



CABINET
Thursday, 11th February, 2021

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

Virtual Meeting on Zoom
on **Thursday, 11th February, 2021**
at **7.00 pm** .

G. Blakemore
Chief Executive

Democratic Services
Officer

A. Hendry (Democratic Services)
Tel: (01992) 564243 Email:
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Members:

Councillors C Whitbread (Leader of the Council & Leader of the Conservative Group)
(Chairman), , N Avey, N Bedford, A Patel, J Philip, S Kane and H Whitbread

**PLEASE NOTE THAT THIS MEETING WILL BE RUN AS A VIRTUAL MEETING AND IS
OPEN TO ALL MEMBERS TO ATTEND REMOTELY.**

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and set to audio only.

In the event that technical difficulties interrupt the virtual meeting that cannot be overcome, the Chairman may need to adjourn the meeting.

If you have any queries regarding this, please contact the Corporate Communications Manager on 01992 564039.

1. WEBCASTING INTRODUCTION

1. This virtual meeting is to be webcast. Members are reminded of the need to unmute before speaking.

2. The Chairman will read the following announcement:

“I would like to remind everyone present that this meeting will be broadcast live to the internet (or filmed) and will be capable of repeated viewing (or another use by such third parties).

Please also be aware that if technical difficulties interrupt the meeting that cannot be overcome, I may need to adjourn the meeting.”

2. APOLOGIES FOR ABSENCE

To be announced at the meeting.

3. DECLARATIONS OF INTEREST

To declare interests in any item on this agenda.

4. MINUTES (Pages 5 - 14)

To confirm the minutes of the meeting of the Cabinet held on 22 December 2020.

5. REPORTS OF PORTFOLIO HOLDERS

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

6. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

To receive any questions submitted by members of the public and any requests to address the Cabinet.

(a) Public Questions

To answer questions asked by members of the public after notice in accordance with the provisions contained within Part 4 of the Constitution (Council Rules, Rule Q3) on any matter in relation to which the Cabinet has powers or duties or which affects the District.

(b) Requests to Address the Cabinet

Any member of the public or a representative of another organisation may address the Cabinet on any agenda item (except those dealt with in private session as exempt or confidential business) due to be considered at the meeting, in accordance with the provisions contained within Article 7 of the Constitution (The Executive, Paragraphs 27 and 28).

7. OVERVIEW AND SCRUTINY

To consider any matters of concern to the Cabinet arising from the Council's Overview and Scrutiny function and to identify any matters that the Cabinet would like the Overview and Scrutiny Committee to examine as part of its work programme.

8. DRAFT BUDGET 2021/22 (INCLUDING MEDIUM TERM FINANCIAL PLAN UPDATE) (Pages 15 - 20)

Finance and Economic Development (C-062-2020-21) – final draft Budget report.

9. DRAFT CAPITAL PROGRAMME 2021/22 TO 2025/26 (Pages 21 - 28)

Finance and Economic Development (C-064-2020-21) - The report sets out the Cabinet's Capital Programme Proposals for 2021/22 to 2025/26.

10. PROPOSED FEES AND CHARGES 2021/22 (Pages 29 - 56)

Finance and Economic Development – (C-063-2020-21) - This report focuses on discretionary fees and charges for 2021/22.

11. QUARTER 3 - BUDGET MONITORING REPORT 2020/21 (Pages 57 - 70)

Finance and Economic Development – (C-065-2020-21) - sets out the 2020/21 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st December 2020 ("Quarter 3").

12. PROPOSED REDEVELOPMENT OF UNITS 50, 51-52, 60 AND UNIT 10 OF CARTERSFIELD RD, WALTHAM ABBEY (Pages 71 - 116)

Finance and Economic Development – (C-059-2020-21) – these sites forms 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.

13. QUALIS QUARTERLY MONITORING REPORT - Q4 2019/20 OUTTURN (Pages 117 - 182)

Commercial and Regulatory Services – (C-061-2020-21) – this Qualis report covers the 4th Quarter up until the 31 October 2020.

14. PAY POLICY STATEMENT (Pages 183 - 192)

Customer & Corporate Support Services – (C-060-2020-21) - the Localism Act 2011 requires the Council to produce a Pay Policy Statement for each financial year setting out details of its remuneration policy.

15. 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 requires 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.

16. EXCLUSION OF PUBLIC AND PRESS

Exclusion

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

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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

Background Papers

Article 17 of the Constitution (Access to Information) define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

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

The Council will make available for public inspection one copy of each of the documents on the list of background papers for four years after the date of the

meeting. Inspection of background papers can be arranged by contacting either the Responsible Officer or the Democratic Services Officer for the particular item.

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EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee:	Cabinet	Date:	22 December 2020
Place:	Virtual Meeting on Zoom	Time:	7.00 - 8.15 pm
Members Present:	C Whitbread (Chairman), N Avey, N Bedford, A Patel, J Philip, S Kane and H Whitbread		
Other Councillors:	R Brookes, L Burrows, S Heap, S Heather, H Kauffman, S Murray, S Neville, D Plummer, C C Pond, C P Pond, J Share-Bernia, D Stocker, J M 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 (Strategic Director), Q Durrani (Service Director (Contracts & Technical Services / Commercial & Regulatory)), J Gould (Service Director (Community & Wellbeing)), C Hammond (Museums, Heritage & Culture Specialist), C Hartgrove (Interim Chief Financial Officer), A Hendry (Democratic Services Officer), S Kits (Lead Corporate Communications Officer - People), V Messenger (Democratic Services Officer) and A O'Connor (Museums, Heritage & Culture Specialist)		

111. 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.

112. DECLARATIONS OF INTEREST

Pursuant to the Council's Member Code of Conduct, Councillor C C Pond declared a non-pecuniary interest in agenda item 13 – Waltham Abbey Community and Cultural Hub, by virtue of being the Chairman of the Holocaust project and also as County Councillor. The Councillor had determined that his interest was non-prejudicial and that he would stay in the meeting for the consideration of the item.

113. MINUTES

Decision:

The Minutes of the Cabinet meeting held on 16 November 2020 be taken as read and would be signed by the Leader as a correct record.

114. REPORTS OF PORTFOLIO HOLDERS

The Planning and Sustainability Portfolio Holder, Councillor N Bedford, noted that he had recently signed off the Air Quality Mitigation Strategy but that had now been called in. An informal meeting had been arranged in a couple of days' time between the lead member of the call-in and himself to see if they could find a way forward.

The Housing and Community Services Portfolio Holder, Councillor H Whitbread, reported that there had been some delay due to the tier 4 restrictions on the free school meals programme and there have been some changes to what she had described at the full Council meeting. She reported that 31,000 free meal vouchers from Essex County Council have been provided to vulnerable families.

115. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

The Cabinet noted that no public questions or requests to address the Cabinet had been received for consideration at the meeting.

116. OVERVIEW AND SCRUTINY

There was no report from the Chairman of the Overview & Scrutiny Committee as there has not been a meeting since the last time Cabinet had met.

117. DRAFT BUDGET PROPOSALS 2021/22

The Finance and Economic Development Portfolio Holder, Councillor Philip introduced the draft budget proposals for 2021/22. He noted that this had been a most taxing year for a budget for a long time. Things would change between now and February such as the unexpected move to Tier 4 recently imposed. He would try and stay as true as possible to his initial Medium Term Finance Strategy but moving into Tier 4 may have significant impact going forward.

The report would proceed for consideration by the Stronger Council Select Committee on 19th January 2021, before returning to Cabinet. Once Cabinet had considered the views of the Stronger Council Select Committee, and the budget has been updated for the latest developments, the final Budget proposals and an updated MTFs will be submitted to Council in February.

The budget was less well developed than would normally be expected, and publication deadlines were being squeezed in order to get greater certainty, to ensure a reasonable trade-off between refinement and the need for meaningful scrutiny.

He highlighted that employee cost had gone up. They had also put in for the first time the pension fund deficit reduction payment so that we could see the impact of what's happening there. It would have a significant impact with a net cost to the general fund of just under a half million pounds. There was some detailed work on fees and charges carried out, such as not having any increase in car parking charges. With the introduction of the vaccine there was some hope of having the leisure centres back in operation, but now with Tier 4 in operation we shall have to wait and see. They had now determined the base for Council Tax for 2021/22, still assuming a £5 increase in a band D property. They have upped the support that we would get from government for around £1.4million and a contribution from the council's reserves of about £1million to enable the council to balance its budget.

Councillor Brookes said that government money was available for the leisure industry and asked if we could re-coop some of our costs for the leisure centres. She was told that we had already recovered some money from the Government for the leisure area.

Councillor Brookes then asked about the loss on the HRA account for the current year and asked for more detail. She was told that this budget paper was for next year

and officers would know much more in February about what is happening in the HRA as this has not been a typical year.

Councillor Wixley asked if there was any indication on when the residents in the districts would have received the vaccination, as this would affect the use of the sports centres. He was told that the vaccinations were being rolled out as quickly as possible, starting with the older generations, who also used our sport centres.

Councillor Heap noted that rates were historically low at present and asked if we could use it to help in the refinancing event. He was told that this was for the HRA and would not help the general fund.

Decision:

- (1) The Cabinet considered the draft budget proposals; and
- (2) requested that the Stronger Council Select Committee consider the draft budget proposals, and the emerging Medium-Term Financial Plan, and make comments to Cabinet for their consideration.

Reasons for Proposed Decision:

To set a framework within which the Council can develop and set its Budget for 2021/22 and update its Medium-Term Financial Strategy.

Options for Action:

None at this time.

118. TELECARE PROVISION

The Housing and Community Services Portfolio Holder, Councillor H Whitbread, introduced the report on the provision of Telecare for the district.

In October 2019 Essex County Council's Cabinet agreed to invite tenders for the delivery of a county-wide care technology service.

This affected EFDC's provision of a telecare service to private residents within the District and a paper was brought to Cabinet in June 2020 which recommended the cessation of EFDC's own telecare service to private residents subsequent to the mobilisation of a new county-wide provision.

Since the onset of the current Covid-19 pandemic, the procurement of Essex County Council's new care technology service had experienced delays and had also forced reconsideration of the requirements a new care technology service originally set out.

This development did not change the impact of a county-wide provision on EFDC's own telecare service nor the decision to cease EFDC's own service once it was mobilised.

However, this development did impact on the original timescales for the cessation of EFDC's own provision which was originally anticipated to have been by the end of the fiscal year 2020-21.

EFDC's own provision was now unlikely to cease before the end of Q1 2021-22 to allow for mobilisation of the full county-wide service by June 2021 and the subsequent work transitioning customers from EFDC's own provision to a different provider to ensure that Epping Forest residents were not left for any period without any telecare provision.

Councillor Murray sought reassurance that our own services could still deliver the services during this extended period. He was given this assurance.

Decision:

(1) The Cabinet noted the update in relation to Essex County Council's procurement of a new care technology service for adult social care and the subsequent impact on EFDC's telecare provision; and

(2) Agreed to the continuation of EFDC's own telecare service until June 2021 in light of Essex County Council's postponed procurement activity.

Reasons for Proposed Decision:

To ensure residents in the District receive continuity of telecare service.

Other Options:

Not to agree the continuation of EFDC's telecare provision until June 2021 which would mean a potential gap in service provision for District residents who rely on a telecare service to enable them to safely live independently for longer.

119. CHANGE IN AGENDA ORDER

For ease of consideration the Cabinet agreed to reverse the order of the remainder of the agenda and to take item 13, then item 12, 11 and 10 in that order.

120. WALTHAM ABBEY COMMUNITY AND CULTURAL HUB

The Housing and Community Services Portfolio Holder, Councillor H Whitbread, introduced this report.

She noted that a feasibility study had been undertaken in line with the 2020/21 Budget, by officers for the creation of a Community and Cultural Hub in Waltham Abbey "the hub", will see the District Museum combine with Waltham Abbey Library, owned and managed by Essex County Council.

This proposal was seen as a key opportunity to provide improved Council services to local residents in the area and at the same time, provide a mechanism for supporting economic and community regeneration of the town centre through new and additional footfall to Sun Street and provision of a multi-purpose community learning and skills space.

This report sought Cabinet approval to continue dialogue with Essex County Council in respect of a potential Service Level Agreement (SLA) and to enable officers to progress discussions with appropriate parties (including Qualis) in respect of funding capital works.

Councillor S Kane commented that it was important that we did this as it would mirror the hub we would be setting up in Epping. He asked if there was any indication of a timeline. He was told that no timescale had been set as yet, officers had been talking to Essex CC for some time and were awaiting tonight's Cabinet decision.

Councillor Philip welcomed the scheme but noted that there was a potential cost of about £1.5million and he wondered where we were going to fund this from; and had it been put into the Capital budget for next year? This should be made as a recommendation for a bid for Capital support. A regular income had been projected for 2022/23 which was encouraging, with a return of about 13%, a very good return; and we could add to that some savings. But he wanted to make sure that the costs were factored into next year's budget. Councillor H Whitbread said that this was in line with the 2020/21 budget in investing for the future. However, it was agreed that this would be added as a recommendation.

Councillor Patel welcomed the report and was keen that this type of model went through to the rest of the district and was glad that we were taking the lead on libraries.

Councillor Bedford suggested that officers should also look at having a police/fire presence at the hubs maybe giving home fire safety advice.

Councillor H Whitbread remarked that sustainable hubs across the district was vital and agreed with Councillor Bedford about having a police/fire presence.

Councillor Plummer welcomed the report and asked if there was still the intention to buy the Police Station to use as a community asset. He noted that the arts and creative industries would have a massive economic and social benefit and would like to see something around this brought into a social hub. Councillor H Whitbread was unsure as to where the Council was in its negotiations on the Police Station. She had noted his comments and would take them on board. Mr Dawe said that the Police Station was subject to another offer but that we would continue to register our interest.

Councillor Murray said this was an excellent report. He reminded the meeting that Loughton also existed. It was the biggest town in the district with a struggling parade in the Broadway, and two wards with high levels of social deprivation. Could the concept of cultural hubs be extended towards Loughton and have a library in there and not run by the college. Councillor C Whitbread said that they have had massive investment in the Loughton swimming pool and the investment in Debden Broadway and other investments in Loughton over the years. All done by a conservative administration with no representation in Loughton. No part of the district was forgotten.

Councillor Chris Pond welcomed the report but the space under discussion for the Library was much too small. He thought the idea of including the Police in this was a good one. Councillor H Whitbread noted his point on the provision of a good Library for the town.

Decision:

1. In line with proposals outlined in the 2020/21 Budget, that the Cabinet agreed to support the creation of a Community and Cultural Hub in Waltham Abbey as part of phase 1 of the regeneration of the Town Centre. This would be achieved by combining Epping Forest District Museum (39-41 Sun Street) with Waltham Abbey Library (37 Sun Street), subject to Essex County Council contributions and statutory

agreements; this would strengthen the community hub approach to service delivery currently being created with the Civic Office at its heart;

2. The Cabinet noted the bid for £1,540,000 for the 2021/22 budget to undertake the light refurbishment specifications, and that this included a 10% contingency for any unexpected costs.

3. The Cabinet agreed that officers be authorised to further explore the operational and management model for the hub with Essex County Council and associated service level agreement between EFDC and ECC for operation of the hub; and

4. That officers undertook further work as to the financing and completion of the project, noting that required resources were included in the current 2021/22 Budget Assumptions to meet any set-up costs and the borrowing costs that support the proposed capital expenditure.

Reasons for Proposed Decision:

The Council has a unique opportunity to improve local services to its residents in Waltham Abbey through the establishment of a Community and Cultural Hub that will extend the community hub model currently being built with the Civic Office at its heart. The Waltham Abbey hub will incorporate Essex County Council Library Services, EFDC Customer Services as well as space for partners (e.g. VAEF and EFCA) and the wider community which can be used for learning and skills, drop-in workspace, activities and events.

This hub will be a catalyst for increasing footfall to the Town Centre and supporting the long-term sustainability of retail and local business.

This proposal therefore brings together the benefits of; strengthening the community, assisting regeneration of the high-street and the approach to using the District's buildings as community hubs wherever practical.

Other Options for Action:

Not to proceed with the proposal. However, this will prevent the opportunity for the Council to provide much needed Customer Services and learning opportunities in a disadvantaged area of the district, which is significantly limited by public transport services.

121. WALTHAM ABBEY TOWN CENTRE

The Chief Operations Officer, N Dawe, explained that this was the first in a series of reports for each of the district's conurbations. Other would follow in the coming months. These were very action orientated on purpose, with precise targets to be achieved and similar reports were envisaged for other town centres. Some consultations have already happened, although they had been difficult to carry out in the current circumstances.

Councillor Patel noted that this partly came under his Covid recovery work. He welcomed this report and noted that the money already allocated to Town Centre Managers showed the Cabinet's commitment to this. It was important that the actions being set had robust timelines and that an appropriate Scrutiny Committee would also monitor the work being undertaken and the progress made. In terms of the work

being undertaken it would be useful to understand what money would be made available to the Town Centre manager as this was not clear. He would also like to know how the consultants were appointed. As for engagement with stakeholders, he would like the Chamber of Commerce and others also included; not just the Town and Parish Councils. He noted the comparison of vacant units between 2019 and 2020, and asked how did we get to that figure, as they could be vacant for various period of time, 1 or 2 or more months? Mr Dawe replied that as for targets, timelines and resources would form the basis of a separate report. We were using current resources to carry out the actions named in the report. Any additional amount would be identified for the next stage. As for the how the consultants were chosen, he could not remember at present and would have to get back to the councillor. Vacant units were effectively identified by repeat spot surveys to give a sense of the position of the High Streets. Councillor Patel reiterated that he wanted measurable targets and did not want lack of resources as a reason to not achieve this.

Councillor Philip confirmed that these were 'point in time' surveys of occupancy and were not detailed analyses. He noted that a Town Centre Manager would not be managing the Town Centre but managing projects for the Town Centre, he should really be called a Town Centre Project Manager. If we decide to go ahead, we should bring another report to Cabinet with the project plan and the project fully costed.

Councillor S Kane agreed it should be costed and scheduled, but it should not delay the quick wins we could still do.

Councillor Plummer said that this was a good report, but it was the first time he had heard of this and it would have been nice if he had been consulted as he had been very involved in local businesses in recent years. Councillor C Whitbread noted that a lot of this had come from the Covid Recovery Portfolio Advisory Group, with representation from all groups.

Decision:

1. The Cabinet considered the report produced by independent business consultants, Studio 3, on the economic viability of Waltham Abbey Town Centre, which includes recommendations to improve short and medium-term sustainability of businesses in Sun Street;
2. That Cabinet agreed to proceed with the recommended actions contained within the report, including the proposal to introduce a Town Centres Project Manager, (Waltham Abbey and Ongar), on a fixed term basis for a period of 3 years at a cost of c £50k per annum. This postholder would organise and deliver on the specific project targets to lead and implement a phased programme of work in each of the Town Centre's across the district in conjunction with town and parish councils, businesses and other interested policies; and,
3. The Cabinet noted the bid for the 2021/22 budget that £150,000 be earmarked from the unallocated General Fund balance, to the District Development Fund Reserve, to fund the initiative – at £50,000 per annum – for three-years commencing 2021/22.

Reasons for Proposed Decision:

This report forms part of the Council's Covid Economic Recovery Programme, which had been designed to help support and improve economic viability of Town Centre's across the district. The study conducted by Studio 3, was a completely independent

view of the status of the economy in Sun Street, Waltham Abbey and identifies what was necessary to increase footfall; support local businesses and help sustain high street viability in the medium term.

Other Options for Action:

Cabinet could decide not to proceed with the recommendations, or, to agree to some and not others.

122. TOWN CENTRE REGENERATION - GENERAL REPORT

The Leader of the Council, Councillor C Whitbread introduced the report noting that this went with the last item, the Waltham Abbey Town Centre report. Asked if he would like to comment, Councillor Patel said that his comments would be the same as the last report. It was the right thing to do, bringing forward these reports.

Councillor Philip was happy with the report and to bring this work forward in the future under the Economic Development banner as that team were doing the majority of the work. As per paragraph 5 of the report officers had already spoken with the Parish/Town Councils of Epping, Loughton and Buckhurst Hill. In order to ensure that we were successful in our endeavours, with the resources that we had it was easier to carry out the work sequentially rather than trying to do it all at one time. We will do the best for all areas in our District but take them one at a time.

Councillor Neville asked if the timetable for the completion was known and could be expanded on. Councillor Philip replied that this was a very difficult question to answer at this time. They were looking at the areas after Waltham Abbey; once they had something in place for Waltham Abbey, it would be easier to work on the other areas; although they are currently doing things for other areas at the same time they worked on Waltham Abbey.

Councillor S Kane commented that it was important that we get there as quickly as possible.

Decision:

The Cabinet noted the progress and issues that would arise in current and subsequent individual town centre reports.

Reasons for Proposed Decision:

This report does not require a decision or recommendation.

Other Options for Action:

N/a

123. POST COVID PROJECTS, WALTHAM ABBEY TOWN CENTRE, WALTHAM ABBEY TOWN CENTRE HUB

The Cabinet noted this report as being the covering reports for the above town centre reports.

They agreed that the sums of money mentioned be noted as bids for the 2021/2 budget.

Decision:

The Cabinet noted the covering report on Town Centres projects and initiatives.

Reasons for Proposed Decision:

This report does not require a decision or recommendation.

Other Options for Action:

N/a

124. ANY OTHER BUSINESS

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

CHAIRMAN

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Report to the Cabinet

Report reference: C-062-2020/21
Date of meeting: 11 February 2021



Portfolio: Finance and Economic Development – Cllr J. Philip

Subject: Final Budget Proposals 2021/22 and Medium Term Financial Plan Update

Responsible Officer: Andrew Small (07548 145665).

Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) To consider the Final Budget proposals as set out within the Supplementary Agenda item, together with the comments received from Stronger Council Select Committee and after making any amendments that Cabinet consider necessary; and
- (2) Recommend 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.

1. Executive Summary

- 1.1. The report sets 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.
- 1.2. Stronger Council Select Committee considered Cabinet's Draft Budget Proposals at their meeting on 19th January 2021. The Committee's comments are attached as Appendix A, in the form of an extract from the draft minutes of that meeting. Cabinet are requested to consider the comments made by Stronger Council and also consider whether any amendments are required to the Final Budget proposals before these are recommended to Council.
- 1.3. As has been previously stated, the development process has been exceptional this year, in that Covid19 is having and will continue to have a massive impact on many areas of the Council's budget. It is expected that this impact will continue into the next financial year, with lasting impacts thereafter, but there is little certainty as to the extent and scale of the continued impact. This has made preparing a robust budget exceptionally challenging and medium term planning even harder.

- 1.4. As a consequence, the budget has been developed in an environment of ongoing uncertainty and this has meant many significant assumptions have had to be made for next year.
- 1.5. This has meant that the budget is less well developed than would normally be expected, and publication deadlines have been squeezed in order to achieve greater certainty whilst ensuring a reasonable trade-off between refinement and time for due consideration.
- 1.6. Consequentially, in order to provide a few more days to develop the Final budget, the budget paper will be issued as a Supplementary paper ahead of the meeting.

2. Resource Implications

- 2.1. These are contained within the attached report

3. Legal and Governance Implications

- 3.1. None contained within this report.

4. Safer, Cleaner and Greener Implications

- 4.1. None.

5. Consultation Undertaken

- 5.1. None

Background Papers

Extract from the Draft Minutes from Stronger Council Select Committee – 19th January 2021 - DRAFT BUDGET PROPOSALS 2021/22

Councillor Neville thanked the officers for their hard work as it was not an easy year to develop a budget. However, he would expect more detail at this time of the cycle and asked when we would see this at a Cabinet meeting. He was told that the budget was less developed as it normally would be. There would be more details in the February Cabinet and Council meetings. Councillor Philip asked if he was looking for information on the small savings to be made or for the big ones. Councillor Neville replied it was nothing in particular but maybe more on the smaller items.

Councillor Brookes asked about the rent increase mentioned of 1.5%, was this set by us or were we told to do so. She was told that this was at our discretion, in line with CPI inflation plus 1%.

Councillor Brookes then asked how many tenants had their rents paid by Housing Benefits, what sort of percentage. Officers did not have that information with them and said they would get back to her on this.

Following the meeting the following answer was given:

“I can confirm that the Council holds the following statistics re Proportion of Housing Rents paid by Benefits:

- 2018/19 - 46.6%
- 2019/20 - 41.0%
- 2020/21 (to Week 30) - 35.4%

As you can see, there is a fairly strong downward trend, which is the result of working age claimants migrating from Housing Benefits to Universal Credit (UC), which has been ongoing for a while now (the vast majority of UC claimants receive the money and then pay their rent to the Council).

Theoretically the figures quoted above do include UC claimants. However, the figure is known to be significantly understated. The Council’s current Housing system (“Ohms”) is aging and was not built to cope with UC, although the Council is procuring a new Housing system, which will improve the situation, (unless the system changes in some way) there will still be a large number of UC claimants who are paying their rent in full and on time, that never get identified on the Council’s system as UC claimants.”

Councillor Brookes then asked about the Housing Repairs Fund; as repairs were going to Qualis now, would this effect things. She was told that it would be cost neutral, payments would remain the same except it would be external payments and not internal.

Councillor Jon Whitehouse agreed that there was a lack of detail and it was not unreasonable that they should have service level budgets with comparison figures to previous years. He then asked how much the £5 increase in Council Tax would bring in and how many of the government changes and settlements were one year changes and how many would still be in effect in future years. He was told that the £5 increase would raise £270k, as for the other government changes they were mostly one off adjustments and officers were uncertain if they were to be extended. The New Homes Bonus had been extended for one more year, no extension for the Covid support was expected and others

such as the local tax support grant depended on how quickly the economy recovered. We have also been promised a fundamental review of Local Government funding for a number of years now and this will be pushed back for another year or more or maybe axed altogether; but it could be reviewed at any time.

Councillor Rackham thanked officers for their hard work and asked about business rates and council tax and how well had we performed compared to other authorities. She was told that there was no neat answer to this; information was still emerging. We had performed badly on council tax and business rates but so had others. We did not know what would be the lasting legacy after this. The government would be giving back about 75% of our losses so that was not too bad. As for business rates, businesses have been massively affected by the pandemic and we may have a number of bankruptcies. But we did start the Pandemic with strong reserves, so were not suffering as much as other authorities. Councillor Philips added that traditionally businesses rates and Council taxes collections was the highest amongst our neighbours, so we had further to fall than they had. On the plus side these rates have not fallen as drastically as other places. We will only know when other authorities set their budgets. We have not had to cut or drop any of our services except for the leisure centres.

Councillor H Kane asked how much would the financing costs project, on further work—including the 2021/22 impacts of the joint Museum and Library project at Waltham Abbey, cost. She was told that paper went to the Cabinet before Christmas putting a business case for this. The anticipation generated by this new centre would cover the financing costs associated with it. There was about £200k already in the budget for this, but there was still more work to do in refining this. Councillor Kane asked if the officer would let her know when he had the figures. She then asked about the 'non dwellings rents' in Appendix B, what were they? She was told that these were garage rents. She then asked who carried out major repairs on leasehold properties. She was told that Qualis did this now.

Councillor H Kane then asked about the interest payable on loans; which loans were these. She was told that the council borrowed, back in 2012, as part of buying its way out of the Housing Subsidy scheme and now services this loan instead of paying over an annual subsidy to the Government.

Councillor Bassett asked when we could expect further details and asked about transfer payments, the estimates have gone from £29.5million to just under £25.5 million, what was happening. Also, something mentioned through the report was insurances, and changes in the value of insurances etc. could officers explain a bit more. He was told that transfer payments relate to Housing Benefits Payments, so at present the governments roll out of Universal Credit (UC) which means that some claimants and new claimants were being gradually migrated to universal credit. The rate of migration to UC seems to be an area of uncertainty. But this is self-balancing due to government contributions. Councillor Bassett asked if we got paid by the government for administrating this on their behalf. He was told that yes, we did, this had not changed. As for insurance, this was a one off – previously the council had accounted for insurance in a holding account that sat outside the main fund budget. This had not been put in before, but as there was a new team this was now put in as part of the detail. Councillor Philip added that they were now being more transparent.

Councillor Bassett noticed an overspend of just under £600k, on Capital Charges due to a deficient Depreciation budget, was the same problem encountered in 2019/20. What was the problem. He was told that the 2019/20 budget set back in February 2019, which showed a half million depreciation in the budget by which time the budget for 2020/21 had already been set so it had rolled over so keeping the same problem. We propose to correct this in 21/22 so it should not happen again.

Councillor Bassett asked again when they would see the details and was told that officers were working on it and were nearly finished. Councillor Philip added that would be when they were sufficiently sure of the figures and would bring it to Cabinet if not the Council. Officers were also waiting for the County to set their budget, hopefully on 23 February.

Councillor Murray thanked officers for their work and the Portfolio Holder as this had not been an easy year. He agreed that they needed more details by the time of the full council meeting. He noted that it was said that no services would be cut, but presumably there would be less funding for them. He would like to know if we did not raise Council Tax at this late stage where would we get this money from? Councillor Philip echoed his thanks to the work done by the officers. This had been a challenging year and next year may prove to be more challenging. He did not want to put up Council Tax, but they were still setting the budget and would keep working the budget to see what they could do and hoped not to leave services with less money.

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Report to the Cabinet

Report reference: C-064-2020/21
Date of meeting: 11 February 2021



Portfolio: Finance and Economic Development – Cllr J. Philip

Subject: Capital Programme 2021/22 to 2025/26

Responsible Officer: Andrew Small (07548 145665).

Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

(1) To consider the Capital Programme and after making any amendments that Cabinet consider necessary;

(2) Recommend to Council

a. The Capital Programme for 2021/22 to 2025/26

1. Executive Summary

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

1.2. As has been previously stated in relation to the development of the Revenue Budget and Medium Term Financial Plan, this year's budget process has been exceptional, in that Covid19 is having and will continue to have a massive impact on many areas of the Council's activities. It is expected that this impact will continue into next financial year, with lasting impacts thereafter, but there is little certainty as to the extent and scale of the continued impact. This has made preparing a robust budget and capital programme exceptionally challenging and medium term planning even harder.

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

1.4. As the focus on dealing with the immediate impacts of Pandemic reduces it is expected that a greater focus will be placed on assessing the lasting impacts. As this takes place Capital Plans will need to be revisited and a more thorough review of the Council's capital investment requirements will be undertaken.

1.5. To accommodate the current focus on Budget development and refinement, due to the rapidly evolving position, publication deadlines on all budget items have been squeezed. Consequentially, in order to provide a few more days to develop the Capital Programme the paper will be issued as a Supplementary paper ahead of the meeting.

2. Resource Implications

2.1. These are contained within the attached report

3. Legal and Governance Implications

3.1. None contained within this report.

4. Safer, Cleaner and Greener Implications

4.1. None.

5. Consultation Undertaken

5.1. None

Background Papers

Draft Capital Programme 2021/22 to 2025/26

1. Background and Introduction

- 1.1 The Capital Programme plays a vital part in the delivery of the Council's Corporate Plan, since long-term investment is required to deliver many of the objectives in the Plan. The draft Capital Programme presented is a rolling five-year programme. It builds upon the two-year Programme adopted by the Council in February 2020 and takes account of adjusted priorities in the light of the Covid-19 pandemic.
- 1.2 The Capital Programme is in two parts and comprises total investment of £266.972 million (General Fund £94.820 million, Housing Revenue Account £172.152 million) over the five-year period 2021/22 to 2025/26.
- 1.3 The purpose of this report is to present for consideration, and seek approval for, the Capital Programme 2021/22 to 2025/26 to be recommended to Council. The revenue consequences of the Programme are reflected in the 2021/22 draft budget, and updated Medium-Term Financial Plan presented elsewhere on this agenda.

2. General Fund Capital Programme 2021/22 to 2025/26 (*Annex 1*)

- 2.1 The General Fund Capital Programme totals £94.820 million and is summarised by service area in the table below.

