



### NOTICE OF COUNCIL MEETING

You are hereby summoned to a meeting of the EPPING FOREST DISTRICT COUNCIL to be held in the COUNCIL CHAMBER - CIVIC OFFICES at 7.00 pm on Thursday, 29 July 2021 for the purpose of transacting the business set out in the agenda.

A handwritten signature in blue ink, appearing to read 'G Blakemore'.

**Georgina Blakemore**  
Chief Executive

**Democratic Services**  
Officers:

Gary Woodhall / Jackie Leither      Tel: (01992) 564243  
Email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

#### WEBCASTING/FILMING NOTICE

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The meeting may also be otherwise filmed by third parties with the Chairman's permission.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

Therefore by entering the Chamber and using the lower public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If members of the public do not wish to have their image captured they should sit in the upper council chamber public gallery area or otherwise indicate to the Chairman before the start of the meeting.

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

## **BUSINESS**

### **1. WEBCASTING INTRODUCTION**

This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking. The Democratic and Electoral Services Team Manager will read the following announcement:

“The chairman 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).

If you are seated in the lower public seating area it is likely that the recording cameras will capture your image and this will result in the possibility that your image will become part of the broadcast.

This may infringe your human and data protection rights and if you wish to avoid this you should move to the upper public gallery.”

### **2. FORMER COUNCILLORS M BOATMAN AND P BURNS**

The Council is invited to stand for a minute’s silence in tribute to the memory of former District Councillors Maureen Boatman and Peter Burns who have recently passed away.

#### **(a) Maureen Boatman**

Maureen Boatman served as a Labour District Councillor representing the Loughton Roding Ward from 1996-2000.

#### **(b) Peter Burns**

Peter Burns served as a Conservative District Councillor representing the Epping Hemnall Ward from 1992-1996.

### **3. APOLOGIES FOR ABSENCE**

To be announced at the meeting.

### **4. DECLARATIONS OF INTEREST**

To declare interests in any item on the agenda.

### **5. MINUTES (Pages 7 - 54)**

To approve as a correct record and the Chairman to sign the minutes of the Council meetings held on 29 April 2021, 25 May 2021 and 24 June 2021 (attached).

### **6. ANNOUNCEMENTS**

(a) Chairman’s Announcements

### **7. PUBLIC QUESTIONS (IF ANY)**

To answer questions asked after notice in accordance with the provisions contained within Part 4 of the Council Rules of the Constitution on any matter in relation to which

the Council has powers or duties or which affects the District:

- (a) to the Leader of the Council;
- (b) to any Portfolio Holder; or
- (c) to the Chairman of the Overview and Scrutiny Committee.

Questions, if any, will follow if not received in time to be incorporated into the agenda.

## **8. QUESTIONS BY MEMBERS UNDER NOTICE**

To answer questions asked after notice in accordance with the provisions contained within the Council's rules in Part 4 of the Constitution on any matter in relation to which the Council has powers or duties or which affects the District:

- (a) to the Chairman of the Council;
- (b) to the Leader of the Council;
- (c) to any Member of the Cabinet; or
- (d) the Chairman of any Committee or Sub-Committee.

The Council's rules provide that answers to questions under notice may take the form of:

- (a) direct oral answer;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

Answers to questions falling within (a) and (b) above will be made available to the member asking the question one hour before the meeting. Answers to questions falling within (c) above will be circulated to all councillors.

Questions, if any, will follow if not received in time to be incorporated into the agenda.

## **9. REPORTS FROM THE LEADER & MEMBERS OF THE CABINET (Pages 55 - 108)**

To receive reports and any announcements from the Leader and members of the Cabinet on matters falling within their area of responsibility:

- (a) Report of the Leader;
- (b) Report of the Community and Regulatory Services Portfolio Holder (attached);
- (c) Report of the Corporate Services Portfolio Holder (attached);
- (d) Report of the Customer and Partnerships Portfolio Holder (attached);
- (e) Report of the Environmental and Technical Services Portfolio Holder (attached);

- (f) Report of the Finance, Qualis Client and Economic Development Portfolio Holder (attached);
- (g) Report of the Housing Services Portfolio Holder (attached); and
- (h) Report of the Planning and Sustainability Portfolio Holder (attached).

## 10. QUESTIONS BY MEMBERS WITHOUT NOTICE

The Council's rules provide for questions by any member of the Council to the Leader or any Portfolio Holder, without notice on:

- (i) reports under the previous item; or
- (ii) any other matter of a non operational character in relation to the powers and duties of the Council or which affects all or part of the District or some or all of its inhabitants.

The Council's rules provide that answers to questions without notice may take the form of:

- (a) a direct oral answer from the Leader or, at the request of the Leader, from another member of the Cabinet;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication;
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner; or
- (d) where the question relates to an operational matter, the Leader or a member of the Cabinet will request that a response be given direct to the questioner by the relevant Service Director.

In accordance with the Council's rules, a time limit of thirty minutes is set for questions. Any question not dealt with within the time available will receive a written reply. The Chairman may extend this period by up to a further ten minutes at their discretion.

## 11. MOTIONS

To consider any motions, notice of which has been given under the Council's rules of procedure.

### (a) Litter in the District

Proposed by: Councillor N Avey  
Seconded by: Councillor J Philip

"That the Council notes that:

In light of the extent of littering in the District, which has increased during the current pandemic, the Council hereby declares that:

- (i) The Council will sponsor an annual competition named "Pride in Epping Forest

District”, which aims to acknowledge the individual, group or local Parish Council which makes the greatest local contribution to the removal of litter from the District’s streets and countryside.

- (ii) The Council will join “Keep Britain Tidy” and become involved in “the Great British Spring Clean” and comparable initiatives. The Council will also reach out to other local organisations such as the Corporation of London (Epping Forest) and Transport to London to encourage joint initiatives to tackle littering.
- (iii) The Council will continue to promote and support locally organised litter picks and supply advice, equipment and support.
- (iv) The Council will examine ways in which by means of social media, postings on the Council’s website and other channels to promote residents’ awareness of littering and why this anti-social behaviour should be stopped. This may also involve reaching out to schools through the Youth Council.
- (v) The Council will survey the provision of bins across urban conurbations in the District, including main thoroughfares, to assess whether more bins are needed to avoid littering. Advice will be sought from Parish Councils as part of this survey.
- (vi) When available, the Council will evaluate the use of CCTV technology as an enforcement tool to identify rubbish discarded from vehicles primarily on main roads throughout the District.”

Any further Motions will follow, if not received in time to be incorporated into the agenda

## **Reports of the Cabinet**

### **12. QUALIS 4 YEAR BUSINESS PLAN 2021-2025 (Pages 109 - 150)**

(Finance, Qualis Client and Economic Development) To consider and agree the attached report regarding the Qualis 4 Year Business Plan.

### **13. AUDITED STATEMENT OF ACCOUNTS 2019/20 (Pages 151 - 252)**

(Finance, Qualis Client and Economic Development) Council to consider the attached report as recommended by the Audit and Governance Committee, to approve the audited Statement of Accounts for 2019/20 and recommend to the Constitution Working Group that consideration be given to the Audit and Governance Committee to have delegated authority, to approve the Council’s annual Statement of Accounts.

### **14. TREASURY MANAGEMENT STRATEGY (Pages 253 - 254)**

(Finance, Qualis Client and Economic Development) To consider the attached report to approve the Treasury Management and Investment Strategy for 2021/22.

### **15. APPOINTMENT TO OUTSIDE BODY - WHIPPS CROSS JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE (Pages 255 - 262)**

(The Leader) To consider a report to appoint a non-voting member from EFDC by the London Borough of Waltham Forest to sit on the Joint Health Overview and Scrutiny Committee.

**16. OVERVIEW AND SCRUTINY COMMITTEE (Pages 263 - 310)**

- (a) To receive the Annual Overview and Scrutiny Committee Report 2020-21 (attached);
- (b) To note the progress report of the Chairman of the Overview and Scrutiny Committee – June/July 2021 (attached); and
- (c) To answer any questions without notice asked in accordance with Council Rules.

**17. JOINT ARRANGEMENTS & EXTERNAL ORGANISATIONS**

- (a) To receive from Council representatives the reports (attached - if any) on the business of joint arrangements and external organisations and to receive answers to any questions on those bodies which may be put without notice; and
- (b) To request written reports from representatives on joint arrangements and external organisations for future meetings.

**18. 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 for four years after the date of the meeting one copy of each of the documents on the list of background papers.

## EPHING FOREST DISTRICT COUNCIL COUNCIL MINUTES

**Committee:** Council

**Date:** 29 April 2021

**Place:** Virtual Meeting on Zoom

**Time:** 7.00 - 8.30 pm

**Members Present:** Councillors H Kane (Chairman), J Share-Bernia, N Avey, R Baldwin, R Bassett, A Beales, N Bedford, P Bolton, H Brady, R Brookes, L Burrows, D Dorrell, I Hadley, S Heap, S Heather, R Jennings, J Jennings, S Jones, S Kane, H Kauffman, P Keska, Y Knight, J Lea, J Leppert, A Lion, C McCredie, R Morgan, S Murray, S Neville, M Owen, A Patel and J Philip

**Apologies:** Councillors L Mead, A Mitchell and D Plummer

**Officers Present:** G Blakemore (Chief Executive), N Dawe (Chief Operating Officer), A Small (Strategic Director Corporate and 151 Officer), N Boateng (Service Manager (Legal) & Monitoring Officer), G Woodhall (Team Manager - Democratic & Electoral Services), J Leither (Democratic Services Officer), R Perrin (Democratic and Electoral Services Officer) and N Cole (Corporate Communications Officer)

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### 75. WEBCASTING INTRODUCTION

The Democratic and Electoral Services Team Manager reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

### 76. DECLARATIONS OF INTEREST

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

### 77. MINUTES

#### RESOLVED:

That the minutes of the Council meeting held on 25 February 2021 be taken as read and signed by the Chairman as a correct record subject to the following:

Councillor L Burrows advised that the last sentence of his question was missing under minute item 66 Questions by Members without notice, (h) which has been added to the minutes of 25 February 2021:

'How can residents trust the Epping Liberal Democrats.'

Councillor S Heap advised that under item 68 The Pay Policy Statement that he did ask questions regarding the senior salary payments. He was advised by the Democratic Services Officer that the minutes of the meeting were not verbatim and under this section so long as the decision was correctly recorded the discussion by Members was not mandatory to record in the minutes.

Councillor J M Whitehouse stated that as Councillor L Burrows asked for his minute item to be corrected then he would also like to have his comments recorded in the minutes for clarity of Councillor Burrows information that was incorrect and misleading.

## 78. ANNOUNCEMENTS

### Chairman's Announcements

(a) The Chairman reminded Members to submit their Related Party Declarations for the year 2020/21.

Councillor C C Pond stated that he and Councillor C P Pond had not received the related party declarations to complete.

The Democratic and Electoral Services Manager advised that he would check with accountancy and get back to the Councillors.

(b) Members as you are aware this would be the last Full Council meeting of the Civic Year and a time for us to reflect on the last 12 months.

There have been many changes for all of us over the year and I would like to acknowledge the strength and fortitude that many of us in our community have had to endure with when faced with Covid 19.

Many have escaped the virus but had restricted freedoms, many have suffered from Covid 19 and still suffer the consequences and many too have lost loved ones and their hearts are still broken. Indeed, not due to the pandemic, we have all suffered a loss back in July when our dear friend and valued council member Syd Stavrou passed away. I still miss her to this day.

But through these unprecedented times, we have all learnt valuable lessons, to appreciate those around us that we care and love and to value our community.

As a Council we have had to change to ensure our staff remained safe and that our residents and businesses were still supported and you too Members have had to adapt in so many ways. We have had to learn new skills, especially in how our council meetings were administered. We have all managed to join a meeting in zoom, learnt how to mute our microphones and to raise a hand, simple tasks now that almost seemed impossible 12 months ago.

Members, I would like to thank you all for overcoming the problems we all faced and for accepting my changes and adjustments to how a council meeting was conducted. I am sure you will agree with me that despite the adversity we have faced we have all risen to the occasion and ensured that council business was conducted in a fair and professional manner.

Looking back over the past year I cannot let this opportunity pass without mentioning the members of staff who work for Epping Forest District Council. They too have had to change, by changing how they work and where they work.

Change was not always welcome, but I know that we have a loyal and committed workforce who always go that extra mile to uphold the behaviours and values of the Council and for that I would like to say a personal thank you to each and every one of them.



The Chairman acknowledged some of the Council's staff who had taken this opportunity to develop their own careers and had moved onto pastures new. Julie Chandler and Peter Charman, who helped me so much during the Leisure Contract, with the enhancements of the Loughton, Epping and Ongar Leisure centres and especially with the completion of the new Waltham Abbey Leisure centre.

She also extended her thanks to Kim Durrani and advised that she had met Kim before she had become a councillor through his work with the local community organisations (town partnership) in Waltham Abbey.

Kim started at EFDC in February 2002 as a Land Drainage Engineer, in 2008 he became Assistant Director Technical Services and later the Service Director for Contracts and Technical Services. He was responsible for all the major outsourced contracted services of the Council, like waste management, leisure management services and car parking as well as some of the more complex technical functions such as contaminated land, flood risk management, and pollution control.

Kim's aim like Julie's and Peter's was always to embed the Council's values and behaviours in the delivery of these front-line services and to achieve efficiency, effectiveness and better outcomes for our residents.

We will miss his measured views and logical thinking, but I am sure I speak for you all in wishing him every success in his new appointment.

Members as I said earlier this would be the last Full Council of the Civic Year and I cannot let this time pass without acknowledging some of our own Members who will not be standing again at the next election.

Public life was never easy, and it certainly can put a strain on your personal life, so I am sure you will join with me and thank those members who have chosen to stand down and will not be joining us again after May.

Members we will all have an opportunity at the Annual Council Meeting in May to acknowledge the service of these councillors but for now I would like to extend our thanks and gratitude to:

Debra Roberts, Amy Beales, Gavin Chambers, John Knapman, Brian Sandler and Maggie McEwen for their service and commitment to the Epping Forest District.

As Chairman I have had a very unusual year; I cannot sit here and recall the events I have attended or look back on an elaborate Civic Awards' ceremony, but I can say it has been a rewarding year. I really have learnt so much and there are a few people I would like to personally thank.

First of all, to you Members for putting your trust in me and electing me Chairman of Council and to the staff from Democratic Services, Gary Woodhall, Jackie Leither and Adrian Hendry, who have guided me through our Council meetings. To Corporate Communications headed by Tom Carne, who has always ensured I am informed and up to date on current issues especially their guidance over the past few weeks since HRH Prince Philip, The Duke of Edinburgh passed away. Our website at the time was a fitting tribute to a very remarkable man. A person I will be forever grateful to was Pat Seager, her experience, her patience and her professional competence has made a great difference to me this year.

Finally, I would like to thank my husband Sam and my family for their total support throughout this very difficult year.

**79. PUBLIC QUESTIONS (IF ANY)**

The Council noted that there were no public questions under notice that had been submitted for consideration at this meeting.

**80. QUESTIONS BY MEMBERS UNDER NOTICE**

The Council noted that there were no questions by members under notice that had been submitted for consideration at this meeting.

**81. REPORTS FROM THE LEADER & MEMBERS OF THE CABINET**

The Council received written reports from Portfolio Holders. The Chairman invited the Leader of Council to provide an oral report and the opportunity for other members of the Cabinet to give updates on matters concerning their relevant portfolios.

**(a) Leader of Council**

Councillor C Whitbread stated that since the last Full Council meeting on the 25 February 2021, it had been a busy time for the Council, high streets, businesses and the Country as a whole, as the timetable to bring the Country out of lockdown had begun. The Council have been actively engaged in helping businesses back to life on the high streets. Throughout Epping High Street there were notices on the lampposts to encourage people to shop local and it was encouraging to see the car parks getting busier and also the hospitality venue gardens being open and I am sure as the Country progresses to the next stage of the lockdown programme on the 17 May, with inside dining getting ready to open again.

It would be interesting to see what happens after 17 May, when Council meetings will become physical again and meeting in the Civic Offices. I believe going forward this will be a positive outcome for the Council and our residents.

Over the last year we have all been conditioned to work differently, at times this has been challenging and again we will seek different challenges once we start going back to physical meetings with some meetings still being held virtually. I believe for a time there will be a mixture of virtual and physical meetings and some meetings will stay as virtual for the foreseeable future.

