presented a report on the potential sale of land adjacent to Ongar Leisure Centre to the Secretary of State for Education to enable the construction of the new Ongar Academy.

The Portfolio Holder reported that Ongar Comprehensive School had closed in 1989 and schoolchildren from Ongar and the surrounding villages had been forced to travel to schools outside of the area. In 2012, the 'School 4 Ongar' campaign was launched by local parents to lobby for a new school to be provided in Ongar. The Group was incorporated as an Academy Trust and submitted a successful application to the Secretary of State for Education in May 2014. The Trust was now investigating potential sites for the Academy and had expressed a strong preference for the 8.98 Ha of land adjacent to Ongar Leisure Centre in Fyfield Road. The Council had purchased the freehold of this land in 2004 from the County Council, however the sale had contained restrictive covenants to prevent any further development of the site and restrict its use for leisure purposes only. The County Council was prepared to enter into a Deed of Variation, which would relax the existing Covenants to also allow State Funded Education and ancillary uses.

The District Council had been supportive of the new Ongar Academy and the Portfolio Holder sought approval from the Cabinet for the disposal of 8.98 Ha of land adjacent to Ongar Leisure Centre, Fyfield Road, Ongar, to facilitate the provision of a new Secondary School, the Ongar Academy. Agreement was sought on the Heads of Terms (attached to the report at Appendix 2) for the freehold acquisition by the Secretary of State for Education, at a price to be determined by a suitably qualified independent firm of Valuers. It was proposed that the final terms of the disposal be agreed by the Portfolio Holder in consultation with the Director of Neighbourhoods.

A local ward Member for Chipping Ongar, Greensted & Marden Ash endorsed the Council's support for a new school in Ongar. However, there were concerns about access to the proposed new school on the plans and the impact that the new school would have on the existing car parking provision at this location. The Director of Neighbourhoods responded that this issue had already been identified. The new entrance to the school would be subject to planning permission, and the school would have adequate provision for parking by staff and visitors to the school. A local member for Chigwell Village, who was also a County Council Member for Chigwell & Loughton Broadway, undertook to confirm with the County Council's Legal Officers that there would be no charge levied on the District Council for relaxing the existing covenants on the site.

Decision:

- (1) That the freehold of the 8.98 Ha of land adjacent to Ongar Leisure Centre in Fyfield Road be sold, to enable the construction of the new Ongar Academy, in accordance with the Heads of Terms attached at Appendix 2 of the report; and
- (2) That the Asset Management and Economic Development Portfolio Holder, in consultation with the Director of Neighbourhoods, be authorised to agree the final terms of the disposal including the sale price, to be determined by independent valuation.

Reasons for Decision:

To facilitate the construction of a new secondary school in Ongar by agreeing the sale of land adjacent to the Ongar Leisure Centre by the Secretary of State's funding approval timescale of March 2015.

Other Options Considered and Rejected:

To decline to sell the site to the Secretary of State, although the Secretary of State did have statutory powers to acquire the land. However, this would delay the funding approval and seriously compromise the delivery of the new school.

132. TREASURY MANAGEMENT STRATEGY STATEMENT & INVESTMENT STRATEGY 2015/16 TO 2017/18

The Finance Portfolio Holder presented a report on the Treasury Management Strategy Statement & Investment Strategy 2015/16 to 2017/18.

The Portfolio Holder reminded the Cabinet that the Council was required to approve the Treasury Management Strategy and Prudential Indicators, as well as a statement on the Minimum Revenue Provision (MRP) before the start of each financial year. The Strategies, as amended if necessary, would be scrutinised by the Audit and Governance Committee on 5 February 2015 prior to consideration by the Council on 17 February 2015.

The Portfolio Holder reported that the Strategies had been produced following advice from the Council's Treasury Advisors, Arlingclose. There had been no major changes to the Strategies since their previous approval in February 2014, but a number of issues was drawn to the Cabinet's attention. The first of these was Minimum Revenue Provision. Following the borrowing of £185.456million to pay for the Housing Revenue Account self-financing initiative, the Council would normally be required to charge Minimum Revenue Provision to the General Fund. However, the Department of Communities & Local Government had produced regulations whereby the Council could ignore this borrowing, and therefore, for Minimum Revenue Provision purposes only, the Council was still classed as debt-free. If the Council undertook further borrowing to support its capital expenditure then Minimum Revenue Provision would be required in 2016/17.