Draft General Fund Capital Programme 2021/22 to 2025/26: Service Analysis						
Service	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Community & Wellbeing	470	770	0	0	0	1,240
Contracts & Technical	2,999	15,089	13,552	1,061	1,001	33,703
Corporate Services	2,114	50	0	0	0	2,164
Housing (General Fund)	113	25	25	25	25	213
Place	250	250	0	0	0	500
Qualis	10,000	47,000	0	0	0	57,000
Totals	15,946	63,184	13,577	1,086	1,026	94,820

- 2.2 The individual schemes in the table above include the following:

- **Community and Wellbeing (£1.24 million)** – the Museum and Library Joint Facility at Waltham Abbey is the sole capital scheme within the Community and Wellbeing Service. The scheme is at the heart of the proposed development of Community and Cultural Hub in Sun Street, Waltham Abbey. On 22nd December 2020 Cabinet approved total funding for the scheme of £1.54 million to be included in the draft Capital Programme to enable officers to progress discussions with appropriate parties in respect of funding capital works.

- **Contracts and Technical (£33.703 million)** – the Contracts and Technical service is leading on seven separate schemes, which are dominated by three in particular:
 - Cartersfield Road (£2.807 million) – this scheme is presented for approval elsewhere on the agenda. The scheme will see the redevelopment of a group of Council-owned industrial warehouse units, situated in Cartersfield Road, Waltham Abbey. The spending included in the proposed Capital Programme, is partly funded by an insurance receipt received in relation to a previous fire at the site (the final balance on the receipt to be applied in 2021/22 is £358,000)
 - Epping Leisure Facility (£25.0 million) – the new Epping Leisure Facility is the single largest scheme included in the Programme. The scheme will see the development of a replacement leisure facility for the existing (and aging) leisure facility as well as the construction of a multi-story car park. Cabinet approved the addition of this scheme to the draft Capital Programme at its meeting on 21st January 2021. A full business case will be developed for further consideration by Scrutiny and approval by Cabinet before the scheme progresses to development; and
 - Disabled Facilities Grants (£4.858 million) – the Government has recently indicated that it intends to uplift the national allocation for Disabled Facilities Grants in 2021/22 by 13.5% compared to 2020/21. Individual council allocations are still awaited at the time of preparing this report. It is therefore currently assumed within the draft Programme that Epping Forest District Council will receive the average uplift of 13.5% (i.e. rising from £855,956 in 2020/21 to £971,510 in 2021/22). No uplift is currently assumed beyond 2021/22.
- **Corporate Services (£2.164 million)** – planned spending covers the Council's ICT capital investment needs. The most significant item is a provisional allocation £2.021 million for the development and progression of the ICT Strategy. The pandemic has highlighted the need for investment in modern, integrated and "Cloud" based technology that will enable and promote flexible working and deliver solutions which adapt to the changing needs of the Council's customers.

Detailed work is currently in progress on evaluating the potential for moving the Council's on-site data centre to the Cloud. In addition, work has also commenced on evaluating the current on-site telephone system, the Council's collaboration and flexible working tools, as well as the current document storage solution.

The work is expected to conclude that a move to a more modern solution is necessary and can provide real value to the Council. The provision in the Capital Programme therefore represents a 'placeholder' in the Council's funding plans and any spending will require justification and approval by scrutiny and Cabinet, based on detailed business cases.

- **Housing (Property Services) (£0.213 million)** – currently planned works on the Council's Investment and Operational properties is £0.213 million. The requirement for planned work on Investment Properties is usually limited to void repairs as standard lease arrangements entail full repair and insurance responsibilities for tenants. The future capital needs of the Operational Property portfolio will be the subject of a detailed review in the year ahead as the Council develops a new Asset Management Plan (AMP); the new Civic Offices provides a good base, but the AMP will ensure that all General Fund capital assets continue to be of long-term use against a backdrop of rapid operational and technological change.

- **Place (£0.5 million)** – there is planned capital investment of £0.5 million on Environmental Projects over the two-year period 2021/22 and 2022/23. The proposed allocation is provisional at this stage and is subject to the completion of a Climate Strategy and the agreement of a “Special Area of Conservation” (SAC) Strategy with Natural England. The inclusion of the funding in the Capital Programme ensures adequate provision is included within revenue budgets. Additional contributions will be sought from Section 106 agreements, which will help the delivery of tree planting and other projects; and
- **Qualis (£57.0 million)** – this is the balance on the previously agreed £63.0 million Regeneration Finance Loan (first advance of £6.0 million scheduled for Quarter 4 2020/21). The loan is a key enabler in the delivery of the Council’s regeneration priorities in the district through Qualis; the Council will receive a revenue margin on the loan, which is available to support general spending and minimise Council Tax increases.

3. Housing Revenue Account Capital Programme 2021/22 to 2025/26 (*Annex 2*)

3.1 The Housing Revenue Account Capital Programme totals £172.152 million and is summarised in the table below.

Draft HRA Capital Programme 2021/22 to 2025/26						
Description	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£000’s	£000’s	£000’s	£000’s	£000’s	£000’s
Housing Development Programme	24,506	42,925	39,100	7,443	0	113,974
Capital Works	11,970	12,957	11,709	11,656	11,356	59,648
Other Housing Schemes	30	0	0	0	0	30
Leaseholder Contributions	(300)	(300)	(300)	(300)	(300)	(1,500)
Totals	36,206	55,582	50,509	18,799	11,056	172,152

3.2 The Programme is dominated by the Housing Development Programme and routine Capital Works:

- **Housing Development Programme (£113.974 million)** – the Housing Development Programme includes a combination of (direct) Housebuilding and Acquisitions from Qualis. Thus:
 - **Housebuilding (£91.467 million)** – subject to the necessary planning consents, the Housebuilding Programme is expected to provide up to 417 properties over 18 sites (exact size and type of units to be determined based on demand and in consultation with councillors and residents). This includes the “4.2 Programme”, which will see the development of 22 units spread over Buckhurst Hill, Debden, Loughton and Waltham Abbey and has been successful in attracting grant funding of £1.3 million from Homes England. The rest of the Programme will still be supported by “1-4-1” Right to Buy receipts (up to a limit of 30%) wherever possible

- Qualis Acquisitions (£22.507 million) – the Development Programme also includes the planned acquisition of around 107 affordable rent and shared ownership properties at the St. Johns, Conder and Hemnall Street sites (currently owned by the Council, but shortly to be sold to Qualis).
 - **Capital Works (£59.648 million)** – planned Capital Works (which includes works on Windows, Doors, Roofing, Kitchens, Bathrooms etc.) over the five-year period average out at £11.930 million annually. This compares to a 2020/21 budget of £9.592 million. The increase reflects latest Stock Condition data, which is flagging a need to address significant ‘end of lifecycle’ issues over the short and medium-term.
- 3.3 Members should note that the HRA, including the Capital Programme, is currently the subject of a detailed review of the HRA Business Plan. The current 30-Year Business Plan was adopted by the Council in 2018, immediately prior to the Government announcement removing the HRA Borrowing Cap. This has led to a more expansive approach by the Council, and the new Business Plan is being designed to support that, whilst ensuring the long-term financial sustainability of the HRA. It is a detailed undertaking, with initial results anticipated in the summer of 2021. At that point, the medium-term elements of the Capital Programme may need some adjustment. If so, a separate report will be prepared for consideration by Members.
- 3.4 Members should further note that an updated three-year Capital Strategy is currently under development by officers. This is a requirement of CIPFA’s Prudential Code and consolidates the wider capital-related strategies of the Council, including the Capital Programme, Commercial Investment, Treasury Management and Asset Management. This will be presented to the Audit and Governance Committee in March 2021.

4. Resource Implications

- 4.1 The resource implications are presented in Annex 1 (General Fund) and Annex 2 (Housing Revenue Account). This includes an illustration of the Council’s prudential borrowing needs over the next five years, beginning 2021/22.

5. Legal and Governance Implications

- 5.1 The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. The revenue-related financial implications of the 2021/22 element of Capital Programme are embedded in the draft revenue budgets for 2021/22.

6. Safer, Cleaner and Greener Implications

- 6.1 The Capital Programme forms a key part of the Council’s commitment to a ‘Safer, Cleaner and Greener’ (SCG) district. Most notably the General Fund Programme includes an allocation of £500,000 towards Environmental Projects over the two-year period 2021/22 to 2022/23. The Housing Revenue Account Capital Programme also includes many SCG features including a range of environmentally friendly features within the planned Housebuilding Programme.

7. Consultation Undertaken

- 7.1 The potential capital investment opportunities available to the Council are a key consideration in developing policy and strategy, that is informed by the public consultation process. Both the General Fund and Housing Revenue Account capital programmes are purposely focussed around the delivery of the Council’s Corporate Plan 2018-2023 and its three core ambitions of Stronger Communities, Stronger Place and Stronger Council.

General Fund Capital Programme 2021/22 to 2025/26

DRAFT

General Fund Capital Programme MTFP 2021/22 to 2025/26 (DRAFT)								
Directorate	Service	Scheme	2021/22	2022/23	2023/24	2024/25	2025/26	Totals
			£'s	£'s	£'s	£'s	£'s	£'s
<i>Community & Wellbeing</i>	Waltham Abbey Hub	Joint Museum and Library Facility	470,000	770,000	-	-	-	1,240,000
		Sub-Totals	470,000	770,000	-	-	-	1,240,000
<i>Contracts & Technical</i>	Asset Management	Cartersfield Road	1,330,000	1,477,400	-	-	-	2,807,400
	Community Safety	CCTV Replacement Programme	85,000	110,000	50,000	60,000	-	305,000
	Contract Management	Epping Leisure Facility	-	12,500,000	12,500,000	-	-	25,000,000
	Fleet Operations	Vehicle Fleet Replacement	383,000	-	-	-	-	383,000
	Grounds Maintenance	Vehicle and Plant Replacements	30,000	30,000	30,000	30,000	30,000	150,000
	North Weald Airfield	NWA Preparations Phase 1	200,000	-	-	-	-	200,000
	Regulatory (PH Grants)	Disabled Facilities Grants	971,510	971,510	971,510	971,510	971,510	4,857,550
		Sub-Totals	2,999,510	15,088,910	13,551,510	1,061,510	1,001,510	33,702,950
<i>Corporate Services</i>	ICT	ICT General Schemes	128,000	-	-	-	-	128,000
	ICT	ICT Strategy	1,970,500	50,000	-	-	-	2,020,500
	ICT	Civic Offices Accommodation Project (ICT)	15,000	-	-	-	-	15,000
		Sub-Totals	2,113,500	50,000	-	-	-	2,163,500
<i>Housing (Property Services)</i>	Facilities Management	Investment Properties (Planned Works)	65,100	25,000	25,000	25,000	25,000	165,100
	Facilities Management	Operational Properties (Planned Works)	48,000	-	-	-	-	48,000
		Sub-Totals	113,100	25,000	25,000	25,000	25,000	213,100
<i>Place</i>	Climate Change	Environmental Projects	250,000	250,000	-	-	-	500,000
		Sub-Totals	250,000	250,000	-	-	-	500,000
<i>Qualis</i>	Capital Investments	Regeneration Finance Loans	10,000,000	47,000,000	-	-	-	57,000,000
		Sub-Totals	10,000,000	47,000,000	-	-	-	57,000,000
General Fund Programme (Annual/Cumulative)			15,946,110	63,183,910	13,576,510	1,086,510	1,026,510	94,819,550
Financing								
	Revenue Contributions		358,000	-	-	-	-	
	Capital Receipts		900,000	1,850,000	2,633,333	115,000	55,000	
	Capital Grants		971,510	971,510	971,510	971,510	971,510	
	Borrowing		13,716,600	60,362,400	9,971,667	-	-	
Total Financing (Annual/Cumulative)			15,946,110	63,183,910	13,576,510	1,086,510	1,026,510	94,819,550

Housing Revenue Account Capital Programme 2021/22 to 2025/26

DRAFT

Draft HRA Capital Programme 2021/22 to 2025/26						
	2021/22	2022/23	2023/24	2024/25	2025/26	Totals
Schemes	£000's	£000's	£000's	£000's	£000's	£000's
Housing Development Programme:						
Housebuilding	17,014	36,856	32,554	5,043	0	91,467
Open Market Acquisitions	0	0	0	0	0	0
Qualis Acquisitions	7,492	6,069	6,546	2,400	0	22,507
Sub-Totals	24,506	42,925	39,100	7,443	0	113,974
Capital Works:						
Heating	1,519	2,445	2,445	2,052	2,052	10,513
Windows, Door and Roofing	3,003	2,374	2,374	2,374	2,374	12,499
Compliance Planned Maintenance	623	926	926	926	926	4,327
Kitchens & Bathrooms (inc void allocation)	1,375	2,300	2,300	2,300	2,300	10,575
Electrical	2,175	2,390	1,648	1,688	1,688	9,589
Sprinklers	100	100	100	100	100	500
Environmental	584	402	402	402	402	2,192
Structural works	1,550	1,100	800	1,100	800	5,350
Disabled adaptations	650	650	444	444	444	2,632
Asbestos	251	130	130	130	130	771
Estate Improvements (DF)	140	140	140	140	140	700
Sub-Totals	11,970	12,957	11,709	11,656	11,356	59,648
Other Housing Schemes:						
Service Enhancements	30	0	0	0	0	30
Sub-Totals	30	0	0	0	0	30
Gross Expenditure	36,506	55,882	50,809	19,099	11,356	173,652
Leaseholder Contributions	- 300	- 300	- 300	- 300	- 300	- 1,500
Net Expenditure	36,206	55,582	50,509	18,799	11,056	172,152
Financing						
Direct Revenue Contributions	- 2,973	- 3,032	- 3,093	- 3,155	- 3,218	-15,471
Major Repairs Reserve	- 10,141	- 9,000	- 9,000	- 9,000	- 5,026	-42,167
RTB Receipts	- 2,961	- 2,869	- 2,100	- 2,142	- 2,185	-12,257
Grants	- 1,477	- 80	- 80	- 80	- 80	-1,797
Other Contributions	- 100	- 100	- 0	- 0	- 0	-200
Borrowing	- 18,554	- 40,501	- 36,236	- 4,422	- 546	-100,259
Total Financing	-36,206	-55,582	-50,509	-18,799	-11,056	-172,152

Report to the Cabinet

Report reference: C-063-2020/21
Date of meeting: 11 February 2021



Portfolio: Finance and Economic Development – Cllr J. Philip

Subject: Proposed Fees and Charges 2021/22

Responsible Officer: Andrew Small (07548 145665)

Democratic Services: Adrian Hendry (01992 564246)

Recommendations/Decisions Required:

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

1. Executive Summary

- 1.1 The Council can recover the cost of providing certain services through making a charge to service users. For some services, this is a requirement and charges are statutorily determined. In other areas the Council has discretion to determine whether charging is appropriate, and the level at which charges are set.
- 1.2 This report focuses 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).
- 1.3 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 is 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.
- 1.4 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. For example, *Appendix A* shows a proposed 3% increase in Trade Waste charges, which contrasts with a proposed freeze in Car Parking charges in *Appendix B*.

1.5 There is a 1.5% increase in Housing Rents proposed for 2021/22, which complies with the legal Rent Standard that registered providers of social housing must comply with (maximum of September 2020 CPI inflation + 1%). A 2.50% increase is proposed on other HRA fees and charges and these can be found at **Appendix C**.

1.6 The changes to fees and charges approved by Cabinet will come into effect on 1st April 2021 unless otherwise stated in the report.

2. Resource Implications

2.1. The proposed fees and charges in this report, collectively reflect the income assumptions included in the Council's draft Budget for 2021/22 and Medium-Term Financial Plan (2021/22 to 2025/26).

3. Legal and Governance Implications

3.1. In general terms, the Council's powers are set out within the Local Government Act 2003 and the Localism Act 2011. For example, Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service.

3.2. There are also a range of service-specific statutory requirements that the Council is required to comply with. For example, in the General Fund, the Town and Country Planning (Fees for Applications, Deemed Applications, and Site Visits) (England) Regulations 2012 sets the legal framework for setting Planning Fees and Charges. Similarly, in the HRA, rent increases are legally required to be set within the framework set by the Government Rent Standard.

4. Safer, Cleaner and Greener Implications

4.1. None.

5. Consultation Undertaken

5.1. The potential impact on the local community of changes in Fees and Charges forms part of the Council's established consultation processes, helping the Cabinet to formulate policy and make intelligence-based decisions in accordance with corporate priorities.

General Fund (excluding Car Parking)

Proposed Fees and Charges 2021/22

Business Support

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Local Land Charge fees – Standard basic searches	85.00	85.00
Extra parcel fees for standard search	15.00	15.00
LLC1 certificate only	23.50	23.50
LLC1 Extra Parcel fee	2.00	2.00
CON29R All Enquiries	61.50	61.50
CON29R Extra parcel fee	13.00	13.00
CON290 Questions 4 - 21	10.00	10.00
CON290 Questions 22 (on behalf of Essex Legal)	14.00	14.00
CON290 admin fee	15.00	15.00
Additional enquiries – per enquiry	20.00	20.00
Standard Basic Searches including Part 2 Questions	85.00	85.00

Legal

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Property Transactions		
Redemption of Mortgages	152.00	152.00
Transfers of Equity	295.00	295.00
Sale of Land	650.00	650.00
Repayment of Discount and Postponement of Legal Charge	432.50	432.50
Deed of Release of Covenant	400.00	400.00
Deed of Covenant + Application to Cancel Land Charges Entry	300.00	300.00
Second Mortgage Questionnaires	120.00	120.00
Licence to cross land/occupy land	643.00	643.00
Licences to cross housing land	324.00	324.00
Leases		
Shops	1,200.00	1,200.00
Industrial (e.g. Oakwood Hill and North Weald)	1,200.00	1,200.00
Leases contracted out of Landlord and Tenant Act 1954 provisions	Additional 184.00	Additional 184.00
New Lease extending Term (residential)	600.00	600.00

Legal (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Licences granted pursuant to a lease		
To Assign (add £60.77 if surety)	1,140.00	1,140.00
For Alterations	1,140.00	1,140.00
For Change of Use	1,140.00	1,140.00
To Sublet	1,140.00	1,140.00
Deed of Surrender of Lease	1,140.00	1,140.00
Combined Surrender / Licence	1,140.00	1,140.00
Transfer of Lease and Notification of Mortgage (RTB)	84.00	84.00
For Commercial Leases	90.00	90.00
Deeds of Variation	450.00	450.00
Consent for restriction	114.00	114.00
Planning Agreements		
Section 106 - routine	900.00	900.00
Section 106 - Complex	Time Recorded	Time Recorded
Section 106 – inc Minor Highways Works	1,300.00	1,300.00
Section 106 – inc Major Highways Works	1,500.00	1,500.00
Unilateral Undertaking – routine	500.00	225.00
Unilateral Undertaking – complex	Time Recorded	Time recorded
Variation / Revocation S 106 Agreement or Unilateral Undertaking	500.00	500.00

Customer/Revenues and Benefits

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Summons costs (Council Tax & NDR)	65.00	65.00
Liability Order costs (Council Tax & NDR)	30.00	30.00

Planning

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Planning		
PPA's	Bespoke (£120.00 per hour)	Bespoke (£140.00 per hour)
Documents requests/research	0	£100.00 per hour
Urgent requests (Within 48 hrs)	0	£500.00 per request
Scanning Fees – Paper Applications	0	£20.00 per application
Admin Charge for Section 106 Legal Agreements with requirement for financial contribution	3% of the cost value of the financial contribution	3% of the cost value of the financial contribution
Admin Charge for Section 106 Legal Agreements with no requirement for financial contribution	£500.00 per unit	£500.00 per unit
Planning - Development Management		
Pre-Planning Applications		
Written Advice Meetings: Minor 1-2 Units	£120.00 per application	£140.00 per application
Written Advice Meetings: Minor 3-9 Units	£1,080.00 per application	£1,260.00 per application
Written Advice Meetings: Major 10-19 Units	£2,160.00 per application	£2,520.00 per application
Written Advice Meetings: Major 20-49 Units	£4,320.00 per application	£5,040.00 per application
Written Advice Meetings: Major 50+ Units	By negotiation	By negotiation
Planning Advice Meetings: All other cases (including Listed Buildings)	£96.00 per hour (£144.00 Listed)	£140.00 per hour
Planning Written Advice or Meeting: Discussions for a way forward following refusal of PA (minor)	£144.00	£140.00
Planning Nature and Form of Meetings by Negotiation: Discussions for a way forward following refusal of PA (major)	By negotiation	By negotiation

Community & Wellbeing

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Venue Hire		
The Space day rate (per hour) (30 people) Commercial	26.00	27.00
The Space day rate (per hour) (30 people) Community	15.50	16.00
The Space evening rate (per hour) (30 people) Commercial	52.00	54.00
The Space evening rate (per hour) (30 people) Community	36.50	37.50
The Space Sunday rate (per hour) (30 people) Commercial	105.00	109.00
The Space Sunday rate (per hour) (30 people) Community	85.00	87.50
Tudor Gallery and Garden day rate (per hour) (20 people) Commercial	36.50	37.50
Tudor Gallery and Garden day rate (per hour) (20 people) Community	31.00	31.75
Tudor Gallery and Garden evening rate (per hour) (20 people) Commercial	57.00	58.00
Tudor Gallery and Garden evening rate (per hour) (20 people) Community	46.50	48.00
Temp Ex (per hour) (60 people) Commercial	125.00	129.00
Temp Ex (per hour) (60 people) Community	105.00	109.00
Whole Museum (per hour) (200 people) Commercial	165.00	170.00
Whole Museum (per hour) (200 people) Community	155.00	160.00
Overnight hire at both museums Commercial	550.00	575.00
Tea/Coffee and Biscuits (per person)	3.20	3.30
Buffet Lunch (per person)	7.50	7.75
Limes Centre Main Hall Mon-Fri 9am-6pm Scale 1	13.75	14.25
Limes Centre Main Hall Mon-Fri 9am-6pm Scale 2 Non EFDC residents	27.50	28.50
Limes Centre Main Hall Mon-Fri 9am-6pm Scale 2 EFDC residents	22.00	22.75
Limes Centre Main Hall Mon-Fri 6pm - 10pm Scale 1	19.00	19.75
Limes Centre Main Hall Mon-Fri 6pm - 10pm Scale 2 Non EFDC residents	38.00	39.50
Limes Centre Main Hall Mon-Fri 6pm - 10pm Scale 2 EFDC residents	30.50	31.50
Limes Centre Main Hall Sat 10am-6pm Scale 1	19.50	20.25
Limes Centre Main Hall Sat 10am-6pm Scale 2 Non EFDC residents	40.50	42.00
Limes Centre Main Hall Sat 10am-6pm Scale 2 EFDC residents	32.00	33.00
Limes Centre Main Hall Sat 6pm-11pm Scale 1	31.00	32.00
Limes Centre Main Hall Sat 6pm-11pm Scale 2 Non EFDC residents	52.00	54.00

Community & Wellbeing (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Venue Hire (cont.)		
Limes Centre Main Hall Sat 6pm-11pm Scale 2 EFDC residents	42.00	43.50
Limes Centre Main Hall Sun 10am-9pm Scale 1	31.50	32.50
Limes Centre Main Hall Sun 10am-9pm Scale 2 Non EFDC residents	52.00	54.00
Limes Centre Main Hall Sun 10am-9pm Scale 2 EFDC residents	42.00	43.50
Limes Centre Activity Room Mon-Fri 9am-6pm Scale 1	9.75	10.20
Limes Centre Activity Room Mon-Fri 9am-6pm Scale 2 Non EFDC residents	21.00	22.00
Limes Centre Activity Room Mon-Fri 9am-6pm Scale 2 EFDC residents	16.50	17.25
Limes Centre Activity Room Mon-Fri 6pm - 10pm Scale 1	15.00	15.50
Limes Centre Activity Room Mon-Fri 6pm - 10pm Scale 2 Non EFDC residents	26.00	27.00
Limes Centre Activity Room Mon-Fri 6pm - 10pm Scale 2 EFDC residents	21.00	22.00
Limes Centre Activity Room Sat/Sun 10am-6pm Scale 1	15.75	16.50
Limes Centre Activity Room Sat/Sun 10am-6pm Scale 2 Non EFDC residents	27.00	28.00
Limes Centre Activity Room Sat/Sun 10am-6pm Scale 2 EFDC residents	21.50	22.20
Limes Centre Activity Room Sat/Sun 6pm-11pm Scale 1	22.00	22.75
Limes Centre Activity Room Sat/Sun 6pm-11pm Scale 2 Non EFDC residents	32.00	33.00
Limes Centre Activity Room Sat/Sun 6pm-11pm Scale 2 EFDC residents	26.00	27.00
Limes Centre Meeting Room Mon-Fri 9am-6pm Scale 1	6.75	7.00
Limes Centre Meeting Room Mon-Fri 9am-6pm Scale 2 Non EFDC residents	13.00	13.00
Limes Centre Meeting Room Mon-Fri 9am-6pm Scale 2 EFDC residents	10.50	10.50
Limes Centre Meeting Room Mon-Fri 6pm - 10pm Scale 1	12.75	13.50
Limes Centre Meeting Room Mon-Fri 6pm - 10pm Scale 2 Non EFDC residents	25.50	25.50
Limes Centre Meeting Room Mon-Fri 6pm - 10pm Scale 2 EFDC residents	20.50	21.50
Limes Centre Meeting Room Sat/Sun 10am-6pm Scale 1	12.75	13.50

Community & Wellbeing (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Venue Hire (cont.)		
Limes Centre Meeting Room Sat/Sun 10am-6pm Scale 2 Non EFDC residents	25.50	26.50
Limes Centre Meeting Room Sat/Sun 10am-6pm Scale 2 EFDC residents	20.50	21.50
Limes Centre Meeting Room Sat/Sun 6pm-11pm Scale 1	16.75	17.50
Limes Centre Meeting Room Sat/Sun 6pm-11pm Scale 2 Non EFDC residents	34.00	35.50
Limes Centre Meeting Room Sat/Sun 6pm-11pm Scale 2 EFDC residents	27.00	28.00
Culture and Community Programme		
Family Fun Workshops and Toddler sessions	2.20	2.30
Half Day Workshops	8.50	8.80
Full day workshops	21.00	21.50
Artist-led Workshops 1.5 hrs (incl. materials)	10.50	10.80
Artist-led Workshops 2 hrs (incl. materials)	10.50	10.80
Artist-led Workshops 5 hrs/1 day (incl. materials)	21.00	21.50
Artist led – 3-day workshop	52.00	54.00
Adult Art Classes	16.00	16.50
Museum Movers	3.50	5.00
Performance ticket (kids theatre shows)	8.50	8.80
Motiv8 Performance ticket	8.50	8.80
Motiv8 Performance ticket Concession price	6.50	8.80
eNgage Performance ticket	13.50	14.00
eNgage Performance ticket Concession price	10.50	11.00
After School Dance per child per session	4.00	4.20
Active Assemblies 1 day of training for session leaders (plus travel)	225.00	235.00
Active Assemblies 20 resource packs	475.00	500.00
Active Assemblies session delivery for 8 sessions outside EFDC (plus travel)	325.00	340.00
Active Assemblies session delivery for 8 sessions EFDC	225.00	230.00
Creative Homes Arts sessions per session (incl. materials and set up, clear up time)	75.00	80.00
Creative Homes Dance sessions per session (incl. materials)	55.00	60.00
Wellbeing Programme		
Yoga Sessions - Get Active	5.00	5.20
Indoor Bowls - Get Active	5.00	5.20
David Lloyd Bowls - Get Active	5.00	5.20
Badminton - Get Active	5.00	5.20

Community & Wellbeing (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Wellbeing Programme (cont.)		
Boccia - Get Active	5.00	5.20
Table Tennis - Get Active	5.00	5.20
Lifewalks - per walk	2.50	2.60
Lifewalks - privilege card for 6 months	31.00	32.00
Lifewalks - privilege card for 12 months	60.00	62.00
Cycling for health	4.80	5.00
Cycling for health	9.50	10.00
Get active sessions	4.00	4.20
Multi-sports/Activity Camps	20.00	21.00
Play in the Forest	3.70	3.80
School Boxing Programme	27.50	28.50
Walking Football	3.00	3.20
Athletics/Tennis	3.50	3.60
Play in the Park (Charge for town/parish councils)	85.00	90.00
Images (Private Research & Commercial)		
Private Research:		
A4 Black & White print	7.00	7.50
A4 Colour print	7.50	8.00
A4 Black and white photocopy	1.50	1.60
Digital copy, 300dpi (by email)	6.50	7.00
Digital copy, 300dpi (by email) (over 10 images)	5.50	6.00
Commercial/large organisations:		
Books		
Local History Groups & Registered Charities	Free	Free
Cover Page	230.00	240.00
Inner Page	75.00	80.00
TV / Film / Video		
Single Country	85.00	90.00
Worldwide	170.00	180.00
Digital		
300dpi jpeg/tiff per image / single use - Education use ONLY	55.00	60.00
300dpi jpeg/tiff per image / single use	85.00	90.00
Web		
Regional based business	85.00	90.00
National / International business	165.00	170.00

Community & Wellbeing (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Identifications/ Enquiries / Loans		
Collections Search Service	Free	Free
Research Visits	Free	Free
Identifications Service	Free	Free
Research Service (fee per hour)	20.00	22.00
Loans Handling Fee	100.00	105.00
Exhibition Hire		
Touring Exhibitions (Venues in Eastern Region) per month (minimum 2 month hire)	65.00	70.00
Touring Exhibitions (Venues outside Eastern Region) per month (minimum 2 month hire)	95.00	100.00
Design Charges		
Exhibition and Design Officer (per hour)	0.00	30.00
Other Officers (per hour)	0.00	25.00
Administrative Tasks (per hour)	0.00	15.00
Talks and Tours		
1 hour daytime talk within the Epping Forest District (per group)	62.00	65.00
1 hour daytime talk outside the Epping Forest District (per group)	72.50	75.00
1 hour evening talk outside museum but within district (per group)	72.50	75.00
1 hour evening talk outside the district (per group)	83.00	86.00
1 hour daytime talk or tour (incl. Behind the Scenes), with refreshments within the museum (per person) <i>minimum group charge of £70</i>	6.50	7.00
1 hour evening talk or tour (incl. Behind the Scenes), with refreshments within the museum (per person) <i>minimum group charge of £90</i>	8.50	9.00
Schools (workshops in school)		
(max 35 pupils per class)		
1 class for 1 hour		
Epping Forest District Schools	46.50	48.00
Schools outside Epping Forest area	57.00	59.00
2 classes on same day 2 x 1 hour		
Epping Forest District Schools	72.50	75.00
Schools outside Epping Forest area	83.00	86.00
3 classes on same day 3 x 1 hour		
Epping Forest District Schools	98.50	102.00
Schools outside Epping Forest/Broxbourne area	109.00	113.00
4 classes on same day 4 x 1 hour		
Epping Forest District Schools	124.50	129.00
Schools outside Epping Forest area	135.00	140.00

Community & Wellbeing (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Schools (workshops in Museum)		
2 hours (half day) up to two classes		
Epping Forest District Schools (Per child) minimum charge £45	4.20	4.50
Schools outside Epping Forest area (Per child) minimum charge £55	5.20	5.50
4 hours (full day) up to two classes		
Epping Forest District Schools (Per child) minimum charge £45	0.00	7.00
Schools outside Epping Forest area (Per child) minimum charge £55	0.00	8.00
Self guided visit - with Trail provided by EFDC	1.00	1.20
Self guided visit	Free	Free
School Topic Box Hire		
Epping Forest Schools	46.50	48.00
Schools outside Epping Forest area	57.00	59.00
*Special rate - save £10 if booked with and delivered on the same day as a workshop		

Fleet Operations

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Public MOT	49.00	50.00
Public MOT (Saturday's)	50.00	55.00
Hourly rate for internal labour charge	33.60	35.00
Hourly rate for external labour charge	50.00	60.00

Community Resilience

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Provision of CCTV for Insurance Purposes/Solicitors	120.00	120.00

