

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 11 February 2021
Place: Virtual Meeting on Zoom **Time:** 7.00 - 8.23 pm
Members Present: C Whitbread (Chairman), N Avey, N Bedford, A Patel, J Philip, S Kane and H Whitbread

Other

Councillors: R Baldwin, R Bassett, P Bolton, R Brookes, L Burrows, S Heap, S Heather, H Kauffman, J Lea, S Murray, M Sartin, J Share-Bernia, D Stocker, D Sunger, B Vaz, J H Whitehouse and D Wixley

Apologies:

Officers Present: G Blakemore (Chief Executive), N Dawe (Chief Operating Officer), A Small (Strategic Director Corporate and 151 Officer), S Jevans (Qualis Group Managing Director), C Hartgrove (Interim Chief Financial Officer), D Fenton (Service Director (Housing Revenue Account)), K Pabani (Chief Estates Officer), T Carne (Corporate Communications Team Manager), A Hendry (Democratic Services Officer), J Leither (Democratic Services Officer) and P Seager (Chairman's Officer)

139. WEBCASTING INTRODUCTION

The Leader of Council made a short address to remind everyone present that the meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

140. DECLARATIONS OF INTEREST

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

141. MINUTES

Decision:

The minutes of the Cabinet meeting held on 22 December 2020 be taken as read and would be signed by the Leader as a correct record.

142. REPORTS OF PORTFOLIO HOLDERS

There were no verbal reports made by Members of the Cabinet on current issues affecting their areas of responsibility.

143. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

Public Questions

Mr R Morreale sent in the following question for the Planning and Sustainability Portfolio Holder. Mr Morreale was unable to attend the meeting so his question was read out by the Portfolio Holder.

Question:

“In December I asked a question about Epping Forest District Council’s Local Plan. I was sorry to note that your response only partially answered my question so I would like to ask:

New planning Applications not accounted for in Harlow Council’s Local Plan will see over 3000 more homes being built in Harlow over and above the number required of Harlow Council, in addition to the 1600 (14%) uplift already accounted for, Why does this council still wish to see thousands of homes built on Green Belt land on Harlow’s southern and western borders. Is EFDC’s Local Plan really all about obtaining New Homes Bonus to shore up the Council’s financial position rather than housing need?”

The Portfolio Holders response was:

“As members would be aware the Planning Inspector wrote to the Council following the publication of the Office of National Statistics, household projections 2018, on the 16 July 2020 seeking clarification as to whether the planned housing requirement remains sound and whether a meaningful change in the housing situation had occurred. In order to respond to this the Council together with the Strategic Housing Market Area Partners, Harlow, East Herts and Uttlesford District Council commissioned RRS to prepare some additional evidence.

On 4 September 2020 Council wrote back to the Inspector to advise that whilst the 2018 based projections demonstrate some variation on the 2014 based population projection it does not represent meaningful change in the housing situation from the one which informed the emerging Local Plan. The Inspector has now consulted on this matter and the responses is now available on the Council website. She will be considering this information before determining whether or not any modifications for the housing requirement or plan are required. Once agreed by the Inspector the main modification to the emerging Local Plan would be subject to six weeks statutory consultation. By way of background the Inspector considered the appropriateness of the housing numbers through the examination hearing. The Plan was examined under the 2012 National Planning Policy Framework and use 2014 based projections general advice note on the 2nd August 2019, which is EB98. The Inspector agreed that the requirement of the District should be as set out in the Local Plan submitted version 2017.”

144. 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 2 February 2021.

They had received a presentation from a Mr R Walker, Group Manager for the North East Parking Partnership (NEPP) who gave an overview of their work and answered members questions.

They also received a further update on the Peoples Strategy and an elections planning update. They looked at the new policy of the disposal of small land fill sites and individual properties. They also looked at the possible reconvening of the Local High Street Task and Finish Panel and it was agreed that this should be delayed until the end of the current lock down.

At their next meeting they will receive a presentation from the Epping Forest Youth Council and also have an item on young people mental health services.