The Portfolio Holder stated that the Council had inter-fund borrowed between the General Fund and Housing Revenue Account for many years, and the interest rate charged had been based upon the average investment interest earned for the year. Draft regulations issued by the Chartered Institute for Public Finance & Accountancy (CIPFA) had proposed that this interest rate should be approved by the Council before the start of the financial year, and it was suggested that the average

investment interest earned for the year continue to be used as the rate for any inter-fund borrowing.

The Portfolio Holder informed the Cabinet that the Treasury Management Policy Statement was a high level statement which outlined how the Council's Treasury function would be undertaken. There were no amendments to the Statement currently proposed.

The Portfolio Holder advised that all of the Council's current investments were denominated in Sterling and the Council had received regular advice from Arlingclose regarding the use of counterparties. The Council currently had an investment portfolio of approximately £63.3million, of which £55.3million was invested in the United Kingdom, and £8million in Sweden. The maturity profile ranged from £24.3million available for instant access to £5million with a maturity date exceeding one year. The continued low interest rates, the use of fewer counterparties and the shorter durations of the Council's investments had reduced the estimated income for 2014/15 to £400,200.

The Portfolio Holder highlighted that no additional borrowing had been required for the Council's Capital Programme, and that the Council had approved the provision of prudential borrowing to service providers that it was in a contractual relationship with.

Decision:

- (1) That the following be recommended to the Council for approval:
 - (a) the Treasury Management Strategy Statement and Annual Investment Strategy 2015/16 to 2017/18;
 - (b) the Minimum Revenue Provision (MRP) Strategy;
 - (c) the Treasury Management Prudential Indicators for 2015/16 to 2017/18;
 - (d) the average interest earned for the year on investments as the rate of interest to be applied to any inter-fund balances; and
 - (e) the Treasury Management Policy Statement.

Reasons for Decision:

To ensure that the Council complied with Code of Practice on Treasury Management by the Chartered Institute of Public Finance & Accountancy.

Other Options Considered and Rejected:

To request additional information about the Treasury Management Strategy, or decide that alternative indicators were required.

133. ANY OTHER BUSINESS

Decision:

- (1) That, as agreed by the Leader of the Council and 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 following items of urgent business be considered following publication of the agenda:

(a) Finance & Performance Management Cabinet Committee – 19 January 2015; and

(b) Epping Forest Shopping Park – Update Report.

134. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 19 JANUARY 2015

The Finance Portfolio Holder presented the minutes of the recent meeting of the Finance & Performance Management Cabinet Committee, held on 19 January 2015.

The Cabinet Committee had made recommendations to the Cabinet concerning: the Allocation of Local Council Tax Support Grant; the engagement of Counsel for a Judicial Review defence; the Homelessness legal expenses budget; the proposed budget saving for Community Arts; the detailed Directorate budgets for 2015/16; an update of the Corporate Risk Register; and the Council budgets for 2015/16. There were no other issues considered by the Cabinet Committee.

Decision:

Allocation of Local Council Tax Support Grant

(1) That the Local Council Tax Support Grant available to Town and Parish Councils be allocated in line with the reduction in their Council Tax income, as listed in Appendix 1 of the report considered by the Cabinet Committee;

Engagement of Counsel – Judicial Review Defence

(2) That a supplementary estimate in the sum of £40,000 from the Housing Revenue Account for the engagement of Stephen Knafler QC be recommended to the Council for approval;

Homelessness Legal Expenses Budget

(3) That a supplementary estimate in the sum of £52,000 from the District Development Fund, for seeking specialist legal advice on homelessness cases and defending a homelessness case in the County Court, be recommended to the Council for approval;

(4) That a contingency provision for potential legal challenges to the Housing Allocations Scheme by homelessness applicants of £20,000 per annum from the District Development Fund be made for a three year period from 2015/16 to 2017/18; and

(5) That the budget for potential legal challenges to the Housing Allocations Scheme by homelessness applicants be reviewed after one year to ensure it was sufficient in the long term;

Community Arts – Proposed Budget Saving

(6) That additional income or savings in the sum of £10,000 be made by Community Services in 2015/16;