Residential Team

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Private Sector Housing Grants		
<i>DFGs and HRA</i>		
Disabled Facilities Grants	15% of work costs	15% of work costs
Decent Homes Loans	15% of work costs	15% of work costs
Small Works Repayable Assistance	15% of work costs	15% of work costs
Private Sector Housing (Tech)		
<i>Licences - HMOs (Initial & Renewal): fee per licence</i>		
HMO with up to 5 units of accommodation	809.00	809.00
Renewal fee for non-compliant landlords	735.00	735.00
Renewal fee for compliant landlords	439.00	439.00
Additional units of accommodation	32.00	32.00
Park Homes Licensing Fees		
Site licence fees		
In accordance with EFDC's Fees Policy for Licensing Residential Park Home Sites		
Depositing of site rules	151.50	154.90
Penalty Charges for Private Landlords		
Failing to provide appropriate smoke and carbon monoxide alarms (Smoke and Carbon Monoxide Alarm (England) Regulations 2015)	£5,000.00 per incidence (unless extenuating circs.)	£5,000.00 per incidence (unless extenuating circs.)
Fine for Lettings Agencies and Property Agencies failing to join a Government-approved Redress Scheme	£5,000.00 per incidence (unless extenuating circs.)	£5,000.00 per incidence (unless extenuating circs.)
Civil Penalty Notice for certain Housing Act 2004 offences. See charging policy matrix for offences.	£30,000.00 Maximum charge	£30,000.00 Maximum charge
Energy Efficiency Private Rented Properties Regs	2,000.00	2,000.00
Property let with EPC below E for less than 3 months	4,000.00	4,000.00
Property let with EPC below E for more than 3 months	1,000.00	1,000.00
False or misleading information on exemption register	2,000.00	2,000.00
Failure to comply with compliance notice	2,000.00	2,000.00

Residential Team (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Property Inspections for Immigration Applications		
At 20/21 flat fee charge agreed	£92.20 for 1 bed/ £123.60 for 3 bed/ £171.00 for 4 bed	£200.00 per property
Enforcement of Private Sector Housing Conditions- Housing Act 2004 and Mobile Homes Act 2013 (mobile home equates to 1 bed property)		
1 – 4 Hazards per enforcement		
1 Bed Property	370.80	390.00
2 Bed Property	417.15	422.50
3 Bed Property	465.56	503.75
4 Bed Property	556.20	585.00
5 or 6 Bed Property	601.52	650.00
> 6 Bed Property or HMO	727.18	796.25
5 or more Hazards		
1 Bed Property	465.56	487.50
2 Bed Property	509.85	536.25
3 Bed Property	557.23	585.00
4 Bed Property	664.35	698.75
5 or 6 Bed Property	710.70	747.50
> 6 Bed Property or HMO	787.95	828.75
Works in default following enforcement	Cost of works plus 30%	Cost of works plus 30%

Homelessness (General Fund)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Bed & Breakfast – Single Room (per night)	43.36	44.45
Bed & Breakfast – Double Room (per night)	51.55	52.84

Environmental Health

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Training		
Basic Food Hygiene Course - Basic Food Hygiene Course	75.00	75.00
Basic Food Hygiene Course - 6 courses, 10 per course	65.00	65.00

Licensing

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Animal Welfare		
Animal Boarding - Star rated	329.00	£329 (application) £36 (Grant) Total £365
Dog Breeding – Star rated	329.00	£329 (application) £36 (Grant) Total £365
Pet Shop – Star rated	329.00	£329 (application) £36 (Grant) Total £365
Dangerous Wild Animals – Star rated	329.00	£329 (application) £36 (Grant) Total £365
Riding Establishment – Star rated	329.00	£329 (application) £36 (Grant) Total £365
Dog Home Boarding Fee – Star rated	223.00	£223 (application) £30 (Grant) Total £253
Doggy Day Care	223.00	£223 (application) £30 (Grant) Total £253
Zoos	570.00	570.00
Variations applicable to all	132.00	132.00
Hackney Carriage/Private Hire		
New Annual Vehicle Licence For new vehicles £30 plate deposit	277.00	340.00
Annual vehicle Licence renewal	277.00	340.00
Annual Drivers Licence (3 year licence)	186.00	228.00
Replacement Vehicle Plate	30.00	40.00
Replacement Driver Badge	10.00	10.00
Duplicate Paper Licence	7.00	7.00
Drivers Test	21.00	40.00
Drivers Re-sit of Test	21.00	40.00
Private Hire Operators		
Annual Operator Licence (1 vehicle only)	105.00	130.00
Annual Operators (> 1 vehicle)	405.00	498.00
Transfer of Vehicle Licence	66.00	66.00
Plate Exemption	No charge	No charge
Gambling Act 2005		
Betting Premises (not tracks) new application	1,220.00	1,220.00
Betting Premises (not tracks) annual fee	600.00	600.00
Betting Premises (not tracks)	31.00	31.00
Adult Gaming Centre	1,000.00	1,000.00

Licensing (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Gambling Act 2005 Permits		
FEC Gaming Machine app. Fee, and renewal fee	300.00	300.00
Price Gaming app fee and renewal fee	300.00	300.00
Alcohol Licences Premises - Notification of 2 or less machines app fee	50.00	50.00
Alcohol Licences Premises - More than 2 machines app fee	150.00	150.00
Alcohol Licences Premises - More than 2 machines: annual fee	50.00	50.00
Club Gaming Permit app fee	200.00	200.00
Club Gaming Permit: annual fee	50.00	50.00
Club Gaming Permit: renewal	200.00	200.00
Club Gaming Machine Permit App. Fee and same for renewal	50.00	50.00
Club Fast-track for Gaming Permit or Gaming Machine Permit: App fee	100.00	100.00
Club Fast-track for Gaming Permit or Gaming Machine Permit: annual fee	50.00	50.00
Small Society Lottery Registration: App fee	40.00	40.00
Small Society Lottery Registration: annual fee	20.00	20.00
Small Society Lottery Registration: renewal fee	20.00	20.00
Permit – Miscellaneous fees		
FEC Permits: name change	25.00	25.00
FEC Permits: permit copy	15.00	15.00
Prize Gaming Permits: name change	25.00	25.00
Prize Gaming Permits: permit copy	15.00	15.00
Alcohol Licences Premises - more than 2 machines: name change	25.00	25.00
Alcohol Licences Premises - more than 2 machines: permit copy	15.00	15.00
Club Gaming Permit: name change	25.00	25.00
Club Gaming Permit: permit copy	15.00	15.00
Club Gaming Machine Permit: name change	50.00	50.00
Club Gaming Machine Permit: permit copy	15.00	15.00
Small Society Lottery Registration: name change	40.00	40.00
Small Society Lottery Registration: permit copy	20.00	20.00

Licensing (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Miscellaneous		
Special Treatment Premises	176.00	180.00
Special Treatments Person	95.00	97.00
Sex Shops and Cinemas	586.00	600.00
Sexual Entertainment Venues -	4,425.00 2,210.00 (renewal)	4,425.00 2,210.00 (renewal)
Street Trading Consents (if renewal not successful at sub- committee, half fee will be refunded)	420.00 420.00	430.00 430.00
Scrap Metal Site 3 yr licence	427.00	437.00
Scrap Metal Dealer 3 yr licence	256.00	262.00
Road Closure Notices	191.00	194.00
Temporary Pavement Licence £100 operating after 8pm	100.00 max	100.00 max

Contract and Technical Services

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Special collections		
Units		
1 to 3	26.27	27.60
4 to 7	39.66	41.65
8 to 10	52.53	55.00
11 to 15	66.95	70.00
Over 15	Contact us for price	Contact us for price
Special collections - over 60's		
Units		
1 to 3	13.14	26.80
4 to 7	19.83	40.45
8 to 10	26.27	53.58
11 to 15	33.48	68.29
Over 15	Contact us for price	Contact us for price

Contract and Technical Services (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Trade Waste		
Refuse (bin sizes)		
240	9.20	9.48
360	10.56	10.88
660	13.95	14.36
1100	18.23	18.78
Recycling (bin sizes)		
240	7.05	7.26
360	7.81	8.04
660	8.93	9.20
1100	10.86	11.18
Food (bin sizes)		
240	7.68	7.91
360	8.39	8.64
660	9.80	10.10
1100	N/A	N/A
Glass (bin sizes)		
240	6.91	7.11
360	7.62	7.85
660	8.64	8.90
1100	10.40	10.71

Grounds Maintenance

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Labour Rates		
Chargehand - 1 Hour	28.08	28.22
Chargehand - 1 Day	202.17	203.18
Gardener - 1 Hour	22.46	22.57
Gardener - 1 Day	161.71	162.52
Plant, Vehicle & Equipment Rates		
Tractor - side arm flail & Operator - 1 Hour	123.50	124.12
Tractor - side arm flail & Operator - 1 Day	889.20	893.65
Tractor - Trimax Pegasus & Operator - 1 Hour	123.50	124.12
Tractor - Trimax Pegasus & Operator - 1 Day	889.20	893.65
Tractor - loader digger & operator - 1 Hour	123.50	124.12
Tractor - loader digger & operator - 1 Day	889.20	893.65
Mini Tractor - side arm flail & Operator - 1 Hour	101.00	101.51
Mini Tractor - side arm flail & Operator - 1 Day	727.20	730.84
Pick up Tipper truck - 3.5 tonne & Operator - 1 Hour	44.90	45.12

Grounds Maintenance (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
Plant, Vehicle & Equipment Rates (cont.)		
Pick up Tipper truck - 3.5 tonne & Operator - 1 Day	323.28	324.90
2 tonne trailer for 3.5 tonne pickup truck - 1 Hour	11.23	11.29
2 tonne trailer for 3.5 tonne pickup truck - 1 Day	80.85	81.25
Ride on Mower - Triple & Operator - 1 Hour	44.90	45.12
Ride on Mower - Triple & Operator - 1 Day	323.28	324.90
Ride on Mower - Cut and Collect & Operator - 1 Hour	67.30	67.64
Ride on Mower - Cut and Collect & Operator - 1 Day	484.56	486.98
Pedestrian Rotavator & Operator - 1 Hour	39.30	39.50
Pedestrian Rotavator & Operator - 1 Day	282.98	284.39
General Maintenance/Planting & Removal		
Grass reinstatement – seeding - Per sqm	16.42	16.50
Grass reinstatement – turfing - Per sqm	17.24	17.33
Grass reinstatement – watering - Per sqm	4.26	4.28
Hedge Replacement - Per sqm	12.01	12.07
Garden Tidy - 50 sqm	184.06	184.98
Garden Tidy - 100 sqm	339.83	341.53
Garden Tidy - 150 sqm	417.69	419.78
Garden Tidy - 200 sqm	521.54	524.15
Garden Tidy - 200+ sqm	910.83	915.38
Clear Garage Forecourts - Location	84.20	84.62
Remove/ Replant Roses - Each	13.30	13.37
Remove/ Replant Shrubs - Each	13.30	13.37
Plant Bulbs and Corms - Per sqm	15.60	15.68
Wildflowers - Per sqm	15.60	15.68

Commercial/Building Control

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
1 Plot (New-build houses)	612.50	629.17
2 Plots (houses)	929.17	954.17
3 Plots (houses)	1,283.33	1,304.17
4 Plots (houses)	1,620.83	1,666.67
5 Plots (houses)	1,954.17	2,012.50
1 Plot (flats)	612.50	629.17
2 Plots (flats)	929.17	954.17
3 Plots (flats)	1,283.33	1,304.17

Commercial/Building Control (cont.)

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
4 Plots (flats)	1,620.83	1,666.67
5 Plots (flats)	1,954.17	2,012.50
Conversion to house	600.00	616.67
Conversion to flat	491.67	508.33
Single storey extension to dwelling not exceeding 40m ²	504.17	516.67
Single storey extension to dwelling 40-100m ²	820.83	870.83
2 or 3 storey extension to dwelling not exceeding 40m ²	504.17	516.67
2 or 3 storey extension to dwelling 40-100m ²	820.83	870.83
Garage/carport/store not exceeding 100m ²	408.33	420.83
Detached non-habitable outbuilding not exceeding 50m ²	504.17	516.67
Loft conversion to dwelling under 40m ²	550.00	566.67
Garage conversion to dwelling	300.00	308.33
Renovation of thermal element on a dwelling	229.17	237.50
Replacement windows/rooflights on a dwelling	229.17	237.50
Alterations to a dwelling under £5,000 in value	229.17	237.50
Alterations to a dwelling £5,000-£25,000 in value	395.83	408.33
Alterations to a dwelling £25,000 - £100,000 in value	595.83	612.50
Non-domestic single storey extension up to 40m ²	516.67	529.17
Non-domestic single storey extension 40 – 100m ²	833.33	858.33
Non-domestic 2 or 3 storey extension under 40m ²	516.67	529.17
Non-domestic 2 or 3 storey extension 40-100m ²	833.33	858.33
Alterations to a commercial building up to £5,000 in value	229.17	237.50
Replacement windows/doors/rooflights to a commercial building <20 units	229.17	237.50
Renewable Energy Systems	229.17	237.50
Replacement shop front	229.17	237.50
Alterations to a commercial building £5,000 - £25,000 in value	408.33	420.83
Replacement windows/doors rooflights to a commercial building >20 units	266.67	275.00
Renovation of thermal elements to a commercial building	229.17	237.50
Raised storage platform installation	191.67	200.00
Alterations to a commercial building £25,000 - £100,000 in value	608.33	625.00
Fit-out of a commercial building up to 100m ² floor area	229.17	237.50

Commercial & Regulatory Services / North Weald Airfield

Description	2020/21 Actual	2021/22 Proposed
	£'s	£'s
HGV Training – pay as you go	64.23	66.15
HGV Training – monthly fee	950.00	950.00
Driving Schools – full day	265.14	273.09
Driving Schools – half day	184.97	190.51
Driving Experience Days	384.32	395.84
Driving Schools – emergency services	91.24	93.97
Driving Schools – ATC full day	122.34	126.34
Driving Schools – ATC ½ day	81.54	83.98
Driving Schools – City TM	133.90	137.91
Motorsport Sprints	764.90	787.84
Filming / Photoshoots – static full day	662.29	662.29
Filming / Photoshoots – static half day	396.65	396.65
Filming / Photoshoots – moving full day	927.93	927.93
Filming / Photoshoots – moving full day	530.06	530.06
Meeting Room Hire – full day	154.50	159.13
Meeting Room – half day	103.00	106.90
Meeting Room – EFDC full day	70.00	70.00
Meeting Room -EFDC half day	50.00	50.00

Car Parking (General Fund)

Proposed Fees and Charges 2021/22

Car Parking

Description	Charging Times	2020/21 Actual	2021/22 Proposed
		£'s	£'s
Tariff One			
Cottis Lane, Epping, CM16 5EG	07:30 - 18:00	0.20	0.20
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	0.20	0.20
Civic Offices, EFDC, CM16 4BZ (1st free hour enter reg no.)	08:00 - 18:00	0.20	0.20
Old Station Road, (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	0.20	0.20
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	0.20	0.20
The Drive, Loughton, IG10 1HW	08:00 - 18:00	0.20	0.20
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	0.20	0.20
High Beech, Loughton, IG10 4HH	08:00 - 18:00	0.20	0.20
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	0.20	0.20
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	0.20	0.20
Sainsburys Ongar, Ongar, CM5 9AG	08:00 - 18:00	0.20	0.20
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	0.20	0.20
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	0.20	0.20
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	0.20	0.20
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	0.20	0.20
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	0.20	0.20
Vere Road, Debden, IG10 3SW	08:30 - 17:30	0.20	0.20
Burton Road South, Debden, IG10	08:30 - 17:30	0.20	0.20
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	0.20	0.20
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	0.20	0.20
Beaumont Park Drive, Bakery Close, Roydon	N/A	free	free
Tariff Two			
Cottis Lane, Epping, CM16 5EG	07:30 - 18:00	0.90	0.90
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	0.90	0.90
Civic Offices, EFDC, CM16 4BZ (1st free hour enter reg no.)	08:00 - 18:00	0.90	0.90
Old Station Road, (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	0.90	0.90
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	0.90	0.90
The Drive, Loughton, IG10 1HW	08:00 - 18:00	0.90	0.90
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	0.90	0.90
High Beech, Loughton, IG10 4HH	08:00 - 18:00	0.90	0.90
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	0.90	0.90
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	0.80	0.80
Sainsburys Ongar, Ongar, CM5 9AG	08:00 - 18:00	0.80	0.80
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	0.80	0.80

Car Parking (cont.)

Description	Charging Times	2020/21 Actual	2021/22 Proposed
		£'s	£'s
Tariff Two (cont.)			
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	0.80	0.80
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	0.80	0.80
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	0.80	0.80
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	0.90	0.90
Vere Road, Debden, IG10 3SW	08:30 - 17:30	0.90	0.90
Burton Road South, Debden, IG10	08:30 - 17:30	0.90	0.90
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	0.90	0.90
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	0.90	0.90
Beaumont Park Drive, Bakery Close, Roydon	N/A	Free	Free
Tariff Three			
Cottis Lane, Epping, CM16 5EG	07:30 - 18:00	1.80	1.80
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	1.80	1.80
Civic Offices, EFDC, CM16 4BZ (1st free hour enter reg no.)	08:00 - 18:00	1.80	1.80
Old Station Road, (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	1.80	1.80
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	1.80	1.80
The Drive, Loughton, IG10 1HW	08:00 - 18:00	1.80	1.80
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	1.80	1.80
High Beech, Loughton, IG10 4HH	08:00 - 18:00	1.80	1.80
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	1.80	1.80
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	1.60	1.60
Sainsburys Ongar, Ongar, CM5 9AG	08:00 - 18:00	1.60	1.60
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	1.60	1.60
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	1.60	1.60
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	1.60	1.60
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	1.60	1.60
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	1.80	1.80
Vere Road, Debden, IG10 3SW	08:30 - 17:30	1.80	1.80
Burton Road South, Debden, IG10	08:30 - 17:30	1.80	1.80
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	1.80	1.80
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	1.80	1.80
Beaumont Park Drive, Bakery Close, Roydon	N/A	Free	Free
Tariff Four			
Cottis Lane, Epping, CM16 5EG	07:30 - 18:00	3.00	3.00
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	3.00	3.00
Civic Offices, EFDC, CM16 4BZ (1st free hour enter reg no.)	08:00 - 18:00	3.00	3.00
Old Station Road, (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	3.00	3.00
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	3.00	3.00
The Drive, Loughton, IG10 1HW	08:00 - 18:00	3.00	3.00
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	3.00	3.00

Car Parking (cont.)

Description	Charging Times	2020/21 Actual	2021/22 Proposed
		£'s	£'s
Tariff Four (cont.)			
High Beech, Loughton, IG10 4HH	08:00 - 18:00	3.00	3.00
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	3.00	3.00
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	3.00	3.00
Sainsburys Ongar, Ongar, CM5 9AG	08:00 - 18:00	3.00	3.00
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	3.00	3.00
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	3.00	3.00
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	3.00	3.00
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	3.00	3.00
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	3.00	3.00
Vere Road, Debden, IG10 3SW	08:30 - 17:30	3.00	3.00
Burton Road South, Debden, IG10	08:30 - 17:30	3.00	3.00
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	3.00	3.00
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	3.00	3.00
Beaumont Park Drive, Bakery Close, Roydon	N/A	Free	Free
Tariff Five			
Cottis Lane, Epping, CM16 5EG	07:30 - 18:00	4.00	4.00
Bakers Lane, Epping, CM16 5EG	08:00 - 18:00	4.00	4.00
Civic Offices, EFDC, CM16 4BZ (1st free hour enter reg no.)	08:00 - 18:00	4.00	4.00
Old Station Road, (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	4.00	4.00
Traps Hill, Loughton, IG10 1HD	09:00 - 18:00	4.00	4.00
The Drive, Loughton, IG10 1HW	08:00 - 18:00	4.00	4.00
Oakwood Hill East, Loughton, IG10 3TZ	08:30 - 17:30	4.00	4.00
High Beech, Loughton, IG10 4HH	08:00 - 18:00	4.00	4.00
Smarts Lane, Loughton, IG10 4BG	08:00 - 18:00	4.00	4.00
The Pleasance, Ongar, CM5 9AG	08:00 - 18:00	4.00	4.00
Sainsburys Ongar, Ongar, CM5 9AG	08:00 - 18:00	4.00	4.00
Bansons Lane, Ongar, CM5 9AA	08:00 - 18:00	4.00	4.00
Cornmill, Waltham Abbey, EN9 1RB	08:00 - 18:00	4.00	4.00
Quaker Lane, Waltham Abbey, EN9 1ER	08:00 - 18:00	4.00	4.00
Darby Drive, Waltham Abbey, EN9 1EE	08:00 - 18:00	4.00	4.00
Burton Road & Access Rd, Debden, IG10 3ST	08:30 - 17:30	4.00	4.00
Vere Road, Debden, IG10 3SW	08:30 - 17:30	4.00	4.00
Burton Road South, Debden, IG10	08:30 - 17:30	4.00	4.00
Queens Road Lower, Buckhurst Hill, IG9 5BZ	08:00 - 18:00	4.00	4.00
Queens Road Upper, Buckhurst Hill, IG9 5AZ	08:00 - 18:00	4.00	4.00
Beaumont Park Drive, Bakery Close, Roydon	N/A	Free	Free

Car Parking (cont.)

Description	Charging Times	2020/21 Actual	2021/22 Proposed
		£'s	£'s
Tariff Six			
Cottis Lane , Epping, CM16 5EG	07:30 - 18:00	5.00	5.00
Bakers Lane , Epping, CM16 5EG	08:00 - 18:00	5.00	5.00
Civic Offices , EFDC, CM16 4BZ (1st free hour enter reg no.)	08:00 - 18:00	5.00	5.00
Old Station Road , (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	5.00	5.00
Traps Hill , Loughton, IG10 1HD	09:00 - 18:00	5.00	5.00
The Drive , Loughton, IG10 1HW	08:00 - 18:00	5.00	5.00
Oakwood Hill East , Loughton, IG10 3TZ	08:30 - 17:30	5.00	5.00
High Beech , Loughton, IG10 4HH	08:00 - 18:00	5.00	5.00
Smarts Lane , Loughton, IG10 4BG	08:00 - 18:00	5.00	5.00
The Pleasance , Ongar, CM5 9AG	08:00 - 18:00	5.00	5.00
Sainsburys Ongar , Ongar, CM5 9AG	08:00 - 18:00	5.00	5.00
Bansons Lane , Ongar, CM5 9AA	08:00 - 18:00	5.00	5.00
Cornmill , Waltham Abbey, EN9 1RB	08:00 - 18:00	5.00	5.00
Quaker Lane , Waltham Abbey, EN9 1ER	08:00 - 18:00	5.00	5.00
Darby Drive , Waltham Abbey, EN9 1EE	08:00 - 18:00	5.00	5.00
Burton Road & Access Rd , Debden, IG10 3ST	08:30 - 17:30	5.00	5.00
Vere Road , Debden, IG10 3SW	08:30 - 17:30	5.00	5.00
Burton Road South , Debden, IG10	08:30 - 17:30	5.00	5.00
Queens Road Lower , Buckhurst Hill, IG9 5BZ	08:00 - 18:00	5.00	5.00
Queens Road Upper , Buckhurst Hill, IG9 5AZ	08:00 - 18:00	5.00	5.00
Beaumont Park Drive , Bakery Close, Roydon	N/A	free	free
Tariff Seven			
Cottis Lane , Epping, CM16 5EG	07:30 - 18:00	10.00	10.00
Bakers Lane , Epping, CM16 5EG	08:00 - 18:00	6.00	6.00
Civic Offices , EFDC, CM16 4BZ (1st hr free)	08:00 - 18:00	10.00	10.00
Old Station Road , (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	10.00	10.00
Traps Hill , Loughton, IG10 1HD	09:00 - 18:00	6.00	6.00
The Drive , Loughton, IG10 1HW	08:00 - 18:00	10.00	10.00
Oakwood Hill East , Loughton, IG10 3TZ	08:30 - 17:30	10.00	10.00
High Beech , Loughton, IG10 4HH	08:00 - 18:00	10.00	10.00
Smarts Lane , Loughton, IG10 4BG	08:00 - 18:00	6.00	6.00
The Pleasance , Ongar, CM5 9AG	08:00 - 18:00	6.00	6.00
Sainsburys Ongar , Ongar, CM5 9AG	08:00 - 18:00	10.00	10.00
Bansons Lane , Ongar, CM5 9AA	08:00 - 18:00	10.00	10.00
Cornmill , Waltham Abbey, EN9 1RB	08:00 - 18:00	6.00	6.00
Quaker Lane , Waltham Abbey, EN9 1ER	08:00 - 18:00	10.00	10.00
Darby Drive , Waltham Abbey, EN9 1EE	08:00 - 18:00	6.00	6.00
Burton Road & Access Rd , Debden, IG10 3ST	08:30 - 17:30	6.00	6.00
Vere Road , Debden, IG10 3SW	08:30 - 17:30	10.00	10.00
Burton Road South , Debden, IG10	08:30 - 17:30	6.00	6.00
Queens Road Lower , Buckhurst Hill, IG9 5BZ	08:00 - 18:00	6.00	6.00
Queens Road Upper , Buckhurst Hill, IG9 5AZ	08:00 - 18:00	10.00	10.00
Beaumont Park Drive , Bakery Close, Roydon	N/A		

Car Parking (cont.)

Description	Charging Times	2020/21 Actual	2021/22 Proposed
		£'s	£'s
Saturday & Sunday Free Hours		Sat Free Hr	Sun Free Hr
Cottis Lane , Epping, CM16 5EG	07:30 - 18:00	* full tariff	✓
Bakers Lane , Epping, CM16 5EG	08:00 - 18:00	✓	✓
Civic Offices , EFDC, CM16 4BZ (1st free hour enter reg no.)	08:00 - 18:00	** ✓	** ✓
Old Station Road , (Sainsburys), Loughton, IG10 4PE	08:00 - 18:00	* full tariff	✓
Traps Hill , Loughton, IG10 1HD	09:00 - 18:00	✓	✓
The Drive , Loughton, IG10 1HW	08:00 - 18:00	* full tariff	✓
Oakwood Hill East , Loughton, IG10 3TZ	08:30 - 17:30	* full tariff	✓
High Beech , Loughton, IG10 4HH	08:00 - 18:00	* full tariff	✓
Smarts Lane , Loughton, IG10 4BG	08:00 - 18:00	✓	✓
The Pleasance , Ongar, CM5 9AG	08:00 - 18:00	✓	✓
Sainsburys Ongar , Ongar, CM5 9AG	08:00 - 18:00	* full tariff	✓
Bansons Lane , Ongar, CM5 9AA	08:00 - 18:00	* full tariff	✓
Cornmill , Waltham Abbey, EN9 1RB	08:00 - 18:00	✓	✓
Quaker Lane , Waltham Abbey, EN9 1ER	08:00 - 18:00	* full tariff	✓
Darby Drive , Waltham Abbey, EN9 1EE	08:00 - 18:00	✓	✓
Burton Road & Access Rd , Debden, IG10 3ST	08:30 - 17:30	✓	✓
Vere Road , Debden, IG10 3SW	08:30 - 17:30	* full tariff	✓
Burton Road South , Debden, IG10	08:30 - 17:30	✓	✓
Queens Road Lower , Buckhurst Hill, IG9 5BZ	08:00 - 18:00	✓	✓
Queens Road Upper , Buckhurst Hill, IG9 5AZ	08:00 - 18:00	* full tariff	✓
Beaumont Park Drive , Bakery Close, Roydon	N/A	free	free

Housing Revenue Account: Proposed Fees and Charges 2021/22

Fees and Charges 2021/22 - HOUSING RELATED SERVICES							
Formula Amount	2021/22	2020/21		2019/20		2018/19	
	Proposed Amount	Amount	Period	Amount	Period	Amount	Period
Older People's Housing							
Communal Halls:							
Pelly Court Hall, Epping	£11.24	£10.97	per hour	£10.65	per hour	£10.40	per hour
Oakwood Hill Hall, Loughton	£157.52	£153.68	per annum	£149.20	per annum	£145.85	per annum
Barrington Hall, Loughton	£9.18	£8.96	per session	£8.70	per session	£8.50	per session
Guest Rooms - Sheltered Housing	£10.45	£10.20	per person per night	£9.90	per person per night	£9.65	per person per night
Scooter Stores:							
Rental	£4.48	£4.37	per week	£4.25	per week	£4.15	per week
Electricity	£2.32	£2.27	per week	£2.20	per week	£2.15	per week
Sheltered Housing Charges:							
Scheme Management Charge:							
Tenants not in receipt of housing benefit	£11.24	£10.97	per week	£10.65	per week	£10.40	per week
Tenants in receipt of housing benefit	£3.38	£3.30	per week	£3.20	per week	£3.15	per week
Intensive Housing Management Charge	£2.01	£1.96	per week	£1.90	per week	£1.85	per week
(Note: Charge not payable by HB claimants)							
Area Housing Charges:							
Scheme Management Charge:							
Tenants not in receipt of housing benefit	£2.80	£2.73	per week	£2.65	per week	£2.60	per week
Tenants in receipt of housing benefit	£0.90	£0.88	per week	£0.85	per week	£0.80	per week
Intensive Housing Management Charge	£0.55	£0.54	per week	£0.52	per week	£0.50	per week
(Note: Charge not payable by HB claimants)							
Careline Charges (Council tenants):							
Tenants not in receipt of housing benefit	£4.86	£4.74	per week	£4.60	per week	£4.50	per week
Tenants in receipt of housing benefit	£1.48	£1.44	per week	£1.40	per week	£1.35	per week
Telecare Packages (Private users):							
Alarm and up to 4 sensors (Monitoring only)	£165.22	£161.20	per annum	£156.50	per annum	£153.00	per annum
Alarm only	£135.66	£132.36	per annum	£128.50	per annum	£122.00	per annum
Monitoring of additional sensors (per sensor)	£16.79	£16.38	per annum	£15.90	per annum	£15.50	per annum
Monitoring of alarms for other organisations (per speech module)	£121.41	£118.45	per annum	£115.00	per annum	£112.00	per annum
Large Button Telephone	£24.49	£23.90	per telephone	£23.20	per telephone	£22.65	per telephone
Use of Jessopp Ct Lounge by Essex CC as a Day Centre	£11,392	£11,114	per annum	£10,790	per annum	£10,545	per annum
Lease for Jessopp Ct Office to Peabody				Increased each October by the Sept RPI increase			
Home Ownership and Sales							
Leasehold Vendors' Enquiries	£165.22	£161.20	per enquiry	£156.50	per enquiry	£153.00	per enquiry
Certificates of Buildings Insurance - Leaseholders	£52.58	£51.29	per copy	£49.80	per copy	£48.70	per copy
Small Land Sales Valuation Charge	£421.67	£411.38	per sale	£399.40	per sale	£390.40	per sale
Valuation & Legal Charge - Re-sale of RTB Property within 5 years / Sale of property to EFDC within 10 years	£425.78	£415.40	per application	£403.30	per application	£394.20	per application
Consideration of Right to Re-purchase Former RTB Property within 10 years of Original Purchase	£70.31	£68.60	per application	£66.60	per application	£68.60	per application
Housing Management							
Hire of Halls for Elections	£102.72	£100.22	per day	£97.30	per day	£95.10	per day
Garage rents	£9.45	£9.22	per week	£8.95	per week	£8.75	per week
Hardstandings	£97.92	£95.53	per annum	£92.75	per annum	£90.65	per annum
Lockable parking spaces	£8.13	£7.93	per annum	£7.70	per annum	£7.50	per annum
Mortgage references	£48.25	£47.07	per enquiry	£45.70	per enquiry	£44.65	per enquiry
Request for covenant and leasehold approvals	£76.96	£75.09	per request	£72.90	per request	£71.25	per request
Licences for vehicular access across housing land	£128.01	£124.89	per annum	£121.25	per annum	£118.50	per annum
Dishonoured cheques	£29.88	£29.15	per cheque	£28.30	per cheque	£27.65	per cheque
Homelessness							
Homeless Hostel Accommodation:							
One Room	£54.27	£52.94	per week	£51.40	per week	£50.25	per week
Two Rooms	£84.88	£82.81	per week	£80.40	per week	£78.55	per week
Three Rooms	£114.18	£111.39	per week	£108.15	per week	£105.70	per week
Homelessness Pods (per room)	£54.27	£52.94	per week	£51.40	per week	£50.25	per week
Chalets	£98.92	£96.51	per week	£93.70	per week	£91.55	per week
Repairs and Maintenance							
Condition surveys to respond to Party Wall Act Notices	£87.10	£84.98	per Notice	£82.50	per Notice	£80.60	per Notice
Copies of Structural Reports on RTB Properties	£43.07	£42.02	per report	£40.80	per report	£39.85	per report
Rechargeable repairs	2.50%	£0.00	increase in all charges	2.3%	increase in all charges	3.0%	increase in all charges
Replacement Door Entry and Suited Keys	£16.26	£15.86	per key	£15.40	per key	£15.00	per key
Sewerage charges for individual sewerage systems	2.50%	2.4%	increase in all charges	2.3%	increase in all charges	3.0%	increase in all charges
General percentage uplift for next year	2.50%	3.0%		2.3%			

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Report to the Cabinet



Report Reference: C-065-2020-21

Date of Meeting: 11 February 2021

Portfolio : Finance & Economic Development - Cllr John Philip

Subject: Quarter 3 Budget Monitoring Report 2020/21

Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)

Democratic Services Officer: Adrian Hendry 01992 564243

Recommendations/Decisions Required:

After consideration of any comments received from Overview and Scrutiny, that;

- 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 (*Appendix A*).**
- 2. The General Fund capital position at the end of Quarter 3 (31st December 2020) for 2020/21 be noted (*Appendix B*).**
- 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 (*Appendix C*).**

Executive Summary:

This report sets 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 over spend of £0.313 million is forecast, with projected net expenditure of £18.122 million against an overall budget provision of £17.809 million.

