

Supplementary Committee Agenda



Epping Forest District Council

Cabinet Monday, 7th April, 2014

Place: Council Chamber
Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services: Gary Woodhall
Directorate of Governance
Tel: 01992 564470
Email: democraticservices@eppingforestdc.gov.uk

10. TRANSFER OF VICTORY HALL, HAINAULT ROAD, CHIGWELL (Pages 123 - 130)

(Asset Management & Economic Development Portfolio Holder) To consider the attached report (C-090-2013/14).

11. 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.

11.a FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 20 MARCH 2014 (Pages 131 - 136)

(Finance and Technology Portfolio Holder) To consider the minutes of the meeting of the Finance and Performance Management Cabinet Committee held on 20 March 2014, and any recommendations therein.

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Report to the Cabinet

Report reference: C-090A-2013/14

Date of meeting: 7 April 2014



**Epping Forest
District Council**

Portfolio: Asset Management & Economic Development

Subject: Victory Hall, Hainault Road, Chigwell

Responsible Officer: Mark Scott (01992 564407)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) That the Council's freehold in Site A (shown on the plan appended to this report) be transferred to Chigwell Parish Council for nil consideration subject to a claw back provision in the event that commercial or residential development of Site A is proposed;**
- (2) That any residual maintenance liability on Site A be extinguished on transfer;**
- (3) That the Council's legal interest in Site C (shown on the plan appended to this report) be transferred to Chigwell Parish Council subject to a claw back provision as with Site A; and**
- (4) That the Director of Governance in consultation with the Portfolio Holder for Asset Management and Economic Development be given delegated authority to negotiate and agree the final terms.**

Executive Summary:

The current lease for Victory Hall expires in 2019. Chigwell Parish Council has applied for the land to be transferred to them for nil consideration. It is understood this will provide new community facilities on the land including Essex County Council's ownership. In the event of commercial or residential development this Council's financial position will be protected by suitable claw back provisions.

Reasons for Proposed Decision:

To provide enhanced community facilities in Chigwell.

Other Options for Action:

Negotiate a new lease with the Trustees of Victory Hall for life expired buildings and lose the opportunity for a comprehensive scheme with adjoining land.

Report:

1. The Victory Hall site is situated off Hainault Road Chigwell, shown by 'A' on the attached plan. It comprises a site area of 0.5 acres. A 60 year ground lease was granted, expiring on 24 April 2019 to the Trustees of the Lewis Memorial and Victory Hall Foundation by the former Chigwell UDC. The lease originally included Site 'B' on the plan. The Council took a surrender of this land on 19 March 1974 and subsequently sold it to Essex County Council. It is now the

site of the Chigwell Library. It should be noted that under the terms of the surrender and following the sale to the County Council the District Council retains responsibility for the maintenance of that part of the access road in its ownership.

2. The Trustees have requested a 30 year lease extension from 25 April 2019. There is no legal vehicle to accommodate this so there would have to be surrender and renewal for 30 years plus the unexpired term of the existing lease.

3. The site may have long term development potential and if so any new lease should take account of this with break clauses. In the event of redevelopment the existing community facilities would be retained on site. They are safe guarded by the presumption in planning policy that community facilities are retained (Policy CT 12 EFDC Local Plan). Accordingly any scheme which did not retain the community element would not receive planning consent. With this proviso it is unlikely commercial or residential development could be viable on Site 'A' in isolation.

4. On investigation it was assumed that the adjoining building 'Chigwell Men's Club' was a separate letting but for which no evidence could be found. Research revealed that this is an informal arrangement between Victory Hall and Chigwell Men's Club, not permitted under the terms of the lease.

5. In the absence of agreement between the parties over the terms of a new lease the Trustees are entitled to a maximum 15 year occupational lease.

6. It was recently established that the Council has title to Site 'C' on the plan but it has been taken in with the adjoining agricultural land for many years. The Director of Governance is investigating the legal position.

7. In 2009 the Council resolved to grant Planning Application EPF/0247/09 for residential development on Site 'D'. This land is not owned by the Council. The consent was subject to the completion of a S106 agreement to provide additional car parking on the application site. Access would be over Site 'A' thus requiring the consent of the Council and the Trustees of Victory Hall. The Trustees did not agree to this. In any event the development did not proceed.

8. In October 2013 Planning Application EPF/0735/13 for car parking on part of Site 'D' was granted. On 11 December 2013 District Development Control Committee resolved to grant Planning Application EPF/0247/09 on Site 'D' subject to:

(i) the completion within six months of the decision a S106 to agreement to secure the car parking. If not planning permission will be refused.