Detailed Directorate Budgets

- (7) That the detailed Directorate budget for the Chief Executive be approved;
- (8) That the detailed Directorate budget for Communities be approved;
- (9) That the detailed Directorate budget for Governance be approved;
- (10) That the detailed Directorate budget for Neighbourhoods be approved;
- (11) That the detailed Directorate budget for Resources be approved;
- (12) That the detailed Directorate budget for the Housing Revenue Account (HRA) be approved, including the following amendments in respect of the Council's Careline Service and the Scheme Management Service for sheltered housing and area schemes:
 - (a) That the loss of £133,000 per annum Housing Related Support (HRS) funding from Essex County Council be noted;
 - (b) That the charges for the Council's Careline Service be increased by £0.27 per week, for both Council tenants and private clients, with effect from 6 April 2015 and that the Cabinet's previous decision to increase the charge for private clients by £0.20 per week from 6 April 2015 be rescinded;
 - (c) That following a review of the duties undertaken by Scheme Managers, 10% of their time previously attributed to Housing Related Support be re-classified as Intensive Housing Management and charged as a Service Charge accordingly (which was eligible for housing benefit);
 - (d) That the charges for the Council's Scheme Management Service (funded from Housing Related Support Charges and Intensive Housing Management Service Charges) be increased by 5% from 6 April 2015;
 - (e) That the increased charges for the Careline and Scheme Management Services provided to Council tenants in receipt of housing benefit not be met through any increase in compensating Housing Related Support Credit and that, furthermore, the Housing Related Support Credit currently received by such tenants be reduced by 8% with effect from 6 April 2015;
 - (f) That there was an intention:
 - (i) for the Careline Service to break even;
 - (ii) That the loss in HRS funding for the Scheme Management Service would be fully recovered from April 2016, as a result of spreading the required increases in charges over two years; and
 - (iii) That the HRA would be subsidising the Careline Service and Scheme Management Service by around £58,000 during 2015/16;
 - (g) That the potential for further reductions in HRS by Essex County Council in 2015/16 and/or 2016/17 be noted;

(13) That the Overview and Scrutiny Committee be requested to establish a Task and Finish Panel to consider the most effective use of our existing budgets relating to Youth Engagement from 2016/17 and that some representatives from the District's Youth Council, as non voting co-opted members, be included in the membership of the proposed Panel; and

(14) That the Leisure and Community Services Portfolio Holder be encouraged to develop the proposals for a review of Youth Engagement budgets in more detail through the submission of a PICK form;

Corporate Risk Register Update

(15) That Risk 1, Local Plan, be updated with the revised key target dates and the implementation of the new staffing structure;

(16) That Risk 2, Strategic Sites, be updated to include the additional key individual vulnerability;

(17) That Risk 3, Welfare Reform, be updated to include the additional controls;

(18) That Risk 5, Economic Development, be updated to reflect the service reverting to the Neighbourhoods Directorate on 31 March 2015;

(19) That Risk 6, Data/Information, be updated to include further controls, management actions and success factors;

(20) That, including the above agreed changes, the amended Corporate Risk Register be approved; and

Council Budgets 2015/16

(21) That the Cabinet Committee's recommendations in respect of the Council Budgets for 2015/16 be noted.

Reasons for Decision:

The Cabinet was satisfied that the Cabinet Committee had fully addressed all the relevant issues and that the recommendations could be endorsed.

Other Options Considered and Rejected:

The Cabinet was satisfied that the Cabinet Committee had considered all the relevant options and that there were no further options to review.

135. COUNCIL BUDGETS 2015/16

The Finance Portfolio Holder presented a report on the Council's proposed Budgets for 2015/16.

The Portfolio Holder set out the detailed recommendations for the Council's budget for 2015/16. The proposed budget would use £30,000 of reserves but the Council's policy on the level of reserves could still be maintained throughout the period of the Medium Term Financial Strategy (MTFS). Over the course of the Strategy, the use of reserves to support spending would peak at £347,000 in 2016/17 and then reduce to £179,000 in 2018/19. The budget was based on the assumption that Council Tax would be frozen and that average Housing Revenue Account rents would increase by

2.2% in 2015/16.

The Portfolio Holder also highlighted the Chief Financial Officer's report on the robustness of the estimates for the purposes of the Council's 2015/16 budgets and the adequacy of the reserves within the budget report. It stated that the estimates as presented were sufficiently robust for the purposes of the Council's overall budget for 2015/16. In addition, the Council's reserves were adequate to cope with the financial risks facing the Council in 2015/16, but that further savings would be required in future years to bring the budget back into balance in the medium term. Concerns about the New Homes Bonus and potential changes to the funding structure for local authorities due to the forthcoming General Election in May 2015 were noted.

The Portfolio Holder proposed the creation of a new earmarked reserve, called the 'Invest to Save Fund', with an initial allocation of £500,000 to consider proposals which would reduce the Continuing Services Budget in the long-term. It was intended for all proposals to be considered initially by the Finance & Performance Management Cabinet Committee, with recommendations made to the Cabinet for decision.