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

Most notably:

- **Budget Pressures** – a range of 2020/21 budget pressures are being experienced, especially on Council income streams. Major cost centres affected include:
 - **Leisure Facilities (£2,318,860)** – the combined impact of the loss of the Management Fee is exacerbated by the need for compensation payments to the contractor in order to maintain the availability of Leisure Centres, whilst complying with social distancing requirements. However, the position has improved since Quarter 2 (with a projection of £2,815,030). Detailed reconciliation work has subsequently been completed in partnership with the contractor, as part of ‘open book accounting’ arrangements, which has led to a net reduction in compensation payments. In addition, in turn, the Council has submitted a compensation bid to Sport England, which is expected to yield a minimum of £260,000, which will further alleviate the cost pressure.
 - **Qualis Income (£2,312,071)** – a major shift in economic assumptions such as property prices and interest rates have reduced achievable income streams from the Qualis initiative in the year. This has also reduced the Council’s forecast borrowing costs, thereby offsetting the overall reduction; and
 - **Car Parking (£1,350,528)** – there has been a major decline in the usage of Council car parks in 2020/21, especially during ‘lockdown’ phases due to the pandemic. The emergence of the third lockdown especially since Quarter 2, has further increased the forecast cost pressure. A huge increase in homeworking is also leading to a large – and sustained – reduction in in car park usage by commuters.
- **Government Support** – so far, the Government has been generally supportive of local authorities and recognises the scale of the financial challenge at a local level. To this end, £1.947 million in general un-ringfenced funding has already been provided, along with further support through an income loss compensation scheme, which is forecast to rise to £2.177 million by the year end (i.e. combined funding of circa £4.1 million).

The Housing Revenue Account position is less affected by the Covid-19 pandemic. Indeed, income from Council Dwellings is outperforming its budget, although there are some cost pressures to note, especially on Housing Repairs, which are not linked to the pandemic.

Turning to capital spending:

- **General Fund Capital Programme** – the Council has incurred capital expenditure of £37.343 million (including £30.0 million in Qualis Investments) at the Quarter 3 stage, against an overall budget of £53.430 million. Further anticipated spending on the Programme during Quarter 4 of £12.985 million (including £6.0 million in Qualis Investments) is expected to result in a net underspend of £3.102 million; and
- **Housing Revenue Account** – the Council has incurred capital expenditure of £8.825 million at the Quarter 3 stage, against an overall budget of £25.313 million. The year-end forecast anticipates overall expenditure of £19.579 million by 31st March 2021 (leading to a net underspend of £5.734 million). As reported in Quarter 2, lower than planned Housebuilding in 2020/21 is still a significant factor in the forecast variance, although forecast underspending on Capital Works is now also a factor.

Finally, the Covid-19 pandemic is a completely unprecedented event, and the forecasts presented in this report, whilst based on the best and latest available intelligence, will continue to remain uncertain. For example, at the time of preparing the Quarter 2 report, the country had just entered a second ‘lockdown’; we are now deep into a third lockdown and the restrictions imposed on businesses and the community is causing further uncertainty on a

whole range of areas that have both direct and indirect impacts on the Council's finances.

1) Background and Introduction

- 1.1 The Council's budget for 2020/21 (both General Fund and Housing Revenue Account) was approved by full Council on 25th February 2020. This report updates Cabinet on how the Council's services have performed against their budgets in the first nine months of the financial year, and projects forward to the anticipated outturn for the end of the financial year.
- 1.2 This is the third update for 2020/21 and includes the 2020/21 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st December 2020 ("Quarter 3").
- 1.3 It should be noted that the General Fund service structure presented is different from the one presented in the Quarter 2 update reported in November 2020. The new structure reflects the most recent service realignment exercise, effective from 1st October 2020 (including further refinement in December 2020).

2) General Fund Revenue Budget

- 2.1 The General Fund revenue position for 2020/21, at the Quarter 3 stage – summarised by service area – is presented in **Appendix A**. The headline is a forecast budget overspend of £0.313 million, with projected net expenditure of £18.122 million against an overall budget provision of £17.809 million. The table below summarises the position by service.

General Fund Revenue Budget 2020/21 (Quarter 3)			
Description	Budget 2020/21 (Updated)	Forecast Spending (31/03/21)	Variance
	£000's	£000's	£000's
Chief Executive	1,605	1,192	(413)
Community & Wellbeing	1,353	1,084	(269)
Contracts & Technical	(190)	2,614	2,804
Corporate Support	7,517	8,202	685
Customer Services	2,561	2,349	(212)
Economic Projects	1,531	1,569	38
Finance & Audit	1,844	2,632	788
Housing & Property	2,746	2,494	(252)
Planning	2,249	2,252	3
Strategy, Delivery & Performance	1,545	1,167	(378)
Qualis	(3,626)	(1,314)	2,312

Government Covid Support	0	(4,124)	(4,124)
HRA Recharges	(3,185)	(3,585)	(400)
Financing	1,858	1,590	(268)
Totals	17,809	18,122	313

2.2 The notable variances (in excess of £0.5 million) to budget in the table above include:

- Contracts and Technical Services (£2,803,558 forecast Overspend) – the large projected overspend is due to two well documented financial pressures. Firstly, Car Parking (£1,350,528) with lower income resulting from lower demand for parking provision, due to successive ‘lockdowns’, and changes in working and shopping habits as a result of the Pandemic. The introduction of a temporary 20 pence charge has helped increase take-up to an extent, but commuter long stay parking is still particularly low and will potentially remain so, for the foreseeable future, even when restrictions are eventually lifted. And secondly, Leisure Facilities (£2,318,86), which is the largest single Covid-19 related cost. The viability of the Places for Leisure contracts has changed dramatically, both during lockdown and during the subsequent period of restriction in how these centres can be used. For now, the Council is working with the contractor to share the losses on an open book basis, pending clarity emerging on whether operations will return to normal and within what timeframe
- Corporate Support (£685,247 forecast Overspend) – significant cost pressures have been experienced due to the additional capacity required to manage the Covid-19 impacts, such as the ICT demands of homeworking and understanding the financial impact (e.g. a forecast overspend of £531,777 is expected on the ICT budget, with Covid-19 costs adding to transitional costs associated with an internal restructure). However, the spending pressures in Corporate Support are being partially offset by savings in other areas
- Finance and Audit (£787,900 forecast Overspend) – the single largest factor, is an assumed requirement at this stage to provide an additional contribution to the corporate Bad Debt Provision as the impact of the pandemic is likely to make general outstanding debts owed to the Council less collectable, with £500,000 now proposed compared to a budget of £102,000. Additional resourcing costs are also being incurred in the Corporate Finance Team to cover vacant posts, especially in specialist areas such as the Housing Revenue Account, which has necessitated the short-term recruitment of additional professional support
- Qualis Income (£2,312,071 forecast Overspend) – forecast income from Qualis is now significantly lower than that assumed within the original budget. The pandemic occurred at a critical time for the development of the Qualis Business Plan as, necessarily, the organisation was required to focus on managing the impacts of the virus. The consequential delay in getting to a point where Qualis could implement its Business Plan, the Covid19 related impacts on property prices and the reductions in the capital financing costs have all had an impact on the base budget assumptions. When the budget was developed the Qualis related income was flagged as being dependent on key actions taking place during the year in order to deliver this income stream. Prudently, contingency was built into the budget plans should any slippage occur. This included a large contingency provision and the central control over the release of funding for some service investment activities until there was confidence that the targeted income had been achieved. Given the unknown nature of the pandemic this caution has proved fortuitous and enables the Council to accommodate

the reduced Qualis income associated with the pandemic delays. The delays have also reduced the amount of borrowing the Council had expected to have taken at this point and the cost of that borrowing. The reductions partially net off the forecast overspend here; and

- Government Support (£4,123,955 forecast Underspend) – the Government has introduced a range of funding support streams and continues to consider its position in relation to on-going support. However, as it stands, the amount of expected support is barely half of the cost of the pandemic to the Council. Thus far the Government has provided £1.947 million in general un-ringfenced support. It has also introduced the “SFC Compensation Scheme”, under which the Government has undertaken to cover 75% of the Council’s income losses, but only after councils meet the first 5% of budgeted losses themselves. It is currently estimated (taking account of the ‘Third Lockdown’) that this will cover £2.177 million of Epping Forest District Council’s income losses, but this may vary as actual income losses change. The Government continues to collect data on the actual costs of Covid-19 to individual councils via monthly returns and has communicated further support packages extending into 2021/22 (e.g. the SFC scheme is set to continue until at least 30th June 2021).

3) Housing Revenue Account (revenue)

3.1 The Housing Revenue Account (HRA) revenue position for 2020/21, at the Quarter 3 stage, is summarised in the table below. As at 31st December 2020, a deficit of £583,000 is forecast for the year end, compared to a budgeted surplus of £30,000.

Housing Revenue Account Budget 2020/21 (Quarter 3)			
Description	Budget 2020/21	Forecast Spending (31/03/21)	Variance
	£000's	£000's	£000's
EXPENDITURE			
Supervision & Management (General)	7,023	6,588	(435)
Supervision & Management (Special)	3,665	3,607	(58)
Rents, Rates Taxes and Insurances	520	522	2
Contributions to Repairs Fund	6,000	6,861**	861
Management & Maintenance	17,208	17,578	370
Capital Charges	8,011	8,611	600
Major Repairs on Leasehold Properties	306	147	(159)
Treasury Management Expenses	57	57	0
Provision for Bad/Doubtful Debts	70	90	20
Total Expenditure	25,652	26,483	831
INCOME			
Gross Rent from Dwellings	(31,997)	(32,607)	(610)
Non-Dwellings Rents	(831)	(796)	35
Charges for Services & Facilities	(1,834)	(1,688)	146
Contributions from General Fund	(350)	(350)	0
Total Income	(35,012)	(35,441)	(429)
Net Cost of Services	(9,360)	(8,958)	402
Interest on Receipts and Balances	(378)	(37)	341
Interest Payable on Loans	5,668	5,638	(30)
Pensions Interest Payable/Return on Assets	640	640	0
Net Operating Income	(3,430)	(2,717)	713
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	4,430	4,430	0
IAS19 Adjustment	(1,160)	(1,260)	(100)
Transfer to Self-Financing Reserve	130	130	0
(Surplus)/Deficit for Year	(30)	583	613

** Projected spend net of £250,000 Housing Repairs Fund balance as at 31st March 2020

3.2 The most notable factors behind the forecast deficit are as follows:

- Contributions to Repairs Fund (Negative £861,000) – as previously reported to Cabinet on (22nd December 2020) and the Stronger Council Select Committee (19th January 2021), spending from the Housing Repairs Fund has been consistently exceeding the annual contributions in. The balance brought forward on the Fund on 1st April 2020, is insufficient to absorb the spending pressure in 2020/21. The Void Repairs budget especially has been coming under pressure in recent years as older stock has tended to dominate newly vacated properties, which is proving more expensive to repair; and
- Capital Charges (Negative £600,000) – again, as previously reported, based on a review of the Fixed Asset Register, it has been identified that the Depreciation budget is insufficient. This is an historic problem that also led to an overspend in 2019/20 (the 2020/21 budget had already been set by the time the issue had been identified).

3.3 There are however some positive variances to report. Most notably:

- Gross Rent from Dwellings (Positive £610,000) – based on the latest available information from the Housing Rents system, a surplus of £610,000 is forecast on income from Dwellings compared to budget; and
- Supervision & Management General (Positive £435,000) – the transfer of the Housing Repairs service to Qualis on 1st October 2020, is a contributory factor in lower General Fund recharges, which was part of the business case for introducing the new arrangements.

3.4 Members should note that the current HRA Business Plan includes the assumed maintenance of a minimum balance of £2.0 million in the HRA reserve; as at 31st March 2020, the balance was £2.03 million. In the circumstances, and assuming the anticipated deficit on the HRA materialises at year end, in order to maintain the minimum balance, it is proposed to forego the planned contribution to the HRA Self-Financing Reserve (£130,000) and meet any residual shortfall through reduced Revenue Contributions to Capital (£423,000 based on the projection above).

4) General Fund Capital Programme

4.1 The General Fund Capital Programme for 2020/21 as at 31st December 2020 is summarised – at a service level – in the table below. A more detailed analysis – at a scheme level – is included in **Appendix B**. The Programme – updated in the light of the Covid-19 pandemic – totals £53.430 million. Spending in the first 9 months was £37.343 million, with a forecast outturn of £50.328 million, which – if this materialises – would lead to a small net underspend of £3.102 million.

4.2 Members should note the following:

- Qualis Capital Investments have been included for the first time; this is consistent with proper accounting practice and further enhances transparency (the Programme presented therefore increases – visually – by £36.0 million from £17.430 million in Quarter 2 to £53.430 million in Quarter 3); and
- The service structure presented was superseded with effect from 1st October 2020. This does not affect the delivery of any of the capital schemes listed. The new service structure will be reflected in the 2021/22 General Fund Capital Programme proposed to full Council on 25th February 2021.

General Fund Capital Programme 2020/21 (Quarter 3)					
Description (using opening service structure for 2020/21)	Budget 2020/21 (Updated)	Spending (@ 31 Dec 2020)	Remaining Budget (@ 31 Dec 2020)	Forecast Spending (31/03/21)	Variance
	£000's	£000's	£000's	£000's	£000's
Business Support	1,252	177	1,075	1,274	22
Commercial & Regulatory	12,177	6,192	5,985	10,404	(1,773)
Community & Partnerships	896	42	854	111	(785)
Contracts & Technical	2,645	878	1,767	2,227	(418)
Housing & Property	460	54	406	312	(148)
Qualis Investments	36,000	30,000	6,000	36,000	0
Totals	53,430	37,343	16,087	50,328	(3,102)

4.3 The table above shows that significant spending has taken place in the first three quarters of the financial year, although this is dominated by a Qualis loan of £30.0 million. Spending in other areas has been slightly more constrained – to a large extent – due to the disruption caused by the pandemic. However, capital spending this year is dominated by the (former) Commercial & Regulatory element of the Programme and two schemes in particular:

- Civic Offices Accommodation – this is the largest General Fund project in 2020/21, with a core project budget of £7.242 million (excluding IT costs). As at 31st December 2020, just over 60% of the allocated budget had been spent, and the new facility is expected to be available for occupation in March 2021 (subject to Covid-19 restrictions). The core budget consists of both contracted works, which are currently expected to underspend, and additional costs for furniture and equipment. The overall forecast outturn at this stage is £7.515 million, which would result in a small overspend of £273,000; this is attributable to consultancy and contractor costs required to deliver the project, which could not be provided by in-house staff, and was not included in the original business case.

There is an additional budget allocation of £0.907 million for IT costs, which form a major part of the fit-out stage of the project. A marginal underspend of £7,000 is currently forecast on IT costs.

- Investment Property Acquisitions – an unspent balance of £4.833 million was rolled forward into 2020/21 from the original allocation of £30.0 million in 2019/20 for investment property acquisitions. Continued high demand for light industrial units in the district was a major factor behind the decision to acquire an additional property in Brooker Road, Waltham Abbey this year. In addition, further investment of circa £880,000 is imminent in the same sector at the time of preparing this report; this would bring estimated total spending for 2020/21 up to £2.678 million, leaving an estimated unspent balance of £2.155 million available for carry forward at the year end.

5) Housing Revenue Account (HRA) Capital Programme

5.1 The Housing Revenue Account (HRA) Capital Programme for 2020/21 as at 30th December 2020 is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The Programme budget totals £25.313 million. Spending in the first 9 months was £8.825 million, with a forecast outturn of £19.579 million, which – if this materialises – would lead to an underspend of £5.734 million.

HRA Capital Programme 2020/21 (Quarter 3)					
Description	Budget 2020/21 (Updated)	Spending (@ 30 Dec 2020)	Remaining Budget (@ 30 Dec 2020)	Forecast Spending (31/03/21)	Variance
	£000's	£000's	£000's	£000's	£000's
Housing Development	15,092	4,836	10,256	12,422	(2,670)
Capital Works	9,592	3,886	5,706	7,303	(2,289)
Other Housing Schemes	855	103	752	154	(701)
Vehicle Replacements	74	0	74	0	(74)
Leaseholder Contributions	(300)	0	(300)	(300)	0
Totals	25,313	8,825	16,488	19,579	(5,734)

5.2 There are two significant areas of underspending/slippage on the HRA Capital Programme for 2020/21; Housing Development and Capital Works. Thus:

- Housing Development (forecast underspend £2.670 million) – there are two elements to note:
 - Housebuilding – the Housebuilding Programme has a budget of £15.092 million for 2020/21 (including rolled forward funds of £640,000 from 2019/20). The projected outturn on the Programme is £4.379 million, which – if this materialises – would lead to an underspend of £10.713 million at year end. The Covid-19 pandemic has caused delays and – due to planning delays – Phase 4.4 has been removed from the 2020/21 Programme; however
 - Open Market Acquisitions – the anticipated underspend has been offset to a large extent by the purchase of some existing properties on the open market (£3.024 million by 31st December 2020, expected to rise to £8.043 million by 31st March 2021). This is allowing the Council to increase its housing stock, whilst averting the loss of capital receipts from the Right to Buy (RTB) scheme (which are required to be paid over to the Government if they are not spent on replacement stock within three years)
 - Capital Works (forecast underspend £2.289 million) – the largest single item of underspending in this category is Windows, Doors and Roofing (forecast underspend £1.241 million). The Covid-19 pandemic is the primary cause of slippage in the

programme, which has caused difficulties in obtaining roof tiles, thereby slowing down Roofing Works; this being the largest single item. Double glazing works have also been restricted to emergency repairs only for much of 2020/21.

- 5.3 The Housing Repairs service was transferred from the Council to Qualis with effect from 1st October 2020. The new arrangements affect the Capital Works element of the HRA Programme (e.g. capital works on voids). At the time of preparing this report, officers are further refining Capital Works projections with Qualis; the projections presented are currently the best available, but the risk of volatility in the numbers remains as the new arrangements bed in.

Reason for Decision:

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

Options:

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

Resource Implications:

The resource implications in this report are overwhelmingly financial in nature, in the form of budgetary control. Robust budget monitoring processes maximise the opportunity for services to react quickly to potential problems as they emerge, thus reducing the risk of financial problems, impeding the delivery of strategic priorities.

Legal and Governance Implications:

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Cabinet to remain aware of issues and the process to be taken to maintain a balanced budget.

Safer, Cleaner, Greener Implications:

There are no SGS implications.

Consultation Undertaken:

The development of the original 2020/21 budget was informed by the statutory public consultation and democratic scrutiny processes.

Background Papers:

Management Accounts 2020/21 (Month 9)

Risk Management

The report is primarily presented for information only and has no risk management implications, although regular monitoring and reporting of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

Appendix A

General Fund Revenue Budget 2020/21

Quarter 3 Forecast

Epping Forest DC: General Fund Rolling Forecast 2020/21							
@ 31 December 2020 (Month 9)							
General Fund							
Service Area	Activity	Full Year Budget £'s	Net Expenditure			Forecast £'s	Variance £'s
			Budget (M9) £'s	Actual £'s	Variance £'s		
Chief Executive	Chief Executive Support Services	662,550	441,700	473,692	31,992	695,228	32,678
	Corporate Activities	49,560	14,820	104,675	89,855	107,101	57,541
	Other Activities	892,680	-	187,667	187,667	389,994	502,686
	Sub-Total	1,604,790	456,520	766,034	309,514	1,192,323	412,467
Community & Wellbeing	Community, Health & Wellbeing	192,146	191,964	37,097	(154,867)	128,636	63,510
	Cost Centres - Community & Wellbeing	477,090	355,418	324,483	(30,935)	433,267	43,823
	Homelessness	(304,090)	(361,125)	(533,408)	(172,283)	421,910	117,820
	Housing Policy	32,046	-	-	-	32,046	64,092
	Museum, Heritage & Culture	659,120	421,245	405,439	(15,806)	679,462	20,342
	Voluntary Sector Support	296,320	238,748	227,278	(11,470)	296,320	-
	Sub-Total	1,352,632	846,249	460,889	(385,360)	1,083,729	268,903
Contracts & Technical Services	Car Parking	(1,188,660)	(932,794)	240,622	1,173,416	161,868	1,350,528
	Contracts & Technical Support Services	1,961,950	1,584,120	1,538,935	(45,184)	2,042,390	80,440
	Cost Centres - Contracts & Technical	2,938,380	2,198,826	1,977,795	(221,030)	2,699,976	238,404
	Land Drainage/Sewerage	107,200	89,601	54,521	(35,080)	110,970	3,770
	Land & Property	(6,554,520)	(6,580,403)	(7,228,043)	(647,640)	7,427,278	872,758
	Leisure Facilities	(1,421,420)	(820,828)	830,427	1,651,255	897,440	2,318,860
	North Weald Centre	(73,990)	(50,832)	(148,383)	(97,551)	29,571	103,561
	Parks & Grounds	474,260	82,863	(41,448)	(124,311)	373,513	100,747
	Waste Management	4,300,431	2,672,706	3,411,124	738,418	4,583,836	283,405
	Environmental Health	215,840	199,035	26,979	(172,056)	211,800	4,040
	Private Sector Housing	(115,570)	(43,030)	(615,401)	(572,371)	483,290	367,720
	Regulatory Services	(833,780)	(635,405)	(510,643)	124,762	587,117	246,663
	Sub-Total	(189,879)	(2,236,143)	(463,514)	1,772,629	2,613,679	2,803,558
Corporate Support	Business Support	1,660,060	1,222,448	1,002,704	(219,743)	1,428,560	231,500
	Cost Centres - Corporate Support	219,830	164,610	113,608	(51,002)	218,040	1,790
	Emergency Planning & Other	88,290	61,473	80,814	19,341	112,690	24,400
	ICT	3,260,853	2,531,682	2,977,553	445,871	3,792,630	531,777
	Other Support Services	1,443,930	1,026,218	1,455,882	429,664	1,743,860	299,930
	Insurance Premiums	844,170	831,420	855,600	24,180	906,600	62,430
	Sub-Total	7,517,133	5,837,850	6,486,161	648,310	8,202,380	685,247
Customer Services	Cost Centres - Customer Services	2,230,750	1,675,108	1,637,413	(37,695)	2,236,890	6,140
	Customer Support Services	1,542,520	1,123,245	1,113,019	(10,226)	1,524,290	18,230
	Housing Benefits	(695,870)	162,474	200,121	37,648	1,100,667	404,797
	Local Taxation	(516,200)	(210,758)	(4,298,778)	(4,088,021)	311,360	204,840
	Sub-Total	2,561,200	2,750,069	(1,348,225)	(4,098,294)	2,349,153	212,047
Economic Projects	Community & Partnership	410,053	283,830	(102,179)	(386,009)	388,598	21,455
	Cost Centres - Economic Projects	869,410	718,448	744,996	26,549	913,438	44,028
	Economic Projects Support Services	251,850	188,693	221,364	32,671	266,660	14,810
	Sub-Total	1,531,313	1,190,970	864,181	(326,789)	1,568,696	37,383
Finance & Audit	Audit Support Services	358,880	258,878	213,268	(45,610)	412,719	53,839
	Finance Support Services	804,040	500,083	702,173	202,089	1,151,151	347,111
	Finance & Other Activities	681,576	(12,927)	(5,297)	7,630	1,068,526	386,950
	Sub-Total	1,844,496	746,035	910,144	164,109	2,632,396	787,900
Housing & Property	Accommodation	898,530	788,211	623,821	(164,389)	855,370	43,160
	Cost Centres - Housing & Property	546,890	40,925	368,241	327,316	520,370	26,520
	Facilities & Depot Management	636,860	421,891	287,230	(134,661)	694,140	57,280
	Housing & Property Support Services	664,190	498,535	281,387	(217,148)	424,240	239,950
	Sub-Total	2,746,470	1,749,562	1,560,679	(188,883)	2,494,120	252,350
Planning	Cost Centres - Planning Services	1,535,400	1,149,203	1,231,455	82,252	1,603,120	67,720
	Local Plan Implementation	1,376,640	761,645	104,228	(667,417)	1,044,432	332,208
	Planning & Development	(1,156,300)	(881,390)	(659,675)	221,715	823,280	333,020
	Planning Support Services	493,560	370,170	320,823	(49,347)	427,440	66,120
	Sub-Total	2,249,300	1,399,628	996,831	(402,797)	2,251,712	2,412
Strategy, Delivery & Performance	Cost Centres - Strategy, Delivery & Performance	85,330	56,887	59,577	2,690	90,460	5,130
	Elections	291,550	46,860	(131,648)	(178,508)	137,460	154,090
	Member Activities	420,460	218,177	177,438	(40,739)	377,670	42,790
	Strategy, Delivery & Performance Support Services	747,760	498,240	257,870	(240,370)	561,369	186,391
	Sub-Total	1,545,100	820,163	363,237	(456,927)	1,166,959	378,141
General Fund Total		22,762,555	13,560,903	10,596,417	(2,964,486)	25,555,147	2,792,592
	Qualis Income	(3,626,398)	-	-	-	(1,314,327)	2,312,071
	Government Support:						
	Main Government Grant	-	-	(1,946,631)	(1,946,631)	(1,946,631)	(1,946,631)
	SFC Compensation	-	-	(725,325)	(725,325)	(2,177,325)	(2,177,325)
		19,136,157	13,560,903	7,924,461	(5,636,442)	20,116,864	980,707
HRA Recharges		(3,185,225)	-	-	-	(3,585,225)	(400,000)
		15,950,932	13,560,903	7,924,461	(5,636,442)	16,531,639	580,707
Financing	<i>Interest (inc. Qualis):</i>						
	Interest Receivable	(100,000)	(75,000)	(45,864)	29,136	(60,000)	40,000
	Interest Payable	1,443,600	-	-	-	911,992	(531,608)
	MRP (inc. Qualis)	514,000	-	-	-	738,000	224,000
Net Expenditure		17,808,532	13,485,903	7,878,597	(5,607,306)	18,121,631	313,099

Appendix B

General Fund Capital Programme 2020/21

Quarter 3 Forecast

	2019/20 Budget Outturn (xtract)			2020/21 Budget Progress (@ 31 December 2020: Q3)							
	2019/20 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2020/21	Balances Rolled Forward from 2019/20	2020/21 Budget Allocation	2020/21 Budget (Updated)	Spending to Date	Remaining Budget	Forecast Outturn	Forecast Variance (Under)/ Over	
Schemes	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
Business Support											
ICT General Schemes	2,397	2,397	-	-	111,000	111,000	20,582	90,418	137,000	26,000	
ICT Strategy Implementation	122,137	12,037	110,100	110,100	124,000	234,100	126,410	107,690	237,272	3,172	
Civic Offices Accommodation Project (ICT)	-	-	-	-	907,000	907,000	30,288	876,712	899,592	7,408	
Sub-Totals	119,740	9,640	110,100	110,100	1,142,000	1,252,100	177,280	1,074,820	1,273,864	21,764	
Commercial & Regulatory											
Civic Offices Accommodation	67,354	639	67,993	67,993	7,310,000	7,242,007	4,363,178	2,878,829	7,514,760	272,753	
NWA Brexit HGV Parking	138,378	138,378	-	-	-	-	-	-	-	-	
St Johns Road development	172,000	172,000	-	-	-	-	-	-	-	-	
Waltham Abbey SP site	339	339	-	-	-	-	-	-	-	-	
Investment Properties (Landmark Building)	80,381	87	80,468	80,468	-	80,468	5,427	75,041	33,677	46,791	
EFDC Shopping Park	21,677	-	21,677	21,677	-	21,677	-	21,677	-	21,677	
Cartersfield Road	-	-	-	-	-	-	25,286	25,286	177,600	177,600	
Investment Property Acquisitions	4,833,000	-	4,833,000	4,833,000	-	4,833,000	1,798,455	3,034,545	2,678,455	2,154,545	
Sub-Totals	4,901,665	34,513	4,867,152	4,867,152	7,310,000	12,177,152	6,192,346	5,984,806	10,404,492	1,772,660	
Community & Partnership											
CCTV Systems	38,639	7,562	31,077	31,077	170,000	201,077	40,698	160,379	110,220	90,857	
Superfast Broadband (REFCuS)	350,000	350,000	-	-	350,000	350,000	-	350,000	-	350,000	
Museum Schemes	-	-	-	-	300,000	300,000	-	300,000	-	300,000	
Car Park CCTV Systems	-	-	-	-	45,000	45,000	913	44,087	913	44,087	
Sub-Totals	388,639	357,562	31,077	31,077	865,000	896,077	41,611	854,466	111,133	784,944	
Contracts & Technical											
Leisure Centres	3,310	3,310	-	-	1,300,000	1,300,000	831,755	468,245	1,300,000	-	
Car Park Schemes	-	-	-	-	-	-	46,361	46,361	46,361	46,361	
Grounds Maintenance	25,050	-	25,050	25,050	30,000	55,050	-	55,050	43,650	11,400	
Climate & Environmental	-	-	-	-	400,000	400,000	-	400,000	227,000	173,000	
Highways	-	-	-	-	140,000	140,000	-	140,000	-	140,000	
Parking & Traffic Schemes (REFCUS)	60,000	60,000	-	-	-	-	-	-	-	-	
Vehicle Fleet	-	-	-	-	750,000	750,000	-	750,000	610,000	140,000	
Sub-Totals	88,360	63,310	25,050	25,050	2,620,000	2,645,050	878,116	1,766,934	2,227,011	418,039	
Housing & Property											
Depots	799	-	799	799	-	799	225	1,024	-	799	
Investment Property works	48,541	10,563	37,978	37,978	315,000	352,978	42,598	310,380	279,985	72,993	
Active Planned Maintenance	13	3,159	3,172	3,172	109,250	106,078	11,273	94,805	32,000	74,078	
Sub-Totals	49,327	13,722	35,605	35,605	424,250	459,855	53,646	406,209	311,985	147,870	
Qualis Capital Investments											
Investment Loan	-	-	-	-	30,000,000	30,000,000	30,000,000	-	30,000,000	-	
Regeneration Finance Loan (1st Advance)	-	-	-	-	6,000,000	6,000,000	-	6,000,000	6,000,000	-	
Sub-Totals	-	-	-	-	36,000,000	36,000,000	30,000,000	6,000,000	36,000,000	-	
Totals	5,547,731	478,747	5,068,984	5,068,984	48,361,250	53,430,234	37,342,999	16,087,235	50,328,485	3,101,749	

Appendix C

Housing Revenue Account Capital Programme 2020/21

Quarter 3 Forecast

	2019/20 Budget Outturn (xtract)			2020/21 Budget Progress (@ 31 December 2020: Q3)							
	2019/20 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2020/21	Balances Rolled Forward from 2019/20	Virements between schemes 2020/21	2020/21 Budget Allocation	2020/21 Budget	Spending to Date	Remaining Budget	Forecast Outturn at M9	Forecast Variance (Under)/Over
Schemes	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Housing Development Programme:											
Housebuilding	640	0	640	640	0	14,452	15,092	1,812	13,280	4,379	10,713
Open Market Acquisitions	0	0	0	0	0	0	0	3,024	3,024	8,043	8,043
Sub-Totals	640	0	640	640	0	14,452	15,092	4,836	10,256	12,422	2,670
Capital Works:											
Heating	-158	0	-158	-158	-200	1,454	1,096	385	711	1,092	4
Windows, Door and Roofing	307	0	307	307	-18	2,374	2,663	424	2,239	1,422	1,241
Compliance Planned Maintenance	44	-3	41	41	-30	265	276	50	226	136	140
Kitchens & Bathrooms (inc void allocation)	322	0	322	322	1,175	2,300	1,447	931	516	1,070	377
Electrical	-69	0	-69	-69	200	1,001	1,132	929	203	1,300	168
Sprinklers	179	0	179	179	0	0	179	1	178	1	178
Environmental	128	-9	119	119	43	240	402	49	353	245	157
Structural works	-688	-2	-690	-690	1,180	1,100	1,590	906	684	1,347	243
Disabled adaptations	-6	0	-6	-6	0	450	444	136	308	450	6
Asbestos	18	0	18	18	0	205	223	75	148	150	73
Estate Improvements	0	0	0	0	0	140	140	0	140	90	50
Sub-Totals	77	-14	63	63	0	9,529	9,592	3,886	5,706	7,303	2,289
Other Housing Schemes:											
Service Enhancements	108	0	108	108	0	592	700	-1	701	-1	701
Oakwood Hill Depot Extension	155	0	155	155	0	0	155	104	51	155	-
Sub-Totals	263	0	263	263	0	592	855	103	752	154	701
Vehicle Replacements (moved to Qualis)	14	0	14	14	0	60	74	0	74	0	-74
Gross Expenditure	994	-14	980	980	0	24,633	25,613	8,825	16,788	19,879	5,734
Leaseholder Contributions	0	0	0	0	0	-300	-300	0	-300	-300	0
Net Expenditure	994	-14	980	980	0	24,333	25,313	8,825	16,488	19,579	5,734

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Report to the Cabinet

Report reference: C-059-2020/21
Date of meeting: 11 February 2021



**Epping Forest
District Council**

Portfolio: Asset Management and Economic Development
Subject: Proposed Re-development of Units 50, 51-52, 60 and Unit 10 Cartersfield Road, Waltham Abbey, EN9
Responsible Officer: Karim Pabani (01992 564123).
Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) Cabinet recommends 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 grants 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.**

Executive Summary:

Units 50, 51-52, 60 and Unit 10 are industrial warehouse units located at Brooker Road Industrial Estate, Waltham Abbey. They form 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 have identified an opportunity for active asset management on this part of the estate. This follows 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 is 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 and 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 as set out in Appendix 1-3. EFDC is 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.