145. CHANGE IN ORDER OF THE AGENDA

In order to make the agenda flow in a more logical order the items that were budget related were taken in a different order from the agenda with item 11, Q3 budget monitoring report first, the item 10, Proposed fees and Charges, and then back to item 8 the Draft Budget.

146. QUARTER 3 - BUDGET MONITORING REPORT 2020/21

The Finance and Economic Development Portfolio Holder, Councillor J Philip, introduced the quarter 3 budget monitoring report.

This report set out the 2020/21 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st December 2020 (“Quarter 3”).

This report was considered by Overview and Scrutiny Committee on 2nd February 2021 and their views and comments sought.

In terms of General Fund revenue expenditure – at the Quarter 3 stage – a budget overspend of £0.313 million was forecast, with projected net expenditure of £18.122 million against an overall budget provision of £17.809 million.

The General Fund revenue position was dominated by the impact of the Covid-19 pandemic.

Decision:

After consideration of comments received from Overview and Scrutiny, the Cabinet agreed:

1. The General Fund revenue position at the end of Quarter 3 (31st December 2020) for 2020/21, including actions being or proposed to improve the position, where significant variances have been identified, be noted;
2. The General Fund capital position at the end of Quarter 3 (31st December 2020) for 2020/21 be noted;
3. The Housing Revenue Account revenue position at the end of Quarter 3 (31st December 2020) for 2020/21, including actions being or proposed to improve the position, where significant variances have been identified, be noted.
4. The Housing Revenue Account capital position at the end of Quarter 3 (31st December 2020) for 2020/21 be noted.

Reason for Decision:

This report facilitates the understanding of the Council’s financial position for 2020/21. In terms of General Fund revenue, it was a very challenging year due to the financial pressures created by the Covid-19 pandemic.

Other Options for Action:

There were no matters for decision in this report. The Committee was asked to note the contents but may choose to take further action depending on the matters reported.

147. PROPOSED FEES AND CHARGES 2021/22

The Finance and Economic Development Portfolio Holder introduced the report on the proposed fees and charges for 2021/22.

This report focused on discretionary fees and charges for 2021/22, with detailed proposals for both the Council's General Fund and ring-fenced Housing Revenue Account (HRA).

As with all councils, the use of charging has become an increasingly important feature of Epping Forest District Council's financial strategy, as the pressure on the revenue budget limits the extent to which the subsidisation of discretionary services was feasible. Recovering the costs of these services from users where possible helps to ensure the sustainability of the Council's offer to residents and businesses, beyond the statutory minimum, whilst maintaining the lowest Council Tax possible.

The Medium-Term Financial Plan adopted by Cabinet in November 2020 agreed to an assumed average increase of 1% in General Fund fees and charges for 2021/22 which, given the prevalence of statutory fees and charges, also assumed that some discretionary fees and charges would need an increase beyond that level.

Councillor Philip noted some minor amendments to the schedule such as where it related to Taxi Licensing. All fees and charges were to be frozen except for the Annual Drivers Licence (3-year licence) with a proposed increase from £186.00 to £228.00. There were also slight changes to the charges for special waste collections for over 60's. The schedule should say, under proposals for 2021/22, for 1-3 units - £13.80; 4-7 units - £20.80; 8-10 units - £27.60; and 11-15 units - £35.00.

Councillor Bedford noted that on page 55 of the agenda the table contained a lot of ticks and asterisks with no explanations as to what they meant. Could this be amended, and an explanation put in. The Portfolio Holder agreed to do this.

Councillor Janet Whitehouse commented on the charges for venue hire at the museum; there seemed to be an excessive charge for refreshments, could this be reviewed. Councillor Philip replied that they would look at the refreshment charges again.

Councillor Murray noted that appendix A and B of the report were very legible, but appendix C was very hard to read, could this be changed. He was promised that this would be looked at.