The refurbished Civic Offices had been completed and I have been liaising with the Essex Library Services regarding them bringing the library service into the Civic Offices. The meeting was held with the Cabinet Member for Libraries and the library staff and he reported that it was a very positive meeting and progress was being made and he looked forward to reporting on further progress.

He also advised that he had met with Councillor Murray and Councillor Pond to discuss the Debden Library and will be meeting with the Cabinet Member for Libraries again to discuss Debden but with the forthcoming elections the Cabinet Member may change. It was important that this Council can influence and can talk to the correct people to move the library decisions forward.

After this very difficult year the Council was about taking Epping Forest forward in the next year and the five sites in Epping would support and fund the new Epping Sports Centre.

**(b) The Commercial and Regulatory Services Portfolio Holder**

Councillor A Patel advised that at the Cabinet meeting on the 20 April 2021 that he gave members a detailed verbal update on the Council's assets at Centric Parade, Loughton, 202-226 High Road, Loughton and The Broadway, Debden.

To summarise Centric Parade had been hit by the effects of the Covid lockdown, four shops had become vacant and two had gone into a company voluntary arrangement (CVA). I am pleased to be able to advise that three of the vacant shops have now been let and the two shops that had gone into a CVA we have managed to let one to a National Health and Wellbeing operator at market rent and we are finalising terms with a National Discount retailer for the other unit. With regard to The Broadway, Debden, all shops remain let with the exception of one, but this has now been let and is in the hands of solicitors to finalise. Of the seven commercial units located at the Landmark building six are now let and the remaining unit was now under offer.

He advised that this was a good news story and was sure that Member's would agree and he stated that he would like to praise the efforts of the Council's Estates Team for being able to find new tenants during this difficult time whilst being in lockdown.

(c) The Finance and Economic Development Portfolio Holder

Councillor J Philip advised that he would like to give an update to the Covid Economic Development Programme that was referenced in his report and stated that the Council had now appointed a Town Centre Project manager who had already started work and one of the first things he would look at was making sure the reports for the remaining town centres were available to be discussed and the first Cabinet meeting to be held in the new municipal year. He would then start to work on the larger villages which would also benefit from the Economic Development Programme starting with Theydon Bois, North Weald and Chigwell and find ways to make those places more attractive for our residents to go shopping in as the economy opens up.

On the finance side of the portfolio he stated that he would like to reassure member's that the budget the Council produced and approved in February 2021 was accurate and that despite reports to the contrary the Council have not reduced the rent that they are expecting to receive for the second floor of the Civic Offices, we expect to get the same amount as was set but with Covid and not reopening the Civic Offices until after the start of the financial year, it would be impossible to let and get tenants at the start of the financial year and the date has been moved to start in six months. So to put it into context it was not a failure to let there was a significant amount of interest in the second floor and offers had been received.

## 82. QUESTIONS BY MEMBERS WITHOUT NOTICE

The Chairman thanked Members for giving notification of their intention to ask a question without notice.

She advised Members that any interpretation of breaking the purdah rules, the Monitoring Officer would intervene and that she would not permit the question to be answered. The purdah rules were designed to ensure that Council resources would not be used to promote individual candidates. Any webcast meeting was a council resource and therefore cannot be used for self-promotion.

(a) Conservative Party Literature

Councillor S Heap stated that his question was to the Leader of Council and referred to a leaflet that was published and distributed by the Conservative Party about the

Green Party which contained some inaccuracies that need to be addressed. Firstly, the Green Party want to abandon or abolish home ownership, which was not true and secondly that the Green Party wanted to introduce Clean Air Zones CAZ all over the country, maybe that was a good idea but that would only happen if there was a cheap and viable alternative to it. It should be pointed out that the CAZ which was proposed for Epping Forest was only proposed by the Conservatives and only voted in favour of by the Conservatives. Lastly, it was also stated in the leaflet that the Green Party wished to increase taxes and redistribute wealth. Therefore could the Leader explain how did any fiscal policy work at District, County or National level, if it's not redistribution of wealth and how could the Leader as a member of the County Council vote to increase the ECC proportion of Council Tax and redistribute that wealth.

Councillor C Whitbread stated that Councillor Heap gave a very long diatribe which was a political broadcast before he got to any form of question and the information came from the 1919 Green Party election manifesto and if Councillor Heap had checked it then he would know where his party stood.

Council Tax in Epping Forest was the lowest in Essex and this Council protected frontline services. There was nothing wrong with increasing Council Tax for high quality services if you did it in the correct way and that has always been the way of Epping Forest and was also the way of Essex County Council. Therefore, I do not see the point of your question as it was not a question for this Council on wealth redistribution, this Council was about providing the best quality frontline services for its residents at the best possible value.

He stated that there had never been a vote on the CAZ because the CAZ had not even been designed or consulted on and what this Conservative group had said was that we will do everything we can to mitigate against the need for a CAZ. I would like to point out that it was the Liberal Democrats and the one Green party member at Essex County Council who voted to bring in road charges across hot spots in Essex, Epping Forest being one of those hot spots. Therefore, it was the policy of the Liberal Democrats and the Green party to implement CAZ's throughout Essex and not that of the Conservative party.

(b) Council Land Holdings

Councillor S Murray asked if the relevant Portfolio Holder could confirm that the audited accounts, when they were audited, were likely to show a substantial decrease in the valuation of the Loughton High Road units, 202-226, which included Centric Parade compared to the purchase price. Also could Members be updated with the plans that are being thought about to safeguard Jessel Green from future large-scale vehicular incursions. He stated that on the 15 April he did email the relevant Portfolio Holders asking what steps they intended to take to stop vehicular incursions on Jessel Green

Cllr J Philip advised that he did not have the audited accounts from the previous financial year which was explained in great detail at the Audit & Governance Committee meeting in March 2021 and was also explained in my report. An error had also been found in the previous year which the Auditors had not picked up and I am hopeful that these accounts will be ready early on in the new municipal year. He stated that he believed that there would be a dip in the valuation of Centric Parade not a significant or huge dip but given that the valuation was carried out and the beginning of the pandemic last year which caused a dip on all valuations at that point because it was not known what was actually going to happen over the last year.

Therefore, I do expect a reduction in the valuation but would expect it to be recovered in the following years' accounts.

Councillor H Whitbread advised that post-election she would arrange for a briefing for all members from the Safety and Community Team on Gypsy and Traveller incursions and then have another meeting with the ward members to discuss solutions and ways of protecting Jessel Green moving forwards.

(c) Increase in litter across the district

Councillor S Rackham advised her question was to the Environmental and Technical Services Portfolio Holder and stated that the Pandemic had caused an increase in litter across the district, from town centres and into rural villages and asked the Portfolio Holder what action had been taken so far and what action would be taken going forward to address this issue.

Councillor N Avey stated that litter was a pressing issue and he had hoped to put a motion before Member's on this subject but was precluded by election rules. He assured Members that there had been a lot of work going on to address this issue and that he would share more details with Members after the election. In the meantime he stated that great efforts were being made to address the problem of littering on the streets in the district and also in the rural areas.

(d) Clean Air Zones

Councillor J M Whitehouse advised that Member's had been inadvertently misled earlier regarding Clean Air Zones. The national guidance stated that Clean Air Zones fell into two categories, non-charging Clean Air Zones and charging Clean Air Zones there was a sentence in the guidelines which said 'Clean Air Zone proposals are not required to include a charging zone' but it was a charging zone which the air pollution mitigation strategy that the Cabinet voted for at the draft stage and the Council adopted. It could have been written into that strategy that they wanted to avoid or mitigate or have a different approach if they wanted to, but they didn't, they chose to make the Clean Air Zone a central part of that strategy.

Councillor C Whitbread advised that he did not want to get into a debate on Clean Air Zones but felt it was important to come back as the facts that were just stated were wrong. This Council had not designed the Clean Air Zone and have not debated the details of the Clean Air Zone and until it has been designed and then been consulted on there was no charging regime and therefore there was no Clean Air Zone. The Council had to look at the mitigation to make sure this district did not need a Clean Air Zone. There had been no vote on charging, no vote on the design of a Clean Air Zone Strategy and local people were being misled.

(e) Town Centre Sites in Epping

Councillor J M Whitehouse advised that his question was to the Commercial and Regulatory Services Portfolio Holder as a Qualis representative. With regard to the three planning applications for the essential town centre sites in Epping that have been submitted, a lot of residents took part in consultation last autumn despite the constraints of the pandemic restrictions and could you therefore summarise what changes had been made to the planning applications as a result of that consultation.

Councillor A Patel advised that as these were live active planning applications and he felt that he should not comment on them at this stage. He added that the changes were visible on the submitted plans.

## (f) Local Plan

Councillor C C Pond advised his question was to the Planning and Sustainability Portfolio Holder and asked him what date it was proposed to issue the main modifications to the Local Plan for public consultation.

Councillor Bedford advised that he was not aware of the actual date but knew it was at the end of May and as soon as he knew the date he would inform Councillor C C Pond.

## (g) Anti-Social Behaviour – North Weald

Councillor P Bolton advised his question was to the Housing and Community Services Portfolio Holder and stated that some residents in North Weald were being plagued by quad bikes and motorbikes who were accessing the Rayley Lane Golf Range site and asked what the Council were doing to support the residents who were suffering from this anti-social behaviour.

Councillor H Whitbread advised that she was made aware of this issue a number of months ago in her surgery on Thornwood. This had been a big issue for residents and last week Councillor C Whitbread, Council Officers, Essex Police and representatives of the Parish Council went to visit where the issue was. Four primary actions have been taken at this stage and further actions are still being looked into. It was agreed that a letter would be written to the land owner by the Leader of Council regarding unauthorised access to allow the use of quad and scramble bikes and that the access route to the side of the cemetery gate would be fitted with a bike inhibitor restricting access as approved equipment specified by Essex County Council. It was also agreed that a mobile CCTV camera would be mounted outside of the cemetery to monitor access after the inhibitor had been installed and PC Andy Cook would continue to patrol and monitor the situation.

## (h) Demand Responsive Transport Trial

Councillor J H Whitehouse advised her question was to the Environmental and Technical Services Portfolio Holder regarding the Demand Responsive Transport Trial that was in his report and commented that it was good news that the trial service had been extended until April 2022. Could the Portfolio Holder comment on the plans for the next twelve months as she would like to make an appeal that you would consider in extending the service to Waltham Abbey and the ulcer clinic that takes place in Waltham Abbey. I would like to make Members aware that people who have leg ulcers need to get to the clinic in Waltham Abbey every week to have their ulcers dressed. An elderly resident from Theydon Bois had advised that he has to spend £27.00 every week to get to the clinic and home by taxi and it was becoming a financial strain. It had further been pointed out that there was no phone number to access the Community Transport, not all elderly people who need to access these services have computers and therefore a phone number should always be provided.

Councillor N Avey stated that it wasn't appropriate for him to go into too much detail as it was written in my report, however, I do take your point about having access to a telephone number and will speak to Officers. I have taken on board your comments about the resident needing the get from Theydon Bois to the clinic in Waltham Abbey and will see what we can do about that in our plans for this service.

Councillor J Philip advised that at his request, for another Theydon Bois resident, he had been given the telephone number for the Epping Forest Community Transport Service who ran the Demand Responsive Service of 01992 579556.

(i) Reopening of the Districts High Streets

Councillor D Dorrell advised that his question was to the Finance and Economic Development Portfolio Holder and asked if he could report back on the reopening of our high streets and shopping parades across the district and outline what action the Council has taken to assist as the measures start to lift.

Councillor J Philip advised that the reopening had been very successful, the Leader had already mentioned that the Council had put in place free car parking for a week which was well received by the residents and shop owners, this resulted in a reasonable footfall in the high streets in that first week. The Council provided free 'please wear a mask' posters for the shops and businesses, some of the larger chains used the Council's posters as they stood out and were more effective than their own. Additional restriction grants and reopening grants were being distributed to help the businesses in the district details of these can be found on the Council's website. A local florist, who also gave an interview on Radio Essex, had thanked the Council for all of their help and support in getting her business back on track. The Council will continue to work with residents and business to help and support them back into the high streets and gave credit to residents, businesses and Council Officers in making this happen smoothly.

(j) Anti-Social Behaviour in Buckhurst Hill

Councillor S Neville advised that his question was to the Housing and Communities Portfolio Holder and stated that in the Portfolio Holders report on page 78, Anti-Social Behaviour it referred to a rough sleeper in Buckhurst Hill and a case being prepared against him for a Criminal Behaviour Order as he had breached a Community Protection Notice and asked if there were any updates or if it was still ongoing, was there a timeline.

Councillor H Whitbread stated that this has been an ongoing key issue in Buckhurst Hill and advised that she would like to have a conversation offline regarding this issue due to GDPR reasons. She did however inform Members that the Council had done their duty in terms of engagement and working with a partnership of other organisations.

(k) Car Parking Charges in the Car Parks in the Forest

Councillor S Jones advised her question was to the Environmental and Technical Services Portfolio Holder and stated that a number of residents had asked why this Council was introducing car park charging in the forest car parks after possibly being misled by the opposition parties. Therefore, could the Portfolio Holder please confirm that this was not the decision of this Council and to clarify whether it was in the authority of this Council to enforce.

Councillor N Avey advised that he had received information that some Members or their representatives have alleged, on the doorstep campaign, that this Council were responsible for that particular issue. He confirmed that it was nothing to do with this Council and was solely a matter driven by the Corporation of London and this Council did not have any responsibility for car parks in the Forest.

(l) Landmark Building Cladding

Councillor D Wixley advised that his question was to the Commercial and Regulatory Services Portfolio Holder and referred to the question he asked regarding the Landmark Building in the Broadway, Debden and stated that he asked in the Council had incurred any cost for the replacement of the cladding. It was not explicit in the minutes of the last meeting as to whether or not this was the case, it looked as if Higgins bore the costs but for the avoidance of any doubt could he confirm if the Council did or did not incur any costs.

Councillor A Patel confirmed that the costs relating to the removal and replacement of the cladding on the Landmark Building were borne entirely by Higgins Homes.

(m) Epping Forest Youth Council

Councillor D Sunger stated that the £3,000 awarded by Cabinet to the Epping Forest Youth Council for their mental health project and asked the Housing and Communities Portfolio Holder if she would join him in thanking and congratulating the Epping Forest Youth Council for their MiLife C19 mental health project especially in these difficult times reaching out and supporting young people with their emotional and mental health.

Councillor H Whitbread thanked Councillor Sunger for his question and for highlighting the work of the Youth Council. She advised that she was an alumnus of the Youth Council and was proud of the work they were doing especially around mental health in young people during the pandemic, identifying the key issues and recognising the needs of young people locally.

(n) Road Charges

Councillor L Burrows advised his question was to the Leader of the Council and asked him to confirm that there was never any vote for road charges by Epping Forest District Council (EFDC) and that EFDC does not have any authority to implement charges. Could he also confirm that the Liberal Democrats at Essex County Council did put forward an amendment to the budget calling for tax rises and road charges in hot spots across Essex including Epping Forest.

Councillor C Whitbread confirmed that EFDC had never voted on road charges. At the Full Council debate the amendments were discussed and a vote was never taken on road charges. He also confirmed that the Liberal Democrats at Essex County Council had brought forward an amendment for a council tax increase for local people which was proposed to go towards the cost for road charges across hot spots in Essex to bring in Clean Air Zones.

### 83. MOTIONS

The Chairman reported that there were no motions to be considered at the meeting.

### 84. QUALIS QUARTERLY MONITORING REPORT - Q1 2020/21

**Mover: Councillor A Patel, Commercial and Regulatory Services Portfolio Holder**

The Chairman advised that this report had been to Cabinet and the Select Panels and suggested that Members go straight to questions. Were Members in agreement or would they like the Portfolio Holder to present the report to Council.



Councillor S Heap asked how many positions in the Qualis Group benefit from a bonus scheme and what was the expected total of the bonus scheme this year.

Councillor A Patel advised that he was not in a position to answer this question and would find out the information and come back to Councillor Heap outside of the meeting.

Councillor Heap stated that positions had been advertised with a bonus scheme related therefore, what was that bonus scheme which should have been known by the Portfolio Holder before the question was asked.

Councillor Patel reiterated that he did not have that information to hand and would have to report back to Councillor Heap at a later date.