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:

Alternative options are:

1. 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.

Report:

The Property/Situation:

The properties are situated to either side of Cartersfield Road, Waltham Abbey, EN9 approximately 500 yards to the west of its junction with Sewardstone Road. This forms part of a larger established industrial area adjacent to the M25. EFDC currently own approximately 2/3rds of the landholdings of Brooker Road Industrial Estate, of which part is let to tenants on long term ground leases and part of which is increasingly coming directly back into EFDCs control for commercial letting and redevelopment as the existing ground leases either expire or the EDFC Asset Management Team negotiate early surrenders of the ground leases in order to better utilise the assets in a modern commercial investment market.

Units 50, 51/52 and 60 collectively comprise the western site comprising approximately 1492 sq m (16,061 sq ft) prior to significant fire damage and demolition from March 2018. After the fire, useable built parts of the property extend to around 11,164 sq ft (1037 sq m). Unit 60 extends to approximately 672 sq m (7236 sq ft). There is therefore, currently around 18,400 sq ft (1709 sq m) on the western site.

This accommodation is mainly provided in a series of low-rise steel-framed workshop and storage buildings. We believe that the buildings were originally constructed in the mid-1960s. The buildings appear to be enclosed with fibre-cement roofing sheets and wall cladding which given the time of construction is likely to have an asbestos content. We estimate that western site extends to approximately 0.96 acres in total.

The eastern site comprises a single property, namely 10/10a, which extends to approximately 858 sq m (9236 sq ft). The building is of comparable specification to that described above and is of similar age. We estimate that the eastern site extends to approximately 0.46 acres.

Tenancies:

Unit 50 is let to the Abbey Motorist Centre. This tenant enjoys a right of occupation until 2025, but they are prepared to move earlier to facilitate the re-development provided EFDC can relocate them on the wider estate and cover their reasonable costs of doing so.

Unit 51/52 is let to Abbey Metal Reclaim and they have occupation rights until March 2021, after which they have to vacate the premises.

Unit 60 is let to DDSM Materials. Their lease has expired, and they occupy under existing legislation 'holding over' on the terms of this lease. It can be brought to an end with at least 6 month's prior written notice. The tenant has explained that they are happy to leave by mutual consent in the latter part of 2021 as they are winding down the business with a view to retiring.

Unit 10 is part utilised by EFDC's Facilities Team for storage, which can be easily vacated. The remainder is let until 2025 to Krunch Gym. This tenant may be prepared to leave early if we can offer suitable compensation.

We would suggest any existing tenancies are extended temporarily until the development is ready to commence.

Proposed Project and Planning:

On 16 September 2020 EFDC was granted planning permission for the proposed scheme

under designation **EPF/0983/20** unanimously (with conditions):

<http://plan1.eppingforestdc.gov.uk/Northgate/PlanningExplorer/GeneralSearch.aspx>

As will be seen from the planning, permission is granted for the demolition of Unit 10/10A, Unit 50, Unit 51/52 and Unit 60 Cartersfield Road and replacement with four steel portal frame warehouse units with ancillary parking/forecourts.

With planning permission granted EFDC now needs to procure a suitable project management firm to carry out all necessary professional work from post planning and site investigation works, competitive tendering for the construction contract, commissioning, monitoring and oversight of construction contract(s) and all sub-contractors, health and safety monitoring and sign-off, CDM regulations, liaising with all authorities and stakeholders, project sign-off, snagging and all other matters that may be required to bring the project from planning to completion.

This may be done in one stage or two stages depending on vacant possession of the respective sites.

EFDC will undertake a formal procurement exercise for professional services (project management) to execute the re-development of 10, 50, 51-52 and 60 Cartersfield Road Industrial Estate.

Benefits/Commercial Appraisal:

The combined existing rental income of the properties is £81,000 annually. The most recent valuation of February 2020 by external valuers gave a capital value of £1.89 million.

External agents appraisals have analysed the rate currently achievable on new commercial properties of this construction and specification in this location and could on completion achieve a total rental income in the region of £360,000 annually. The appraisal concluded that the capital value of such a completed scheme would be in the region of £7.1 million.

High quality light industrial units in this area continue to attract high demand and increasing rental levels, as evidenced by the immediately adjacent Meadow Storage units (which are subject to long ground leases) which were demolished and re-developed by the ground tenant.

Resources and timescales:

We note that the insurance claim for the fire damage to 51 Cartersfield Road was successfully concluded, with the insurer meeting the estimated cost of like for like rebuilding. This was settled at £473,977 in April 2020 and this capital sum should be used towards the intended purpose via this proposed redevelopment.

EFDC would need to finance the project, including estimated:

1. Construction costs of £2.39 million.
2. Professional fees of £217,000.
3. Finance costs of £108,602.
4. Contingency budget of £107,000.

These indicative costs have been budgeted for within the proposed 2021/22 financial year budget (subject to approval).

The fees for the Project Manager, from appointment, building works oversight to post-works

sign off is projected to be in the region of £200,000-£250,000 based on industry averages for a project of this size and build cost. This would be competitively tendered by EFDCs Procurement Team and the EFDC Asset Management Team to ensure cost control and appointment of suitable professionals against our Procurement Policy and all associated governing legislation.

These costs do not include any subsequent costs associated with agency letting fees, valuation fees or property management fees once the project is completed.

The construction costs would be competitively tendered by the Project Manager, in an EFDC Procurement Policy compliant manner before site clearance and construction began.

The project itself should take 9-15 months from start to completion. This is subject to vacant possession of the site and bringing existing tenancies to an end.

Full cash flow and projected timescales are set out in Appendix 4. The total cumulative capital cost of the project between 2021-2023 is estimated at £2.511 million.

Finance Team project that the project would be financed via a loan from the Public Works Loan Board. As of the date of this report, prevailing rates of borrowing are 1.73% with the projected period of the loan being 50 years.

It is anticipated that, assuming completion of the project by September 2022 (i.e. 12 months), rental income would be received from March 2023, allowing for an initial 6 month market standard rent free period.

Resource Implications:

Please refer to above and included external appraisal in the appendices.

Legal and Governance Implications:

This project will be subject to Delegated Authority if granted, and subject to our Procurement Policy.

The appointed Project Manager would be responsible for all CDM, Health & Safety and other relevant legislation in carrying out the day to day oversight of the project.

Safer, Cleaner and Greener Implications:

The proposed development has specifically been approved by Planning on the basis of no intensification of vehicle use on the site, in compliance with existing local planning and Council policies for the District. The Units themselves would be of a more environmentally friendly modern construction in comparison to the existing increasingly dilapidated structures. This would include the safe removal of all asbestos containing materials as part of the demolition process.

The existing structures are unlikely to meet UK government regulations for the minimum requirements of Energy Performance Certification ratings moving forwards. Therefore keeping the existing environmentally unfriendly properties in situ is expected to lead to the existing buildings becoming unlettable in the near future, which will have a significantly adverse effect on their value and lead to increasing costs and security issues for EFDC.

Consultation Undertaken:

The existing tenants have been notified of EFDC's broad intentions for the site via combination of written and verbal correspondence as appropriate and they will also have been publicly notified by the planning submission process.

Background Papers:

Please refer to the appendices. These set out the existing site plan, the proposed development site plan along with indicative drawings of the proposed structural elevations, and the independent surveyors commercial appraisal setting out the detailed commercial investment figures along with projected construction and project costs and gross development and residual values.

Risk Management:

The appointed Project Manager would be responsible for risk management as part of their brief. More broadly, the proposed project is aimed at reducing EFDCs immediate risk of the existing properties becoming unlettable due to age, deterioration and Energy Performance legislation. In the medium to long term the project is aimed at further de-risking EFDC's financial liabilities by significantly increasing rental income streams and capital valuation levels of the existing portfolio in this area.

Appendixes:

1. Existing site plan.
2. Proposed site plan.
3. Commercial appraisal.
4. Cash Flow Analysis (Finance Team).

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Chief Estates Officer, Commercial & Regulatory Services, Estates & Valuations**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Proposed Re-development of Units 50, 51-52, 60 and Unit 10 Cartersfield Road, Waltham Abbey, Essex, EN9**

Officer completing the EqlA: **Karim Pabani Tel: 01992 564123 Email: kpabani@eppingforestdc.gov.uk**

Date of completing the assessment: **07 January 2021**

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? New
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>To re-develop dilapidated and partially demolished EFDC industrial commercial property to secure rental income and investment value in line with EFDC Core Plan, Asset Management Strategy and Medium Term Financial Strategy.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <p>To generate additional income for EFDC, minimising liabilities of vacant land while maintaining medium term flexibility for EFDC over the area, as well as regeneration and improved employment prospects within the District.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>N/A</p> <p>Will the policy or decision influence how organisations operate?</p> <p>N/A</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>Yes. Please refer to main report setting out budget costs and resource requirements.</p>
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p>

	Supports investment objectives of EFDC and Core Plan, Asset Management Strategy and Medium Term Financial Strategy.
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Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources). **N/A – it is proposed any such analysis will be undertaken by the Department of Housing, Communities and Local Government, who will then be responsible for ensuring that resultant requirements are met.**

3.1	What does the information tell you about those groups identified?
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know. **N/A**

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age		
Disability		
Gender		
Gender reassignment		
Marriage/civil partnership		
Pregnancy/maternity		
Race		
Religion/belief		
Sexual orientation		

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts
N/A

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Qasim Durrani

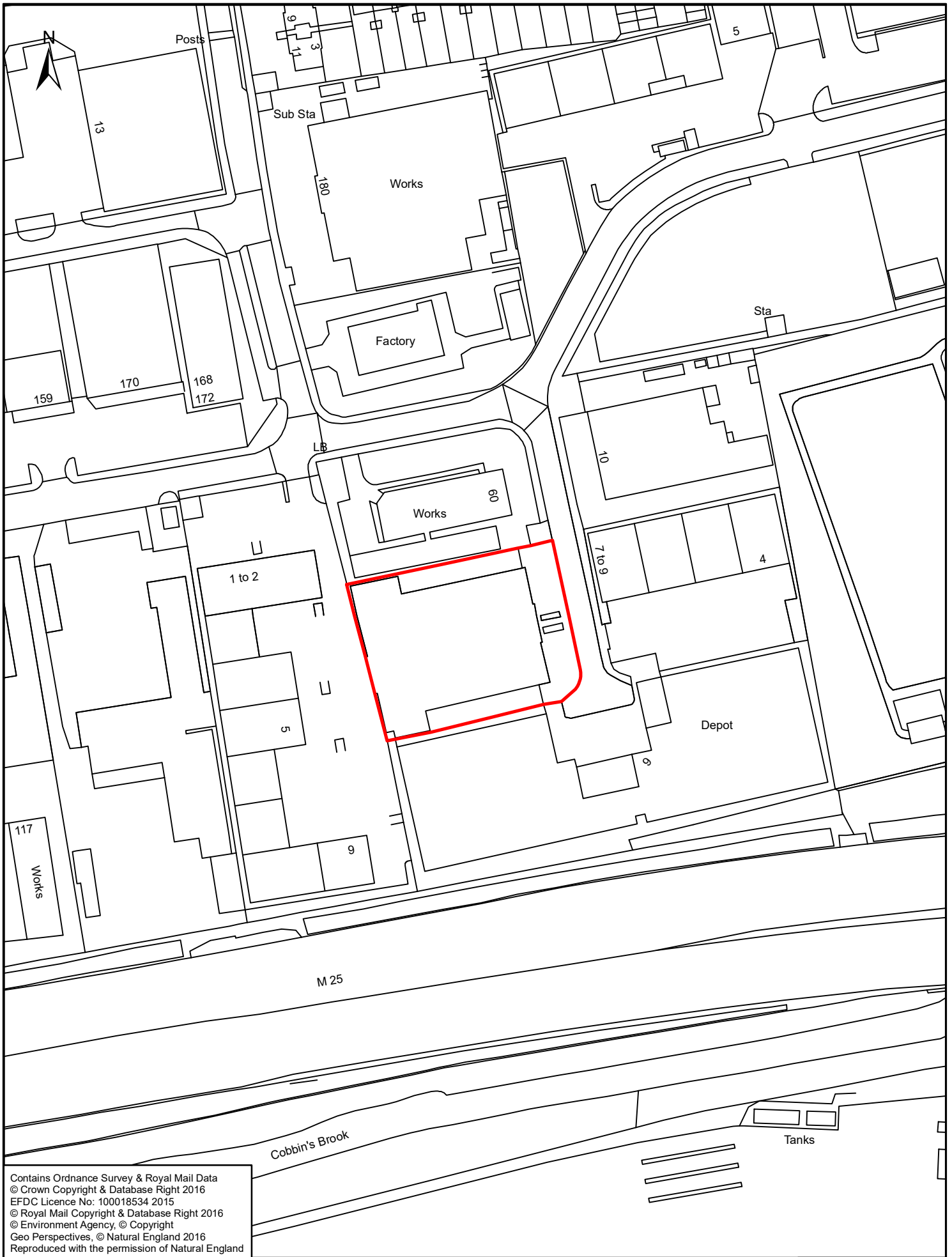
Date: 19 October 2020

Signature of person completing the EqIA: Owen Godbold


Date: 19 October 2020

Advice

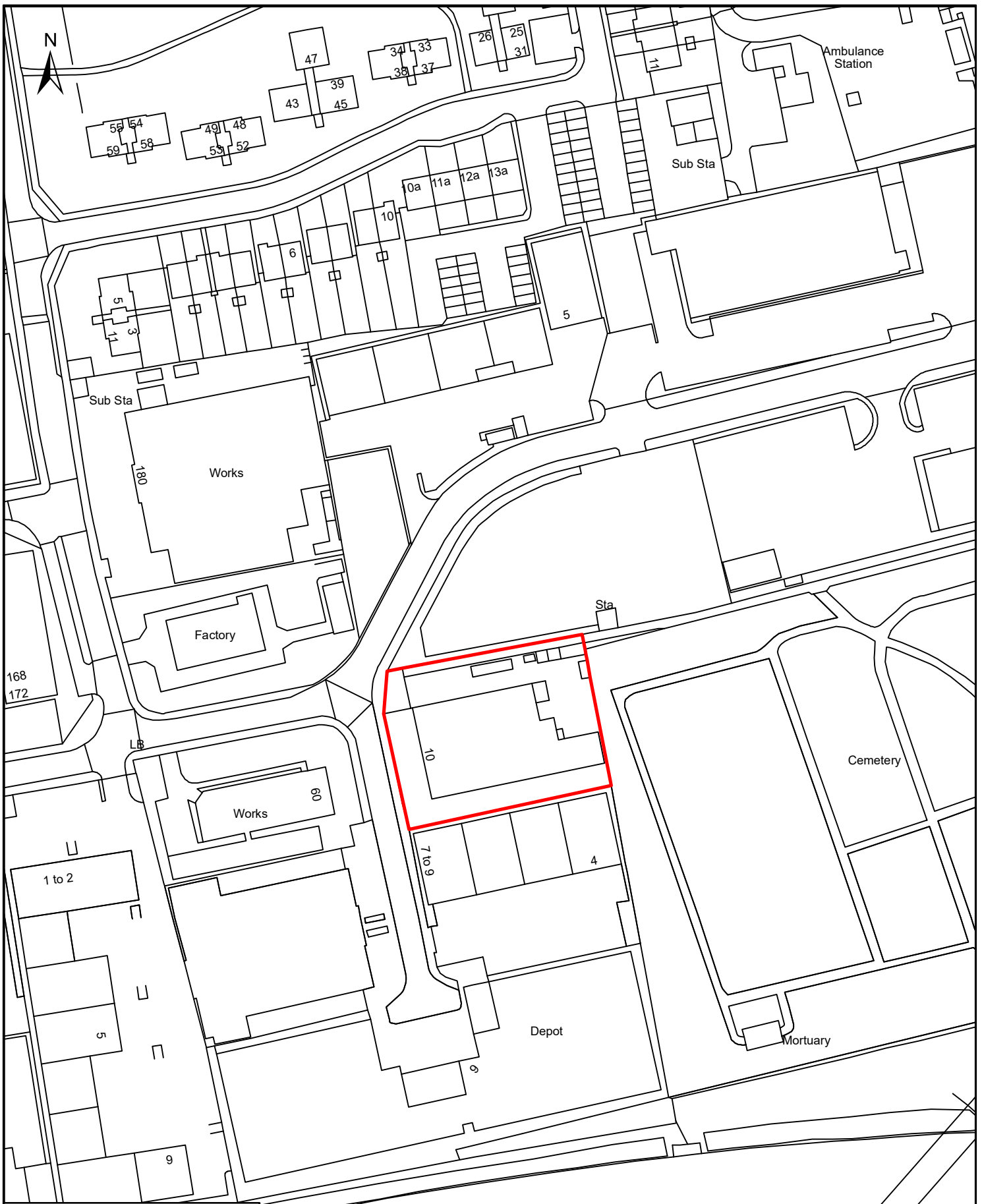
Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.



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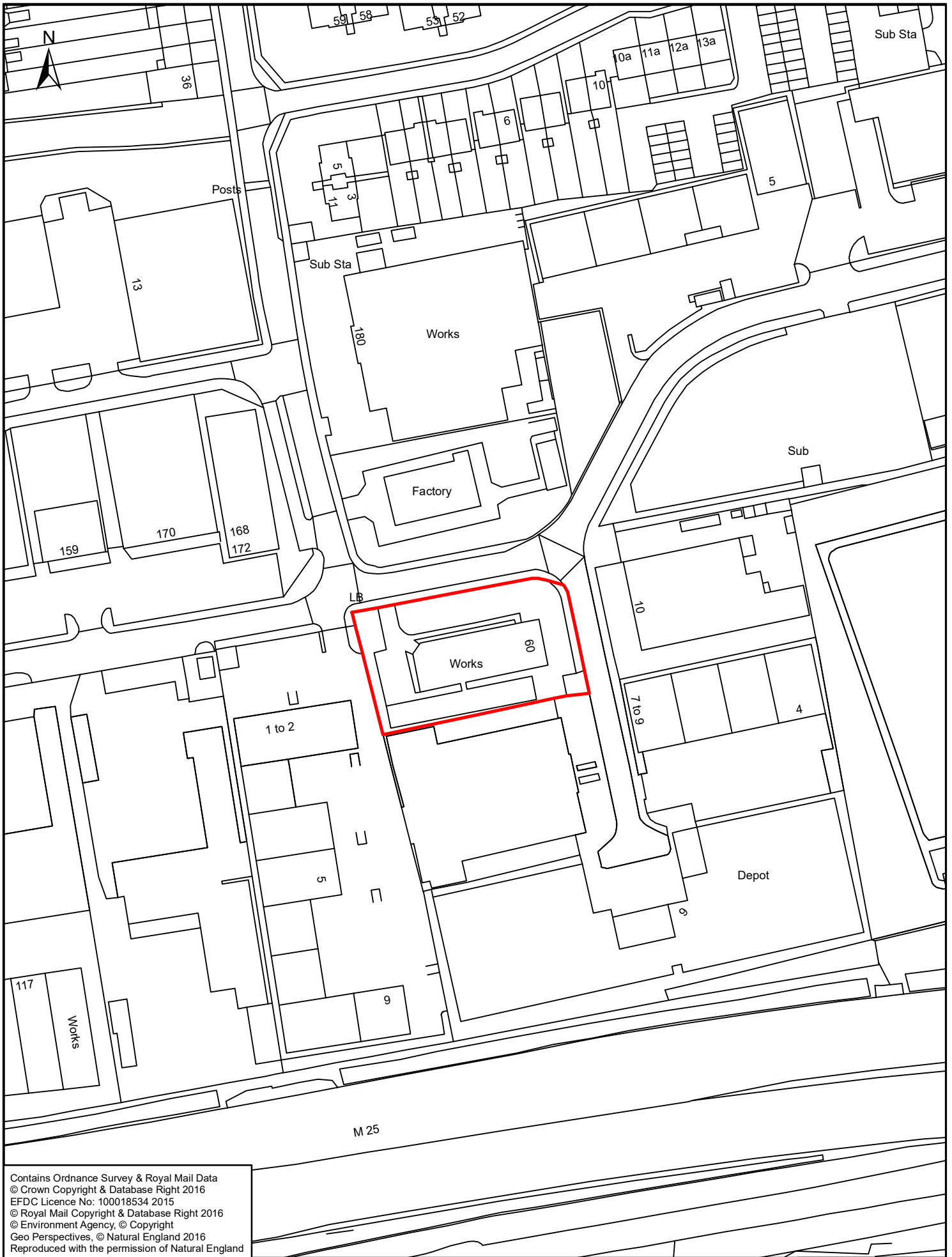
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	Drawing No. 201811018	Page 87	Scale: 1:1,250 @A4 Name: dchapman

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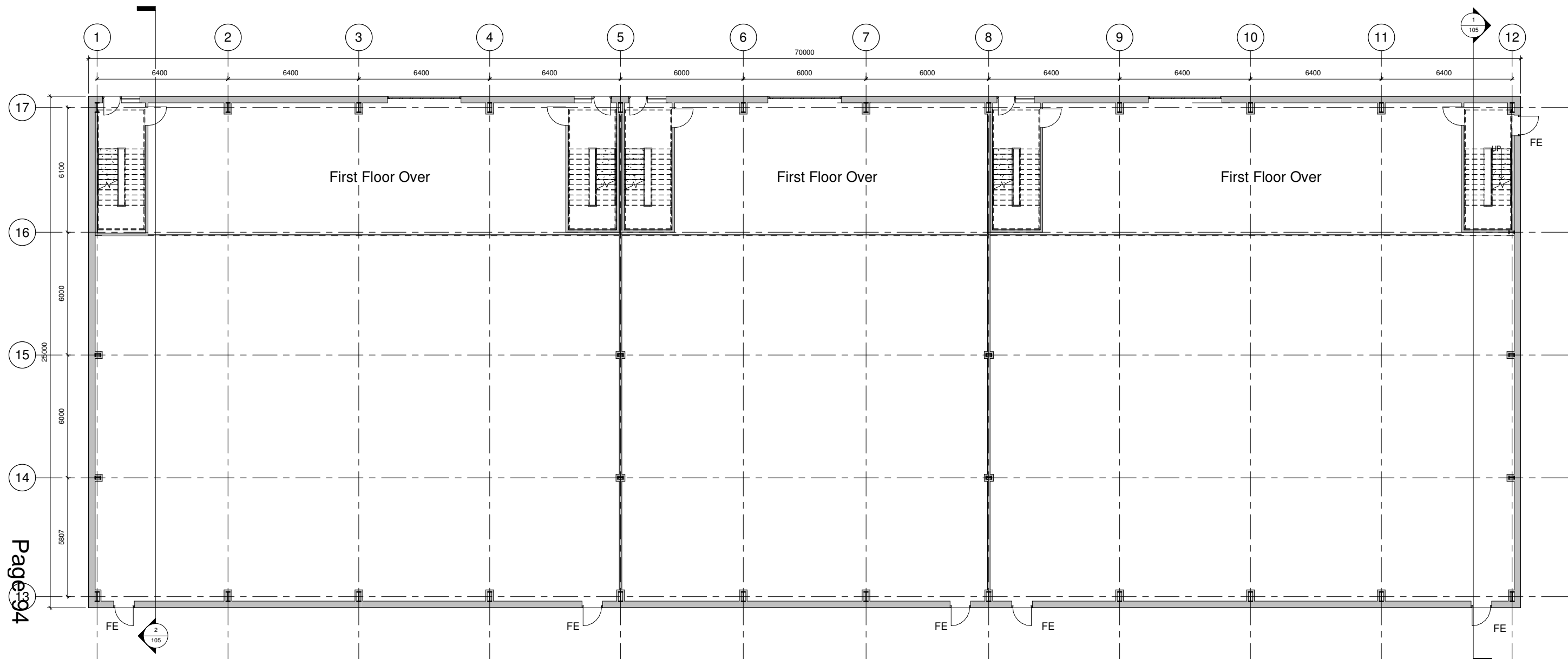
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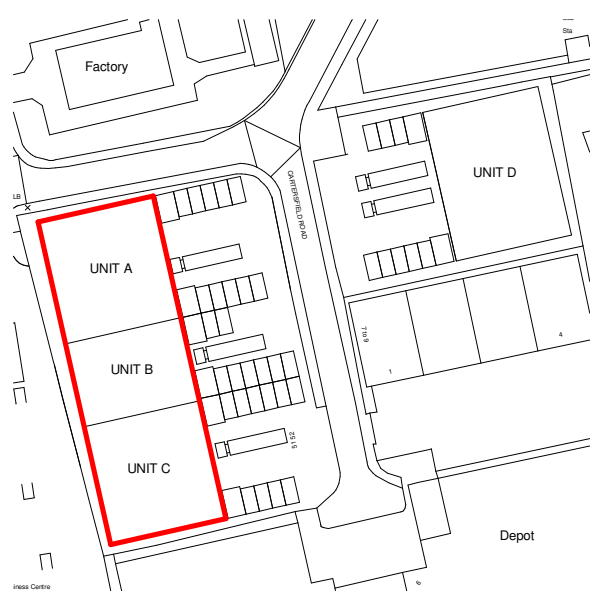
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Page 94

1 UNIT A,B,C FLOOR PLAN
1 : 100

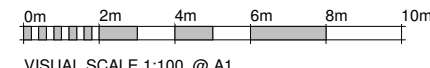
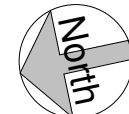


4 KEY PLAN
Not to scale

Area Schedule (GEA)		
Name	Area	Comments
UNIT A	650 m ²	
UNIT B	450 m ²	
UNIT C	650 m ²	

Area Schedule (GIA)		
Name	Area	Comments
UNIT A Ground Floor	606 m ²	
UNIT B Ground Floor	417 m ²	
UNIT C Ground Floor	606 m ²	
UNIT A First Floor	128 m ²	
UNIT B First Floor	96 m ²	
UNIT C First Floor	128 m ²	

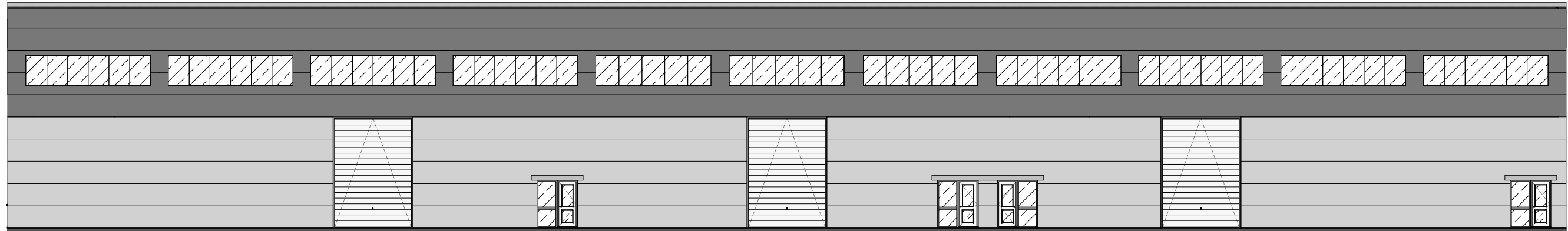
Rev	Date	Issued by	Checked by/ Approved by	Description



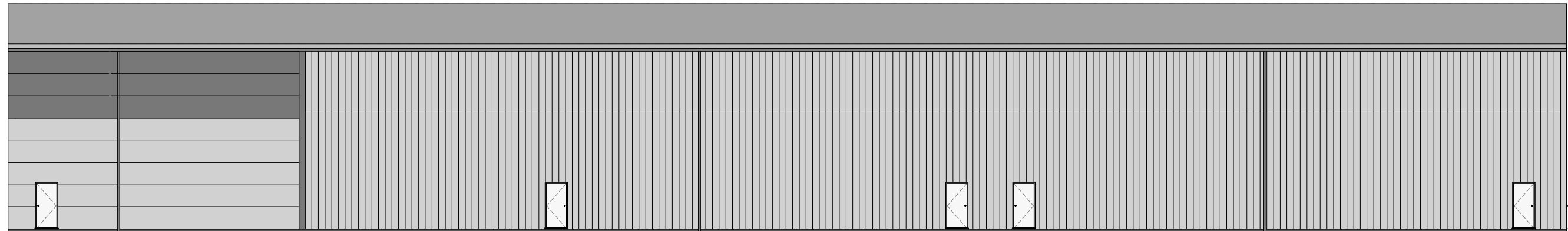
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Epping Forest District Council
 JOB TITLE
Feasibility Study (UNIT A,B,C)
 DRAWING TITLE
Unit A,B,C Floor Plan / Area Plan
 Job/ Dwg No/ Rev: **HD19025 101**

Drawn:	Checked:	Appr:	Date:
Author	Checker	Approver	01/23/07

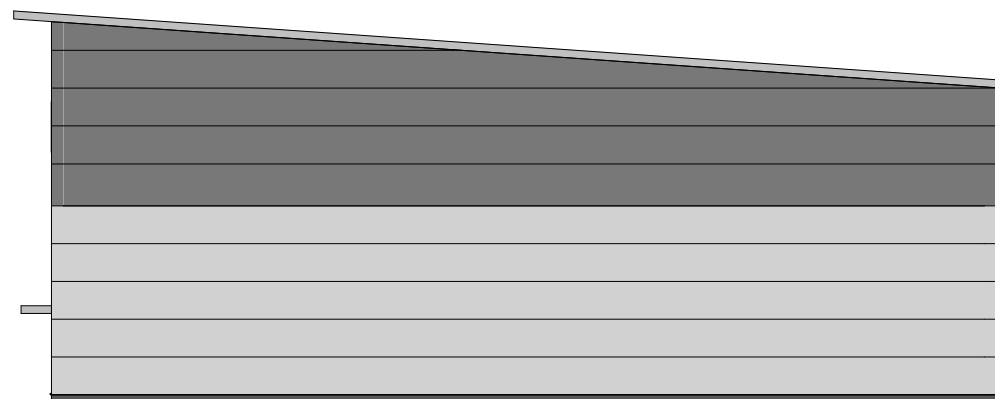
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 Scale: As indicated @A1