(ii) Within 3 months of the service of notice on the landowner by EFDC to transfer the parking land at Site 'D' to EFDC at no cost. Such notice to be served within 10 years. No sale to a third party within this period. The lease to the Trustees of Victory Hall expires in five years.

(iii) Within 3 months, the payment of the sum of £ 33,000 by the developer to EFDC as a contribution towards the cost of constructing the car park. If a after a period of 10 years from the receipt of payment the sum is not spent it shall be returned to developer within 3 months.

9. It is understood that an EFDC ward member has been speaking to the Trustees of the Lewis Memorial and Victory Hall Foundation, Essex County Council and Chigwell Parish Council regarding the future of the whole site. This is has resulted in a written application to EFDC from Chigwell Parish Council for the property to be transferred to them. Such a transfer would have to be justified on the grounds of social wellbeing, subject to claw back provisions in the event of a commercial or residential development taking place on the site. It is understood they would have access to grants to refurbish or replace the community facilities and provide

the opportunity to work up a scheme for the whole site with the County Council. An undertaking to refurbish or replace the community facilities has been requested from Chigwell Parish Council.

10. The Local Government Act 1972: General Disposal Consent (England) 2003 provisions have removed the need to seek the Secretary of State's consent for disposals not exceeding £2,000,000. The freehold market value of the property is very considerably less than this figure. However the disposal must meet the following criteria:

The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of the area, or of all or any persons resident or present in its area:

- (i) the promotion or improvement of economic well being;*
- (ii) the promotion or improvement of social well being; and*
- (iii) the promotion or improvement of environmental well being.*

11. As both the District and Parish Councils are of the view that a transfer satisfies (i) and (ii) and (iii) above it is recommended that in principle that the freehold interest in Victory Hall no cost, subject to a claw back provision in the event that commercial or residential development of Sites A and C is proposed.

12. A condition of the transfer would be the extinguishment of the Council's remaining repairing liability for the access road.

Resource Implications:

Finance

Transfer of community facilities at nil consideration subject to claw back provisions in the event of value being released at a later date.

Personnel

Valuation and Estate Management Service
Legal Services

Land

Site of Victory Hall and adjoining land

Legal and Governance Implications:

Section 123 Local Government Act 1972 – best consideration for the land and property assets. Consent is given for sale of land (covenants are deemed to be a sale for this purpose).

Safer, Cleaner and Greener Implications:

Potential for life expired buildings to be replaced to modern standards.

Consultation Undertaken:

Trustees of Victory Hall
Chigwell Parish Council

Background Papers:

None.

Impact Assessments:

Risk Management

Failure to take this opportunity to facilitate new community facilities on the Victory Hall Site.

Due Regard Record

Transfer of Victory Hall to Chigwell Parish Council

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
7.4.2014 Director of Corporate Support Services	The transfer of the Hall and land to the Parish Council will result in enhanced community facilities for the Resident of Chigwell

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Directorate of Environment & Street Scene Civic Offices High Street Epping, Essex, CM16 4BZ Tel. 01992 564000	Project	Content Victory Hall Hainault Road Chigwell	Date 26/03/2014
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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance Management Cabinet Committee **Date:** Thursday, 20 March 2014

Place: Committee Room 1, Civic Offices, High Street, Epping **Time:** 7.00 - 7.30 pm

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

Other Councillors: Councillors

Apologies: R Bassett

Officers Present: R Palmer (Director of Finance and ICT), B Bassington (Chief Internal Auditor) and R Perrin (Democratic Services Assistant)

41. Declarations of Interest

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

42. Minutes

RESOLVED:

That the minutes of the meeting held on 20 January 2014 be taken as read and signed by the Chairman as a correct record.

43. Key Performance Indicators 2013/14 (Performance) & 2014/15 (Targets)

The Director of Finance & ICT presented a report on the Council's Key Performance Indicators for 2013/14 (Performance) and 2014/15 (Targets).

The Director of Finance & ICT stated that pursuant to the Local Government Act 1999, the Council was required to make arrangements to secure continuous improvement in the way in which its functions and services were exercised, having regard to a combination of economy, efficiency and effectiveness. As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's service priorities and key objectives, were adopted each year. Performance against all of the KPIs was reviewed on a quarterly basis, and had previously been a focus of inspection in external assessments and judgements of the overall progress of the authority.

The Director of Finance & ICT advised that a range of thirty-five KPI's were adopted for 2013/14 in March 2013. A three-monthly progress report in respect of all the KPI's was reviewed by Management Board, the Finance and Performance Management Scrutiny Panel and service Director's reviewed KPI's with the relevant Portfolio Holder on an on-going basis throughout the year.