Councillor S Murray stated that his question related to two sections of the report, page 102, section 10. Operational Performance, Qualis Management and page 103, section 12. Key Actions for completion in the next quarter, both of which refer to housing maintenance especially page 103 where it had referenced, Complete fine tuning of Housing Maintenance SLA and final confirmation of operational and financial KPIs. He stated that as Housing Management was a key frontline service, had any thought been given as to how members, going forward on those issues, would be able to exercise any scrutiny. The reason behind the question was that he regarded the housing repair service to the Councils tenants as a frontline service and although Qualis were now delivering this service for the Council it still must be scrutinised. Therefore, what level of member input will there be in the Service Level Agreement and scrutiny going forward.

Councillor A Patel stated that he believed Councillor Murray had already asked that question at a different meeting and therefore just to clarify as was stated at that meeting that he was happy for a report to come forward to the relevant Select Committee and to discuss the achievements of the maintenance team in relation to their KPIs. I suggest this report should go to a later scrutiny meeting on the year anniversary of when the service was transferred to Qualis.

Councillor C C Pond referred to page 87, 3.7. Roundhills and Pyrles Lane Delivery Plans to Board and advised that he spoke to someone who claimed that they had heard a conversation regarding the Pyrles Lane site which implied that the scheme would be delivered at a much greater intensity than the consented scheme which Area Plans Sub-Committee South gave permission for a few years ago. Therefore, would the Portfolio Holder like to deny that.

Councillor A Patel advised that in terms of the actual details of this scheme at present there was no scheme. A business case would have to be made to Cabinet for a transfer of the land and therefore I am unable to comment of what may come about.

Councillor D Wixley referred to the last point Councillor Pond had just raised it had been recorded in a previous agenda, I don't recall exactly when, but what Councillor Pond had been told was accurate. This question has cropped up before and there was considerably more units than what was given permission for a few years ago at an Area Plans South Sub-Committee. That planning permission has now exceeded the three year period.

Councillor A Patel reiterated that until a business case was made there were no details for him to be in a position to answer that question. When it gets to that stage, he advised that members would be able to comment on the proposals from Qualis.

Report as first moved: **ADOPTED**

**RESOLVED:**

- (1) That Members agreed that as this report had been to Cabinet and Scrutiny that the Portfolio Holder did not have to present the report again and that it should now go straight to questions; and
- (2) That the Qualis Quarterly Monitoring Report – Q1 2020/2021 be agreed.

**85. CALENDAR OF MEETINGS 2021/22**

**Mover: Councillor S Kane, Customer & Corporate Services Portfolio Holder**

Councillor S Kane submitted a report regarding the Calendar of Council meetings for 2021/22.

Councillor C Whitbread requested that the Full Council meeting normally held towards the end of April be moved backwards as he felt that this was too near to the elections.

Report as first moved **ADOPTED**

**RESOLVED:**

That subject to the alteration of the Full Council Meeting on the 28 April 2022, the draft Calendar of Council meetings for 2021/22 as attached be adopted.

**86. OVERVIEW AND SCRUTINY COMMITTEE**

The Council received a written report from Councillor M Sartin, the Chairman of the Overview and Scrutiny Committee which detailed the meeting held on 15 April 2021 which was for noting.

Councillor Sartin made reference to paragraph 1 of the report and the four Youth Councillors, Aliza Zarras from West Hatch, Martin Prinsloo from Davenant Foundation, Natalie Moffat from Roding Valley and Sonny Bazzoni from Epping St John's who gave a presentation at that meeting. She advised that each new cohort of Youth Councillors that were elected by their fellow pupils have never failed to impress us with their abilities and it was the same again this year. The four members representing the Youth Council on the 15 April definitely stepped up to the mark and they gave an excellent presentation on the work that they had undertaken under the difficult circumstances that had challenged them this year. All of their meetings have been held on Zoom and they have not had much opportunity to meet face to face with each other and we certainly look forward to hearing what they have been working on later this year.

**RESOLVED:**

- (1) That the Overview and Scrutiny progress report for the meeting held on 15 April 2021 be noted.

**87. JOINT ARRANGEMENTS & EXTERNAL ORGANISATIONS**

- a) There were no updates from council representatives on any other business of joint arrangements and external organisations; and
- b) There were no requests made for written reports by representatives on joint arrangements and external organisations for the next meeting.

**CHAIRMAN**

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## EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES

**Committee:** Council **Date:** 25 May 2021

**Place:** Conference Room, Civic Offices, High Street, Epping **Time:** 7.00 - 8.20 pm

**Members Present:** Councillors H Kane (Chairman), J Share-Bernia, R Balcombe, R Baldwin, D Barlow, R Bassett, N Bedford, P Bolton, H Brady, R Brookes, L Burrows, D Dorrell, I Hadley, S Heap, S Heather, R Jennings, J Jennings, J Jogia, S Jones, S Kane, P Keska, J Lea, J Leppert, A Lion, T Matthews, C McCredie, J McIvor, R Morgan, S Murray, S Neville, C Nweke, A Patel, J Philip, C P Pond, C C Pond, S Rackham, K Rizvi, B Rolfe, M Sartin, D Stocker, D Sunger, B Vaz, C Whitbread, H Whitbread, J H Whitehouse, J M Whitehouse, K Williamson and D Wixley

**Apologies:** Councillors N Avey, P Bhanot, H Kauffman, Y Knight, L Mead, A Mitchell, M Owen, D Plummer, C Roberts and P Stalker

**Officers Present:** G Blakemore (Chief Executive), N Dawe (Chief Operating Officer), A Small (Strategic Director Corporate and 151 Officer), G Woodhall (Team Manager - Democratic & Electoral Services), J Leither (Democratic Services Officer), T Carne (Corporate Communications Team Manager), S Mitchell (PR Website Editor), P Seager (Chairman's Officer), R Perrin (Democratic and Electoral Services Officer), A Hendry (Democratic Services Officer), L Kirman (Democratic Services Officer), A Buckley (Communications Officer), N Cole (Corporate Communications Officer) and R Moreton (Corporate Communications Officer)

### 1. WEBCASTING INTRODUCTION

The Democratic and Electoral Services Team Manager reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

### 2. DISTRICT COUNCIL ELECTIONS - 6 MAY 2021

The Chairman welcomed the following newly elected and re-elected members of the Council at the election held on 6 May 2021 as follows:

<b>Councillor</b>	<b>Ward</b>
Simon Heap	Buckhurst Hill East
Kenneth Williamson	Buckhurst Hill West
Pranav Bhanot	Chigwell Row
Kaz Rizvi	Chigwell Village
Jon Whitehouse	Epping Hemnall
Holly Whitbread	Epping Lindsey and Thornwood Common
Alan Lion	Grange Hill
Deborah Barlow	Grange Hill
Raymond Balcombe	High Ongar, Willingale and the Rodings
Chidi Nweke	Loughton Alderton

Michael Owen	Loughton Broadway
David Wixley	Loughton Fairmead
Jayna Jogia	Loughton Forest
Rose Brookes	Loughton Roding
Caroline Pond	Loughton St John's
Judy Jennings	Loughton St Mary's
Ian Hadley	Moreton and Fyfield
Heather Brady	Passingford
John Philip	Theydon Bois
Tim Matthews	Waltham Abbey High Beach
Steven Heather	Waltham Abbey Honey Lane
Jeane Lea	Waltham Abbey North East
Helen Kane	Waltham Abbey South West

The newly elected members present were given the declaration of acceptance of office certificates.

### 3. ELECTION OF CHAIRMAN

The Council received nominations for the office of Chairman of the Council for 2021/22. Councillor H Kane was proposed, having been moved formally by Councillor C Whitbread and seconded by Councillor J Lea. It was:

#### **RESOLVED:**

That Councillor H Kane be elected Chairman of the Council for the ensuing year.

Councillor H Kane thereupon made a declaration of Acceptance of Office of the Chairman and thanked the Council for her election.

She stated that due to the restrictions of the Pandemic which were still in force, this year would again be a difficult year to make plans for future charitable events and as soon as there was a change she would update members accordingly.

#### **COUNCILLOR H KANE IN THE CHAIR**

### 4. APPOINTMENT OF VICE-CHAIRMAN

The Council received nominations for the office of Vice-Chairman of the Council for 2021/22. Councillor J Share-Bernia was proposed, having been formally moved by Councillor A Patel and seconded by Councillor D Sunger. It was:

#### **RESOLVED:**

That Councillor J Share-Bernia be appointed Vice-Chairman of the Council for the ensuing year.

Councillor J Share-Bernia thereupon made a declaration of Acceptance of Office of Vice-Chairman of the Council and thanked the Council for her appointment.

### 5. MINUTES

The Chairman advised that the minutes of the Council meeting held on the 29 April 2021 would be presented at the next meeting of Council on the 29 July 2021

## 6. DECLARATIONS OF INTEREST

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

## 7. ANNOUNCEMENTS

### (a) Former Councillor Brian Hudspeth

The Chairman announced that it was with much sadness, that her first announcement on being re-elected Chairman of Council was to inform Members that former Councillor Brian Hudspeth, who was Chairman of Epping Forest District Council from 1991-92 had passed away, at the age of 88.

Brian represented the ward of North Weald Bassett for over 12 years, as both a District and a Parish Councillor.

On the 18 April 1991, Brian along with the Lord Lieutenant of Essex, Admiral Sir Andrew Lewis had the distinction of officially opening the new Civic Offices in Epping and a plaque to commemorate this event was encased on the external wall by the main entrance.

Due to the current Covid restrictions, the Chairman asked Members to remain seated to observe a minute's silence in his memory.

### (b) Former Members

The Chairman advised that due to the current Pandemic it was not possible to invite the former Members to this meeting to receive their Long Service Awards and she therefore acknowledged the contributions made to the Council by:

- former Councillor G Mohindra who had not re-sought re-election after 12 years of service and would be sent a Long Service Award;
- former Councillor J Knapman who had not re-sought re-election after 22 years of service and would be sent a Long Service award;
- former Councillor B Sandler who had not re-sought re-election after 23 years of service and would be sent a Long Service award;
- former Councillor M McEwen who had not re-sought re-election after 25 years of service and would be sent a Long Service award;
- former Councillor G Chambers who had not re-sought re-election after 8 years of service;
- former Councillor A Beales who had not re-sought re-election after 5 years of service; and
- former Councillor D Roberts who had not re-sought re-election after 5 years of service.

The Chairman took this opportunity to thank the former Members for their hard work and commitment to the Council over the many years of service that they had given to the District.

## 8. REPORT OF THE APPOINTMENTS PANEL

**Mover: Councillor C Whitbread, (Chairman of the Appointments Panel and Leader of the Council)**

Councillor C Whitbread reported on the appointments which he had made to the Cabinet, Cabinet Committees and Outside organisations carrying out Executive Functions for 2021/22.

Furthermore, he also reported the recommendations of the Appointment Panel in relation to the membership, chairmanship and vice-chairmanship of Committees, Sub-Committees and Panels (non-executive bodies) along with the Outside Organisations carrying out Council, Regulatory or non- Cabinet functions.

The Council voted on appointments where the number of nominations exceeded the number of places available.

**RESOLVED:**

(1) That, in accordance with Regulation 8 of the Local Government (Committees and Political Groups) Regulations 1990, the constitution of political groups as set out in Appendix 1, to these minutes be noted;

(2) That details of appointments made by the Leader of the Council, of Cabinet Members and Cabinet Committees carrying out Executive Functions as set out in Appendix 2 to these minutes be noted;

(3) That the Membership, Chairmanship and Vice-Chairmanship of Committees, Sub-Committees and Panels (non-Executive bodies) as set out at Appendix 3 to these minutes be noted;

(4) That the group representatives for the purpose of notifying substitute members for meetings be noted as follows;

(a) Conservative Group:

- Councillor C Whitbread (Group Leader);
- Councillor N Bedford (Deputy Group Leader);
- Councillor S Kane; and
- Councillor M Sartin.

(b) Green Party Group:

- Councillor S Neville (Group Leader); and
- Councillor S Heap (Deputy Group Leader).

(c) Liberal Democrats Group:

- Councillor J M Whitehouse (Group Leader); and
- Councillor J H Whitehouse (Deputy Group Leader).

(d) Loughton Residents Association Group

- Councillor C P Pond (Group Leader); and
- Councillor D Wixley (Deputy Group Leader).

(5) That the Group representative confirm member appointments to the Proper Officer for the Overview and Scrutiny Select Committees for 2021/22 at the first municipal meeting of Overview and Scrutiny Committee;



(6) That appointments to Outside Organisations carrying out Council Regulatory or non-Cabinet functions, as set out at Appendix 4 to these minutes be approved; and

(7) That the appointments made by the Leader of Council to Outside Organisations carrying out Executive functions, as set out at Appendix 5 be received.

#### **9. SCHEME OF DELEGATIONS**

The Council's Constitution required that the Scheme of Delegation be agreed at the Annual meeting. The current scheme had been reviewed and amended due to the departure of the Service Director for Contracts, Technical, Commercial and Regulatory Services, it was necessary to amend Part 3 – Scheme of Delegation, Appendix 3, EXL2 (attached).

##### **RESOLVED:**

That the Scheme of Officer Delegation for Council and Regulatory Functions attached be agreed.

#### **10. COUNCIL MEETING DATES FOR 2021/22**

The Council was informed that it was a requirement of the Constitution, for the Council to approve a programme of ordinary meetings of the Council each year.

##### **RESOLVED:**

That during 2021/22 ordinary meetings of the Council be held on the following dates;

29 July 2021;  
28 October 2021;  
16 December 2021;  
24 February 2022;  
05 April 2022; and  
26 May 2022.

**CHAIRMAN**

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## ANNUAL COUNCIL MEETING – 25 MAY 2021

### CONSTITUTION OF POLITICAL GROUPS AND GROUP LEADERS

#### Local Government and Housing Act 1989 – Notice of Constitution of Political Groups and Group Leaders

To note in accordance with regulation 8 of the Local Government (Committees and Political Groups) Regulations 1990, the constitution of political groups as follows:

##### **Conservative Group:**

Group Leader – Councillor C Whitbread  
Deputy Group Leader - Councillor N Bedford

Councillor N Avey	Councillor H Kane	Councillor S Rackham
Councillor R Balcombe	Councillor S Kane	Councillor K Rivzi
Councillor D Barlow	Councillor P Keska	Councillor B Rolfe
Councillor R Bassett	Councillor Y Knight	Councillor M Sartin
Councillor P Bhanot	Councillor J Lea	Councillor J Share-Bernia
Councillor P Bolton	Councillor A Lion	Councillor P Stalker
Councillor H Brady	Councillor T Matthews	Councillor D Stocker
Councillor L Burrows	Councillor J McIvor	Councillor D Sunger
Councillor D Dorrell	Councillor A Mitchell	Councillor B Vaz
Councillor I Hadley	Councillor R Morgan	Councillor H Whitbread
Councillor S Heather	Councillor A Patel	Councillor K Williamson
Councillor S Jones	Councillor J Philip	

**Members 37**

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##### **Green Party Group:**

Group Leader - Councillor S Neville  
Deputy Group Leader - Councillor S Heap

Councillor D Plummer

**Members 3**

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##### **Liberal Democrats Group:**

Group Leader – Councillor J. M. Whitehouse  
Deputy Group Leader - Councillor J. H. Whitehouse

Councillor C McCredie

**Members 3**

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**Loughton Residents' Association Group:**

Group Leader – Councillor C P Pond

Deputy Group Leader - Councillor D Wixley

Councillor R Baldwin  
Councillor R Brookes  
Councillor J Jennings  
Councillor R Jennings

Councillor J Jogia  
Councillor H Kauffman  
Councillor L Mead  
Councillor C Nweke

Councillor M Owen  
Councillor C C Pond  
Councillor C Roberts

**Members 13**

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**CABINET & CABINET COMMITTEES - LEADER APPOINTMENTS**

**(a) Deputy Leader**

Deputy Leader	N Bedford

**(b) Other Cabinet Members/Allocation of Portfolios**

Portfolio	Portfolio Holder
Leader	C Whitbread
Customer & Partnerships	S Kane
Community & Regulatory Services	A Patel
Environmental & Technical Services	N Avey
Finance, Qualis Client & Economic Development	J Philip
Housing Services	H Whitbread
Planning & Sustainability	N Bedford
Programmes & Projects	L Burrows
Corporate Services	D Sunger

**(c) Cabinet Committees (not part of pro rata allocations)**

<b>Asset Management &amp; Economic Development Cabinet Committee</b>
(Chairman)

<b>Council Housebuilding Cabinet Committee</b>
(Chairman)

<b>Local Plan Cabinet Committee</b>
(Chairman)

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## COMMITTEE ETC. NOMINATIONS 2021/22

AREA PLANS SUB-COMMITTEE EAST (19 MEMBERS) (NOT PRO RATA) *						
		Conservative Group	Green Party Group	Liberal Democrat Group	Loughton Residents Association Group	Independent Members
Chairman	Chairman	P Keska				
	Vice-Chairman	H Brady				
		R Balcombe		C McCredie		
		N Bedford		J H Whitehouse		
		P Bolton		J M Whitehouse		
		H Brady				
		L Burrows				
		I Hadley				
		S Jones				
		P Keska				
		J Mclvor				
		R Morgan				
		J Philip				
		B Rolfe				
		P Stalker				
		B Vaz				
		C Whitbread				
	H Whitbread					

\*Membership of Area Plans Sub-Committee East comprises all members for the relevant wards.