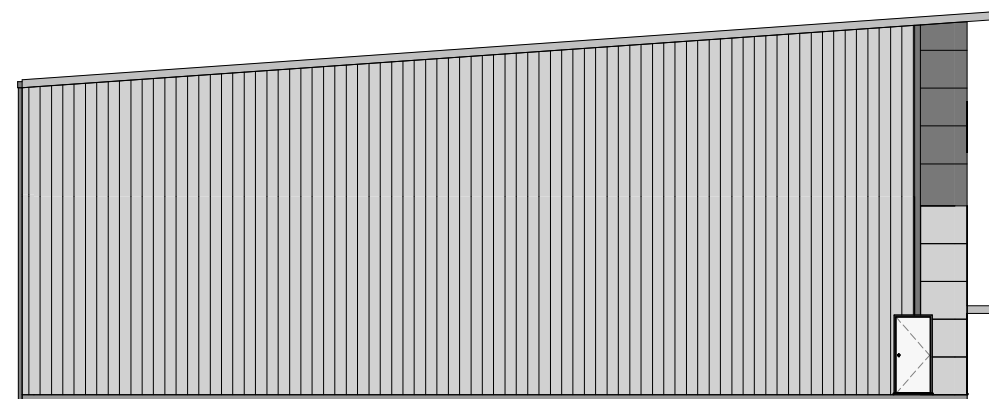
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1 : 100



2 REAR ELEVATION (WEST)
1 : 100



3 SIDE ELEVATION (NORTH)
1 : 100



4 SIDE ELEVATION (SOUTH)
1 : 100

Rev	Date	Issued by	Checked by/ Approved by	Description



DWW DESIGN | FIELD HOUSE | STATION APPROACH | HARLOW CM20 2FB

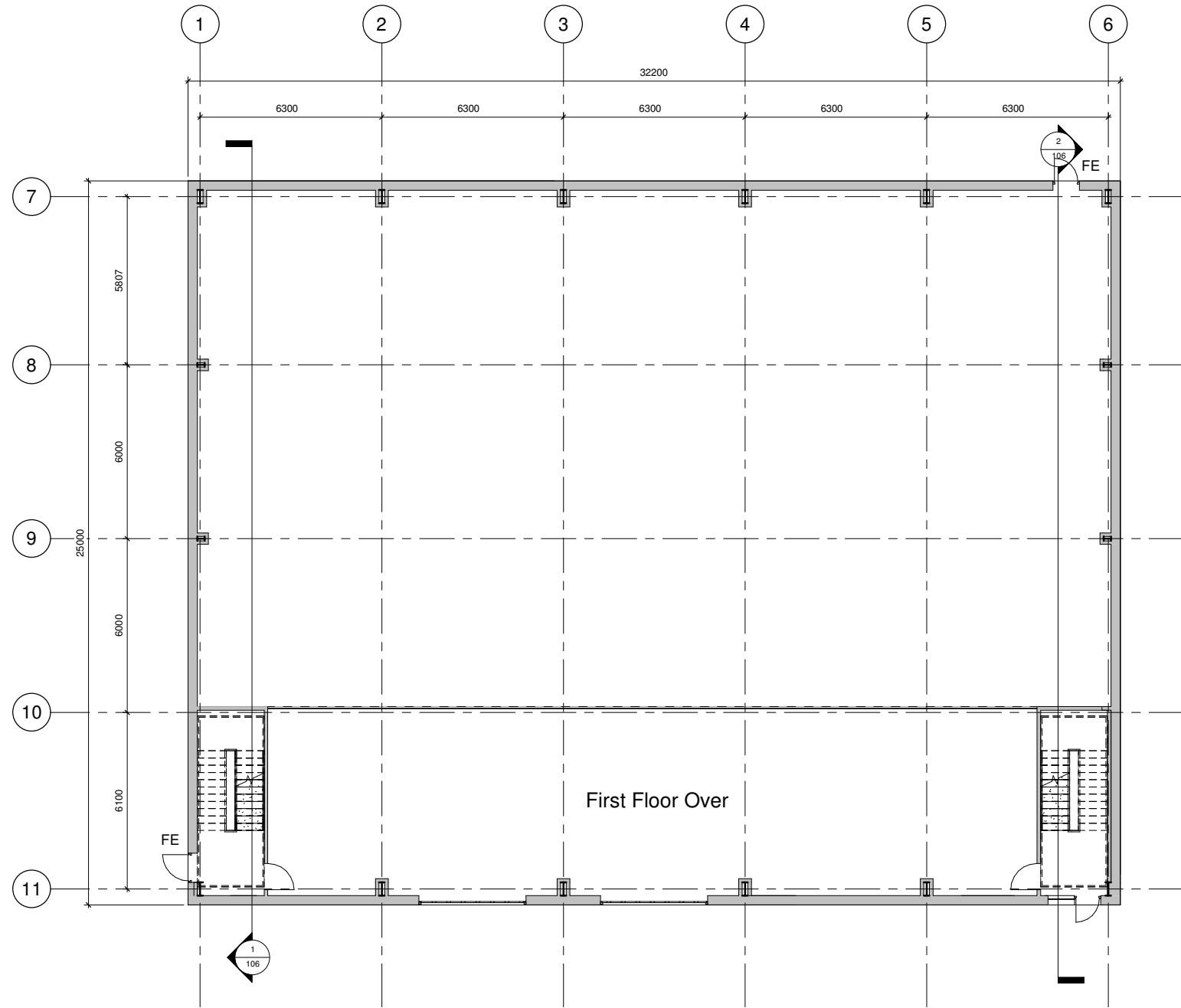
CLIENT
Epping Forest District Council
JOB TITLE
Feasibility Study (UNIT A,B,C,D)

DRAWING TITLE
Unit A,B,C Elevations

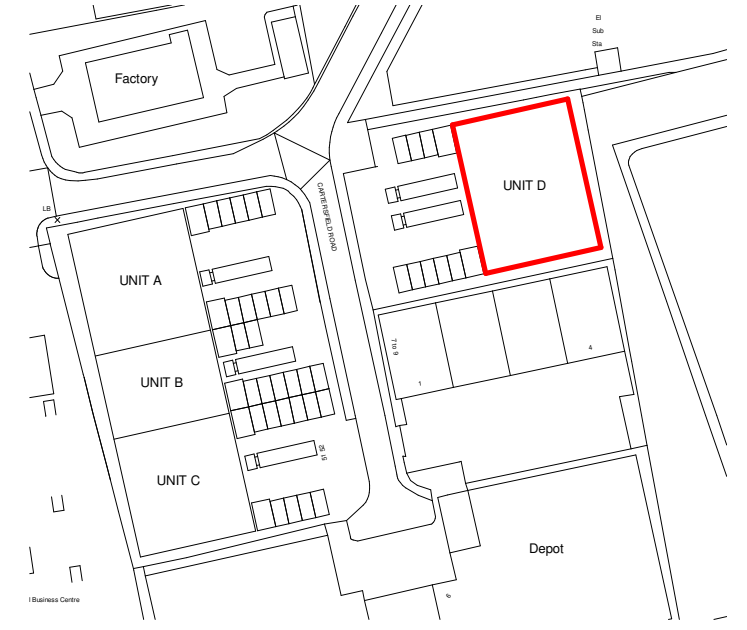
Job/ Dwg No/ Rev: **HD19025 102**

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Author	Checker	Approver	07/11/19

Drawing status: **Project Status** Scale: 1 : 100 @A1
Do not scale from this drawing. Check all dimensions on site before ordering, if in doubt ask.



1 UNIT D FLOOR PLAN
1 : 100



4 KEY PLAN
Not to scale

Area Schedule (GEA)		
Name	Area	Comments
UNIT D	805 m ²	

Area Schedule (GIA)		
Name	Area	Comments
UNIT D Ground Floor	749 m ²	
UNIT D First Floor	184 m ²	

Rev	Date	Issued by	Checked by/ Approved by	Description



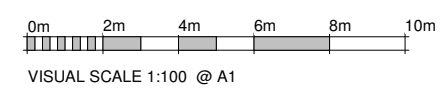
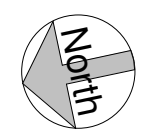
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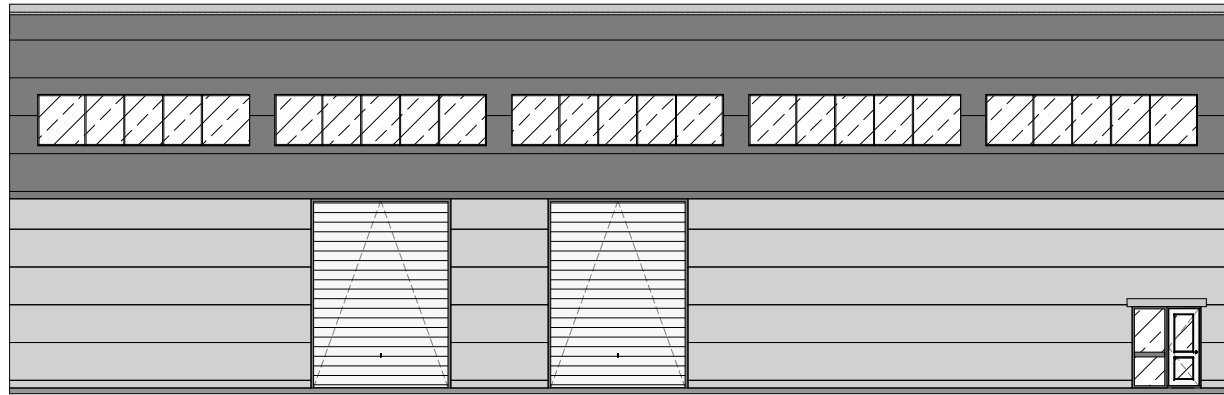
CLIENT
Epping Forest District Council
JOB TITLE
Feasibility Study (UNIT D)
DRAWING TITLE
Unit D Floor Plan / Area Plan

Job/ Dwg No/ Rev: **HD19025 103**

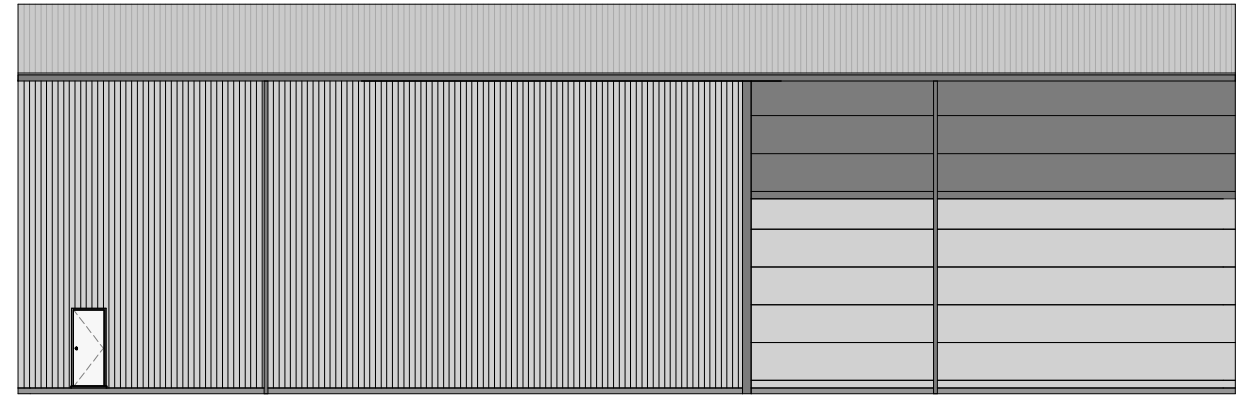
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Author	Checker	Approver	01/23/07

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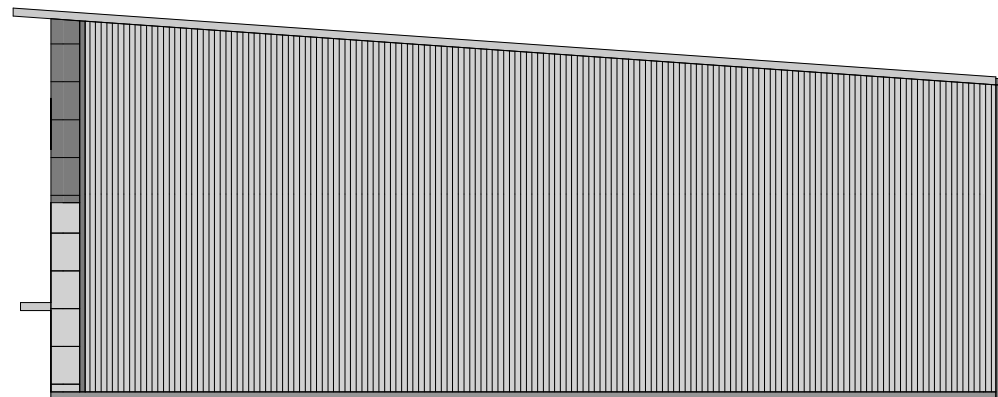




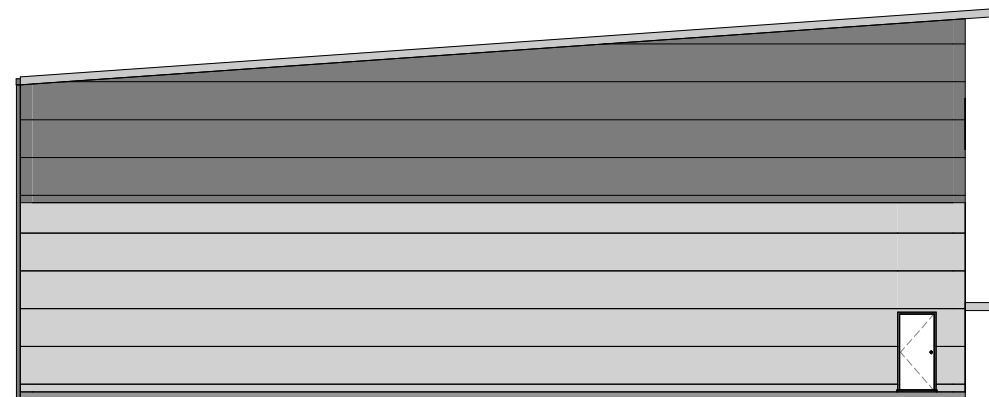
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1 : 100



2 REAR ELEVATION (EAST)
1 : 100



3 SIDE ELEVATION (SOUTH)
1 : 100



4 SIDE ELEVATION (CARTERSFIELD ROAD SIDE)
1 : 100

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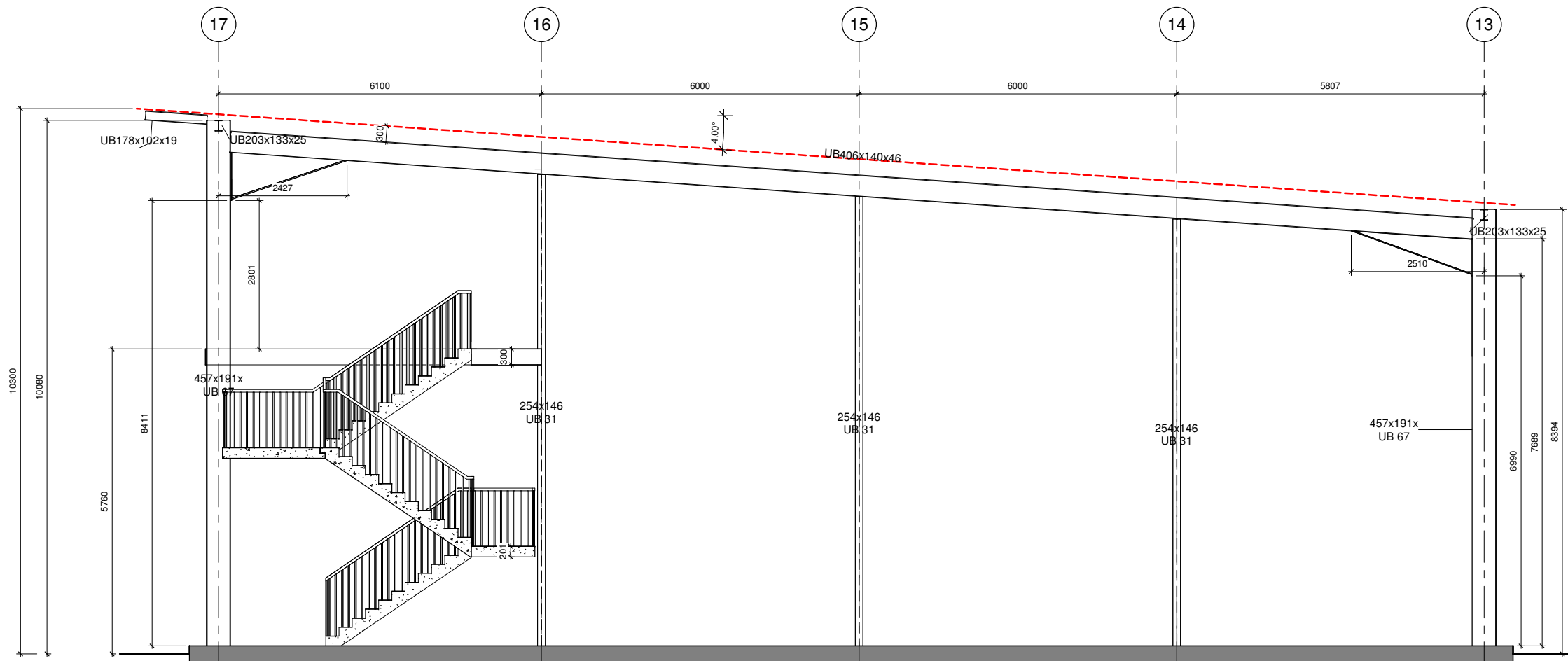
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CLIENT
Epping Forest District Council
JOB TITLE
Feasibility Study (UNIT D)
DRAWING TITLE
Unit D Elevations

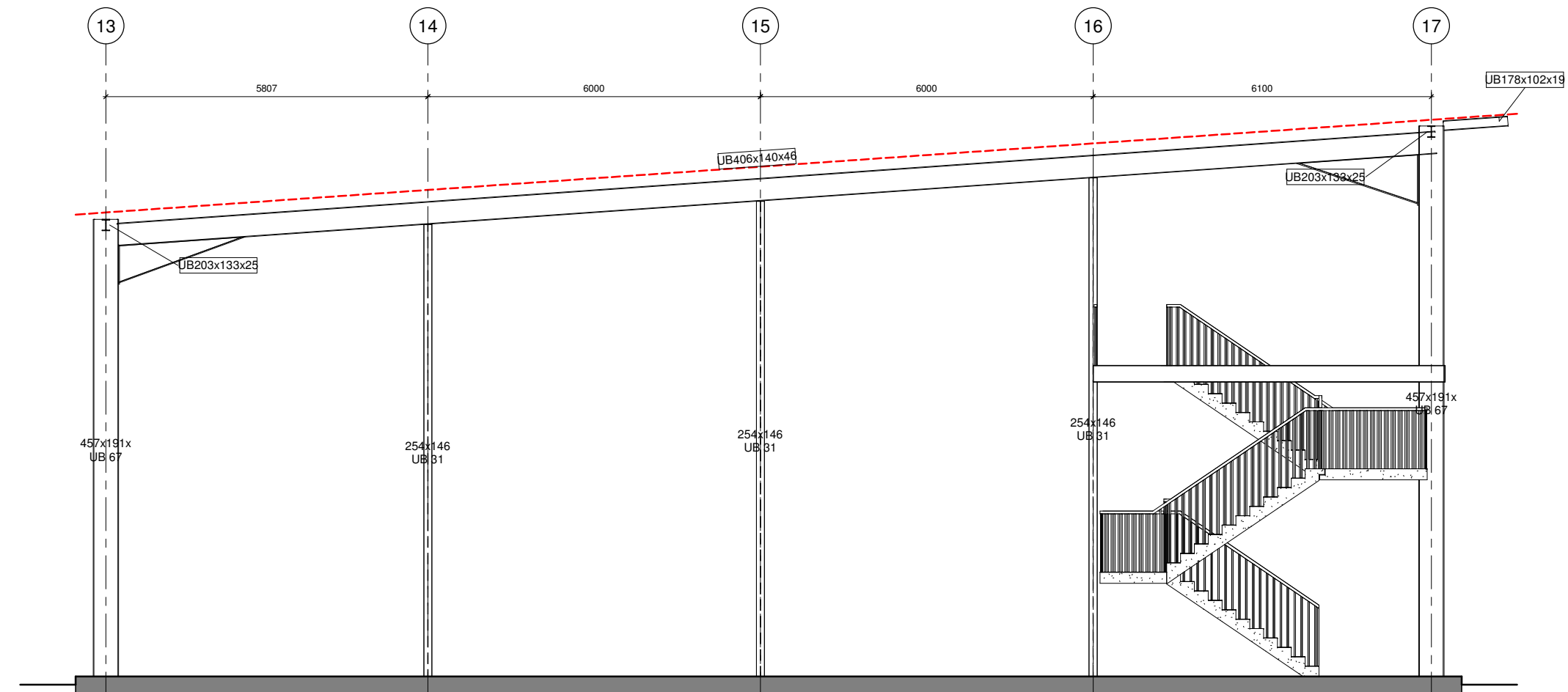
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Author	Checker	Approver	07/11/19

Drawing status: **Project Status** Scale: 1 : 100 @A1
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1 TYPICAL CROSS SECTION UNIT A,B,C (NORTH)
1 : 50



2 TYPICAL CROSS SECTION UNIT A,B,C (SOUTH)
1 : 50

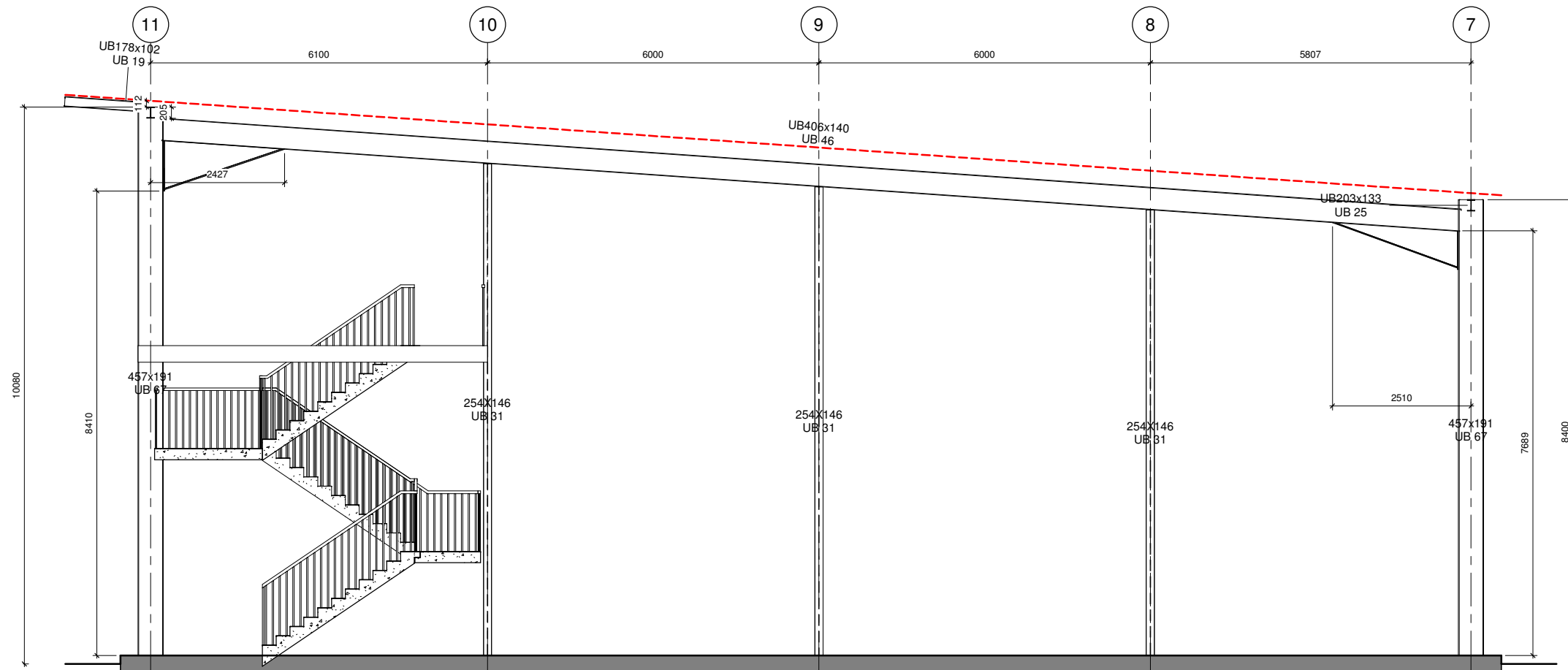
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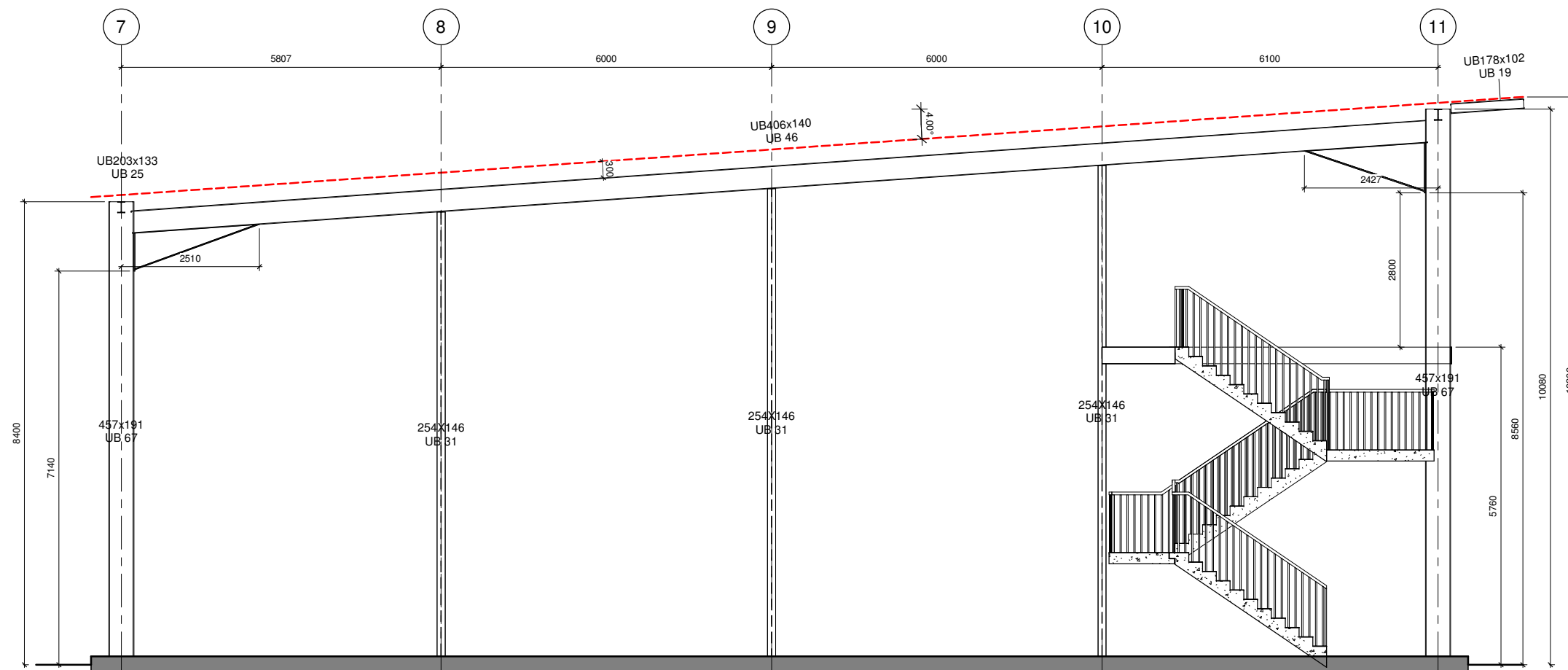
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 CLIENT
Epping Forest District Council
 JOB TITLE
Feasibility Study (UNIT A,B,C)
 DRAWING TITLE
Unit A,B,C Sections

Job/ Dwg No/ Rev:	HD19025	105	
Drawn:	Checked:	Appr:	Date:
Author	Checker	Approver	07/15/19
Drawing status:	Project Status	Scale:	1 : 50 @A1

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1 TYPICAL CROSS SECTION UNIT D (SOUTH)
1 : 50



2 TYPICAL CROSS SECTION UNIT D (Cartersfield Road)
1 : 50

Rev	Date	Issued by	Checked by/ Approved by	Description



DWW DESIGN | FIELD HOUSE | STATION APPROACH | HARLOW CM20 2FB

CLIENT
Epping Forest District Council

JOB TITLE
Feasibility Study (UNIT D)

DRAWING TITLE
Unit D Sections

Job/ Dwg No/ Rev: **HD19025 106**

Drawn:	Checked:	Appr:	Date:
Author	Checker	Approver	07/15/19

Drawing status: **Project Status** Scale: 1 : 50 @A1
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Gross Development Value

Commercial Scheme	Unit	Type	No.	Unit area						
Industrial Type I	A	End Terraced	1	734.00 sq m	7901 sq ft	@	£12.50 psf	£98,760 pa		
	B	Mid Terraced	1	513.00 sq m	5522 sq ft	@	£12.50 psf	£69,024 pa		
	C	End Terraced	1	734.00 sq m	7901 sq ft	@	£12.50 psf	£98,760 pa		
Headline				1981.00 sq m	21323 sq ft			£266,544 pa		
Gross term rent rfp					5 years		£1,332,718			
Net term rent					3 months		£66,636			
ERV					5 years		£1,266,082			
				5.00%	in perp	@		£253,216 pa	20.0000 YP	
TOTAL GROSS GDV				3 units	21323 sq ft	@	£237.50 psf		£5,064,327	
Marketing						3 @	£1,250		£3,750	
Agent Commissions						@	10.00%	x LETS	£26,654	
Legal conveyances						3 @	£3,333		£9,999	
Total fees									£40,403	
TOTAL NET GDV					NIY	@	5.04%	@	£253,216 pa	£5,023,924
Investment Agent						@	1.00%		£50,239	
Investment Legal						@	0.75%		£37,679	
Surveys & valuation						@	0.50%		£25,120	
Total Fees & Finance						@	2.25%		£113,038	
SDLT 1st tier				£0 to £150,000	£150,000 @	0.00%	£0			
SDLT 2nd tier				£150,000 to £250,000	£100,000 @	2.00%	£2,000			
SDLT 3rd tier				£250,000 to plus	£4,660,886 @	5.00%	£220,544			
Total SDLT							£222,544 @	4.43%	£222,544	
Total Fees, Finance & Tax							@	6.68%	£222,544	
Total Investment Acquisition									£335,583	
NET INVESTMENT VALUE									£4,688,342	
Construction	GIA:GEA		0.00%	GIA						
	Type I			21323 sq ft			£77.50 psf	GIA	£1,652,570	
				21323 sq ft		@	£77.50 psf	GIA	£1,652,570	
	Abnormals			0.96 acres		@	£50,000 pac		£48,000	
Total				21323 sq ft	GIA	@	£79.75 psf		£1,700,570	
Fees	Architects					@	5.00%		£85,029	
	Pro Man					@	1.00%		£17,006	
	Cost Cons/ QS					@	1.00%		£17,006	
	Engineers					@	1.00%		£17,006	
	Conservation					@	0.00%		£0	
	Planning					@	1.00%		£17,006	
	Total							9.00%	£153,051	
CIL & s278	CIL or s106 s278			1981.00 sq m		@	£0 psm			
	Total					@			£0	
Finance	Total Borrowing on Build & Fees					@	100.00%		£1,853,621	
	Arrangement Fee					@	3.00%		£55,609	
	Construction time				9 months	@	50.00%	@	6.75%	£46,920
	Total Finance								£102,528	
Contingency	Contingency applied to development costs above					@	4.00%		£76,022	
	TOTAL BUILD COSTS				21323 sq ft	@	£95.30 psf	or @	40.45% GDV	£2,032,171
Residual for Land & Profit	TOTAL RESIDUAL FOR LAND & PROFIT					or @	52.87% GDV		£2,656,170	
	Profit on GDV					@	16.67% GDV		£781,359	
Profit	Profit on Costs				costs @	£3,906,983	@	20.00% COST	£781,359	
	Residual for Land, Finance & Tax								£1,874,811	
Land	Total Fees & Finance as percentage of residual					@	9.75%	£1,708,256	109.75%	
	Land Finance				15 months	@	6.75%	£144,134		
	Legal Fees					@	1.00%	£17,083		
	Agent Acquisition					@	1.00%	£17,083		
	Surveys & valuation					@	1.00%	£17,083		
	Total Fees & Finance					@	9.75%	£195,382		
	SDLT 1st tier				£0 to £150,000	£150,000 @	0.00%	£0		
	SDLT 2nd tier				£150,000 to £250,000	£100,000 @	2.00%	£2,000		
	SDLT 3rd tier				£250,000 to plus	£1,635,343 @	5.00%	£69,267		
	Total SDLT							£71,267 @	4.35%	£71,267
	Total Fees, Finance & Tax							@	14.10%	£1,636,989
	Land Value				0.96 acres	@	£1,675,169 per acre		32.01% GDV	£1,608,162