Councillor Brookes noticed that the charges for Museum Movers, mainly for senior citizens, (page 38 of the agenda) had gone up from £3.50 to £5.00 this was a steep rise. She was told that the costs had been investigated very carefully and could only say that it maybe they could keep this the same for the next year.

Decision:

- (1) That the proposed General Fund fees and charges for 2021/22 (excluding Car Parking) as set out in *Appendix A* to the report were approved;
- (2) That the proposed General Fund Car Parking charges for 2021/22 as set out in *Appendix B* to the report were approved; and
- (3) That the proposed Council House Rent Increase of 1.5% and a 2.5% increase in other Housing Revenue Account fees and charges for 2021/22 as set out in *Appendix C* to the report were approved.

Reasons for Proposed Decision

As part of the annual budget process changes to fees and charges need to be agreed.

Other options for action

Where the Council has discretion on the level of fees and charges that it sets there were many possible options open to the Council ranging between no increase up to applying quite large increases where justifiable.

148. DRAFT BUDGET 2021/22 (INCLUDING MEDIUM TERM FINANCIAL PLAN UPDATE)

The Finance and Economic Development Portfolio Holder, Councillor Philip, introduced the final budget proposals for 2021/22.

The report set out the Cabinet's Final Budget Proposals for 2021/22 and the Medium Term Financial Plan. If approved by Cabinet, these will then be recommended to Council for consideration at the Budget Setting meeting on 25th February 2021. The Stronger Council Select Committee had considered Cabinet's Draft Budget Proposals at their meeting on 19th January 2021.

As had been previously stated, the development process had been exceptional this year, in that Covid19 was having and would continue to have a massive impact on many areas of the Council's budget. It was expected that this impact would continue into the next financial year, with lasting impacts thereafter, but there was little certainty as to the extent and scale of the continued impact. This had made preparing a robust budget exceptionally challenging and medium-term planning even harder.

As a consequence, the budget had been developed in an environment of ongoing uncertainty and this had meant many significant assumptions have had to be made for next year. This had meant that the budget was less well developed than would normally be expected.

However, this was a balanced budget and he could recommend a Council Tax freeze (of 0%) for 2021/22.

Councillor C Whitbread said that he was glad to have a 0% Council Tax increase and would also like to put on record his thanks to all the officers involved; who in a particularly tough year, had carried out a brilliant job in getting this budget together. Councillor Philip agreed. Councillor C Whitbread went on to praise his Cabinet team who had also brought forward exciting new projects, with officers, despite the Covid

epidemic. They had not only done what was expected of them but also the unexpected, on matters around Qualis, the sports centre and the council house building programme. This should not be forgotten.

Councillor H Whitbread welcomed the freezing of Council Tax. It was good for Epping to have a new leisure centre and to have the continuation of the extra Police Officers and the council house building programme. Another piece of good news was that they now had investment partner status with Homes England which gave the Council opportunities for grants and more projects to come in the council house development programme.

Councillor Philip noted that we provided a lot of things that were not just statutory services, such as the extra police officers.

Councillor S Kane also congratulated the finance team and was pleased to see the Kick Start Programme and the Town Centre Managers in there.

Councillor Murray thanked the officers and the Portfolio Holder on an excellent budget and that they had consulted across the Council on it. He was also pleased with the 0% Council Tax increase. He then asked about the figures for Abandoned Vehicles, why had it gone from £21k this year to a draft expenditure for next year of £6.5k. why so low? Also, under Economic Projects, Safer Communities showed a spend of £238k for 2020/21 but a draft of only £89k for next year.

Councillor Philip thanked Councillor Kane for his comments. As for Councillor Murray's questions, he would have to get back to him about that.

Councillor Heap expressed concern about the amount of debt accruing, citing the HRA as a worry. He also noted that on supplement 3, appendix B, page 5, the columns did not add up. Councillor Philip asked him to send through to him the details of the arithmetical errors he had found (*however after the meeting these errors were shown not to be and that Councillor Heap's figures had been in error*).

Councillor Heap continued that it was important to continue building affordable housing in the district for our residents but agreed that it was right that we were able to afford what we spent.