**AREA PLANS SUB-COMMITTEE WEST (14 MEMBERS) (NOT PRO RATA) \***

	Conservative Group	Green Party Group	Liberal Democrat Group	Loughton Residents Association Group	Independent Members	
Chairman	S Heather					
Vice-Chairman	D Dorrell					
	N Avey	D Plummer			J Leppert	
	R Bassett					
	D Dorrell					
	S Heather					
	H Kane					
	S Kane					
	Y Knight					
	J Lea					
	T Matthews					
	A Mitchell					
	M Sartin					
	D Stocker					

\*Membership of Area Plans Sub-Committee West comprises all members for the relevant wards.



**AREA PLANS SUB-COMMITTEE SOUTH (25 MEMBERS) (NOT PRO RATA) \***

	Conservative Group	Green Party Group	Liberal Democrat Group	Loughton Residents Association Group	Independent Members	
Chairman	J Share-Bernia					
Vice-Chairman	K Williamson					
	D Barlow	S Heap		R Baldwin	S Murray	
	P Bhanot	S Neville		R Brookes		
	A Lion			J Jennings		
	A Patel			R Jennings		
	S Rackham			J Jogia		
	K Rizvi			H Kauffman		
	J Share-Bernia			L Mead		
	D Sunger			C Nweke		
	K Williamson			M Owen		
				C C Pond		
				C P Pond		
				C Roberts		
				D Wixley		

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\*Membership of Area Plans Sub-Committee South comprises all members for the relevant wards.

**AUDIT AND GOVERNANCE COMMITTEE (5 MEMBERS PLUS 2 CO-OPTED PERSONS) \***

	Conservative Group (3)	Green Party Group (1)	Liberal Democrat Group (0)	Loughton Residents Association Group (1)	Independent Members	
Chairman	The Chairman of the Committee is appointed at first meeting in each municipal year.					
	I Hadley	S Heap		M Owen		
	B Vaz					
	T Matthews					

\*The Vice-Chairmanship of the Audit and Governance Committee is assumed by a co-opted person if the Chairman is a Member, and vice versa.

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**CONSTITUTION WORKING GROUP (11 MEMBERS)**

		Conservative Group (7)	Green Party Group (1)	Liberal Democrat Group (1)	Loughton Residents Association Group (2)	Independent Members	
	Chairman	S Rackham					
	Vice-Chairman	M Sartin					
		S Jones	S Heap	J H Whitehouse	C C Pond		
		D Dorrell			H Kauffman		
		J McIvor					
		J Philip					
		J Share-Bernia					
		S Rackham					
		M Sartin					

**DISTRICT DEVELOPMENT MANAGEMENT COMMITTEE (15 MEMBERS) \***

		Conservative Group (10)	Green Party Group (1)	Liberal Democrat Group (1)	Loughton Residents Association Group (3)	Independent Members	
	Chairman	S Jones					
	Vice-Chairman	B Rolfe					
		P Keska	S Heap	J M Whitehouse	C C Pond		
		S Heather			H Kauffman		
		I Hadley			R Baldwin		
		R Morgan					
		H Brady					
		K Williamson					
		J Lea					
		S Rackham					
		S Jones					
		B Rolfe					

**JOINT CONSULTATIVE COMMITTEE (9 MEMBERS PLUS 9 STAFF SIDE REPRESENTATIVES) \***

		Conservative Group (6)	Green Party Group (0)	Liberal Democrat Group (1)	Loughton Residents Association Group (2)	Independent Members	
Chairman*	Staff representative for 2021/22						
		D Sunger		J H Whitehouse	R Brookes		
		J Philip			L Mead		
		A Patel					
		S Kane					
		R Bassett					
		P Stalker					

\*The Chairmanship of the Joint Consultative Committee is rotated between the Staff and Council side each year: if the municipal year ends in an odd number then the Chairman is a Member representative; if the municipal year ends in an even number then the Chairman is a staff representative.

<b>LICENSING COMMITTEE (&amp; LICENSING SUB-COMMITTEE) (15 MEMBERS*)</b>						
	Conservative Group (10)	Green Party Group (1)	Liberal Democrat Group (1)	Loughton Residents Association Group (3)	Independent Members	
Chairman	R Morgan					
	Vice-Chairman			J Jennings		
	M Sartin	S Neville	J M Whitehouse	J Jennings		
	S Heather			L Mead		
	I Hadley			C P Pond		
	P Keska					
	B Rolfe					
	P Stalker					
	A Lion					
	K Williamson					
	R Morgan					
	D Stocker					
Licensing Sub-Committee Chairmen (6)	P Keska M Sartin R Morgan	S Neville	J M Whitehouse	J Jennings		

\*The Licensing Act 2003 requires that the Licensing Committee comprise no more than 15 members. Licensing Sub-Committees should comprise no more than 3 members.

**OVERVIEW AND SCRUTINY COMMITTEE (17 MEMBERS\*)**

	Conservative Group (11)	Green Party Group (1)	Liberal Democrat Group (1)	Loughton Residents Association Group (3)	Independent Members (1)	
Chairman	M Sartin					
Vice-Chairman				R Jennings		
	P Bolton	D Plummer	J H Whitehouse	R Baldwin	S Murray	
	S Heather			R Jennings		
	I Hadley			D Wixley		
	A Lion					
	J Lea					
	P Bhanot					
	T Matthews					
	S Rackham					
	K Williamson					
	P Stalker					
	M Sartin					

***\*Membership of the Overview and Scrutiny Committee to be extended to seventeen members for 2021/22, providing an additional seat on the Committee for the Conservative Group and the Loughton Residents Association Group. In order to accommodate a request for independent member representation on the Committee for the year, the Loughton Residents Association Group intends to relinquish its additional seat arising from the extension of membership, in order that this position may be filled by Councillor S. Murray. Membership of the Committee is required to be appointed on a pro rata basis and such deviation requires that no member of the Council voted against this arrangement.***

**STANDARDS COMMITTEE (9 MEMBERS)**

		Conservative Group (6)	Green Party Group (1)	Liberal Democrat Group (0)	Loughton Residents Association Group (2)	Independent Members	
	Chairman	B Rolfe					
	Vice-Chairman				C P Pond		
		N Avey	S Neville		R Jennings		
		R Morgan			C P Pond		
		H Kane					
		J Share-Bernia					
		K Williamson					
		B Rolfe					

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**SENIOR MANAGEMENT SELECTION PANEL (7 MEMBERS)**

		Conservative Group (4)	Green Party Group (0)	Liberal Democrat Group (1)	Loughton Residents Association Group (2)	Independent Members	
	Chairman	C Whitbread					
	Vice-Chairman	M Sartin					
		C Whitbread		J M Whitehouse	R Jennings		
		M Sartin			C P Pond		
		N Bedford					
		J Philip					

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**SENIOR MANAGEMENT APPEALS PANEL (7 MEMBERS)**

		Conservative Group (4)	Green Party Group (1)	Liberal Democrat Group (0)	Loughton Residents Association Group (2)	Independent Members	
	Chairman	S Kane					
	Vice-Chairman	P Stalker					
		P Bolton	S Neville		J Jennings		
		S Kane			C C Pond		
		P Stalker					
		H Whitbread					



## REPRESENTATION ON OUTSIDE ORGANISATIONS 2021/22

## 1. Council Appointments - Organisations Carrying Out Council Regulatory or Non-Cabinet Functions

Organisation and Allocation Category		2021/22
1.	Epping Forest Care and Repair Management Committee (3)	This Committee has been disbanded, therefore no need to appoint in future.
2.	Epping Forest Citizens' Advice Bureau (3 including 1 voting member)	R Bassett (Voting) S Heather <b>(Rep from Loughton)</b>
3.	Campaign to Protect Rural England (Essex Branch) (1 + deputy)	S Heather N Bedford (Dep)
4.	Epping Forest Community Transport Board of Trustees (1)	S Kane
5.	Epping Forest Housing Aid Committee (1)	J Lea
6.	Epping Forest Local Highways Panel (4)	Cllr Wixley A Lion I Hadley H Kane
7.	Epping Forest Local Liaison Group (specific ward representation only)	(BCEUN) (1) N Avey (BHW) (1) K Williamson (ELTC) (1) L Burrows (EH) (1) J M Whitehouse (LSJ) (1) C P Pond (LSM) (1) J Jennings (LF) (1) R Baldwin (TB) (1) J Philip (WAHB) (1) T Matthews
8.	Essex Police, Fire and Crime Panel (1)	One plus (Deputy)
9.	Health Overview, Policy and Scrutiny Committee (1)	Not required for 2020/21. Local member to be appointed by Essex County Council.
10.	Grange Farm Managing Trustees (Term to 31.5.23)	R Morgan M Sartin C Scrutton
11.	Lee Valley Regional Park Authority (2) (Ongoing term to 30.6.21)	M Sartin S Heather <b>(Deputy)</b>

Organisation and Allocation Category	2021/22
12.	<p>Leisure Centre Liaison Groups (Leisure Centre Customer Forums)</p> <p>The Leisure Contract Manager has advised that two members should be appointed to each Liaison Group/Customer Forum for 2021/22.</p>
(a)	<p>Epping Sports Centre (2)</p> <p><b>J M Whitehouse</b> <b>L Burrows</b> <b>H Whitbread</b></p>
(b)	<p>Ongar Leisure Centre (2)</p> <p>N Bedford P Keska</p>
(c)	<p>Loughton Leisure Centre (2)</p> <p>R Brookes J Share-Bernia</p>
(d)	<p>Waltham Abbey Swimming Pool (2)</p> <p>J Lea T Matthews</p>
13.	<p>Epping Forest Local Councils Liaison Committee (no restriction)</p> <p>J H Whitehouse R Bassett H Kane J Lea R Morgan B Rolfe M Sartin J Share-Bernia</p>
14	<p>Outer North-East London Joint Health Overview and Scrutiny Committee (1)</p> <p>A Lion</p>
15.	<p>Princess Alexandra Hospital - Partnership Governor (1)</p> <p>P Bolton</p>
16.	<p>Roding Valley Meadows Local Nature Reserve:</p>
(a)	<p>Management Committee (1)</p> <p>S Murray</p>
(b)	<p>Working Group (1)</p> <p>Not required - officer appointment</p>
17.	<p>Stansted Airport Consultative Committee (1 + deputy)</p> <p>P Stalker M Sartin (Deputy)</p>
18.	<p>Stansted Airport Community Trust Fund (1)</p> <p>This organisation has been disbanded.</p>
19.	<p>Town Centre Partnerships</p> <p>The Service Director (Community &amp; Partnerships) has advised as follows with regard to the appointment of members to each Town Centre Partnership for 2021/22.</p>
(a)	<p>Buckhurst Hill Village Forum (0)</p> <p>No member appointment required. Representatives of the Council may attend any meeting in a non-voting capacity.</p>
(b)	<p>Epping Town Centre Partnership (2)</p> <p>N Avey H Whitbread</p>
(c)	<p>Loughton Broadway Town Centre Partnership (0)</p> <p>No member appointment required. Representatives of the Council may attend any meeting in a non-voting capacity.</p>

Organisation and Allocation Category		2021/22
	(d) Loughton High Road Town Centre Partnership (2)	No member appointment required. The Town Centre Partnership was not currently operating.
	(e) Ongar Town Forum Steering Group (0)	No member appointment required. Representatives of the Council may attend any meeting in a non-voting capacity.
	(f) Waltham Abbey Town Partnership (2)	H Kane J Lea
20.	Voluntary Action Epping Forest (1)	B Rolfe
21.	Waltham Abbey Royal Gunpowder Mills Ltd (1)	H Kane
22.	Waltham Abbey Tourist Information Centre (Joint Management Committee) (3)	J Lea D Stocker T Matthews
23.	Leisure Management Contract Monitoring Board (6)	<b>J M Whitehouse</b> <b>R Brookes</b> <b>N Avey</b> <b>H Kane</b> <b>P Keska</b> <b>R Morgan</b> <b>P Pranot</b>
24.	Epping Forest College (Board of Governors of New City College and local advisory body for the Epping Forest Campus College) (NEW)	R Bassett
25.	EFDC Armed Forces Champion	S Murray B Rolfe J Lea

**2. Appointments Held by Officers – Organisations Carrying Out Executive Functions (Appointments by the Leader)**

	Organisation and Committee Responsible	Representative 2020/21
1.	Association of Retained Council Housing (ARCH)	Service Director (Housing & Property Services) (or representative)
2.	National Society for Clean Air (SE Division)	Service Director (Commercial & Regulatory Services) (or representative)
3.	Standing Conference – Investigation of Air Pollution	Service Director (Commercial & Regulatory Services) (or representative)
4.	Roding Valley Meadow Local Nature Reserve Working Group	Service Director (Environmental & Technical Services) (or representative)

### 3. Appointments Held by Officers – Organisations Carrying Out Council Regulatory or Non-Executive Functions

This Appendix indicates those organisations where the Council determined on 25 April 1995 that the representatives should be officers.

	<b>Organisation and Committee Responsible</b>	<b>Representative</b>
1.	Essex Water Safety Liaison Committee	Service Director (Commercial & Regulatory Services) (or representative)
2.	Voluntary Action Epping Forest (see also member appointments schedule)	Service Director (Community & Partnership Services) (or representative)

## REPRESENTATION ON OUTSIDE ORGANISATIONS 2021/22

## 1. Leader Appointments - Organisations Carrying Out Executive Functions

Organisation and Allocation Category		2020/21
1.	Association of Retained Council Housing - Executive Board (1 + Deputy)	Housing Services Portfolio Holder Leader of the Council (Deputy)
2.	Civil Enforcement of Parking and Traffic Regulations Outside London - Adjudication Joint Committee (1)	Environmental & Technical Services Portfolio Holder
3.	Epping Forest District Community Safety Partnership (1 + Deputy)	Community & Regulatory Services Portfolio Holder P Stalker (Deputy)
4.	East of England Local Government Association (1)	Leader of the Council
5.	Six Authorities Liaison Group (formerly Enfield, Essex and Hertfordshire Border Liaison Group) (3 + Deputies)	R Bassett M Sartin J Lea S Heather (Deputy)
6.	Epping Forest District Local Strategic Partnership (LSP)  The LSP Manager has advised as follows with regard to the appointment of members to each of the following LSP bodies for 2019/20.	
	(a) LSP Board ('One' Partnership) (1)	Leader of the Council
	(b) Health & Wellbeing Board (2)	Community & Regulatory Services Portfolio Holder Housing Services Portfolio Holder
	(c) Economic Board (1)	Finance, Qualis Client & Economic Development Portfolio Holder
	(d) Tourism Board (1)	R Bassett
7.	Essex Partnership for Flood Management (1)	Environmental & Technical Services Portfolio Holder
8.	Essex Waste Partnership - Inter-Authority Member Working Group (1 + Deputy)	Environmental & Technical Services Portfolio Holder Community & Regulatory Services Portfolio Holder (Deputy)
9.	Harlow-Stansted Gateway Transportation Board (1 + Deputy)	Environmental & Technical Services Portfolio Holder Community & Regulatory Services Portfolio Holder (Deputy)
10.	Local Government Association - General Assembly (1 + Deputy)	Leader of the Council Deputy Leader of the Council (Deputy)

11.	North Essex Parking Partnership (1 + Deputy)	Environmental & Technical Services Portfolio Holder Community & Regulatory Services Portfolio Holder (Deputy)
12.	Off-Street Car Parking Contract Monitoring Board (2)	Environmental & Technical Services Portfolio Holder Community & Regulatory Services Portfolio Holder
13.	South East Local Enterprise Partnership (2)	Leader of the Council Housing Services Portfolio Holder
14.	Waste Management Partnership Board (2)	Finance, Qualis Client & Economic Development Portfolio Holder Environmental & Technical Services Portfolio Holder
15.	West Essex Alliance (1 + Deputy)	Leader of the Council Community & Regulatory Services Portfolio Holder
16.	Co-operation for Sustainable Development Board (2 + 1 Deputy)	Leader of the Council Planning & Sustainability Portfolio Holder Housing Services Portfolio Holder (Deputy)
17.	Harlow & Gilston Garden Town Board	Leader of the Council Planning & Sustainability Portfolio Holder Finance, Qualis Client & Economic Portfolio Holder.