The Cabinet noted that the proposed funding from Central Government of £5.497million was a reduction of 14.2% from 2014/15. Since the Medium Term Financial Strategy had been published in the Summer, the ceiling for the Continuing Services Budget had risen by £200,000 to £13.35million, and the ceiling for the District Development Fund had risen by £919,000 to £1.123million. However, there had been an underspend of £1.147million in 2014/15 and, taking the two years together, there would be a net underspend of £228,000 for the District Development Fund. Although the four-year Capital Programme envisaged expenditure of £116million, it was anticipated that there would still be £1.8million of usable capital receipts at the end of this period. The balance of the Housing Revenue Account was expected to be £2.03million at 31 March 2016, after a deficit of £987,000 in 2014/15 and a surplus of £52,000 in 2015/16.

The Portfolio Holder clarified that the 'Transformation Fund' had financed the necessary changes arising from the Management reorganisation undertaken by the Chief Executive last year. The proposed new Fund would be used for implementation costs from new measures that would reduce the Continuing Services Budget. The Cabinet welcomed the establishment of the new Fund, recognising that the need to reduce the Continuing Services Budget and for the Council to become as self-financing as possible. It was hoped that some clear proposals would be put forward for the Cabinet to consider in the future.

The Leader of the Council commended the proposed budget to the Cabinet and highlighted that the District Council Tax had again remained unchanged whilst front-line services had been protected. However, the Council needed to protect itself for the future and the earlier start to the budget setting process in July had helped to achieve this.

Decision:

(1) That the following guidelines for the Council's General Fund Budget in 2015/16 be recommended to the Council for adoption:

- (a) the revised revenue estimates for 2014/15, which were anticipated to increase the General Fund balance by £7,000;

- (b) an increase in the target for the 2015/16 Continuing Services Budget (CSB) from £13.15million to £13.35million (including growth items);
 - (c) an increase in the target for the 2015/16 District Development Fund (DDF) net spend from £204,000 to £1.123million;
 - (d) no change in the District Council Tax for a Band 'D' property to keep the charge at £148.77;
 - (e) the estimated reduction in General Fund balances in 2015/16 of £30,000;
 - (f) the four-year Capital Programme 2015/16 – 2018/19;
 - (g) the Medium Term Financial Strategy 2014/15 – 2018/19; and
 - (h) the Council's policy on General Fund Revenue Balances to remain that they be allowed to fall no lower than 25% of the Net Budget Requirement;
- (2) That the Housing Revenue Account (HRA) budget for 2015/16, including the revised revenue estimates for 2014/15, be recommended to the Council for approval;
- (3) That the Council be requested to approve the proposed rent increases proposed for 2015/16 to give an overall average increase of 2.2%;
- (4) That the creation of a new earmarked reserve, called the 'Invest to Save Fund', in the sum of £500,000 to consider proposals which would reduce the Continuing Services Budget in the long-term be recommended to the Council for approval; and
- (5) That the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2015/16 budgets and the adequacy of the reserves be noted.

Reasons for Decision:

To determine the budget that would be placed before the Council for final approval on 17 February 2015.

Other Options Considered and Rejected:

To decide not to approve the recommended figures and instead specify which growth items should be removed from the lists, or ask for further items to be added.

136. EXCLUSION OF PUBLIC AND PRESS**Decision:**

- (1) That, in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the items of business set out below as it would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12(A) of the Act indicated and the exemption was considered to outweigh the potential public interest in disclosing the information:

<u>Agenda Item</u>	<u>Subject</u>	<u>Paragraph No.</u>
20	Support for the Council's Property Development Programme	1
21	Epping Forest Shopping Park – Update Report	3

137. EPPING FOREST SHOPPING PARK - UPDATE REPORT

The Portfolio Holder for Asset Management & Economic Development presented a progress report on the development of the Epping Forest Shopping Park.

The Portfolio Holder advised the Cabinet that negotiations regarding the joint venture documentation had continued with Polofind and the majority of the matters had now been resolved. There were still concerns though about when the Council could guarantee vacant possession of its part of the site. A representative from the Council's agents, Colliers International, presented a financial appraisal of the project, which included the expected profit for the Council from the development, and answered a number of questions from the Members present.

The Portfolio Holder added that discussions to buy out Polofind had commenced, in addition to the negotiations to progress the joint venture. The Council's agents were preparing a valuation to enable the detailed discussions to proceed and establish whether Polofind would wish to sell their share of the site. The Cabinet was appraised of the likely purchase price to be requested by Polofind.

