



Epping Forest District Council

DECISIONS

Committee:	CABINET
Date of Meeting:	Monday, 6 January 2020

Date of Publication:	10 January 2020
Call-In Expiry:	16 January 2020

PLEASE NOTE THAT ITEM 18, PEOPLE'S STRATEGY – SENIOR MANAGEMENT, HAD BEEN ISSUED SEPARATELY AND HAS A SEPARATE END DATE OF TUESDAY 14 JANUARY 2020.

This document lists the decisions that have been taken by the Cabinet at its meeting held on Monday, 6 January 2020, which require publication in accordance with the Local Government Act 2000. The list specifies those decisions, which are eligible for call-in and the date by which they must be called-in.

Those decisions that are listed as being “recommended to the Council...”, or request the Chairman of the Council to waive the call-in, are not eligible for call-in.

The wording used might not necessarily reflect the actual wording that will appear in the minutes, which will take precedence as the minutes are the official record of the meeting.

If you have any queries about the matters referred to in this decision sheet, then please contact:

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Call-In Procedure

If you wish to call-in any of the eligible decisions taken at this meeting you should complete the call-in form and return it to Democratic Services before the expiry of five working days following the publication date. You should include reference to the item title. Further background to decisions can be found by viewing the agenda document for this meeting at: www.eppingforestdc.gov.uk/local_democracy

Decision No:

**7. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE -
14 NOVEMBER 2019**

Decision:

The Cabinet noted and agreed the minutes of the Finance and Performance Management Cabinet Committee meeting of 14 November 2019.

8. CLIMATE EMERGENCY

Decision:

The Cabinet agreed to appoint Councillors N Bedford as the primary member for Climate Emergency procedure and Councillor J Philip to act in conjunction as joint members on the Council's declaration of a Climate Emergency.

9. EPPING FOREST HOLOCAUST MEMORIAL

Decision:

The Cabinet agreed to grant a long lease of 125 years at a peppercorn rent for the demised area of 14.1m x 6m = 84.6m² (911 sq.ft.) at Traps Hill, Loughton, to the Epping Forest Holocaust Educational Trust for the purpose of the erection of a Holocaust Memorial for the district.

10. ACCEPTANCE OF TENDER - CONTRACT 390 - PLANNED GAS AND RENEWABLE ENERGY HEATING INSTALLATIONS AND ASSOCIATE ELECTRICAL UPGRADE WORK 2019-24

Decision:

(1) That, Gracelands Complete Maintenance Services Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the planned installation of gas and renewable energy heating and associated electrical upgrade work to Council-owned properties in the sum of £103,377.16 with an overall weighted price and quality score of 97.1%;

(2) That Complete Building Services Herts Ltd be selected as the Council's Reserve Tenderer and that, should it not be possible to enter into contract with Gracelands Complete Maintenance Services Ltd for some reason, Complete Building Services Herts Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the planned installation of gas and renewable energy heating and associated electrical upgrade work to Council-owned properties, being the second most economically advantageous tender received, with a Tender Sum of £187,311.93 with an overall weighted price and quality score of 64.4%;

(3) That, the overall value of the works be capped to the allocated budgets included in the Capital Programme identified for Gas and Electrical Heating replacements on an annual basis; and

(4) That, this contract be designated as a serial contract to facilitate the annual adjustment to the tendered rates in accordance with the Royal Institution of Chartered Surveyors (RICS) BCIS ALLCOS Resource Cost Index of All Construction: All Repair and Maintenance Work #7419.

11. CALENDAR OF MEETINGS 2020/21

Decision:

That the draft Calendar of Council Meetings for 2020/21 be recommended to the Council for adoption.

12. IMPLEMENTATION OF THE LOCAL PLAN: UPDATE ON PROGRESS

Decision:

That the Cabinet noted the steps being taken to determine planning applications currently held in abeyance.

13. ST JOHN'S ROAD REDEVELOPMENT - UPDATE

Decision:

(1) The Cabinet noted the outline business cases for the proposed development of the following sites through Qualis Commercial:

- I. St John's Road
- II. Epping Sports Centre – Hemnell Street
- III. Bakers Lane Car Park
- IV. Cottis Lane Car Park
- V. Civic Offices – Conder Building
- VI. Roundhills Site

(2) The Cabinet noted that the transfer of these sites would be proposed on the understanding that the full business cases (to be presented at March Cabinet) achieved a minimum value to EFDC of 6% return on investment (in the form of land and loans) per annum from a mix of rental dividend and other financial returns and Qualis to provide a standard capital development return that as a minimum was 12%.

(3) The Cabinet noted that if a full business case failed to prove

operationally and financially viable (as set-out in recommendation 2), that land ownership would be transferred back to the Council at the value it was originally transferred, with any fruitless or transactional costs falling to Qualis.

(4) The Cabinet noted the work undertaken by White Young Green to produce a development and design brief for the St John's site.

(5) That Cabinet approved a £500k working capital loan to Qualis Group for the next stages of work to be undertaken.

14. FINANCE STRATEGY DECISIONS

Decision:

The Cabinet noted:

1. That the Financial Strategy of the Authority had been further developed and consisted of four linked papers. The papers and figures were subject to final review because of Government announcements and final due diligence.
2. That to allow for this level of final change before presentation of the Financial Strategy to the Full Council in February adjustments with a cumulative net impact of £500,000 can be made on the direction of the Leader in consultation with the Portfolio Holder for Finance and the Section 151 Officer and reported back to the Cabinet.
3. That adjustments to the papers with a value more than £500,000 were brought back to the Cabinet.