Councillor Patel was impressed by the budget and noted that the transition from one 151 officer to the other had been seamless during a difficult time. We were lucky to have had two very good officers to support us through this period.

Councillor Wixley was pleased that Council Tax was not going to go up.

Decision:

- (1) The Cabinet considered the Final Budget proposals as set out within the Supplementary Agenda items, together with the comments received from Stronger Council Select Committee; and
- (2) Recommended to Council:
 - a. the Budget for 2021/22 and the updated Medium Term Financial Plan, and;
 - b. The level of Council Tax increase for 2021/22.

Reasons for Proposed Decisions:

The Budget was a statutory requirement for the Council.

Other Options for Action:

N/A.

149. DRAFT CAPITAL PROGRAMME 2021/22 TO 2025/26

The Finance and Economic Development Portfolio Holder, Councillor Philip, introduced the report on capital programme 2021/22 to 2025/22.

The report set out the Cabinet's Capital Programme Proposals for 2021/22 to 2025/26. If approved by Cabinet, these would then be Recommended to Council for consideration at the Budget Setting meeting on 25th February 2021, alongside the Revenue Budget Proposals.

With the focus of the Council being primarily on responding to the pandemic there had been comparatively few new medium and longer term initiatives developed during the past year and so the Capital Programme reflected this (in terms of new schemes added). The proposed programme was therefore a consolidation of existing schemes and the few initiatives that had been considered by Cabinet during the year.

Councillor Bedford was pleased to see that the council was following through on its commitment on the Environment and the £0.5million planned investment on environmental projects and the SAC strategy with Natural England.

Councillor Murray said that this was an impressive Capital Programme, especially the Museum and Library at Waltham Abbey, but added that Waltham Abbey did not have any proper public transport, so it was only possible to get there by car. So, anything the council could do to improve public transport would be very useful. Councillor Philip noted what he said about public transport and noted that we had just put in a DRT (Demand Responsive Transport) bus route and will look to do more.

Decision:

The Cabinet considered the report and recommend to Council the Capital Programme for 2021/22 to 2025/26.

Reasons for Proposed Decisions:

The report is necessary to assist Cabinet in determining the budget that will be placed before Council.

Other Options for Action:

Members could ask for further information or amend current programmes.

150. PROPOSED REDEVELOPMENT OF UNITS 50, 51-52, 60 AND UNIT 10 OF CARTERSFIELD RD, WALTHAM ABBEY

The Finance and Economic Development Portfolio Holder and the Commercial and Regulatory Services Portfolio Holder, Councillors Philip and Patel, jointly introduced the report on the redevelopment units in Cartersfield Road, Waltham Abbey.

Units 50, 51-52, 60 and Unit 10 were industrial warehouse units located at Brooker Road Industrial Estate, Waltham Abbey. They formed part of the long-term commercial property investment holdings of the Council, generating employment in the District and regular rental investment income for the Council.

The Asset Management Team had identified an opportunity for active asset management on this part of the estate. This followed a substantial fire in March 2018, subsequent demolition and the expiry of a number of the commercial lease agreements.

Market appraisals have confirmed that there was opportunity to demolish the remainder of the site, re-develop into modern industrial units and thereby improve the regeneration of the area, the employment prospects, the rental income and capital value of EFDCs property holdings.

In September 2020 planning consent was granted for such a scheme of light industrial units. EFDC was now required to formally tender for the Professional and Project Management Services in order to undertake the redevelopment from pre-works, demolition through to construction and post-completion sign-off.

Decision:

- (1) Cabinet recommended to Council to approve the inclusion of the re-development of Units 50, 51-52, 60 and Unit 10 Cartersfield Road, Waltham Abbey, EN9, in the Capital Programmes Budget for 2021/22; and
- (2) Cabinet granted Delegated Authority to the Portfolio Holder for Commercial & Regulatory Services to appoint a Project Manager on completion of the tender process and approve the indicative budget for projected costs from commencement to completion.