Decision:

(1) That the progress report on the Epping Forest Shopping Park project, including the financial appraisal, be noted.

Reasons for Decision:

To appraise the Cabinet on the current progress with the project.

Other Options Considered and Rejected:

There were no other options considered by the Cabinet as this was a progress report for noting.

138. SUPPORT FOR THE COUNCIL'S PROPERTY DEVELOPMENT PROGRAMME

The Portfolio Holder for Asset Management & Economic Development introduced a report concerning support for the Council's Property Development Programme.

The Portfolio Holder reminded the Cabinet that the Council had ambitious development plans for Langston Road, St John's Road and other key operational sites. The management of these developments was currently fulfilled by the Assistant Director (Asset Management and Economic Development), who had resigned from the Council with effect from 13 February 2015.

The Portfolio Holder stated that recruiting to fill this role would take some time and any new incumbent would inevitably need to familiarise themselves with the Council's development proposals for the sites. Consequently there was a significant risk of slippage in the programme which could potentially materially impact on the Council's future rental income as well as the costs of development. The Council did not have

alternative in-house resource with the experience to progress the development programme. In order to maintain momentum and avoid costly delays the most appropriate external alternatives would be to recruit an interim manager with suitable experience or engage a property services company. Both of these alternatives were expensive and would inevitably involve a steep learning curve with no handover period because of the timescales involved.

The Portfolio Holder advised the Cabinet that to mitigate these risks the current Assistant Director (Asset Management and Economic Development) had been asked if he would be willing to continue to drive the Council's development programme forward on a part-time contractual basis for a period of 13 months. This would ensure that the Council did not lose momentum whilst alternative arrangements were made, and allow for a professional handover as it was planned to appoint a replacement Assistant Director at least six months before the end of the proposed contract. The current incumbent had indicated his willingness to do this.

The Chief Executive commented that key staff could resign at any time, and there could be no guarantee that key staff would not resign at any time. The risk from the loss of key staff had been added to the Corporate Risk Register. There was no other member of staff that had the current Assistant Director's expertise and knowledge, and the timing of the resignation was also sensitive in relation to the ongoing development projects, hence the proposals before the Cabinet. The Management Board would investigate a Succession Plan for all departments across the Council.

The Chief Executive added that the costs involved in hiring a short-term contractor, or hiring an Agency to provide a suitable replacement in the short-term was approximately the same as the proposals before the Cabinet. The recommendations had the advantage of retaining the services of the Assistant Director and his knowledge of the ongoing projects.

The Leader of the Council reported that the Assistant Director did not engineer this situation as he wanted to spend more time on his other projects. The Leader did not like the situation that the Council was in, and the Council must ensure that it never happened again, but the Assistant Director had extensive knowledge of the Council's current development projects. The Portfolio Holder added that a permanent replacement for the Assistant Director would be appointed at least six months before the end of the proposed contract to allow for an appropriate handover period.

Decision:

- (1) That the expertise and knowledge of the Assistant Director (Asset Management and Economic Development) be retained on a part-time contract basis for a period of 13 months to ensure the development of Langston Road and other sites critical to the Council's future revenue streams proceeded without delay;
- (2) That the use of Contract Standing Order C10 (Negotiated Tendering) be approved to procure the contract;
- (3) That authority be delegated to the Chief Executive and the Portfolio Holder for Asset Management and Economic Development to negotiate and finalise the contract terms;
- (4) That the cost be funded in 2014/15 from existing District Development Fund (DDF) development budgets;

- (5) That a District Development Fund growth bid be made in the sum of £90,000 to cover the cost in 2015/16;
- (6) That, given the high monthly cost of delaying key projects, the contract be executed expeditiously;
- (7) That replacement resource be procured by the Director of Neighbourhoods with an appropriate handover programme six months before the end of the contract period; and
- (8) That, pursuant to Overview and Scrutiny Rule 21 (Special Urgency), the Chairman of the Council be requested to waive the call-in arrangements for this decision due its urgency, as any delay would prejudice the Council's interests due to the risk of delayed rental income and/or increased development costs, which would have a significant impact on the Council's ability to balance budgets without reducing services.

Reasons for Decision:

To minimise the risk of delayed rental incomes and/or increased development costs, both of which could have a significant, detrimental impact on the Council's budget in the future.

Other Options Considered and Rejected:

To contract external resource, or recruit a full-time replacement. However, this could lead to delays in the development schedule and have an adverse impact on the Council's future financial position.

CHAIRMAN