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The position with regard to the achievement of target performance for the KPI's at the end of the third quarter, 30 June to 31 December 2013, 28 indicators achieved the cumulative third-quarter target, 7 indicators did not achieve the cumulative third-quarter target, although 1 of these KPI's performed with the agreed tolerance for the indicator. Overall 83% (29) of the indicators were currently anticipated to achieve the cumulative year-end target. The detailed cumulative performance reports for each of the KPI's were considered by the Finance and Performance Management Scrutiny Panel on 11 March 2014 and they were happy with the targets.

A new KPI would be created regarding the response time of the Switchboard in conjunction with the new telephone system that had been installed. It was felt that the service area not picking up the calls had more to do with the response times and this would be looked into with the management information that could be obtained from the new system. This information would be presented at a future meeting of this committee.

RESOLVED:

(1) That the Committee noted the nine-month performance for the Key Performance Indicators adopted for 2013/14; and

(2) That the proposed Key Performance Indicators and targets for 2014/15 be agreed.

Reasons for Decision:

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement would be addressed, and how opportunities would be exploited and better outcomes delivered.

A number of KPIs were used as performance measures for the Council's key objectives for each year. It was important that relevant performance management processes were in place to review and monitor performance against the key objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

Other Options Considered and Rejected:

No other options were appropriate in this respect. Failure to identify challenging performance targets, could mean that opportunities for improvement were lost and might have had negative implications for judgements made about the progress of the Council.

44. DRAFT AUDIT PLAN 2014-15

The Chief Internal Auditor presented the Internal Audit Plan for 2014/15 for the Cabinet Committee to inspect, prior to its consideration by the Audit and Governance Committee on the 3rd April 2014.

The Chief Internal Auditor stated that all fundamental financial systems had been included to provide assurance on the controls in place for good financial management. In compiling the plan, the Corporate Risk Register and the Risk Registers for each Directorate were reviewed to ensure that all high risk areas had been included. A contingency provision had been included for investigations and other unplanned work during the year, and some flexibility had also been included to

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accommodate reviews of areas considered to be of a higher risk to the achievement of the Council's objectives.

The Chief Internal Auditor advised that during 2013/14 publications by the Audit Commission and the National Fraud Authority had identified current fraud risks and to address concerns over these risks, time had been allocated to fraud prevention and detection in the 2014/15 audit plan. The Chief Auditor also highlighted the regular meetings held with the Chief Auditors of Uttlesford, Harlow and Broxbourne Councils. The purpose of these meetings was to share best practice and expertise and consider various joint working practices.

The Chief Internal Auditor reassured the Cabinet Committee that progress against the approved Plan would be kept under review during the year and any proposed amendments, once the Plan had been approved, would be subject to the approval of the Audit and Governance Committee, who would continue to monitor progress against the plan on a quarterly basis. The Director of Finance & ICT added that if Audit and Governance Committee requested any amendments to the Plan then these would be reported to the Cabinet Committee at its next meeting.

RESOLVED:

(1) That the proposed Internal Audit Plan for 2014/15 be noted.

Reasons for Decision:

To inform the Finance and Performance Management Cabinet Committee of the proposed Internal Audit Plan for 2014/15 and to seek comments thereon.

Other Options for Considered and Rejected:

None.

45. Risk Management - CORPORATE RISK REGISTER AND RISK MANAGEMENT

The Director of Finance & ICT presented a report on the Corporate Risk Register and the Risk Management documents.

The Director of Finance & ICT stated that the Corporate Risk Register and Risk Management documents had been considered by both the Risk Management Group on 25 February 2014 and Management Board on 5 March 2014. These reviews had identified amendments to the Corporate Risk Register and minor amendments to the wording of the Corporate Risk Documents.

The Director of Finance & ICT reported that five amendments to the Corporate Risk Register had been proposed as a result of the recent reviews. Risk 1, Local Plan, had been updated with key dates within the Action Plan. Risk 4, Finance Income, had been updated to include the risks of loss from legislative change to land charges and outstanding NNDR appeals. Risk 5, Data/Information, the existing control within the Action Plan had been amended to reflect the progress made with e-learning module for officers and the introduction of data protection awareness within the Member induction programme. Risk 7, Business Continuity, an additional vulnerability had been added to advise the short term risk of the Tour de France passing through the District on 7 July 2014 and work was ongoing to ensure that appropriate arrangements were in place. Risk 8, Partnerships, a scoring change had been applied to the risk as the likelihood had reduced, which resulted in the scoring

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changing from C3 Medium Likelihood/Minor Impact to D3 Low/Very Low Likelihood/Minor Impact.