	Authorising Committee and Minute Ref or Other Authority	Officer(s) Authorised	Subject and Function(s) Delegated
EXL2	Leader decision May 2016	<p>SERVICE DIRECTOR</p> <p>OR</p> <p>A LEVEL 2 MANAGER NOMINATED BY THEM (or suitably qualified officers authorised by the above-named)</p> <p>(in amounts shown in column 4)</p> <p>SERVICE DIRECTOR (HOUSING AND PROPERTY SERVICES) (or officer duly authorised) <b>for Land held under Housing Act Powers Only</b></p>	<p>LANDLORD AND TENANT - MANAGEMENT OF COUNCIL PROPERTY</p> <p>(a) To serve notices under Part II of the Landlord and Tenant Act 1954 as amended by Part I of the Law of Property Act 1969 in connection with negotiation of new rentals for Council properties.</p> <p>(b) To take immediate corrective management action (except the institution of legal proceedings) for breaches of covenant in leases of shops, industrial estates and industrial land</p> <p>(c) For all property transactions including acquisitions, disposals, new lettings, lease renewals, lease surrenders, rent reviews, sub-lettings / assignments, all licences (including change of use, alterations), deeds of variations, wayleaves and rights of way, and licences to cross council land.</p> <p>Officers delegated to approve the above transactions for the following amounts and by the Officer approval levels shown:</p> <p>Revenue transactions:</p> <p>Level 2 Manager – up to £25,000 per year Service Director - £25,001 to £100,000 per year</p> <p>Capital Transactions:</p> <p>level two manager – up to £50,000 per transaction Service Director - £50,001 to £500,000 per transaction</p> <p>(d) To approve licences to assign and licences for change in use in consultation with the relevant Portfolio Holder.</p>

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## **EPPING FOREST DISTRICT COUNCIL COUNCIL MINUTES**

**Committee:** Council **Date:** 24 June 2021

**Place:** Conference Suite - Civic Offices **Time:** 7.00 - 11.05 pm

**Members Present:** Councillors H Kane (Chairman), J Share-Bernia (Vice-Chairman), N Avey, R Balcombe, R Baldwin, R Bassett, P Bolton, R Brookes, L Burrows, D Dorrell, I Hadley, S Heap, S Heather, J Jogia, S Jones, S Kane, H Kauffman, J Lea, J Leppert, A Lion, T Matthews, C McCredie, J McIvor, R Morgan, S Murray, S Neville, C Nweke, M Owen, A Patel, C P Pond, C C Pond, S Rackham, K Rizvi, B Rolfe, M Sartin, D Stocker, D Sunger, H Whitbread, J H Whitehouse, J M Whitehouse, K Williamson and D Wixley

**Apologies:** Councillors N Bedford, P Bhanot, H Brady, R Jennings, J Jennings, P Keska, Y Knight, L Mead, J Philip, D Plummer, P Stalker, B Vaz and C Whitbread

**Officers Present:** G Blakemore (Chief Executive), N Dawe (Chief Operating Officer), A Small (Strategic Director Corporate and 151 Officer), N Richardson (Service Director (Planning Services)), L Grainger (Joint Implementation Team Manager), J Rogers (Planning Officer), T Carne (Corporate Communications Team Manager), G Woodhall (Team Manager - Democratic & Electoral Services), A Hendry (Democratic Services Officer), J Leither (Democratic Services Officer), L Kirman (Democratic Services Officer), V Messenger (Democratic Services Officer), R Perrin (Democratic and Electoral Services Officer), S Mitchell (PR Website Editor), A Buckley (Communications Officer), N Cole (Corporate Communications Officer), R Moreton (Corporate Communications Officer), P Seager (Chairman's Officer), M Hassall (Interim Service Director (Strategy, Delivery & Performance)) and N Gambrill (Complaints and Customer Satisfaction)

### **11. WEBCASTING INTRODUCTION**

The Democratic Services Manager reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

### **12. CHAIRMAN'S INTRODUCTION**

At the start of the meeting the Chairman of Council informed the meeting that this would be a one item meeting, essentially just a Planning meeting to consider just one application. She went on to explain how the meeting would be run and the format it would take and emphasised that a decision would have to be reached at the end and if possible, there should be no abstentions when voting.

She noted that she would be a voting Chairman.

### **13. ADVICE FROM LEGAL ADVISOR**

The Chairman introduced the Council's Legal advisor, Jacqueline Backhaus, who went on to make a statement on the proceedings for the night. She noted that there had been a significant amount of public debate online and on social media platforms about this application. Members must keep in mind the guidance set out in the

Members Code of Conduct and the Planning Code of Practice. Members should take account all views expressed in a considered and balanced way before reaching a decision. Members may be predisposed towards an outcome but must also take into account the planning issues fairly and on their merits and must not have made up their minds before formally considering the application along with any representations given tonight. Conclusions reached in advance of this meeting risked being based on partial facts and without the ability to review all the material considerations for applying appropriate weight. They would therefore be open to misunderstanding and possibly to legal challenge on the grounds that the right things had not been taken into account.

#### 14. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct Councillor S Kane declared a prejudicial interest in item 4 – EPF/2503/19, Land North of Dowding Way, Waltham Abbey and in the interests of transparency he noted that complaints had been made about comments he had made on this application and that he may have predetermined this application. In light of this he had decided that he was not able to speak on the application or vote and therefore he would leave the meeting for the consideration of the application and voting.

(b) Pursuant to the Council's Code of Member Conduct Councillor S Heap declared a prejudicial interest in item 4 – EPF/2503/19, Land North of Dowding Way, Waltham Abbey and in the interests of transparency he noted that he too had complaints made about comments he had made on this application and that he may have predetermined this application. In light of this he had decided that he was not able to speak on the application or vote and therefore he would leave the meeting for the consideration of the application and voting.

(c) Pursuant to the Council's Code of Member Conduct, Councillor S Murray declared a non-pecuniary and non-prejudicial interest on items 4, EPF/2503/19 - Land North of Dowding Way, Waltham Abbey, by virtue of being a member of the Epping Forest Heritage Trust. He noted that he had taken no part in any discussion regarding the application and would remain in the meeting for the consideration of the application and voting.

(d) Pursuant to the Council's Code of Member Conduct, Councillor Jon Whitehouse declared a non-pecuniary and non-prejudicial interest on items 4, EPF/2503/19 - Land North of Dowding Way, Waltham Abbey, by virtue of being a member of the Epping Forest Heritage Trust. He noted that he would remain in the meeting for the consideration of the application and voting.

(e) Pursuant to the Council's Code of Member Conduct Councillor T Matthews declared a non-prejudicial interest in item 4 – EPF/2503/19 Land North of Dowding Way, Waltham Abbey and in the interests of transparency he noted that complaints had been made about him which suggested that he had pre-determined this application. But contrary to the complaint he had not made any comments either privately or publicly about the application and had only followed a 'facebook' group opposing the application so he could gauge the public feeling around the application. He confirmed that he had an open mind on the merits of the application and would only decide once he had heard all comments made during the meeting and would remain in the meeting for the consideration of the application and voting.

(f) Pursuant to the Council's Code of Member Conduct, Councillors D Wixley and Janet Whitehouse declared a non-pecuniary and non-prejudicial interests on items 4, EPF/2503/19 - Land North of Dowding Way, Waltham Abbey, by virtue of

being ordinary members of the Epping Forest Heritage Trust. They noted that they had taken no part in any discussion regarding the application and would remain in the meeting for the consideration of the application and voting.

(g) Pursuant to the Council's Code of Member Conduct, Councillor D Dorrell declared two non-pecuniary and non-prejudicial interest on items 4, EPF/2503/19 - Land North of Dowding Way, Waltham Abbey. Firstly, he noted that by living near this site he had been kept informed and consulted during this period and that he considered this not to be a prejudicial or pecuniary interest. Also, he noted that complaints had been made against him regarding comments he had made about the application; his view was that he had engaged but not endorsed certain views and confirmed that he had an open mind about the merits of the application. He had voted against it at DDMC but there were now significant changes to the application and he would decide how he would vote only once he had heard all the comments made in the discussion this evening and would remain in the meeting for the consideration of the application and voting.

**15. PLANNING APPLICATION EPF/2503/19 - LAND TO THE NORTH OF DOWDING WAY, WALTHAM ABBEY**

The District Development Management Committee had considered this application at their meeting held on 21 December 2020 when the application was referred to Council with a recommendation to refuse planning permission.

Lydia Grainger (Team Manager – Joint Planning Implementation) presented a report to the Council which considered a full planning application (accompanied with an Environmental Statement) for the erection of 1 no. building for use as a warehouse (Use Class B8) with ancillary accommodation & photo studio (sui generis) with gatehouse, sprinkler tanks & pumphouse, substation, fuel island, vehicle wash, attenuation ponds and associated works; 1no. multi-storey car park with associated bridge link, along with access & servicing arrangements, landscaping & external amenity areas, roof-mounted photovoltaic array; creation of signalised junction to A121 and shared foot and cycle links including a connection to the Public Right of Way network.

The application was then debated by the Councillors in attendance. A motion that the application be refused in accordance with the District Development Management Committee's recommendations with some amendments was put forward by Councillor C C Pond and seconded by Councillor H Kauffman. This proposal was put to the vote and agreed by the meeting.

**Carried**

The full reason for the refusal was then debated by the Council and were agreed. In accordance with Council Rule V1 (Voting), 5 members asked that this vote on the reasons for refusal be taken as a recorded vote.

There voted for the reasons for refusal (25) namely: R Balcombe, R Bassett, R Brookes, D Dorrell, S Heather, J Jogia, H Kane, H Kaufman, J Leppart, A Lion, T Matthews, S McCredie, J McIvor, S Murray, S Neville, C Nweke, C C Pond, C P Pond, S Rackham, K Rizvi, J Share-Bernia, D Stocker, J H Whitehouse, J M Whitehouse, D Wixley.

There voted against the reasons for refusal (6) namely: L Burrows, I Hadley, A Patel, D Sunger, H Whitbread, K Williamson.

There voted to abstain (0).

Reasons for refusal **ADOPTED**:

**RESOLVED:**

- i) The proposed development fails to demonstrate nil detriment to the EFSAC as required under the Habitats Regulations 2017 and the Holohan judgement and this cannot at present be adequately demonstrated, contrary to Policy NC1 of the adopted Local Plan; DM2 and DM22 of the Local Plan Submission Version 2017 and the requirements of the Habitat Regulations 2017 and the NPPF.
- ii) The proposal would have an adverse impact on the Metropolitan Green Belt and environs of Waltham Abbey owing to the obtrusive height, length, urbanising effect and bulk of the proposed building, contrary to GB2, GB7 and DBE4 of the adopted Local Plan and Policies DM4 and DM9 Criteria D of the Local Plan Submission Version 2017 and the NPPF;
- iii) The effects of the proposal on the Special Area of Conservation (SAC) as the air pollution mitigation strategy is likely to be insufficient, contrary to Policy DM2 and DM22 of the Local Plan Submission Version 2017 and the NPPF;
- iv) There was no reason to develop on this site within the Green Belt as other areas could be utilised for employment use – the emerging Local Plan has not yet been confirmed and the main modifications proposed had not yet been consulted upon;
- v) The extra use of the roads through the SAC by employees and visitors to the distribution centre could not be prevented and the proposed no right turn ban would be counter productive to the well-being of the SAC and would adversely affect the residents of High Beech, contrary to Policies NC1 and DBE9 of the adopted Local Plan and Policies DM2, DM9 Criteria H, DM22 of the Local Plan Submission Version 2017 and the NPPF;
- vi) There was no indication in the transport assessment of how the HGV routing and the large numbers of lorry movements generated by the development could be accommodated on local roads when the motorway network was disrupted and the addition of 1000 extra vehicle queueing would have a further adverse effect on the SAC, contrary to Policies NC1 and DBE9 of the adopted Local Plan and Policies DM2, DM9 Criteria H, DM22 of the Local Plan Submission Version 2017 and the NPPF;
- vii) The proposed Demand Responsive Transport bus service was not assured for the whole life of the project and was insufficient, contrary to Policy T1 Criteria B of the Local Plan Submission Version 2017 and the NPPF;
- viii) Insufficient emphasis in the Transport Assessment submitted with the application had been given to the growing problem in the SAC identified by the Conservators of Epping Forest, namely;
  - The proposed development would be contrary to emerging Local Plan Policy DM2 concerning the protection and enhancement of Epping Forest
  - APMS mitigation measures only indicative, not yet secured at this point
  - No other mitigation in respect of traffic generation by this development

- S106 agreement on HGVs not likely to be effective or long-term
- Traffic Assessment has not considered wider network impacts
- Right-hand turn ban impacts on Forest not fully assessed (e.g. Wake Road)
- Adverse urbanisation of Forest's wider landscape and surrounding Green Belt

**CHAIRMAN**

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## ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29 July 2021  
**Subject:** Community & Regulatory Services  
**Portfolio Holder:** Councillor Aniket Patel

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### **Recommending:**

**That the report of the Community & Regulatory Services Portfolio Holder be noted.**

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### **Community Resilience:**

The team have successfully moved into their new accommodation at the Civic offices. CRT management are continuing to review current role of the Environmental Enforcement Service reviewing and drafting several new procedures, this includes a review of the out of hours offer and summer months staffing provision to assist with providing a more resilient and sustainable service in the future.

Senior EEO Mike Richardson has now left EFDC, we are currently out to recruit to the vacant post, however this will likely cause additional pressure on the team during this time. The area covered by the Senior EEO has been redistributed amongst remaining officers and will cause some impact leading into the busy summer period. Support may be called upon from ExJob services as and when required.

### **Environmental Enforcement:**

2 noise abatement notices served:

- 1 for poultry in Grange Crescent, Chigwell
- 1 for loud music from The Blue Boar in Abridge

1 successful prosecution for a dog barking - Mustafa Soydag of Orchard Gardens, Waltham Abbey entered a guilty plea that resulted in;

- Fine of £150 for breach of CPN and
- £200 for breach of s80 noise abatement notice.
- Contribution to costs of £997

### **Anti-Social Behaviour:**

- New cases: 30
- Data requests: 28
- Community Trigger: 1
- Sanctuary Referrals: 3

Activity

- Highwood Lane, Loughton re aggravated burglary, enquiries continuing
- Hillyfields, Loughton possible cuckooing
- Further links established with Epping Forest College security
- Closure Order obtained – Caneland, Waltham Abbey

- Closure Order obtained - Amesbury, Waltham Abbey, Court date 16<sup>th</sup> June 2021
- Partnership Work/Intelligence passed to Op Raptor
- Cannabis Warning Letters sent - Theydon Gate, Station Approach, Theydon Bois
- 1 x Mediation referral– New Farm Drive
- 2 x Intelligence passed to Essex police (Margaret's close/Barncroft Green Loughton)
- Joint monthly meetings with Op Raptor set up to share information about properties that are involved in drug dealing

## Safeguarding

We have received a request to complete the S11 Audit by the Essex Safeguarding Children Board by end of September 2021. The Board states: "S11 is required as set out in the Children Act 2004 which places duties on a range of organisations, agencies and individuals to ensure their functions, and any services that they contract out to others, are discharged having regard to the need to safeguard and promote the welfare of children."