Gross Development Value

Commercial Scheme	Unit	Type	No.	Unit area						
Industrial Type II	D	End Terraced	1	805.00 sq m	8665 sq ft	@	£12.50 psf	£108,313 pa		
				Headline	805.00 sq m	8665 sq ft		£108,313 pa		
				Gross term rent		5 years	£541,564			
				rfp		3 months	£27,078			
				Net term rent		5 years	£514,486			
				ERV				£102,897 pa		
					5.00%	in perp	@	20.0000 YP		
				TOTAL GROSS GDV	1 units	8665 sq ft	@	£237.50 psf	£2,057,942	
				Marketing			1 @	£1,250	£1,250	
				Agent Commissions			@	10.00%	£10,831	
				Legal conveyances			1 @	£3,333	£3,333	
				Total fees					£15,414	
				TOTAL NET GDV		NIY	@	5.04%	£102,897 pa	£2,042,528
				Investment Agent			@	1.00%	£20,425	
				Investment Legal			@	0.75%	£15,319	
				Surveys & valuation			@	0.50%	£10,213	
				Total Fees & Finance			@	2.25%	£45,957	
				SDLT 1st tier	£0 to £150,000	£150,000 @	0.00%	£0		
				SDLT 2nd tier	£150,000 to £250,000	£100,000 @	2.00%	£2,000		
				SDLT 3rd tier	£250,000 to plus	£1,746,571 @	5.00%	£74,829		
				Total SDLT				£76,829 @	3.76%	£76,829
				Total Fees, Finance & Tax				@	6.01%	£76,829
				Total Investment Acquisition						£122,785
				NET INVESTMENT VALUE						£1,919,743
Construction	GIA:GEA	0.00%	GIA							
	Type I		8665 sq ft				£77.50 psf	GIA	£671,539	
			8665 sq ft				@	£77.50 psf	GIA	£671,539
	Abnormals									
	Site clearance etc		0.46 acres				@	£50,000 pac	£23,000	
									£23,000	
	Total		8665 sq ft	GIA			@	£80.15 psf	£694,539	
Fees	Architects						@	5.00%	£34,727	
	Pro Man						@	1.00%	£6,945	
	Cost Cons/ QS						@	1.00%	£6,945	
	Engineers						@	1.00%	£6,945	
	Conservation						@	0.00%	£0	
	Planning						@	1.00%	£6,945	
	Total							9.00%	£62,509	
CIL & s278	CIL or s106		805.00 sq m				@	£0 psm		
	s278						@			
	Total						@		£0	
Finance	Total Borrowing on Build & Fees						@	100.00%	£757,048	
	Arrangement Fee						@	3.00%	£22,711	
	Construction time		9 months	@	50.00%		@	6.75%	£19,163	
	Total Finance								£41,874	
Contingency	Contingency applied to development costs above						@	4.00%	£31,048	
	TOTAL BUILD COSTS		8665 sq ft				@	£95.78 psf	or @ 40.63% GDV	£829,970
Residual for Land & Profit	TOTAL RESIDUAL FOR LAND & PROFIT						or @	53.35% GDV	£1,089,772	
Profit	Profit on GDV						@	16.67% GDV	£319,944	
	Profit on Costs		costs	@	£1,599,798		@	20.00% COST	£319,944	
Land	Residual for Land, Finance & Tax								£769,828	
	Total Fees & Finance as percentage of residual						@	9.75%	£701,438	
	Land Finance		15 months	@	6.75%		@	6.75%	£59,184	
	Legal Fees						@	1.00%	£7,014	
	Agent Acquisition						@	1.00%	£7,014	
	Surveys & valuation						@	1.00%	£7,014	
	Total Fees & Finance						@	9.75%	£80,227	
	SDLT 1st tier		£0 to £150,000	£150,000 @	0.00%	£0				
	SDLT 2nd tier		£150,000 to £250,000	£100,000 @	2.00%	£2,000				
	SDLT 3rd tier		£250,000 to plus	£678,866 @	5.00%	£21,443				
	Total SDLT					£23,443 @	3.46%		£23,443	
	Total Fees, Finance & Tax					@	13.21%	£677,995	£103,670	
	Land Value		0.46 acres	@	£1,448,169 per acre			32.61% GDV	£666,158	

Existing Use Value

Unit	Type	Unit area				
50-52	Industrial	1037.07 sq m	11163 sq ft	@	£5.00 psf	£55,815 pa
	Excess yard	148.18 sq m	1595 sq ft	@	£2.00 psf	£3,190 pa
60	Industrial	672.21	7236 sq ft	@	£5.00 psf	£36,178 pa
	Headline	1857.46 sq m	19994 sq ft			£95,183 pa
	Gross term rent		5 years		£475,916	
	r/p		3 months		£23,796	
	Net term rent		5 years		£452,120	
	ERV					£90,424 pa
		8.50%	in perp	@		11.7647 YP
TOTAL GROSS GDV		0 units	19994 sq ft	@	£53.21 psf	£1,063,812
	Investment Agent			@	1.00%	£10,638
	Investment Legal			@	0.75%	£7,979
	Surveys & valuation			@	0.50%	£5,319
Total Fees & Finance				@	2.25%	£23,936
	SDLT 1st tier	£0 to £150,000	£150,000 @	0.00%	£0	
	SDLT 2nd tier	£150,000 to £250,000	£100,000 @	2.00%	£2,000	
	SDLT 3rd tier	£250,000 to plus	£789,876 @	5.00%	£39,494	
	Total SDLT				£41,494 @	3.90%
	Total Fees, Finance & Tax			@	6.15%	£41,494
Total Investment Acquisition						£65,430
TOTAL NET CAPITAL VALUE						£998,383
Unit	Type	Unit area				
10/10A	Industrial	858.09 sq m	9236 sq ft	@	£5.00 psf	£46,182 pa
	Headline	858.09 sq m	9236 sq ft			£46,182 pa
	Gross term rent		5 years		£230,912	
	r/p		3 months		£11,546	
	Net term rent		5 years		£219,366	
	ERV					£43,873 pa
		8.50%	in perp	@		11.7647 YP
TOTAL GROSS GDV		0 units	9236 sq ft	@	£55.88 psf	£516,156
	Investment Agent			@	1.00%	£5,162
	Investment Legal			@	0.75%	£3,871
	Surveys & valuation			@	0.50%	£2,581
Total Fees & Finance				@	2.25%	£11,614
	SDLT 1st tier	£0 to £150,000	£150,000 @	0.00%	£0	
	SDLT 2nd tier	£150,000 to £250,000	£100,000 @	2.00%	£2,000	
	SDLT 3rd tier	£250,000 to plus	£254,543 @	5.00%	£12,727	
	Total SDLT				£14,727 @	2.85%
	Total Fees, Finance & Tax			@	5.10%	£14,727
Total Investment Acquisition						£26,341
TOTAL NET CAPITAL VALUE						£489,816

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Cartersfield Road Development

Financial Plan - CAPITAL

Project Units A, B, C 'Western Side'
50-60 Cartersfield Road

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		2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
Expenditure							
Pre-construction costs	Various fees & charges already paid	16,000					16,000
	Abbey Motorist Centre unit 50 estimated relocation costs	100,000					100,000
Pre-completion costs per report	Construction Sep 21 - Sep 22		850,250	850,250			1,700,500
	Professional Fees		88,000	88,000			176,000
	Contingency		-	76,000			76,000
Post Completion	Marketing, Agents, Solicitors letting		-	40,400			40,400
		116,000	938,250	1,054,650	-	-	2,108,900
Income	51 Cartersfield net insurance	- 116,000	- 357,977				- 473,977
		- 116,000	- 357,977	-	-	-	- 473,977
PROJECT UNIT A, B, C	NET COST OVER FIVE YEARS	-	580,273	1,054,650	-	-	1,634,923
	CUMULATIVE NET CAPITAL COST	-	580,273	1,634,923			

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10 Cartersfield Road**Expenditure**

		2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
Pre-construction costs	Various fees & charges already paid	16,000					16,000
	10a (Krunch Gym) lease surrender	45,600					45,600
Pre-completion costs per report	Construction Sep 21 - Sep 22		347,250	347,250			694,500
	Professional Fees		36,750	36,750			73,500
	Contingency		-	31,000			31,000
Post Completion	Marketing, Agents, Solicitors letting costs		7,750	7,750			15,500
NET COST OVER FIVE YEARS		61,600	391,750	422,750	-	-	876,100
CUMULATIVE NET CAPITAL COST		61,600	453,350	876,100			

de'

ALL PROJECT AREAS A, B, C & D

50-60 & 10 Cartersfield Road

Expenditure

Pre-construction costs Various fees & charges already paid

2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
32,000					32,000

Abbey Motorist Centre unit 50
estimated relocation costs
10a (Krunch Gym) lease surrender

100,000					100,000
45,600					45,600

Pre-completion costs per report

Construction Sep 21 - Sep 22
Professional Fees
Contingency

-	1,197,500	1,197,500			2,395,000
-	124,750	124,750			249,500
-	-	107,000			107,000

Post Completion

Marketing, Agents, Solicitors letting
costs

-	7,750	48,150	-	-	55,900
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177,600	1,330,000	1,477,400	-	-	2,985,000
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Income

51 Cartersfield net insurance
settlement

-	116,000	-	357,977		-	473,977
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PROJECTS UNITS A, B, C & D

NET COST OVER FIVE YEARS

61,600	972,023	1,477,400	-	-	2,511,023
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CUMULATIVE NET CAPITAL COST

61,600	1,033,623	2,511,023			
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Cartersfield Road Development

Revenue Consequences

Project Units A, B, C 'Western Side'

50-60 Cartersfield Road

Sep21 = start construction

Expenditure

PWLB 50 yr Fixed Rate Maturity
Loan 1.73% rate as at 8.1.21 ON
£1,634,923

Post Completion

Expected ongoing overhead costs
Current expected costs avoided

MRP Contributions from Apr 23 -
£1,634,923 over 50 years

2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL	
		14,142	28,284	28,284	70,710	
		2,000	3,000	3,700	8,700	
	-31,937.5	-70,813	-87,750	-87,750	-278,250	
			32,698	32,698	65,397	
-	-	31,938	54,670	23,767	23,067	133,443
		-	-	266,500	266,500	533,000
-	16,075	20,150	8,150	8,150	52,525	
-	16,075	20,150	258,350	258,350	480,475	
-	15,863	34,520	282,117	281,417	613,918	

50 years =
1,414,208.40

50 years =
1,634,923

Income

Expected rental income
Current rental income foregone

Net rental gain

PROJECT UNIT A, B, C

NET INCOME OVER FIVE YEARS

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Project Unit D 'Eastern Side'

10 Cartersfield Road

Expenditure

PWLB 50 yr Fixed Rate Maturity
Loan 1.73% rate as at 8.1.21 on
£876,100

Post Completion

Expected ongoing overhead costs
Current expected costs avoided

MRP Contributions from Apr 23 -
£876,100 over 50 years

2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL								
		7,578	15,157	15,157	37,891								
		1,000	1,500	1,800	4,300								
	-14,250	-28,500	-28,500	-28,500	-99,750								
			17,522	17,522	35,044								
-	-	14,250	19,922	5,679	5,979	-	22,515						
			-	-	103,000	-	103,000	-	206,000				
			-	-	-	-	-	-	-				
			-	-	103,000	-	103,000	-	206,000				
			-	-	14,250	-	19,922	-	97,321	-	97,021	-	228,515

50 years =
757,826.50

50 years =
876,100

Income

Expected rental income
Current rental income foregone

Net rental gain

PROJECT UNIT A, B, C

NET INCOME OVER FIVE YEARS

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BOTH RPROJECT AREAS
50-60 & 10 Cartersfield Road

Expenditure

PWLB 50 yr Fixed Rate Maturity
 Loan 1.73% rate as at 8.1.21 on
 £2,511,023

Post Completion

Expected ongoing overhead costs
 Current expected costs avoided

MRP Contributions from Apr 23 -
 £2,511,023 over 50 years

2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL	
		21,720	43,441	43,441	108,602	
		3,000	4,500	5,500	13,000	
	-46,187.5	-99,312.5	-116,250	-116,250	-378,000	
			50,220	50,220	100,441	
-	-	46,188	74,592	18,089	17,089	155,957
-	-	-	-	369,500	369,500	739,000
-	16,075	20,150	8,150	8,150	52,525	
-	16,075	20,150	361,350	361,350	686,475	
-	30,113	54,442	379,439	378,439	842,432	

50 years =
2,172,034.90

50 years =
2,511,023

Income

Expected rental income
 Current rental income foregone

Net rental gain

PROJECT UNIT A, B, C, D

NET INCOME OVER FIVE YEARS

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I would estimate the following, with the bulk of costs all being in the first year of completion:

	2022-23	2023-24	2024-25	
Letting Fees	36,000	1,000	1,000	
Void Service Charge	0	0	0	Do not include as assuming let off plan before construction complete
Void Rates	0	0	0	Do not include as assuming let off plan before construction complete
Contingency	3,000	1,500	1,500	
Legal Fees	10,000	3000	3000	
TOTAL	3,000	4500	5500	Apportion 2/3 to 1/3

Only highlighted items included, rest in capital as initial direct costs (IAS17)

The majority of overheads are recharged via service charges paid by tenants

Report to the Cabinet

Report reference: C-061-2020/21
Date of meeting: 11 February 2020



Portfolio: Commercial and Regulatory Services – Cllr A. Patel
Subject: Qualis Quarterly Monitoring Report – Q4 2019/20 (Outturn)
Responsible Officer: Andrew Small (07548 145665).
Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

To discuss this report and agree any actions required;

1. Executive Summary

- 1.1. 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.
- 1.2. The management report presented by Qualis covers the 4th Quarter up until the 31 October 2020, and so is effectively the year end. This 4th Quarter takes longer to produce as it needs 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.
- 1.3. Attached to this report as Appendix A is the Qualis Board monitoring report for Quarter 4 as agreed by the Qualis Board.
- 1.4. Attached as Appendices B(1 to 4) are the Qualis Audited final accounts. These fully comply with the accounting requirements for this type of company, they mirror the management accounts presented here and the Auditors have raised no issues of concern. They are only presented to evidence that reporting requirements have been met but it should be noted that the Board reports provide a more detailed narrative.
- 1.5. 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 will be added to the Qualis Balance Sheet and carried forward and set against future expected profits.

- 1.6. Despite making a loss as a Group taxation was still payable on elements of Qualis activities and this Tax has been paid at the appropriate levels. The calculations of Tax payable have been certified by Qualis Auditors.
- 1.7. Whilst the original expectation was that certain activities, such as the acquisition of commercial property and the transfer of housing maintenance activities would have happened earlier in the Qualis trading year it was always envisaged that the Qualis Group would incur losses, at least in the 1st year.
- 1.8. So, whilst the 1st year trading losses were greater than originally forecast, (because of the delays caused by Covid19), losses in the first year were still expected.
- 1.9. The single year Business Plan recently presented to, and agreed by the Council, for the Qualis 2nd year of trading, forecasts a small surplus in the period up to 31 October 2021. This effectively being the first full year of full trading operations.
- 1.10. **Given the points above and noting the impact of Covid19 on all Council activities, Qualis has performed in line with expectations across its first year up until 31 October 2020.**

2. Introduction

- 2.1. The Qualis Shareholder agreement, as agreed by Cabinet on February 2020 includes the following paragraph,

‘The Company shall procure that quarterly management accounts and reports (including a balance sheet, profit and loss account and cash flow statement) containing such information as EFDC may reasonably require are provided to EFDC and EFDC’s Representative.’

- 2.2. The Cabinet resolution also requires that the Council’s S151, as the key conduit between Qualis and the Council, provides a commentary to the Council on the performance of Qualis at each Quarter review.
- 2.3. In compliance with this requirement Qualis has provided the Council with the final 2019/20 cumulative quarter’s Management Accounts for the Council’s consideration. During most of this first year Qualis has been focused on the set-up and the initiation phase of its Business Plan, with any income generation happening only in the last few weeks of this period. This has taken longer than expected as all things have been impacted by Covid-19.

3. Commentary on the Trading Performance

- 3.1. The first year of operation was non-typical in that Qualis needed to secure finance and acquire assets and services from the Council before it could trade. The transfer of Housing Maintenance was only completed at the end of September 2020 and Qualis made its first acquisition of commercial property in Quarter 4, although the transaction wasn’t completed until early November. All activities were significantly delayed as the Council focused on the priority issue of responding to the Covid19 Pandemic.
- 3.2. It has been consistently flagged in the Council’s own financial monitoring reports that this was the case and that the delays would have an impact on the income the Council had expected to receive from Qualis during 2020/21. This financial impact is

seen as another cost to the Council of the Pandemic. Forecasts and budget were adjusted accordingly.

- 3.3. In all other respects this upfront loading of costs was expected and allowed for within the Qualis Business Case and the Council has signed this off. Now that the set-up work is largely complete Qualis is focussing on trading activities, such as service delivery and progressing the regeneration of the Epping Forest DC sites that the Council agreed to sell to Qualis. For the second year of Qualis operation the management accounts should look more typical of trading operations, (recognising that the business operation of Qualis will still need to be built up over time).
- 3.4. The Qualis report attached at Appendix A meets the requirements placed upon Qualis within the Shareholder agreement. The Board report presents the Balance Sheets, P&Ls and a Cash Flow explanation. It also RAG (Red, Amber, Green) rates key quarterly deliverables against the Business Plan.
- 3.5. **Cabinet should note that all deliverables are flagged as Green, with the exception of moving forward on the purchase and delivery of a plan for the Pyrles Lane site and the acquisition of commercial properties within Qualis Living, which was delayed into early November.**
- 3.6. The Covid-19 pandemic has had an impact on the speed at which set-up and initiation could progress. As a result, the transfer of Housing Maintenance staff and agreeing loan document has taken longer than originally expected because of pressures on both Epping Forest District Council and Qualis. This delay created a consequential impact on both the Qualis Business Plan and the Council budget. The main contributory factors being;
- Key Staff (Qualis and Council) being focused on Covid19 response
 - Volatility in the asset market which needed time to settle
 - Uncertainty in the capital markets impacting on financing rates
- 3.7. The consequence of these delays is a slower rate of spending compared to the Business Case, although forecasts were adjusted to reflect the delays in year. The table below sets out the actual expenditure against that expected for each of the Qualis companies taken from the Q4 Board report.

Qualis Company	Expected £	Actual £	Variance £
Group	0	16,380	16,380
Commercial	-926,289	-971,738	-45,449
Management	-336,255	-352,953	-16,698
Living	-210,458	-182,916	27,542
Total	-1,473,002	-1,491,227	-18,225

- 3.8. Housing Maintenance operations have transferred across to Qualis smoothly. The service appears to be running well, with efficiency and satisfaction improving, (allowing for the current revised working arrangements associated with Covid19).
- 3.9. In all other respects the Qualis Business Plan objectives are being met and showing good performance against the individual targets, (set out with section 7 on the Qualis

Board report), including progress on bringing forward the redevelopment sites in the District,

4. Resource Implications

- 4.1. The Epping Forest District Council agreed to finance the creation and capitalisation of Qualis in the form of a series of loans. This provided security over the asset and the potential of a lenders margin.
- 4.2. As at the 31 October 2020 the position was as follows in terms of awarding loan finance:

Loan Purpose	Amount and Term	Current Status	Interest Payments Per Annum £
Working Capital Loan	£5M for 5 years	Completed @ £6M	£225,000
Asset Purchase	£30M for 30 years	Completed @ £30M	£1,800,000
EFDC Asset Purchase	£22M 30 years	£18.9M - In Progress	£1,605,000
Less EFDC Borrowing Costs			-£1,306,337
Total	£57M	£36M	£2,323,663

Note: The Council has also agreed to provide £66 million of development finance to bring forward the regeneration of the sites sold to Qualis

- 4.3. At year-end Qualis was indebted to the Council for £36 million. Once all loans in the table above are complete, they will generate Epping Forest £2.3 million of interest income, net of borrowing costs. This increased diversification of income sources is significant in allowing the Council to set and maintain a balanced budget and reduces a reliance on Council Tax, Business Rates and Government support.
- 4.4. In addition to additional income from interest, the Council also receives income from Qualis for services and accommodation in the form of recharges. This amounted to almost a further £192,000 in 2019/20.

5. Legal and Governance Implications

- 5.1. None contained within this report.

6. Safer, Cleaner and Greener Implications

- 6.1. None.

7. Consultation Undertaken

- 7.1. None

Background Papers

Group Company Governance Document – Cabinet 6 February 2020



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Finance and Performance Monitoring Quarterly Report

Year 1, Quarter 4, (1st Aug 2020 – 31st Oct 2020)

Subject: Finance and Performance Monitoring

Author: Nick Dawe, Qualis Finance Director (interim)

Decision Required: To approve the report.

- 1. To note that the report has now been updated to fully agree with the figures contained in the final accounts.**
- 2. To consider the report and agree that this report should be passed to Epping Forest District Council in line with the shareholder agreement (with any agreed amendments as needed).**
- 3. To support the key actions detailed in Section 8 or this report.**
- 4. To note that future reports will contain more operational performance and investment performance issues.**



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

1. Introduction

- 1.1 The Qualis Group Board receives at its informal weekly update reports on key financial and operational matters. On a monthly basis at the formal Qualis Group Board Meetings more detailed papers are presented on financial and operational matters as circumstance dictate.
- 1.2 In line with the shareholder agreement, and to reflect Qualis Group's needs, a quarterly Finance and Performance Report will be produced, that tracks the success of the Group against the originally agreed Qualis Group Annual Business Plan and Annual Budget.
- 1.3 This formal monitoring will take into account any Board approved amendments to the Business Plan and Annual Budget.
- 1.4 The report will usually be produced quarterly and be considered by the Qualis Board the month after the reporting period covered by the report.
- 1.5 In view of the first quarter being a period of basic set-up activities following company registration in October 2019, this report covers the full financial year.

2. Key Performance Indicators

- 2.1 The key performance indicators set-out below are those proposed to be used for monitoring purposes in the future. They are top level indicators of the financial health and operation delivery of the Qualis Group.
- 2.2 Major exceptions are reported in detail at Sections, 3, 5, 6 for finance and Sections 7. 8 and 9 for operations.
- 2.3 Further detail is available on request and/or already exist in the form of detailed Qualis reports and minutes.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

2.4 In line with standard practice, the following colour coded performance flags are used:

Colour	Overall Performance	Detailed Measure
	Cyan, exceptional performance	For finance; over twice the expected figure, for operations, over one month ahead of target delivery
	Green, good performance	For finance; positive performance up to twice the expected figure, for operations, up to one month ahead of target delivery
	Amber, poor performance but will be remedied next quarter	For finance; negative performance variance of between 5% and 10% of the expected figure, for operations, one and three months behind target delivery
	Red, poor performance but will be remedied in two further quarters	For finance; negative performance variance of between 5% and 10% of the expected figure, for operations, one and three months behind target delivery
	Black, poor performance requiring immediate board level intervention	For finance; negative performance variance in excess of 10% of the expected figure, for operations, over three months behind target delivery



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

2.5 Direction of travel indicators

These will be: + better than last quarter, - worse than last quarter, = as last quarter.

2.6 Key Performance Indicators: Finance

KPI	Measure	Target £	Actual £	
Cash	Cash held by Qualis Group of companies, target versus actual	£3,000,000	£32,700,330	=
Income and Expenditure	Total income and expenditure position of Qualis Group of companies, target versus actual	-1,500,000	-1,491,226	=
Balance Sheet	Net balance sheet worth of Qualis Group of companies, target versus actual	-1,500,000	-1,491,226	=

2.7 Key Performance Indicators: Operations

KPI	Measure	Target	Actual	
Qualis Commercial				
	Delivery to plan of Epping sites			
(at pre-planning submission stage)	Review use of sites and prepare for consultation in September	Public consultations complete		
=				
Qualis Commercial	Delivery to plan Waltham Abby Roundhills site (in early stages of review)	Detail to be received Q4	Not applicable	
Qualis Commercial	Delivery to plan Debden Pyrles Lane site (in early stages of review)	Consider purchased from EFDC in Q4	Not applicable	
Qualis Management	Transfer of Housing Maintenance Service			



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

2.8 Performance Overview

Satisfactory and expected operational progress has been achieved in quarter's one and two with financial performance mirroring this operational delivery.

3. 2019/20 Qualis Business Plan and Amendments This Quarter

3.1 There have been no agreed amendments in Year 1, Quarter 4.

4. Cash Flow Summary

4.1 The Qualis Group of companies was established on a highly leveraged basis, i.e. supported by loans from Epping Forest District Council and not by equity investment. It should be noted that EFDC has the first option of providing loans to the Qualis Group of companies provided these loans are at market rate.

4.2 In practice the margin paid by Qualis on all its planned loans covers all EFDC's general development costs that are now envisaged.

4.3 This approach provided start-up security for Qualis, especially as the Covid 19 has distorted the money markets, whilst giving EFDC an income on the additional margin it charges on loans over and above the rate it can secure money for itself. This approach also in line with addressing "state subsidy" concerns.

4.4 The draw-back of this approach to Qualis is that it makes asset purchases and construction projects to the Qualis Group of companies marginally more expensive than would otherwise be the case.

4.5 The loans agreed and made to Qualis are;

- £6m working capital loan (5-year term, repayments of principal and interest half yearly).
- £30m asset investment loan (10-year term, principal repaid on maturity and interest half-yearly).

4.6 The actual cash held by Qualis at the end of October was £32,700,330 against a target expectation of £3,000,000. The difference is because though two investment properties had been secured, final completion and payment did not occur until early November.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

5 Balance Sheet Summary

5.1 Reflecting the leveraged position of Qualis and the fact that income earning assets have yet to be purchased and the Housing Maintenance Service has yet to transfer. Please note that these are the interim balance sheets pending a review of the income and expenditure position and the finalisation of loans.

5.2 It should be noted that the costs of development projects is by convention treated as "work in progress i.e. an asset.

5.3 All loans pass through Qualis Group and therefore any uncalled balance remains shown at group level even if the destination of the loan is another company on the Qualis group of companies.

5.4 Qualis Group

		Actual £	Actual £
Assets		0	
Current Assets		36,035,771	
Current Liabilities		519,391	
Current Assets Less Current Liabilities			35,516,380
Long Term Assets			
Long Term Liabilities			35,500,000
Total			16,380
Profit and Loss Account			16,380

5.5 Qualis Commercial

		Actual £	Actual £
Assets		0	
Current Assets		2,100,484	
Current Liabilities		915,220	
Current Assets Less Current Liabilities			1,185,263



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Long Term Assets			
Long Term Liabilities		2,157,000	
Total			-971,737
Profit and Loss Account			-971,737

5.6 Qualis Management

		Actual £	Actual £
Assets		82,180	
Current Assets		767,359	
Current Liabilities		777,492	
Current Assets Less Current Liabilities			72,047
Long Term Assets			0.00
Long Term Liabilities		425,000	
Total			-352,953
Profit and Loss Account			-352,953

5.7 Qualis Living

		Actual £	Actual £
Assets		74,717	
Current Assets		6,400,985	
Current Liabilities		383,618	
Current Assets Less Current Liabilities			6,092,084
Long Term Assets			



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Long Term Liabilities			6,275,000
Total			-182,916
Profit and Loss Account			-182,916

6 Income and Expenditure Summary

6.4 The income and expenditure summary for the individual companies that form the Qualis Group of companies is summarised below. Noting that the figures are cumulative to the end of Quarter 4 and exclude internal recharges, loans and other amendments that will be shown from Quarter 4.

6.5 Qualis Group

	Target Cumulative YTD £	Cumulative Actual £	Variance £
Income	775,853	695,066	-80,787
Expenditure	775,853	674,820	-101,033
Net +Profit / -Loss	0.00	20,246	-20,246
Tax Liability		3,866	3,866
Total	0.00	16,380	16,380



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

6.6 Qualis Commercial

	Target Cumulative YTD £	Cumulative Actual £	Variance £
Income	0	0	0
Expenditure	926,289	971,738	45,449
Epping Projects		0	0
Net +Profit / -Loss	-926,289	-971,737	-45,449

Key issues to note:

- Operational costs incurred in delivering projects the costs that cannot be treated as “work in progress”.

6.7 Qualis Management

	Target Cumulative YTD £	Cumulative Actual £	Variance £
Income	518,667	475,978	-42,689
Expenditure	854,922	828,931	-25,991
Net +Profit / -Loss	-336,255	-352,953	-16,698

Key issues to note:

- Including set-up costs incurred before services were transferred from EFDC to Qualis in late September.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

6.8 Qualis Living

	Target Cumulative YTD £	Cumulative Actual £	Variance £
Income, (less hand-through)	150,000	17,452	-132,548
Expenditure	360,458	200,368	-160,090
Net +Profit / -Loss	-210,458	-182,916	27,542

Key issues to note:

- Delay in acquiring properties has resulted in operational underspend and no income receipt although it should be noted that two properties were acquired in October with a gross yield in excess of 6%.

7 Operational Performance Summary

7.1 Key points of progress with the overarching Qualis Group of companies' business plan should be noted.

7.2 Qualis Group

- Set-up activities in terms of governance and procedures have been drafted and approved (in accordance with the shareholder agreement).
- Bankers have been appointed.
- IT office systems and email addresses have been set-up.
- Accounting and payroll systems have been set-up.
- A regular series of meetings has been set-up and operates.
- An investment and development committee has been established
- A risk and audit committee has been established
- A nominations, remuneration and governance committee has been established
- The permanent Board has been appointed
- The one-year Group Business Plan (2020/2021) has been approved



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

7.3 Qualis Commercial

- A planning performance agreement has been signed for the Epping sites
- An outline business case has been prepared for the Epping sites
- An optimal outline plan has been prepared for the Epping sites which is in discussion with EFDC Planning
- Options for the leisure centre re-provision have been discussed with the EFDC provider.
- Options for the Epping Town Council have been discussed.
- Project managers, quantity surveyors and architects (up to Stage 2) have been appointed for the Epping sites.
- A preliminary view of the Waltham Abbey Roundhills site has been carried out.
- A preliminary view of the Debden Pyrles Lane site has been carried out.

7.4 Qualis Management

- Progress with the TUPE plan for the housing maintenance staff has been agreed.
- Systems and processes to support the transfer are being delivered to timescale.
- A staff consultation plan has been agreed and has commenced.

7.5 Qualis Living

- Acquisition of Wickes, Wyke Hill, Maldon complete
- Acquisition of the Birchwood Building, Leatherhead complete
- Investment strategy has been agreed
- Weekly investment meetings taking place
- Investment and Development Committee established
- A strong network with investment agents has been established
- Opportunity tracking and approval processes have been agreed

8 Key Actions

8.1 Submit planning application for Bakers and Cottis on 11th December 2020

8.2 Identify suitable opportunities to spend remaining £10m of the first property investment loan

8.3 Agree the transfer of the five Epping sites with EFDC after resolving outstanding points

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Report of the Directors and
Financial Statements for the Period 9 October 2019 to 31 October 2020
for
Qualis Group Ltd

Contents of the Financial Statements
for the Period 9 October 2019 to 31 October 2020

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Qualis Group Ltd

Company Information

for the Period 9 October 2019 to 31 October 2020

DIRECTORS:

Ms G Blakemore
Mr P F Davis
Mr N H W Dawe
Ms S Jevans
Clr H B Kauffman
Clr R Bassett
Mr P Baynham
Mr P Hewitt
Mr F Mohammed

REGISTERED OFFICE:

Civic Offices
High Street
Epping
CM16 4BZ

REGISTERED NUMBER:

12250938 (England and Wales)

AUDITORS:

Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Qualis Group Ltd

Report of the Directors for the Period 9 October 2019 to 31 October 2020

The directors present their report with the financial statements of the company for the period 9 October 2019 to 31 October 2020.