The Director of Finance & ICT added that the Risk Management Terms of Reference, Strategy and Policy Statement had been reviewed and some minor amendments were proposed as outlined in the report. The Cabinet Committee was requested to approve these documents for adoption at the next meeting of the Cabinet.

Recommended:

1. That the key dates within the Action Plan be updated within Risk 1, Local Plan;
2. That Risk 4, Finance Income, the risks of loss from legislative change to land charges and outstanding NNDR appeals be updated;
3. That the Action Plan for Risk 5, Data/Information be amended to reflect the progress made with e-learning modules for officers and the introduction of data protection awareness within the Member induction programme;
4. That the vulnerability for Risk 7, Business Continuity, be amended to reflect the short term risk of the Tour de France passing through the District on 7 July 2014;
5. That the scoring of Risk 8, Partnerships, be changed to D3 Low/Very Low Likelihood/Minor Impact;
6. That, incorporating the above agreed changes, the amended Corporate Risk Register be approved;
7. That the current tolerance line on the risk matrix be considered satisfactory and not be amended;
8. That the revised Risk Management Strategy be adopted;
9. That the revised Risk Management Policy Statement to Cabinet be adopted; and
10. That the updated Terms of Reference of the Risk Management Group be noted.

Reasons for Proposed Decisions:

It is essential that the Corporate Risk Register is regularly reviewed and kept up to date. The annual review of the corporate risk management documents helps ensure that the risk management process remains relevant and up to date.

Other Options Considered and Rejected:

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

46. Quarterly Financial Monitoring 2013/14

The Director of Finance & ICT presented the Quarterly Financial Monitoring report for the period October to December 2013, which provided a comparison between the revised estimates and the actual expenditure or income. The report provided details

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of the revenue budgets from both the Continuing Services Budget and District Development Fund, as well as the Capital budgets, including details of major capital schemes.

The Cabinet Committee noted that the salaries budget showed an underspend of £174,000 or 1.2%. Investment interest levels in 2013/14 were slightly ahead of the revised expectation at quarter three, but significantly below the prior year. There has been some talk recently about movements in interest rates but it was still unlikely that rates would improve in the short to medium term. Investment returns in the prior year were higher as there were still some longer term deals maturing at better rates than those available now.

Within the Planning & Economic Development Directorate, Development Control income had recovered to the extent that it now exceeded both the prior year actual and revised position for 2013/14. Income from pre-application charges and development control fees were both doing well. Income from Building Control was revised down by £73,000 and there were some expenditure savings to offset this but the predicted deficit for this year had increased from £14,000 to £35,000. If the account goes into overall deficit, the position would need to be addressed over the ensuing three year period to ensure the account does not remain in deficit.

Within the Corporate Support Services Directorate, Licensing income for Hackney Carriages and other licensing activities were below expectations by £6,000 and £4,000 respectively. Income from MOT's carried out by Fleet Operations was in line with the revised expectation but income in January was better than expected and the updated target looked likely to be achieved. The Local Land Charge income was higher than in the prior year and above the revised estimate which suggested income would exceed budget for the year.

Within the Housing Directorate, the Housing Repairs Fund showed an underspend of £364,000. However a larger than average proportion of the expenditure was seasonal falling in the winter months and the budgets would be revised shortly.

Within the Environment & Street Scene Directorate, payments to the Waste Management contractor were in line with expectations again in that payments had been made up to the end of November by the end of December.

The Director of Finance advised that no additional comments had been raised from the Finance Performance Management Scrutiny Panel. It was highlighted by the Director of Finance & ICT that the operator of the North Weald Market may approach the Council for a reduction in the fees to reflect the reduction in traders and stalls over the winter period. Although the Asset Management & Economic Development Cabinet Committee would have to consider any report that may come forward, this committee needed to be advised. The Cabinet Committee felt that a profiled fee may be more favourable to all concerned, so that no body lost out. This would be for the Asset Management & Economic Development Cabinet Committee to consider and note the comments of this committee. The Cabinet Committee also had concerns over the fleet operations.

Resolved:

1. That the Quarterly Financial Monitoring report for the period 1 October 2013 to 31 December 2013 regarding the revenue and capital budgets be noted.

Reasons for Decision:

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To note the Council's financial position after the third quarter of 2013/14.

Other Options Considered and Rejected:

No other options were considered as the report monitored the Council's financial position after the nine months of the financial year.

47. Any Other Business

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

CHAIRMAN