We had 59 new cases and 18 that rolled over this equates to 77 'live' cases at present. 8 children only; 39 adult only; 12 both adult and children. There were 34 opportunities for children to be harmed and 53 opportunities for adults to be harmed

Referrals;

- 3 to Social Care
- 6 to Police
- 4 to the Mental Health Team
- 7 External referrals

There has been a significant increase in cases by volume but also by complexity, including a major increase in domestic abuse, mental health, and threat of suicide cases.

We are continuing to encounter properties that are being cuckooed by teenagers as part of County Lines. The officer is liaising with colleagues to ensure that tenants are given support if they are vulnerable and background information is provided to partners where relevant. This is evidenced by the increase in Child Criminal Exploitation cases this month and the number of requests to attend professionals' meetings.

- The new Senior Social Worker for the Epping Forest Specialist Mental Health Team is proving to be a valuable contact and has already called 4 professionals' meetings for clients who are council tenants. This has been very useful as it helps us decide if housing should take actions for ASB/tenancy breaches or provide additional support and work with the MH Teams instead.
- A Stage One Professional Disagreement has been raised with Adult Social Care (ASC) regarding a 92-year-old lady with dementia. ASC closed the case which we felt was inappropriate.
- We had an excellent example of teamwork this month, the officer walked past a rough sleeper in Epping High Street and flagged it with our Directorate Specialist who arranged for an organisation she's working with to visit him, he has a sign saying he's ex-military and one of their staff is too. They reported back and details were passed to the Homeless Team Manager who sent them to the MH RSI Liaison Worker. The man had lied but one piece of info was correct – that he'd been in a high security mental hospital. This enabled the MH team to establish his identity and promptly call an urgent Professionals' Meeting due to the level of risk. Whilst not currently wanted by the Police, all agencies who might offer support were advised to take extra precautions as he is a very dangerous individual.
- The Top Ten Domestic Abuse cases for the Police are flagged at Tasking, four of these cases are known to us; two are council tenants, one is housing association who is being helped via the Sanctuary Scheme and the other involves a young person who returned home after completely destroying the privately rented room we had found for her. We were



able to provide MARAC with valuable background information for their Conference on all cases.

### **CCTV:**

A new CCTV contractor has been appointed to work on our largest public space CCTV system in Debden Broadway. Link CCTV started work on the project in May.

There have been 24 requests over the past month, which is 3 less than last month.

- 15 Police related
- 8 Internal (EFDC)
- Chargeable

There are 4 Rapid Deployment Cameras in operation at present,

- 2 at Low Hill Road in Roydon to combat persistent fly tipping issues.
- in Loughton to assist in identifying COVID breaches on grass and surrounding areas near to a public house.
- 1 to cover the rear car parking area at Epping Civic Offices.

The Triton equipment has been deployed in Stapleford Abbots to address reported fly tipping incidents. Whilst deployed, the camera captured the disposal of a vehicle which was set alight in the process. The vehicle that towed the dumped vehicle was identified through its index and the information passed to Police. EFDC are checking for any damage to the highway in case of claims being brought against any of the perpetrators if they are identified.

### **Activity:**

- High risk missing person in Loughton / Epping Forest area.
- Identifying suspect passing counterfeit bank notes in Epping High Street.
- Young female assaulted by other young females, Debden Broadway.
- Illegal motorcycles incident outside North Weald Airfield.
- Knife crime incident Hillhouse Shops Waltham Abbey.
- Drug Dealing investigation at Barrington Hall & Broadway.
- Vehicle taken suspiciously from Norway House parking area.
- Fly tipping incidents in Burton Road & Vere Road Debden.
- Illegal dumping of rubbish at recycling bins at Loughton car park.
- Queens Rd CCTV upgrade has now been commissioned and Loughton Way CCTV is currently being upgraded.

### **Out of Hours Support:**

- Out of Hours call out for fatal hit & run incident in Waltham Abbey.
- Out of Hours call out for stabbing and assault incident at Borders Lane on Bank Holiday Monday 3rd May

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# ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29 July 2021  
**Subject:** Community and Regulatory Services Portfolio  
**Portfolio Holder:** Councillor Aniket Patel

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## **Recommending:**

**That the report of the Community and Regulatory Services Portfolio Holder be noted.**

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## **Executive Summary**

The following report provides an update on progress in the following areas:

### **Community, Culture & Wellbeing**

#### Adult Inclusion Healthy Lifestyles Project

The Community, Culture & Wellbeing service has been awarded £100K from the West Essex Clinical Commissioning Group to develop and pilot a healthy lifestyles project for adults with learning disabilities across West Essex. Working in collaboration with Essex County Council, the funding will be used to employ an Occupational Therapist and specialist support officer who will work directly with clients to initially ensure they attend their NHS Health Checks. Bespoke support will then be given to enable clients to identify positive activities and wider services they would like to become involved with. Resources will ultimately be deployed to provide practical help to ensure easy access to a range of stimulating, healthy, enjoyable activities to improve health and wellbeing, along with mentoring to support independent living. The project will also see the recruitment and training of volunteers to become “buddies” to provide sustainable long-term support for adults with learning disabilities across Epping Forest, Harlow and Uttlesford.

#### Suicide Prevention Support

Public Health Community Grant Funding, which is overseen by the Epping Forest Health & Wellbeing Board, has been awarded to Mind in West Essex to support the further development and expansion of a virtual Suicide Awareness Hub for Epping Forest. Through the Hub, Mind will recruit members of the public who wish to be ‘Suicide Aware Friends’. Volunteers will receive training to feel confident to start a conversation with someone who may be experiencing suicidal thoughts and be able to signpost them to vital services and support. Once trained by Mind, volunteers will be encouraged to be visible and active in the community.

#### “Project You”

“Project You” is a new co-facilitated mental health and physical activity project being rolled out by Rosie Pike, the Council’s Health & Wellbeing Officer and Jo Parker, a Mental Health Practitioner from the NHS.

Using funding secured from Active Essex, the programme kicked off at Leverton School in Waltham Abbey on 6<sup>th</sup> July. Sessions will also be offered on Zoom to reach a wider section of the community and to accommodate those who do not yet feel ready to attend face-to-face sessions. The project delivers on the key priorities of the Be Well Action Group with sessions involving physical exercise including; Pilates, Circuits, Boxing, Walking and Stretch and also mental health workshops themed around anxiety, stress, sleep and mindfulness.

#### Football V Fat Programme

A Football v Fat Programme has launched in Shelley Ward in Ongar and is available for anyone who wants to lose weight whilst playing football. At the start of each session, each player is weighed, and their BMI recorded, allowing for each participant's weight loss journey to be tracked and for support to be provided around, for example, choosing healthy food alternatives and general healthy lifestyles. Over the past 7 weeks players have lost a collective 20kg! This is a huge achievement and has improved everyone's confidence as well as morale. Players have said they love the session and enjoy the supportive, encouraging environment the programme provides.

#### Walking in Nature – Dementia support

Facilitated by the Council, the Epping Forest Dementia Action Alliance is delighted to announce that it has secured the accredited status of 'Working to become a Dementia Friendly Community' for a second year.

The Community & Culture Team is building on the Dementia Friendly Communities Programme in Waltham Abbey by piloting several different activity sessions based in or around the Epping Forest District Museum. "Walking in Nature" is a bespoke walk for people affected by dementia and includes an opportunity to visit the exhibition galleries. Walks run every two weeks on a Wednesday and are alternated with a seated movement session called Dance Connect that will use a variety of music from the last seven decades to stimulate memories, discussion and get toes tapping!

#### Community Gardening Projects

In partnership with the Land Management & Estates team, CCW staff are working on a number of projects as part of the 'More Than Bricks and Mortar' initiative. Feedback from participants and volunteers clearly evidences reduced feelings of depression and anxiety and a decrease in stress and continues to encourage a sense of community and increased physical activity. The programme aims to build community cohesion and sustainability and thriving communities where people want to learn, work and live.

In Ninefields Square, Waltham Abbey residents have been supported to establish two new sensory zones with an array of plants being sown to help stimulate the senses. The spaces are aesthetically pleasing and require very little maintenance.

Pupils from Hill House Primary School are participating in a recycling project, making flower displays to enhance the beauty of the zones. The new sensory gardens are growing well thanks to support from the Ninefields Residents Association.

The Longfields Allotment in Waltham Abbey involves residents aged 4-68 years. The group are working towards hosting open days and food tasting sessions.

The Shelley 'Mindfulness Meadow' is an area of housing land situated on the Shelley estate and close to Cripsey Brook. Staff are working with residents to create an area of calm and reflection. Grow packs containing seeds and instructions have been made available for residents to 'grow their own' at home and plants will be transferred to the meadow creating a sense of place within the community. Pupils from Ongar Primary

School are currently working with Community Development Officers to make wild seed bombs for the site. 150 children have attended workshops. Staff have also worked with residents to develop a new community planting initiative around the Shelley shops. Planters were constructed for the green space near the shops which have been promoted in the community to encourage resident involvement in creating and maintaining the raised beds.

New raised planters and herb gardens have been established at Sheltered Housing Schemes including; Jubilee Court in Waltham Abbey and Hyde Mead House in Nazeing. Residents participating have given positive feedback. The next scheme to take part will be the Chapel Road scheme in Epping.

A community allotment has been established in North Weald. Raised beds are now filled with a wide variety of fruits and vegetables. Staff have worked with pupils from St Andrews Primary School to design a reflection garden. The school has raised funds for the garden to be created.

#### Epping Forest Youth Council

Three Youth Councillors have been co-opted onto a strategic group to work with Essex County Council's Youth Service to inform commissioning decisions in relation to local services for young people. Additionally, two Youth Councillors have been elected to represent the Epping Forest district on the County Council's Young Essex Assembly.

The Youth Council are currently working on a personal safety project for local young people following peer feedback and a direct approach from Essex Police. Building on the "We R Safe" initiative, resources including a film called "Ripples" will be produced. The film will focus on the effects certain incidents can have on individuals, their family and friends and provide clear advice and support information. Youth Councillors are working directly with Victim Support and Essex Police in the production of the film.

#### "The Boys – Holocaust Survivors in the Epping Forest District" associated events programme.

In support of Museum's current exhibition, a successful programme of engaging talks for adults was rolled out via Zoom throughout May, June and July. Working closely with the Jewish community in Buckhurst Hill and Loughton, online cookery classes for children demonstrated how to make Challah Bread. Patchwork quilt workshops were run which involved replicating the "memory quilt" created to celebrate the lives of The Boys. A primary school music lesson resource has been developed with the Jewish Music Institute and the Essex Music Education Hub and recordings of pupils singing will be edited into a video, shared with schools and played as part of the exhibition.

Angela Cohen (the mother of Judge Robert Rinder) and David Vincent, the BBC Director from the Bafta winning programme 'Who Do You Think you are', addressed the Epping Forest Youth Council and the Youth Council are now leading on a family heritage oral history project. The diversity of Council staff is being celebrated through a project called "Our Roots".

#### Epping Forest District Museum and Education and Outreach Service

Since the Museum was able to reopen on 17 May, over 1000 visitors have been through the doors to visit The Boy's exhibition in a safe and socially distanced way.

The Museum's education service continues to be in high demand with schools. Throughout the pandemic sessions were adapted to be delivered via Zoom. Whilst these sessions continue in line with demand, school visits to the Museum have also resumed. In total, since April 2021, the service has engaged with 1874 pupils.

### Museum Rationalisation Project

The Rationalisation Project Team has reviewed (Phase 1) and researched (Phase 2) all objects in Store 1 at the Museum, a total of 1717 items. A further 1358 objects have been through Phase 1 in Store 2. Phase 1 has also begun in Store 3 as well as at the offsite store, The Crate in Loughton.

Six new project volunteers have been recruited to support this work and all existing volunteers are back on site following the relaxing of Covid measures. Full support and training is provided to volunteers and feedback has captured the fact that volunteering is a huge support for those who have struggled with feelings of loneliness or isolation as a result of Covid lockdown measures.

Following Steering Committee meetings and Portfolio Holder sign-off, items have started to leave the collection when they have been deemed to be better placed elsewhere. This has included 10 items that have found new homes as part of CCW's local community allotment projects.

## ***Report to the Council***

**Committee:** Council  
**Date:** July 2021  
**Subject:** Community and Regulatory Services Portfolio  
**Portfolio Holder:** Councillor Aniket Patel

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### **Recommending:**

**That the report of the Community and Regulatory services Portfolio Holder be noted.**

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### **Commercial services:**

#### **North Weald Airfield:**

**Aviation:** I am pleased to report that the implementation of landing fees on April 10<sup>th</sup> went very smoothly. The online payment portal is working well. The scheme has generally been very well received and in the 3 months of operation we have met income target.

I am pleased to report that the Essex & Herts Air Ambulance Trust aircraft are now flying from their new purpose built facility.

NPAS - Complainants regarding NPAS continue to be very few in number.

I am pleased to report that the EFDC website "Complaints / Compliments / Comments" page has been updated to include North Weald Airfield as has the "Report a noise problem" page. This has made it very simple for residents to let us know if any activity taking place at NWA is a cause for complaint.

To date just 1 complaint has come through either of these channels.

**Market:** The market has reopened fully and as was the case after the first lockdown it has been extremely busy with football being high. Negotiations are due to start with the operator with regards to a new lease.

**HMRC site:** I am pleased to report that the HMRC site continues to operate without disruption to any of the local road networks although it must be said that vehicle numbers are significantly lower than originally predicted. Since April to the end of June a total of 6697 vehicles have visited the site which is far fewer than the initial transport modelling predicted.

I am pleased to report that the issues around the Clearway in Vicarage Lane West have been dealt with to the satisfaction of the Parish Council and residents although the situation will be monitored by Essex Highways.

**General:** Casual bookings for activities such as driver training etc were expected to take time to recover and this proving to be the case.

However, the first public event since March 2020 took place on the weekend of June 26<sup>th</sup> & 27<sup>th</sup>. Over 2 days the Wings & Wheels Remote Control Model Air Show attracted 5000 visitors.

**NWA Master Plan:** The Master Plan is on-going with recent workshops taking place around the heritage aspects, sustainability and place making.

**Building Control:** Final accounting for 2020/21 is ongoing, however indications are that the Building Control service closed some 14% below budgeted income with a shortfall of £80,500 from the forecast £561,000. Considering the far-reaching impact of Covid-19 on the economy and a trend earlier in the financial year for a 30% reduction in application numbers, this result is not overly disappointing.

Combined Building Control fee-earning income from in-district and Local Authority Building Control (LABC) partnership schemes for Month 1 of 2021/22 was circa £41,000. Comparison with 2019 figures of £37,000 is promising, however strong competition from private Approved Inspectors for in-district work remains and partnership work continues to support the service income disproportionately compared to 2019 figures.

I am pleased to report that the Council successfully prosecuted the owner of a motel at Forest Lodge, Epping Road, Epping for five breaches of Building Regulations. The owner had erected an extension without an application for approval and without notification to inspect. The Building Control team intervened and secured removal of serious fire-safety breaches by cooperation and gave the owner ample opportunity to address the remaining procedural and technical breaches. The owner became uncooperative and failed to attend court on two separate occasions. The court proved his guilt in his absence on the 11<sup>th</sup> May and fined him £660 for each of the five offences and ordered him to pay the Council's prosecution costs of £1123.50 and a Victim Surcharge of £190.

The priority for the service remains the implementation of a new back-office software system shared between Planning and Building Control. This will in the long term enable greater alignment to the Council's objectives for agile working and reduced storage and office accommodation. Training, development, and quality management in preparation for the enactment of the Building Safety Bill remains high on the agenda and I am pleased that the team have been engaging with more structured training linked to individual development plans.

A vacancy on the establishment has been identified as suitable for creating a trainee/apprentice Building Control Surveyor. Candidates would need to complete a degree programme in Building Control Surveying which has been designed in partnership between the University of Wolverhampton and LABC and is eligible for Apprenticeship levy funding.

One key member of the Surveying team left the Council in June. Stuart Mitchell was a long-serving member of Epping Forest District Council with some 27 years continuous service. His input to the Council as a Building Control Surveyor, but also as someone with extensive experience of the Council's own property portfolio from his previous management roles in Facilities Management and Property Maintenance will be missed. It is anticipated that we will need to seek interim support to cover any recruitment gap.