Reasons for Proposed Decision:

Adopting the Recommendations will allow completion of the project. This is in line with the adopted Asset Management Strategy, Medium Term Financial Strategy and Corporate Plan.

Specifically, this pursues:

1. Stronger Council: building improved units will increase the rental income once let achievable on this land, the capital value of EFDCs holdings and therefore long-term financial security.
2. Stronger Place: enhancing local regeneration via new high quality environmentally friendly units. Existing units are partially demolished following the fire, and the remainder are old asbestos containing stock coming to the end of economic life and will require increasing expenditure and decreasing rental income.
3. Stronger Communities: improving opportunities for immediate employment (via the project works and building works) and high value employment (from the completed units once let).

Other Options for Action:

Take no further action in progressing re-development. This will save initial development costs. It however should be noted that the planning consent will lapse, and the rental and capital value of the existing units is declining due to age and in the medium term the units will need to be demolished and redeveloped due to necessity. It should be further noted that Energy Performance Certificate regulations may soon make it impossible to let these units at all if they cannot be bought into certain categories of energy performance.

151. QUALIS QUARTERLY MONITORING REPORT - Q4 2019/20 OUTTURN

The Commercial and Regulatory Services Portfolio Holder, Councillor A Patel introduced the Quarter 4 outturn for Qualis.

The management report presented by Qualis covered the 4th Quarter up until the 31 October 2020, and so is effectively the year end. This 4th Quarter took longer to produce as it needed to align to the Final Accounts and Audit process. This was completed on the 21 January 2021 and so the reconciled management information has now been provided to the Council.

The first year's trading for Qualis was almost entirely taken up with set-up, governance and the appointment of a permanent staffing structures. The Coronavirus pandemic had a significant impact in terms of delaying this whilst the Council focused on the immediate response effort. As a result, very little income was received during the first year, whilst costs were still incurred in the form of professional fees, equipment, salaries and recharges to the Council. Consequentially, the combined loss across the Qualis Group totalled £1.49 million and this would be added to the Qualis Balance Sheet, carried forward and set against future expected profits.

Despite making a loss as a Group taxation was still payable on elements of Qualis activities and this Tax has been paid been paid at the appropriate levels.

Given the points above and noting the impact of Covid19 on all Council activities, Qualis had performed in line with expectations across its first year up until 31 October 2020.

Councillor Heap asked about what exactly had been bought in Leatherhead. He was told that it was the lease of a building. They had bought the freehold of an office building and would have ownership of the management company.

Councillor Murray thought the recent presentation very useful. He then asked if Qualis had recognised the Trade Union side. He was told that they had.

Councillor Wixley asked at what point would Qualis start repaying their loans to the District Council. He was told it would be when they started to generate income from their ventures, in their second year of trading.

Decision:

The Cabinet discussed and noted the report.

Reasons for Proposed Decision:

The Governance framework for Qualis, as agreed by Cabinet in February 2020, set the requirement that Qualis should report to Epping Forest District Council on its performance Quarterly.

Other Options for Action:

None, as this was a report on the previous quarter.

152. PAY POLICY STATEMENT

The Customer and Corporate Support Services Portfolio Holder, Councillor S Kane introduced the report on the Pay Policy Statement.

He noted that Section 38 (1) of the Localism Act 2011 required the Council to produce a Pay Policy Statement for each financial year setting out 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 Act defined remuneration in broad terms and guidance suggests that it was to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments.

Decision:

The Cabinet recommended the Pay Policy Statement to Council.

Reasons for Proposed Decision:

To enable members of the Cabinet to comment on the Council's Pay Policy Statement before it was agreed by full Council.

Other Options for Action:

The content of the Statement could be amended.

153. ANY OTHER BUSINESS

It was noted that there was no other urgent business for consideration by the Cabinet.

154. EXCLUSION OF PUBLIC AND PRESS

The Cabinet noted that there was no business for consideration which would necessitate the exclusion of the public and press from the virtual meeting.

CHAIRMAN