Paper A, Medium Term Financial Strategy:

1. The Cabinet approved the approach set out in the Medium Term Financial Strategy, particularly in respect of inflation of cost, charges and fees and the aim to maintain the financial strength of the Authority as evidenced by reserve balances.
2. The Cabinet agreed to support the increase in the importance of the income from Qualis in respect of the medium term financial strategy and the budget.

Paper B, Budget 2020/21:

1. Cabinet approved the 2020/21 budget in outline and confirmed the approach to cost and income inflation at 3.0%, noting that rents would rise per the national formula at 2.7% and car parking income would not rise at all pending the outcome of the review.
2. The Cabinet approved the 2020/21 budget in outline and confirmed the list of developments for which funding would be released on implementation.
3. The Cabinet approved the general and HRA capital spend of

£26,171,528 in total.

4. The Cabinet approved the loans to Qualis which totalled up to £160m in 2020/21 as set out in the report.
5. The Cabinet approved the 2020/21 budget in outline and confirmed that the overall funding adjustments for District Development Fund and savings and contingency were as set out, i.e. a net draw from DDF of £1,774,906 (£2m forecast last year), £500,000 of savings, the formation of a contingency fund assumed spent of £1,095,540.

Paper C, Prudential Indicators:

1. The Cabinet noted the intent of keeping the financial strength of the Authority at current levels.
2. The Cabinet noted the impact of taking loans and onward granting loans to Qualis with a margin of profit for the Authority.
3. The Cabinet noted the general risk price approach to the loans granted to Qualis.
4. The Cabinet noted that the full set of prudential indicators along with the treasury strategy would be taken to the Full Council in February.

Paper D, Council Tax Increase:

1. The Cabinet approved the council tax increase of 1.5% (half the predicted inflation rate) for 2020/21.
2. The Cabinet noted that in 2021/22 the options to increase or reduce council tax rates exists (though the Government expectation on what should be raised from council tax should be noted).

15. PURCHASE OF LOUGHTON CENTRIC PARADE

Decision:

1. The Cabinet noted that in accordance with the agreed Asset Strategy and the delegations from Cabinet that the Authority had acquired 195-200 and 222-226 High Road Loughton, a mixture of retail and residential units. The total costs of the purchase was £23,820,950; consisting of the purchase price of £18,645,000, Stamp Duty of £921,750, legal and professional fees of £340,805 and VAT of £3,913,950. (It should be noted that these figures are subject to alteration as the Authority has elected to add this property to its HMRC approved VAT scheme and that other minor changes in Stamp Duty and fees may occur, all to the financial benefit of the Authority).
2. The Cabinet noted that Councillors S Stavrou, H Whitbread and A Patel in discussion with the Leader and the assistance of the Estate Team and Section 151 Officer, formally considered and

unanimously agreed the purchase and signed the decision sheet accordingly.

2. The Cabinet noted that the information provided to the decision makers showed a gross annual revenue yield of £1,425,602, or 5.98% against the guiding benchmark of 6.00%.
3. The Cabinet noted that the information provided to decision makers showed a net (after £390,780 of building depreciation costs as per the historic approach in EFDC, and insurance and £309,000 of financing costs including the cost of lost interest on current cash surpluses), annual revenue yield of £717,823 or 3.01% against the guiding benchmark of 3%.
4. The Cabinet noted that the information provided to the decision makers showed an analysis of key risks and sensitivities that could be appropriately managed.
5. The Cabinet noted that the information provided to the decision makers showed that future capital growth was a possibility with additional expansion and improvement to the flat units, (this development was not planned at this stage).
6. The Cabinet noted that the Authority was awaiting confirmation of the VAT status of the project and a final statement of fees and charges for the solicitors. All the expected movements in costs were marginal and would work in the Authority's favour.

17. EXCLUSION OF PUBLIC AND PRESS

Decision:

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 they 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 Number</u>
19	People's Strategy – Senior Management	3&4

18. PEOPLES STRATEGY - SENIOR MANAGEMENT
(PLEASE NOTE THE DIFFERENT END DATE FOR CALL-IN OF 14 JANUARY 2020 FOR THIS ITEM)

Decision:

(1) The Cabinet reviewed and approved the senior management structure proposed by The Head of Paid Service.

(2) The Cabinet noted that the salary points had been arrived at by independent advice regarding the position of salary scales in relation to other neighbouring authorities in Essex and London.

(3) The Cabinet agreed the salary up-lift for senior roles (noting the proposal was within existing establishment). This included an element of performance payment against agreed objectives for the CEO role, with the Leader and Chairman of the Overview and Scrutiny Committee and an Independent Facilitator. A percentage payment on performance will be made on the uplifted part of the salary at 20%. Therefore, on an uplift of £25,000 - 20% performance payment will be £5,000.

(4) The Cabinet noted the timetable for Strategic Director and Chief Operating Officer permanent appointments, firstly through the Member Appointments Panel as defined within the Scheme of Delegation

(5) The Cabinet agreed that the decision over which an external recruitment agency be awarded the tender to source suitable candidates be delegated to the Leader of the Council (as outlined in Appendix 4 of the report for proposed recruitment timeline).