## **Regulatory Services**

### **Environmental Health Commercial and Air Quality**

**Covid compliance and enforcement:** I am pleased to report that the Regulatory Service, with the Community Resilience Team and Licensing Team, have continued to work proactively and reactively to ensure compliance of the Corona virus restrictions in order to protect the community. A focus has been on ensuring businesses and the public are clear on the new



requirements as the Road Map to recovery unfolds. The volume of complaints relating to non-compliance has reduced but the teams have been busy dealing with larger events and activities at both licenced and non-licenced businesses and there has been an increase in Temporary Event Notices (TENS) requiring detailed risk assessments.

Env Health, Licencing and the Essex Director of Public Health responded recently to intelligence of poor compliance to Covid rules at a venue showing the football. Officers visited and obtained revised RA's to ensure that further showings went without incident. No further complaints about this venue have been received since officer's intervention.

Our Covid marshals continue to support EFDC's high street work, checking on shops and business compliance, answering the publics questions, promoting business grants and following up on track and trace cases, forwarded by Essex Public Health Teams. They are also assisting with distributing leaflets to encourage businesses to sign up to the new business e- letter that is produced each month by the Economic and Development Team and also to inform about the Essex Business Adaptation Fund and 'Click it Local' scheme. As the restrictions are relaxed and we are moving into the 'containment' phase of outbreak management, we will be supporting the Essex Public Health Team further, by distributing covid self-testing kits and providing information to encourage take up and use of the kits, to help break viral transmission.

**Food Safety:** I am pleased to report that there has been some return to BAU with EHO's recommencing physical inspection of food businesses. The Food Standards Agency have given all LA's a two-year schedule to get the inspection programme back on target. We consider this to be an achievable target.

Those wishing to set up a new food business can now Register directly with EFDC online through our website. Previously, applicants would have to download a PDF from the Government website complete it and upload before it got to EFDC. We believe that EFDC are the first LA in the country to develop their own on-line form which fulfils the Food Standards Agency (FSA) requirements in data gathering.

### **Environmental Health:**

#### **Private Sector Grants:**

I am pleased to report that the team continued to work extremely hard through 2020/21 to deliver as many adaptations to the elderly and vulnerable residents of EFDC.

The total Disabled Facilities Grant spend for the year was £687,367 from a budget of £855,956 which is an excellent performance considering the limitations imposed by the pandemic and the reduced staffing during this period.

I am pleased to report that this year the budget has increased to £971,213 and we will do everything in our power to spend as much as possible to help our residents to remain living safely and independently in their own homes for as long as possible.

Officers are working collaboratively across the county via the Essex Well Homes Group to review individual LA polices, with a view to trying to develop more unity in the delivery of DFG's especially discretionary DFG's.

For example, more LA's are abolishing means-testing for stairlifts and other works costing less than £5,000, but some councils with much smaller budget allocations can't finance this. We are therefore also exploring ways to move money between councils so that those who are unlikely to be able to spend their full budget could simply redistribute some money to a council

that cannot fund all the adaptations that they have in the pipeline. These are exciting times and our team are committed to explore and develop ideas for the benefit of residents.

**Licensing:** The Licensing Team Manager, Kim Tuckey retired at the end of May after more than 20 years of service with this council. I would like to put on record my thanks to Kim for her all her work, support and expertise in administering the licensing functions of the Council during this time. I am pleased to report that we have successfully appointed a new Licensing Team Manager who will start on 24 August.

# ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29 July 2021  
**Subject:** Corporate Services Portfolio  
**Portfolio Holder:** Councillor Darshan Sunger

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## **Recommending:**

**That the report of the Corporate Services Portfolio Holder be noted**

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## **People Team**

### **Common Operating Model**

Consultation and recruitment are still underway for the remaining teams/positions to finalise the restructure process

- ICT has now concluded their restructure.
- Finance have now finished stage one recruitment and will be moving to phase two in July 2021: they have two new structure vacancies to recruit.
- Legal re-structure has been delayed until Autumn 2021.
- Draft proposals in respect of changes in facilities team are being discussed and produced.
- Small restructure within the housing strategy team, may lead to one post being deleted.

### **People Strategy 2020 – 2022**

#### **Attracting, On-Boarding and Retaining Talent**

- iTrent iRecruit Phase 2 – Implementation, fully automated system, contract and forms due for completion August 2021
- iTrent iRecruit Phase 3 – Onboarding, full access and policies due for completion by June 2021 – This has been delayed until Feb 2022 due to iTrent platform redesign
- iTrent iRecruit new exit interview digital questionnaires will be launched along with digital register of interest forms from June 2021.
- HR Power Hours have been running for a period of 6 months, these have been adapted based on attendee feedback, we have had approx. 100 attendees so far.
- Onboarding/Induction document has been embedded into the organisation. To be reviewed Autumn 2021 as we move out of Covid.
- Working with Change 100 (Leonard Cheshire) we have offered 2 placements to graduates with disabilities this year within the Partnerships and Strategy-Delivery-Performance teams

#### **Developing our skills and behaviours**

- The Leadership and Management Development Programme launched on the 24<sup>th</sup> June.
- Development has started for our new iLearn learning management system.

- Development has started for our new fully integrated LMS (Learning Management system) launching December 2021.
- In total we now have 32 Apprentices in the workforce. Our Public Sector target is 14.

### **Engagement and Wellbeing project**

- Perkbox sign up is currently sitting at 90% of the organisation, 521 employees out of 581 have logged into the site to access the fantastic employee benefits and tools. We have had over 3873 perk redemptions so far, a total saving for our employees of approximately £8K
- Perkbox Insights launched on 2 November 2020; we have had 722 responses with 422 verbatim feedback comments. We have held directorate engagement feedback sessions throughout January 2021 with the Senior Management Team and Service Directors.
- Perkbox Recognition launched on 1 December 2020, we have had overwhelming engagement on the platform already with over 700 employee recognitions against our EFDC values and behaviours.
- We have an additional cohort of Mental Health First Aider (MHFA) training in September 2021 taking us to approx. 80 trained MHFA for the organisation.

### **High Performing and Flexible Workforce**

- We launched an employee survey, post Easter, called 'Our Ways of Working 2021-2022 Beyond the Pandemic' this includes effective flexibility, travel and H&S, we are now presenting the results of this to the Executive Team and the wider leadership team.
- Review and redesign of the performance management tool is ready for sign off; this is called 'Inspiring Great Performance', we are looking to pilot this.

### **Internal Policy and Process Improvement**

- Policy ratification process is now live.

### **Accommodation Project**

- The Team are supporting the OWoW programme of work and the transition period back in the Civic office in a new effective flexibility and collaborative way of working.

## **Business Support**

### **Grants**

- Business Support continue to support Revenues with grant applications and the Accounts Payable team for grant payments.

### **Local Land Charges**

- The HM Land Registry project has been delayed until October/November 2021 due to resource issues at HMLR. ICT are working hard to support LLC to implement an IT solution to complete the project. Data cleansing continues supporting the project timeline and searches continue to be completed as a priority.

## **Projects**

### **Print to Post**

- A supplier has been procured to work with the Council on a print to post pilot project of 18 months which started in March 2021, the implementation plan is now in Phase 4 of 5 and on track for completion in July/August 2021. After the implementation is complete, we will enter into the management and review phase, working closely with Service Areas to reduce printing and reengineer processes supported by the supplier.

### **Accommodation - Concierge Project**

- To facilitate the move back into the refurbished Civic building, officers are developing a new streamlined concierge service for EFDC employees. Phase 2 will be providing a Concierge service for tenants and partners. Business Support are currently gathering requirements/process/policy to achieve this.
- Phase 1 of the project was completed on target in March 2021.
- A decision has been made to split Facilities Management into Hard and Soft services with the cleaning project moved to Business Support. A cleaning contract is currently being written to procure services for cleaning of the Civic space and Corporate estate.

### **Accommodation - Community Hub**

- Business Support continue to support 'Customer' gathering Partner requirements for implementation of the Community hub and addressing H&S, Security, printing and room booking requirements and reconfigurations.

### **Storage and Archiving**

- The Council's current storage and archiving solution is no longer viable and a decision has been made to outsource this function. Work is being undertaken to reduce the paperwork we currently own and a full inventory taken to handover to a supplier for ease and retrieval of documents. Soft Market testing for this solution has been undertaken and we will now look to procure a suitable supplier in Q2 2021/22.

### **Purchase Cards**

- A purchase card project is underway looking to roll out purchase cards across the organisation to replace small value orders being processed through Accounts Payable. This will reduce employee time processing and move away from paper-based methods. Process re-engineering current processes from paper to digital solutions will take place with completion expected in Q2/3 2021/22

## **Corporate Health and Safety**

- In-person Risk Assessment training is booked to begin on the 22<sup>nd</sup> July starting with the Technical Services Managers from Oakwood Hill Depot. Going forward, all 64 managers will be booked onto face-to-face sessions from September 2021 until January 2022 – the training will be delivered by both Safety Officers who are competent trainers and will include all relevant and consistent templates and guidance to be used by EFDC Managers and employees
- Several First Aid sessions have been successfully delivered under Covid restrictions enabling us a safe return to the workplace for staff and public alike.

- Incident Management for the Civic building has been discussed and agreed, relevant emergency training for all staff in terms of Fire Evacuation, First Aid, bomb and suspect mail/package is to be completed and a rota of senior managers be in place for when the Civic opens for business once Covid restrictions have been lifted.

## **Contingency Planning**

- Three more directors will receive GOLD training next month and be added to our on call rota to manage both internal and external emergencies. Three Directors have now completed the Civil Protection course. As a result Emergency Planning and how EFDC plans and manages an incident, is to be reviewed later this year.
- Essex Police have been asked and have agreed to assist with GOLD training for Directors giving them a better understanding of joint working with emergency services, what is expected in a Strategic Command Group and their role. This will be booked and carried out once COVID restrictions are lifted.

# ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29 July 2021  
**Subject:** Customer and Partnerships Portfolio  
**Portfolio Holder:** Councillor S Kane

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## **Recommending:**

**That the report of the Customer and Partnerships Portfolio Holder be noted.**

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## **ICT**

### **Service Management**

- The day-to-day ticket management is progressing well with strong focus and the most urgent / high impact calls. Resourcing has been more difficult during the final stages of the Accommodation project as many ICT resources have been involved in setting up and moving equipment between sites.
- The daily stand-up process is working well across the whole team and is being used to share resourcing issues and prioritise resource.
- KPIs have been set up and are being monitored. The number of new calls coming in each day remains high.
- The team is currently being supplemented with contract resource as filling the First line roles has proved difficult. These roles are being re-evaluated.

### **Projects**

- Over 100 projects have been delivered in the last 6 months. These vary in size but are primarily a result of the new project management governance processes and additional resource now in place. The plan is to now roll these processes out at a corporate level to assist with, and align projects to the Stronger Council, Committees, Place steering groups.
- With some of the smaller projects now addressed the plan is move onto more significant projects including moving to Azure, replacing the telephony and upgrading the windows 2008 legacy estate.

### **Strategy**

- Work is nearly concluded on the 3 elements of the ICT strategy: infrastructure, application and service management. This will then be collated and used to help steer future initiatives. It also includes roadmaps for the next set of projects requiring completion.

## **Accommodation Project**

- There has again been considerable activity from ICT on this project. The main refurb and networking were completed early, but there has been a high number of individual items that needed moving and reconfiguring.
- The Audio-visual equipment has all been set up and the meeting rooms are ready for use.
- In addition, new systems are being launched including a new booking system and visitor management system.

## **Restructure of Team**

- There are still 2 vacancies in the ICT team on the ICT service desk. This is due to those roles being hard to fill in the current market. There is work ongoing to look at these roles and decide the best way forward

## **Customer Service**

### **Accommodation Project**

- Getting ready for the re-opening of the Civic is receiving full focus. With the customer experience in mind, the external area is being refreshed with welcome signage as well as planters located at the entrance. When entering the building, visitors will be greeted by 'floor sticker' signage to guide them around the welcome area.
- Officers from Customer Service, Revenue & Benefits plus Homelessness team will be onsite daily to support those residents in need of urgent support.
- Our new Community Hub will open once the Welcome Lounge area is up and running. A full communication plan is being developed including a video to support the launch. Partners joining us include Food Bank, Phoenix Futures, Nacro, VAEF, ECC Family Solutions, Essex Adult Social Care, DWP, CAB, CHESS Homeless, Changing Pathways and Peabody. The aligning service areas will be in attendance in the Hub on the same days/times as partners providing a one stop multi agency approach for our residents.

### **Multi-Channel Digital Platform**

- As part of our digital strategy, we are investigating potential suppliers for a multi-channel customer engagement platform in the Contact Centre. The platform will enhance our customer experience via additional contact channels such as live chat and an IVR function as well as providing improved analytics.
- Expected benefits will be increased first point resolution, better customer contact analytics, reduced call volumes and an improved customer experience. Our Officers will be freed up to help those customers who need us the most.

### **Members Technology**

- A working group has over the past few months focussed on addressing Member's technology issues. All Members have been contacted on a one-to-one basis to identify their level of digital adoption, any technical issues, training needs and feedback on use of technology.
- Improvements have been made and we will continue to listen to Members needs and refine processes to ensure ease of use.



## **Customer Shoes Behavioural Training**

- The next stage of our pilot saw us hold a seminar attended by thirty-eight colleagues, held by the training provider the Impact Factory and again feedback was positive.
- This training is most suited for those with a basic level of customer service behavioural skills who would benefit on coaching for difficult and challenging conversations. We have recognised a need for more real-life scenarios to be included and experienced Officers dealing with daily challenging conversations are supporting with 'knowledge share' short videos or in attendance at the next session planned for September.
- We are mindful the training is designed to support Officers when faced with challenging situations and for this reason are rebranding the training 'In Your Shoes'
- Members have expressed an interest in receiving this training and this will be investigated in due course once the content is refined.
- In conjunction with other service areas, we are taking a holistic view of our customer behavioural training to define training modules, starting with level one 'in your shoes' behavioural skills, to module two telephone aggression and module three conflict management.

## **Launch of Touch Tone (replacement for Speech Recognition)**

- Touch tone went live three weeks ago, and the good news is we are currently receiving only 25% of the call dropouts previously seen with speech recognition, this is a positive improvement to our customer experience, further analysis in due course

## **Resource**

- The Customer Satisfaction & Complaints Team Manager currently on a year's secondment has been appointed to a new role therefore this position will be recruited to.
- The vacancy for Digital & Members Team Manager role will also be recruited to following a review of the role content.
- An additional Lead Officer is being recruited to support additional workload with the launch of our Community Hub.
- In readiness for the transition of Revenue & Benefits first point customer enquiries to the contact centre, project/change management resource will be secured to lead this work.

## **Revenues & Benefits**

### **Support the re-opening of the Civic Offices**

- The Revenues & Benefits team will play a key role in supporting the Customer Service team in re-opening the Civic Offices to the public and provide further support to the Community Hub to help facilitate a "one stop shop" experience for the customer.

### **Support for local businesses**

- The Revenues & Benefits team have paid out approximately £45million in business support grants over the past 15 months, in support of our local businesses. The Government grant schemes are now coming to an end as businesses across all sectors can re-open and offer their trade to the public.
- In June, the team issued approximately 800 new rates bills to those businesses previously in receipt of the 100% Expanded Retail Discount announced by the Chancellor in the

Spring Budget. These are eligible retail, hospitality and leisure businesses that, for the period 1 April to 30 June 2021, received 100% discount in respect of their business rates and from 1 July to 31 March 2022 will now receive a discount of 66% of the chargeable rates.

- The staff of the Revenues & Benefits team will continue to be pro-active in their approach to helping local businesses re-establish their trade throughout the district.

### **Test & Trace Support Payments**

- The Revenues & Benefits team saw a decline in applications during the months of March, April and May but have experienced an upsurge in applications during the month of June.
- Overall, the trend is still far lower than Q3 and Q4 of last year.

### **Sundry Debtor's System**

- The Revenues & Benefits team is introducing a new Sundry Debtor's System (ASH), which will "go live" during the month of July. This will replace the existing and AIMS system.