INCORPORATION

The company was incorporated on 9 October 2019 and commenced trading on 1 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the development of building projects.

DIRECTORS

The directors who have held office during the period from 9 October 2019 to the date of this report are as follows:

Cllr N A B Avey - appointed 6 February 2020 - resigned 29 October 2020

Ms G Blakemore - appointed 1 February 2020

Mr P F Davis - appointed 2 April 2020

Mr N H W Dawe - appointed 1 March 2020

Mr G Finch - appointed 6 February 2020 - resigned 29 October 2020

Mr C M Ives - appointed 6 February 2020 - resigned 29 October 2020

Ms S Jevans - appointed 1 February 2020

Cllr H B Kauffman - appointed 6 February 2020

Cllr J Philip - appointed 6 February 2020 - resigned 29 October 2020

Cllr R Bassett - appointed 30 October 2020

Mr P Baynham - appointed 30 October 2020

Mr P Hewitt - appointed 30 October 2020

Mr F Mohammed - appointed 30 October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nordens, will be proposed for re-appointment at the forthcoming Board Meeting.

Qualis Group Ltd

Report of the Directors
for the Period 9 October 2019 to 31 October 2020

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



A handwritten signature in black ink, appearing to be 'D. Jones', is written over a light blue rectangular background.

.....
Director

Date: 21/01/2021.....

**Report of the Independent Auditors to the Members of
Qualis Group Ltd**

Opinion

We have audited the financial statements of Qualis Group Ltd (the 'company') for the period ended 31 October 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of
Qualis Group Ltd

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

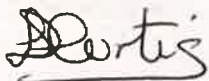
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lorraine Curtis FCCA (Senior Statutory Auditor)
for and on behalf of Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Date: 21/01/2021

Qualis Group Ltd

Income Statement
for the Period 9 October 2019 to 31 October 2020

	£
TURNOVER	695,065
Administrative expenses	<u>674,720</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	20,345
Tax on profit	<u>3,866</u>
PROFIT FOR THE FINANCIAL PERIOD	<u>16,479</u>

The notes form part of these financial statements

Page 6

Balance Sheet
31 October 2020

	Notes	£
CURRENT ASSETS		
Debtors	4	9,623,805
Cash at bank and in hand		26,324,967
		<u>35,948,772</u>
CREDITORS		
Amounts falling due within one year	5	432,292
		<u>35,516,480</u>
NET CURRENT ASSETS		<u>35,516,480</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>35,516,480</u>
CREDITORS		
Amounts falling due after more than one year	6	35,500,000
		<u>16,480</u>
NET ASSETS		<u>16,480</u>
CAPITAL AND RESERVES		
Called up share capital		1
Retained earnings		16,479
		<u>16,480</u>
SHAREHOLDERS' FUNDS		<u>16,480</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on21/01/2021..... and were signed on its behalf by:



.....
Director

The notes form part of these financial statements

Page 7

1. STATUTORY INFORMATION

Qualis Group Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£). Monetary amounts are rounded to the nearest £.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Financial instruments

Basic financial instruments are recognised at amortised costs, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 9.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade debtors	£
Amounts owed by group undertakings	950,256
Other debtors	8,620,000
	53,549
	<u>9,623,805</u>

Notes to the Financial Statements - continued
for the Period 9 October 2019 to 31 October 2020

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	58,316
Taxation and social security	180,121
Other creditors	193,855
	<hr/>
	432,292
	<hr/>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£
Bank loans	35,500,000
	<hr/>
Amounts falling due in more than five years:	
Repayable by instalments	
Bank loans more 5 yr by instal	35,500,000
	<hr/>

7. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Qualis Group Ltd

Detailed Profit and Loss Account
for the Period 9 October 2019 to 31 October 2020

	£	£
Sales		695,065
Expenditure		
Insurance	50,184	
Training and recruitment	32,772	
Computer costs	16,060	
Salaries	427,558	
Employers NI	21,071	
Pensions	942	
Telephone, fax and internet	634	
Print, post and stationery	1,868	
Motor, travel and subsistence	15,990	
Rent	11,837	
Repairs and renewals	352	
Subscriptions	1,568	
Legal and professional fee	91,097	
Accountancy	2,000	
		673,933
		21,132
Finance costs		
Bank charges		787
NET PROFIT		20,345

This page does not form part of the statutory financial statements

Report of the Directors and
Financial Statements for the Period 9 October 2019 to 31 October 2020
for
Qualis Living Ltd

Contents of the Financial Statements
for the Period 9 October 2019 to 31 October 2020

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Qualis Living Ltd

Company Information
for the Period 9 October 2019 to 31 October 2020

DIRECTORS:

Ms G Blakemore
Mr P F Davis
Mr N H W Dawe
Ms S Jevans
Cllr H B Kauffman
Cllr R Bassett
Mr P Baynham
Mr P Hewitt
Mr F Mohammed

REGISTERED OFFICE:

Civic Centre
High Street
Epping
CM16 4BZ

REGISTERED NUMBER:

12251397 (England and Wales)

AUDITORS:

Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Qualis Living Ltd

Report of the Directors

for the Period 9 October 2019 to 31 October 2020

The directors present their report with the financial statements of the company for the period 9 October 2019 to 31 October 2020.

INCORPORATION

The company was incorporated on 9 October 2019 and commenced trading on 1 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of providing residential and commercial properties.

DIRECTORS

The directors who have held office during the period from 9 October 2019 to the date of this report are as follows:

ClIr N A B Avey - appointed 6 February 2020 - resigned 29 October 2020

Ms G Blakemore - appointed 1 February 2020

Mr P F Davis - appointed 2 April 2020

Mr N H W Dawe - appointed 6 February 2020

Mr G Finch - appointed 6 February 2020 - resigned 29 October 2020

Mr C M Ives - appointed 6 February 2020 - resigned 29 October 2020

Ms S Jevans - appointed 1 February 2020

ClIr H B Kauffman - appointed 6 February 2020

ClIr J Philip - appointed 6 February 2020 - resigned 29 October 2020

ClIr R Bassett - appointed 30 October 2020

Mr P Baynham - appointed 30 October 2020

Mr P Hewitt - appointed 30 October 2020

Mr F Mohammed - appointed 30 October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nordens, will be proposed for re-appointment at the forthcoming Board Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Director

Date: ..21/01/2021.....

Report of the Independent Auditors to the Members of
Qualis Living Ltd

Opinion

We have audited the financial statements of Qualis Living Ltd (the 'company') for the period ended 31 October 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

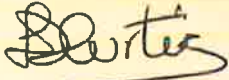
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Qualis Living Ltd

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lorraine Curtis FCCA (Senior Statutory Auditor)
for and on behalf of Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Date: 21/01/2021

Qualis Living Ltd

Income Statement

for the Period 9 October 2019 to 31 October 2020

	£
TURNOVER	-
Administrative expenses	200,368
	<u>(200,368)</u>
Other operating income	17,451
	<u>17,451</u>
OPERATING LOSS and LOSS BEFORE TAXATION	(182,917)
Tax on loss	-
	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD	(182,917)
	<u><u>(182,917)</u></u>

The notes form part of these financial statements

Balance Sheet

31 October 2020

	Notes	£	£
FIXED ASSETS			
Tangible assets	4		74,717
CURRENT ASSETS			
Debtors	5	125,357	
Cash at bank		6,275,629	
		6,400,986	
CREDITORS			
Amounts falling due within one year	6	383,619	
NET CURRENT ASSETS			6,017,367
TOTAL ASSETS LESS CURRENT LIABILITIES			6,092,084
CREDITORS			
Amounts falling due after more than one year			6,275,000
NET LIABILITIES			(182,916)
CAPITAL AND RESERVES			
Called up share capital	8		1
Retained earnings			(182,917)
SHAREHOLDERS' FUNDS			(182,916)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 21/01/2021 and were signed on its behalf by:



Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Qualis Living Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Financial instruments

Basic financial instruments are recognised at amortised costs, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

The financial statements have been prepared on the going concern basis. The director is of the opinion that the shareholders will continue to support it, and provide adequate funding when necessary to enable it to meet its obligations for the foreseeable future, being for a period of at least twelve months from the date of approval of the financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 8.

Notes to the Financial Statements - continued
for the Period 9 October 2019 to 31 October 2020

4. TANGIBLE FIXED ASSETS			Freehold property
			£
COST			
At 9 October 2019 and 31 October 2020			74,717
NET BOOK VALUE			
At 31 October 2020			74,717
At 8 October 2019			74,717
5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			£
Trade debtors			22,163
Amounts owed by group undertakings			55,000
Other debtors			48,194
			125,357
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			£
Trade creditors			298,109
Other creditors			85,510
			383,619
7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			£
Amounts owed to group undertakings			6,275,000
8. CALLED UP SHARE CAPITAL			
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
1	Ordinary	1	1
9. RELATED PARTY DISCLOSURES			

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Qualis Living Ltd

Detailed Profit and Loss Account
for the Period 9 October 2019 to 31 October 2020

	£	£
Income		-
Other income		
Rents received		17,451
		<u>17,451</u>
Expenditure		
Salaries	14,148	
Management Charges	173,766	
Accountancy	2,217	
Commission paid	10,199	
	<u>200,330</u>	
		<u>(182,879)</u>
Finance costs		
Bank charges		38
		<u>38</u>
NET LOSS		<u>(182,917)</u>

This page does not form part of the statutory financial statements

Report of the Directors and

Financial Statements for the Period 9 October 2019 to 31 October 2020

for

Qualis Commercial Ltd

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for the Period 9 October 2019 to 31 October 2020

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Qualis Commercial Ltd

Company Information
for the Period 9 October 2019 to 31 October 2020

DIRECTORS:

Ms G Blakemore
Mr P F Davis
Mr N H W Dawe
Ms S Jevans
Cllr H B Kauffman
Cllr R Bassett
Mr P Baynham
Mr P Hewitt
Mr F Mohammed

REGISTERED OFFICE:

Civic Office
High Street
Epping
CM16 4BZ

REGISTERED NUMBER:

12251541 (England and Wales)

AUDITORS:

Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Qualis Commercial Ltd

Report of the Directors

for the Period 9 October 2019 to 31 October 2020

The directors present their report with the financial statements of the company for the period 9 October 2019 to 31 October 2020.

INCORPORATION

The company was incorporated on 9 October 2019 and commenced trading on 1 February 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the development of building projects.

DIRECTORS

The directors who have held office during the period from 9 October 2019 to the date of this report are as follows:

Cllr N A B Avey - appointed 6 February 2020 - resigned 29 October 2020

Ms G Blakemore - appointed 1 February 2020

Mr P F Davis - appointed 2 April 2020

Mr N H W Dawe - appointed 1 March 2020

Mr G Finch - appointed 6 February 2020 - resigned 29 October 2020

Mr C M Ives - appointed 6 February 2020 - resigned 29 October 2020

Ms S Jevans - appointed 1 February 2020

Cllr H B Kauffman - appointed 6 February 2020

Cllr J Philip - appointed 6 February 2020 - resigned 29 October 2020

Cllr R Bassett - appointed 30 October 2020

Mr P Baynham - appointed 30 October 2020

Mr P Hewitt - appointed 30 October 2020

Mr F Mohammed - appointed 30 October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nordens, will be proposed for re-appointment at the forthcoming Board Meeting.

Qualis Commercial Ltd

Report of the Directors
for the Period 9 October 2019 to 31 October 2020

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Director

Date: .21/01/2021.....

Report of the Independent Auditors to the Members of
Qualis Commercial Ltd

Opinion

We have audited the financial statements of Qualis Commercial Ltd (the 'company') for the period ended 31 October 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

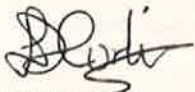
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lorraine Curtis FCCA (Senior Statutory Auditor)
for and on behalf of Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Date: 21/01/2021

Qualis Commercial Ltd

Income Statement
for the Period 9 October 2019 to 31 October 2020

	£
TURNOVER	-
Administrative expenses	<u>971,738</u>
OPERATING LOSS and LOSS BEFORE TAXATION	<u>(971,738)</u>
Tax on loss	<u>(971,738)</u>
LOSS FOR THE FINANCIAL PERIOD	<u><u>(971,738)</u></u>

The notes form part of these financial statements

Page 6

Qualis Commercial Ltd (Registered number: 12251541)

Balance Sheet

31 October 2020

	Notes	£
CURRENT ASSETS		
Debtors	4	2,013,049
Cash at bank		87,435
		<u>2,100,484</u>
CREDITORS		
Amounts falling due within one year	5	3,038,221
		<u>(937,737)</u>
NET CURRENT LIABILITIES		<u>(937,737)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(937,737)</u>
PROVISIONS FOR LIABILITIES	6	34,000
		<u>(971,737)</u>
NET LIABILITIES		<u>(971,737)</u>
CAPITAL AND RESERVES		
Called up share capital	7	1
Retained earnings		(971,738)
		<u>(971,737)</u>
SHAREHOLDERS' FUNDS		<u>(971,737)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on21/01/2021..... and were signed on its behalf by:



.....
Director

The notes form part of these financial statements

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Qualis Commercial Ltd

Notes to the Financial Statements
for the Period 9 October 2019 to 31 October 2020

1. STATUTORY INFORMATION

Qualis Commercial Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£). Monetary amounts are rounded to the nearest £.

Financial instruments

Basic financial instruments are recognised at amortised costs, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Work in progress

Work in progress represents costs associated with site projects that are still in the completion phase and have not been fully completed. These costs will be recognised once the sites are completely operational and income generating for the company.

Going concern

The financial statements have been prepared on the going concern basis. The director is of the opinion that the shareholders will continue to support it, and provide adequate funding when necessary to enable it to meet its obligations for the foreseeable future, being for a period of at least twelve months from the date of approval of the financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 8.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Other debtors

£
2,013,049

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	947,997
Amounts owed to group undertakings	2,015,000
Other creditors	75,224
	<u>3,038,221</u>

6. PROVISIONS FOR LIABILITIES

	£
Other provisions	34,000
	<u>34,000</u>
	Other provisions
	£
Provided during period	34,000
Balance at 31 October 2020	<u>34,000</u>

The provision relates to a legal claim which was settled on 15th January 2021.

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
1	Ordinary	£1	<u>1</u>

8. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

9. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Epping Forest District Council.

Qualis Commercial Ltd

Detailed Profit and Loss Account

for the Period 9 October 2019 to 31 October 2020

	£	£
Income		
Expenditure		
Hire of plant and machinery	16,012	
Computer costs	14,983	
Consultancy fees	134,758	
Training costs	400	
Print, post and stationery	195	
Advertising	20,060	
Management charges	347,533	
Legal and professional fee	408,149	
Sundry expenses	27,407	
Accountancy	210	
Auditors' remuneration	2,000	
	<hr/>	971,707
		(971,707)
Finance costs		
Bank charges		31
		<hr/>
NET LOSS		(971,738)
		<hr/>

This page does not form part of the statutory financial statements

Report of the Directors and

Financial Statements for the Period 9 October 2019 to 31 October 2020

for

Qualis Management Ltd

Qualis Management Ltd

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for the Period 9 October 2019 to 31 October 2020

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Qualis Management Ltd

Company Information

for the Period 9 October 2019 to 31 October 2020

DIRECTORS:

Ms G Blakemore
Mr P F Davis
Mr N H W Dawe
Ms S Jevans
Cllr H B Kauffman
Cllr R Bassett
Mr P Baynham
Mr P Hewitt
Mr F Mohammed

REGISTERED OFFICE:

Civic Centre
High Street
Epping
CM16 4BZ

REGISTERED NUMBER:

12251475 (England and Wales)

AUDITORS:

Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Qualis Management Ltd

Report of the Directors

for the Period 9 October 2019 to 31 October 2020

The directors present their report with the financial statements of the company for the period 9 October 2019 to 31 October 2020.

INCORPORATION

The company was incorporated on 9 October 2019 and commenced trading on 1 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of management of residential and commercial properties.

DIRECTORS

The directors who have held office during the period from 9 October 2019 to the date of this report are as follows:

Cllr N A B Avey - appointed 6 February 2020 - resigned 29 October 2020

Ms G Blakemore - appointed 1 February 2020

Mr P F Davis - appointed 2 April 2020

Mr N H W Dawe - appointed 1 March 2020

Mr G Finch - appointed 6 February 2020 - resigned 29 October 2020

Mr C M Ives - appointed 6 February 2020 - resigned 29 October 2020

Ms S Jevans - appointed 1 February 2020

Cllr H B Kauffman - appointed 6 February 2020

Cllr J Philip - appointed 6 February 2020 - resigned 29 October 2020

Cllr R Bassett - appointed 30 October 2020

Mr P Baynham - appointed 30 October 2020

Mr P Hewitt - appointed 30 October 2020

Mr F Mohammed - appointed 30 October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nordens, will be proposed for re-appointment at the forthcoming Board Meeting.

Qualis Management Ltd

Report of the Directors

for the Period 9 October 2019 to 31 October 2020

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



A handwritten signature in black ink, appearing to be 'D. Jones', is written over a light blue rectangular background.

.....
Director

Date:21/01/2021.....

Report of the Independent Auditors to the Members of
Qualis Management Ltd

Opinion

We have audited the financial statements of Qualis Management Ltd (the 'company') for the period ended 31 October 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Report of the Independent Auditors to the Members of
Qualis Management Ltd**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

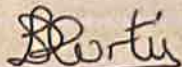
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lorraine Curtis FCCA (Senior Statutory Auditor)
for and on behalf of Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Date: 21/01/2021

Qualis Management Ltd

Income Statement
for the Period 9 October 2019 to 31 October 2020

	Notes	£
TURNOVER		475,977
Cost of sales		<u>417,056</u>
GROSS PROFIT		58,921
Administrative expenses		<u>411,875</u>
OPERATING LOSS and LOSS BEFORE TAXATION		(352,954)
Tax on loss		<u>-</u>
LOSS FOR THE FINANCIAL PERIOD		(352,954)

The notes form part of these financial statements

Qualis Management Ltd (Registered number: 12251475)

Balance Sheet
31 October 2020

	Notes	£	£
FIXED ASSETS			
Tangible assets	5		82,180
CURRENT ASSETS			
Debtors	6	715,944	
Cash at bank		12,300	
		728,244	
CREDITORS			
Amounts falling due within one year	7	1,163,377	
NET CURRENT LIABILITIES			(435,133)
TOTAL ASSETS LESS CURRENT LIABILITIES			(352,953)
CAPITAL AND RESERVES			
Called up share capital	8		1
Retained earnings			(352,954)
SHAREHOLDERS' FUNDS			(352,953)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on21/01/2021..... and were signed on its behalf by:



.....
Director

The notes form part of these financial statements

Page 7

1. **STATUTORY INFORMATION**

Qualis Management Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Financial instruments

Basic financial instruments are recognised at amortised costs, except for investments in non-convertible preference and non-votable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have arisen but have not yet been covered by taxable profits.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The financial statements have been prepared on the going concern basis. The directors are of the opinion that the shareholders will continue to support it, and provide adequate funding when necessary to enable it to meet its obligations for the foreseeable future, being for a period of at least twelve months from the date of approval of the financial statements.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 8.

Qualis Management Ltd

Notes to the Financial Statements - continued
for the Period 9 October 2019 to 31 October 2020

4. OPERATING LOSS

The operating loss is stated after charging:

	£
Depreciation - owned assets	2,623
Fines and penalties	419
	<u>2,623</u>

5. TANGIBLE FIXED ASSETS

	Motor vehicles
	£
COST	
Additions	84,803
At 31 October 2020	<u>84,803</u>
DEPRECIATION	
Charge for period	2,623
At 31 October 2020	<u>2,623</u>
NET BOOK VALUE	
At 31 October 2020	<u>82,180</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Other debtors	715,944
	<u>715,944</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	698,618
Amounts owed to group undertakings	385,000
Other creditors	79,759
	<u>1,163,377</u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
1	Ordinary	1	<u>1</u>

9. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Qualis Management Ltd

Trading and Profit and Loss Account
for the Period 9 October 2019 to 31 October 2020

	£	£
Sales		475,977
Cost of sales		
Purchases	38,014	
Motor Expenses	14,931	
Wages	96,694	
Social security	7,868	
Pensions	20,001	
Sub contractors	239,548	
	<u> </u>	417,056
GROSS PROFIT		58,921
Expenditure		
Computer costs	17,489	
Telephone, fax and internet	936	
Print, post and stationery	2,321	
Motor expenses	1,260	
Repairs and renewals	450	
Legal and professional fee	210,595	
Management Charges	173,766	
Accountancy	2,000	
Fines and penalties	419	
Depreciation of tangible fixed assets		
Motor vehicles	2,623	
	<u> </u>	411,859
		(352,938)
Finance costs		
Bank charges		16
		<u> </u>
NET LOSS		(352,954)

This page does not form part of the statutory financial statements

Report to the Cabinet

Report reference: C-060-2020/21
Date of meeting: 11 February 2021



**Epping Forest
District Council**

Portfolio: Customer & Corporate Support Services

Subject: Pay Policy Statement

Responsible Officer: Paula Maginnis (01992 564536).

Democratic Services Officer: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

The Cabinet is asked to:

Recommend the Pay Policy Statement to Council, subject to any amendments or suggestions.

Executive Summary:

Section 38 (1) of the Localism Act 2011 requires 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 draws on the Review of Fair Pay in the Public Sector (Will Hutton 2011) and concerns over low pay.

Reasons for Proposed Decision:

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

Other Options for Action:

The content of the Statement could be amended.

Report:

1. The Localism Act 2011 requires the Council to publish a Pay Policy Statement setting out details of its remuneration policy. Specifically including the Council's approach to its highest and lowest paid employees.

2. The Council's Pay Policy Statement was first published on the Council's website in March 2012. This is updated on an annual basis.

3. The matters which must be included in the statutory Pay Policy Statement are as follows;

- The Council's policy on the level and elements of remuneration for each chief

officer

- The Council's policy on the remuneration of its lowest paid employee (together with its definition of 'lowest paid employees' and its reasons for adopting that definition)
- The Council's policy on the relationship between the remuneration of its chief officers and other officers
- The Council's policy on specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

4. The Act defines remuneration in broad terms and guidance suggests that it is to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments.

5. The draft Pay Policy Statement for 2021/2022 sets out the Council's current practices and policies and is attached at Appendix 1 for comment. The amendments are highlighted.

6. Changes to the various policies and guidelines will continue to be agreed in accordance with current practices.

Resource Implications:

There are no resource implications as it is a statement of current practice and policies. Any implications will be subject to member reports as required.

Legal and Governance Implications:

The Policy Statement ensures that the Council complies with its duty under the Localism Act 2011.

Safer, Cleaner and Greener Implications:

N/A

Consultation Undertaken:

N/A

Background Papers:

Hutton Review of Fair Pay in the Public Sector: March 2011

Impact Assessments:

Risk Management

The Council would not comply with the Localism Act 2011 if it did not produce and publish a Pay Policy Statement.

Equality Impact Assessment

Is this a new policy (or decision) or a change to an existing policy, practice or project?	Yes
Describe the main aims, objectives and purpose of the policy or decision	To ensure the Council's compliance with its duty under the Localism Act 2011.
What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?	Update the Pay Policy Statement which is a statement of fact.
Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? 	Employees, however the Pay Policy Statement is not a mechanism to change remuneration or policy. It is a document which sets out what the pay and terms and conditions are for employees.
Will the policy or decision influence how organisations operate?	No
Will the policy or decision involve substantial changes in resources?	No
Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?	No
What does the information tell you about those groups identified?	N/A
Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?	N/A
If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:	N/A
Use this section to assess any potential impact on equality groups based on what you now know.	
Age, Disability, Gender, Gender reassignment, Pregnancy/maternity, Marriage/civil partnership, Race, Religion/belief, Sexual orientation	The Pay Policy Statement is a statement of fact and there is no impact on any protected groups. Any proposed changes to remuneration will be subject

	to further assessment	
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Does the EqlA indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No	See comment above
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Action plan to address and monitor adverse impacts		
What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A		

EPPING FOREST DISTRICT COUNCIL

PAY POLICY STATEMENT 2021/22

Introduction

Epping Forest District Council is located adjacent to three outer London boroughs and on the Central Line into the City of London. Residents have easy access to major motorway routes as both the M11 and M25 run through the district. There is a high incidence of commuting from the district which impacts on the local labour market and levels of pay, particularly for jobs that require skills that are in relatively short supply.

There are some long standing recruitment difficulties and retention issues in key skill areas and the Council is making every effort to manage skill shortages with apprenticeships, including higher level apprenticeships, introducing a new recruitment strategy and streamlined processes, working with Public Practice to encourage planners, designers working in the private sector to work in the public sector.

The situation is not static and is capable of changing very rapidly, but the Council continually considers steps regarding pay and allowances that are designed to assist with recruitment and retention.

This Statement reflects the Council's current pay, pension and leave policies and strategies which will be amended over time to deal with changing circumstances. These documents play an important role in attracting and retaining the best people to the Council.

All decisions on pay and reward for Chief Officers will comply with the Council's current Pay Policy Statement.

Legislation

Section 38 (1) of the Localism Act 2011 requires English and Welsh Councils to produce a Pay Policy Statement for 2012/2013 and for each financial year thereafter.

The Council's Pay Policy Statement;

- Must be approved formally by the Council;
- Must be approved each year;
- May be amended during the course of the financial year; and
- Must be published on the Council's website.

The Pay Policy Statement must include;

- The level and elements of remuneration for each of the Chief Officers;
- The remuneration of its lowest paid employees (together with its definition of 'lowest paid employees' and the Council's reasons for adopting that definition);
- The relationship between the remuneration of its Chief Officers and other Officers; and
- Other aspects of Chief Officers' remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

Remuneration is defined widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases/enhancements of pension entitlements and termination payments.

All salaries and calculations are based on full time equivalent (fte).

Publication of the Pay Policy Statement

The Policy has been made available on the Council's website.

Effect of this Policy Statement

Nothing in this Policy Statement enables unilateral changes to employee's terms and conditions. Changes to terms and conditions of employment must follow consultation and negotiation with individuals and recognised trade unions as set out in other agreements and in line with legislation. At the time of approving of this Statement by full Council, a consultation process to change pay and allowances arrangements is ongoing.

Pay Arrangements

During 2018/19 negotiations took place with the recognised trade unions to move pay away from National Conditions to local arrangements.

The outcome of these negotiations resulted in a Collective Agreement and local pay arrangements were implemented with effect from 1 October 2019. The local pay scales can be found at Appendix 1 (pay is at 1 April 2020). At this point, Inner Fringe London Allowance was incorporated into salary scales, and no longer forms part of separate pay bargaining.

Grades no longer contain incremental points, and employees are paid at a spot salary within the grade range. Incremental progression, therefore, no longer applies but progression within grade can be applied in accordance with pay policy. Placement within the respective Grade Zones is also in accordance with pay policy.

Grades for roles will continue to be determined by the NJC Job Evaluation Scheme implemented through our Job Family Framework.

Pay Awards

For the future, Epping Forest salary ranges will be benchmarked against the Public & Not for Profit Market, and NJC pay awards will no longer apply, although the Council has agreed that annual pay awards will be no less than the NJC Award.

The Council will consider pay awards annually, and any award agreed will be applied at 1 April.

Remuneration of Chief Officers

The Council will not agree any pay arrangement which does not reflect the correct employment and/or tax/NI status of a Chief Officer or employee.

It will be the responsibility of Council to agree the initial salaries for Chief Officers following external advice/evaluation/benchmarking. At Epping, Chief Officers are determined as the Chief Executive, Strategic Directors and Chief Operating Officer.

Chief Executive

The Chief Executive is paid a spot salary of £143,000 which includes compensation for all other allowances that might normally apply (i.e. evening meeting payments). The Chief Executive may also benefit from a performance payment of up to £5,000 (non-consolidated) if targets and objectives, set by the Leader of the Council and Chair of the Overview and Scrutiny and Committee, together with an independent facilitator, are met. For future years, any performance payment will be unconsolidated unless a further review of base salary is undertaken.

The Chief Executive is also the Council's Head of Paid Service and the Returning Officer (for which additional fees are paid).

Strategic Directors

In January 2020, Cabinet agreed a new organisation structure which permanently established 2 Strategic Director roles and a role of Chief Operating Officer, all at a spot salary of £115,000 together with the opportunity of flexibility of benefits.

Termination Payments

On ceasing to be employed by the Council, individuals will only receive compensation:

- in circumstances that are relevant (e.g. redundancy), and
- in accordance with our published Pension Policy on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or that complies with the specific term(s) of a compromise agreement.

All employees with contracts of 3 months or more are automatically enrolled into the Local Government Pension Scheme (LGPS), which is administered by Essex County Council. Payments on grounds of Redundancy are covered by the Council's Redundancy and Efficiency Payments Policy.

All employees are treated in the same way with regard to the calculation of severance payments in situations of redundancy.

Statutory Roles

The statutory roles of Monitoring Officer and 'Section 151' Officer will be carried out by the Head of Legal and the Strategic Director. These positions do not need to be held by Chief Officers. The Monitoring Officer role will receive an additional £5,000 supplement for these statutory responsibilities. The 'Section 151' Officer has this in their base salary.

Definition of Lowest Paid Employees

For the purpose of this Policy Statement, employees on grade A are defined as our lowest-paid employees.

At 1 April 2020, the fte annual value of the minimum of the Growth Zone of Grade A was £18,740.

The exceptions to the lowest grade are Apprentices who are paid £160 per week. When apprentices move into year 2 of their placement, they receive the minimum wage for their age.

Pay Multiples

The Hutton Review raised concerns about multiples in the order of 20 or higher between the lowest and the highest paid employees in local authorities. However the Interim Report noted that the most top to bottom pay multiples in the public sector are in the region of 8:1 to 12:1. The Council is therefore content that having due regard for the level of responsibilities and personal accountability between the lowest and highest paid roles, the current multiple of 7.6 seems to be both justifiable and equitable.

The council does not set the remuneration of any individual or group of posts by reference to a multiple. However, as suggested by the Hutton Review the Council will monitor multiples over time to ensure they are appropriate and fair and will explain significant changes in pay multiples. The multiples are as following;

Role	2021/2022	
	Multiple	Salary
Chief Executive compared to lowest salary	x 7.6	£143,000
Strategic Directors compared to lowest salary	x 6.1	£115,000
Average salary compared to Chief Executive	x 3.9	£36,338
Average salary compared to lowest salary	x 1.9	£36,338

- The average salary is based on fte and has not been pro-rata'd for part-time employees
- The lowest fte salary in the Council is £18,740 in 2020/2021

Other Payments

Market Supplements may be paid in accordance with the Council's Policy for Payment of Market Supplements (although where necessary to secure or retain the employment of essential staff, other means may be applied to achieve the same outcome).

Honorarium or ex-gratia payments will be paid in accordance with our Additional Payments Policy.

The Council does not currently apply performance related pay or bonuses (except for in the case of the Chief Executive), but this may change generally at a future date, and may be applied as part of a personal contract of employment if required to secure the employment and retention of essential employees. Under local pay arrangements, the Council may consider the award of a Council wide or Team bonus at any point paid, on the basis of

agreed targets/outputs . Such bonus will take the form of an unconsolidated payment and will not affect substantive pay.

These policies are applied consistently to all employees.

APPENDIX 1

Grade	Growth Zone £	Salary for Role £	Exception Zone £
A	18,740 – 19,100	19,241	19,301 – 19,500
B	19,501 – 19,942	20,089	20,301 – 20,500
C	20,600 – 21,624	21,784	21,801 – 22,300
D	22,400 – 24,353	24,533	24,751 – 25,500
E	25,700 – 28,203	28,411	28,801 – 29,500
F	29,700 – 32,258	32,496	32,951 – 33,400
G	33,500 – 37,128	37,402	37,801 – 38,400
H	38,500 – 42,126	42,437	42,601 – 43,300
I	43,600 – 47,226	47,574	47,824 – 50,000
J	50,300 – 54,060	54,459	54,959 – 56,200
K	57,500 – 60,818	61,266	61,501 – 63,000