### **Q1 Collection Rates for Business Rates & Council Tax**

- Business Rates - 20.25% (this follows £8.32million increase in collectable debit as a result in the changes to the Expanded Retail Rate Relief). Whilst it is difficult to gauge the precise position due to the re-billing, in doing some calculations the collection rate equates to 27.50%, which compares to 28.40% for 2019/20.
- Council Tax - 26.69% compared to 27.22% for 2019/20

## **Parking**

### **EV Charging**

- The parking team are looking into a pilot project for Electric Vehicle (EV) charging in Oakwood Hill East Car Park. InstaVolt, the UK's largest public charging network, propose to install, operate, and maintain 2x rapid EV charging points at no cost to the Council. InstaVolt will also pay the Council an annual rent for the chargers in return of a 20-year lease. We are currently reviewing InstaVolt's standard lease agreement.

### **Car Park and Street Furniture Maintenance Contract**

- It was decided to combine the car park maintenance and street furniture contract as one contract rather than two separate contracts to achieve value for money and continuity. Following a tender exercise where we had three bidders, WH Construction Ltd scored the highest on both quality and price. WH Construction Ltd are based in the Epping and use a local supply chain, which will help EFDC to reduce its carbon footprint. This contract also features a Social Value element which will help create employment opportunities for residents. Regular meetings with the Contractor will take place to monitor and manage the contract and to ensure that EFDC maximises the benefits of Social Value.

### **Parking Tariffs**

- Normal Car Parking Tariffs were re-introduced on 1<sup>st</sup> June in all EFDC off-street car parks

# ***Report to the Council***

**Committee:** Council  
**Date:** 29 July 2021  
**Subject:** Environmental and Technical Services  
**Portfolio Holder:** Councillor Nigel Avey

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## **Recommending:**

**That the report of the Environmental and Technical Services Portfolio Holder be noted.**

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**COVID-19 – Response of Contracts and Technical Services:** All services continue to perform well during the Covid-19 period. Office based staff are continuing to work remotely by using Microsoft TEAMS or ZOOM. Those who need to come to office for operational reasons are taking precautions to avoid the risk of infection.

**Waste Management:** New purple bins for WEEE, Textile and battery purple bins at 10 blocks of flats in the district has been working well and textiles tonnages remain steady. The Waste Management team are currently organising to increase the number of bins at flats for these materials.

The new Recycling Bring banks at various sites throughout the district have been well received. These banks can take mixed recycling and we are looking at capacity in two sites to see if we can reduce collections by having larger capacity.

**Litter Picking:** The Waste Management team have standardised the information that is given out to litter picking groups, residents and parish/town councils. To aid local groups undertaking Voluntary litter picks, a standard information form and information sheets with a risk assessment that can be adapted by the various groups to help them cover all the relevant issues concerning litter picking has been developed and is available.

EFDC are in the process of making hi vis vests, litter pickers, sack hoops (hold the sacks open) available to lend to litter picking groups. Gloves and sacks will be provided free of charge and the waste/recycling will be collected as well. The council will only take waste from the public highway and not from private land. The council will not take responsibility for either the insurance for these groups or their supervision while the activity takes places.

Work has started with Essex County Council and independently on a Litter strategy for EFDC. Research is being carried out on how the Scottish authorities have tackled the issue and hopefully further guidance will be made available from central government and ideas to reduce litter and keep our streets and areas clear of litter.

Night working on the Crooked mile and parts of Sedge Green are continuing on a monthly basis. This was organised due to the heavy traffic and the lack of any type of pavement which can make it difficult for operatives to clean safely. This night working is carried out with the relevant vehicles and safety procedures including operating a stop and go traffic system by Biffa.

**Leisure Management:** The leisure centres reopened on April 12<sup>th</sup> although social distancing and capacity restrictions remain in place until restrictions are fully lifted. Group exercise classes recommenced in May, however due to restrictions this is under a reduced timetable and reduced number of people allowed in each class via pre-booked sessions only. The delay in easing of Covid-19 restrictions has caused a 4-week delay before restrictions

can be lifted in full This is no earlier than 19 July and no major issues are foreseen. Usage trends since the opening of leisure centres are progressing well and continuing to increase in a more promising outlook.

As COVID restriction have not been lifted Places Leisure continue to operate with limited capacities and the following measures have been put in place and operational improvements have been made:

- Keep in place rigorous cleaning protocols, despite restrictions potentially lifting they believe customers' expectations will remain high.
- Irrespective of restrictions being lifted Places Leisure foresee a period where visible reassurance such as screens and signs remain.
- Places Leisure are already trialling 'no gym bookings' in 2 leisure centres and their 4 Places Gyms – the operational lessons valuable for a return to 'simply turn up' booking rules. When capacity increases are allowable in the Gyms all leisure centres will revert to 'simply turn up', as requested by the majority of our gym customers.
- Place Leisure are running two booking systems, having built a second behind the scenes this ensures maximum agility where they will hear announcements at the same time as our customers, allowing us to respond by changing capacity settings, up and down, and reintroducing a booking-process very quickly.
- Places Leisure's 'notify me' feature manages any increase in capacity for Group Exercise Classes, Swimming or Gym (if applicable). Should we be allowed to increase capacity this feature allows us to increase capacity in the background and the customer will be alerted when additional space(s) become available. This moves from a key feature to a key part of our customer communications in the 'part change' planning and any phased return.
- Places Leisure have fast-tracked development of a new ticketing system, scheduled to launch in the summer, will allow customers more flexibility in booking group activities (family and leisure swims, etc). This will limit traditional queues when launched and reduce phone calls ensuring our lean resourcing model remains.
- Aggregating swim lessons should capacity & distancing guidance allow – this frees up pool time for other activities.

**Procurement and Contracts:** Since January 2021, Epping Forest District Council has attempted to include Social Value considerations in Procurement exercises wherever practicable. When possible, it has been given a percentage weighting towards the overall score of the bidder. In other situations where assigning a weighting has not been deemed appropriate, it has been asked as an additional information question to still give bidders the opportunity to offer EFDC some additional social value.

Since January 2021, Procurement has been involved in 7 projects that were tendered, with only one of those not asking for Social Value as it was not deemed appropriate – of the 6 projects that included Social Value criteria, all 6 of them have included some Social Value commitments from the winning bidders.

As new projects continue to arise and current contracts come up for renewal, Procurement will be encouraging the use of Social Value criteria in all appropriate circumstances to maximise the benefits for the local district, communities and charities.

Officers that are responsible for the contract management of those contracts will be encouraged and reminded to meet with contractors. This is to ensure that the social value elements are successfully implemented, and the benefits of social value are maximised by EFDC.

## **Fleet Operations:**

The Driver & Vehicle Standards Agency (DVSA) that replaced The Vehicle and Operator Services Agency (VOSA) carried out an audit in May 2021 and reported that EFDC are fully compliant for vehicle inspections and MOT testing.

Procurement is on-going for replacement electric vehicles for the Estate Teams and North Weald Airfield operations. This will bring the total to 25% for electric fleet replacements across EFDC. The team are also working with and supporting Epping Forest Community Transport on a 20-seat electric bus for trials across the district.

A review of a car-pool club scheme is being carried out with trials of different electric vehicles to support a new scheme.

Work is being carried out to explore the option of a One Card fuel card for vehicle fuel petrol/Diesel purchasing utilising an All-star fuel card framework, that will deliver future savings on fuel purchasing.

The team continue to offer a wide range of services across EFDC including vehicle and plant servicing; driver training; driving licence checks, an important function identifying disqualified drivers thus protecting EFDC, accident management and Taxi Licencing compliance.

## **Grounds Maintenance:**

The teams are currently busy with mowing operations in order to maintain our numerous verges and green spaces. The extremely wet weather we experienced earlier this season combined with the warmer weather has without doubt produced some exceptional growth rates, which have in turn created difficult mowing conditions. All machines and grounds staff are working hard to complete grass cutting operations and with drier weather hopefully on its way, things should start to ease, and the focus will then turn to shrub and hedge pruning.

Summer bedding displays throughout the district are being installed and the required plants have been sourced unlike the previous year where Covid conditions restricted supply. Five new planters have been installed along Epping High Road as part of the High Street enhancement works which have been positively received by members of the public and local shop keepers.

The team have been working with the Community Development Team to assist with moving their polytunnel from North Weald Airfield to an allotment site in Waltham Abbey where the local residents are hoping to grow some additional crops and cleared some vegetation at Cripsey Brook in Ongar to allow the local primary children to 'seed bomb' the site and encourage meadow flowers to germinate.

## **Countryside and Landscape**

Volunteer tasks resumed on the 15<sup>th</sup> April with a maximum of six volunteers, full numbers returned on 6<sup>th</sup> May. Volunteers have worked on ten different Nature Reserves, the installation of solitary bee hotels has been a feature of some of the activities with benches and hoverfly lagoons also installed. Willingale Road Community Orchard was surveyed on one of the days and 35 slowworms were discovered.

Whilst we are still unable to pick up the public transport volunteers at Loughton, Countrycare continues to produce and distribute the Good News Letter for its volunteers fortnightly.

The team delivered a Marvellous Minibeasts Zoom event at Ongar Primary School and followed it up with a Zoom event. This was in conjunction with the Communities Team. The event looked at bug habitats and the making of a bug hotel.

Countrycare also delivered a remote Country walk as part of the Festival of Culture, guiding people around the grass and waterbody habitats of Waltham Abbey and the Lee Valley.

A new Countrycare Catch Up Newsletter was produced at the end of May. This will be followed by a children's version 'Countrycare Kids' it will contain news of the natural world, what to look out for at this time of year and have puzzles and quizzes for children to engage with.

### **Environmental Protection and Land Drainage:**

The team responded to calls regarding potential flooding incidents during the week of the 14<sup>th</sup> of June with some heavy rain and yellow thunderstorm warnings issued by the Met Office. Many calls were minor and were referred to other agencies such as blocked road gullies to Essex Highways as there was no immediate property flood risk.

Since the last update a new Land Drainage Officer has been appointed and has integrated into the team well. The team continues to work on reviewing flood risk and planning applications to ensure flood risk is minimised where practicable. A burnt-out vehicle was dumped on our Church Lane flood storage site and we are currently in communication with Essex Police about its removal or link to any potential crime.

Officers have recently been trained in a Private Water Supply Sampling Accreditation course which supports the charging regime in the process of being implemented as our team are now shown to be competent and accredited. The team have also been involved in delivering the Epping Safer Spaces Pavement Widening Schemes in Epping.

### **Highway Rangers:**

The rangers continue to work on reported issues from both Essex County Council and those reported by Members and residents. Recent jobs completed include bollards painted and reset in town centres, benches renovated and stained in Epping.

The team have been working with our ASB colleagues and have been removing graffiti on council property as well as fly posting and banners on highway railings that are installed without permission.

We continue to work on renovating benches in Sun Street Waltham Abbey and have now installed 3 completely renewed benches. The historic lamp columns in Sun Street were also repaired, painted and cleaned by a contractor.

Quite a number of reports that are made to the team are rejected as they are works that the rangers cannot work on such as defective streetlights, pot holes or private hedges which remain the responsibility of Essex Highways.

<https://www.eppingforestdc.gov.uk/environment/highway-rangers-service/>

## ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29 July 2021  
**Subject:** Finance, Qualis Client & Economic Development Portfolio Holder  
**Portfolio Holder:** Councillor John Philip

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### **Recommending:**

**That the report of the Finance, Qualis Client & Economic Development Portfolio Holder be noted.**

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**Asset Management:** Firstly, I'd like to report that Owen Godbold, Senior Assets Officer left us to take up a position within the private sector. Owen was instrumental in the preparation of the Asset Management Strategy and in the successful acquisition of a number of commercial properties that has resulted in a significant increase in the rent roll. His professionalism and expertise will be missed.

Owen's position has been filled on a temporary basis until such time that the decision is made regarding the transfer of the Asset Management team to Qualis.

**Epping Forest Shopping Park:** The Shopping Park has resumed normal trading from 12<sup>th</sup> April.

Progress is being made on rectification of roofing defects – our specialist drainage and roofing surveyors are now reviewing latest submitted proposals from the original contractor.

**Landmark Building:** Units B, C & D are let to a local boxing gym. The tenant has now discharged the planning conditions within its recent planning consent and is now open & trading. The use has been well received and the Tenant has received over 250 applications to become members.

Unit A has been a difficult unit to let due to no rear loading and the fact that it is in the corner of development and is partially beneath the surrounding pavement level. We have been marketing for over a year with no firm interest but due to membership take-up and the award of a BTEC course from a local college, the Boxing Gym operator at Units B, C & D would like to take this space and terms have been agreed at a rent of £30k rising to £35k in year 5.

Unit E has now been let to a local business who are in the process of fitting out their tanning salon. Planning consent for change of use has been granted. There is at present a building regulations matter to be resolved but this is hand and should hopefully be resolved shortly. The lease for Unit F has now completed. The tenant has submitted the necessary planning and building regulations applications. Following the recent refusal at planning committee, the tenant is working with the Council on the best way to secure consent for its mechanical and engineering works.

Unit G is now let to Wenzel's The Bakers, a good covenant with 60+ stores. The tenant has now completed their fit-out to a high standard and is trading and is trading very well.

**Brooker Road Industrial Estate Waltham Abbey:** I am pleased to report that a number of Asset Management Initiatives are underway or have come to fruition.

Unit 168-172 Brooker Road ground floor has had strong interest having been put on the open market and the Assets Team are negotiating with prospective tenants to achieve best terms.

100 Brooker Road is now under offer at a rent of £145,000 per annum on a nine year lease, following a marketing period. Following Councillor Patel's final approval our solicitors are instructed and are making progress in completing this letting.

The proposed acquisition of Units 152, 153 and 155 Brooker Road is expected to take longer than previously anticipated on the basis the ground tenants secured lender has further queries of them which need resolving.

Formal planning was granted in late 2020 for a proposed scheme of four modern light industrial units on the site of Units 10, 50, 51 and 60 Cartersfield Road. This proposed scheme was formally approved and therefore budgeted for in the most recent Full Cabinet in February. The Commercial Assets Team will now undertake the process of ending any remaining tenancies, anticipated by September 2021. In conjunction, a formal procurement process for the full project by suitably qualified professional project managers, surveyors and architects will be undertaken.

### **Tertiary Retail Units**

All outstanding lettings have completed and we are pleased to report no vacant units at time of letting.

### **The Broadway, Debden, Loughton**

I am pleased to report that on 4 May 2015 the letting of 64 The Broadway completed, meaning that all 68 units on The Broadway are now fully let.



## ***Report to the Council***

**Committee:** Council  
**Date:** 29 July 2021  
**Subject:** Finance, Qualis Client & Economic Development Portfolio  
**Portfolio Holder:** Councillor John Philip

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### **Recommending:**

**That the report of the Finance, Qualis Client and Economic Development Portfolio Holder be noted.**

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**Covid Economic Development Programme:** In September 2020, the Council appointed independent business consultants Studio 3 Ltd, to complete town centre appraisal work following on from work previously undertaken by directors as part of the Safer Spaces programme. This project was completed by the end of March with EFDC being in receipt of reports relating to the six town centres of Waltham Abbey, Ongar, The Broadway Loughton, High Road Loughton, Buckhurst Hill and Epping. The Waltham Abbey and Ongar reports had previously been accepted by Cabinet and the remaining four reports followed in obtaining Cabinet approval on 21 June 2021.

Recruitment for the recommended Town Centres Project Manager position was completed in early April with the candidate in post with effect from 26 April 2021. During the recruitment process, Highway Rangers commenced various “quick win” tasks in Waltham Abbey and Ongar. Now with the Town Centres Project Manager in post, work is beginning to establish Town Teams in each of the town centres and to set priorities for future works and achievements. The Town Centres Project Manager has already established good working relationships with Waltham Abbey, Ongar and The Broadway Loughton and is involved with numerous task and activities with each.

The Economic Development Team are continuing to develop relationships with local partners and expand the business database with details of the district’s businesses. They have launched a regular newsletter to keep businesses abreast of grants/funding availability and new initiatives and opportunities. Following the launch of ‘Click It Local’, the shop local/home delivery platform, work is now underway to establish and launch the award-winning loyalty app, ‘Loyal Free’ – it is expected that this will launch within the next month.

Epping Forest District Council has partnered with Best Growth Hub to provide a virtual support day for business in the district on Monday 12th July, with more days available if demand is there.

**Covid Business support grants:** Since the beginning of the pandemic officers have provided in excess of £45 million pounds to businesses through various support grants. Officers in the Economic Development team have processed over 180 applications to the Essex Business Adaptation Fund scheme (EBAF) paying out over a quarter of a million pounds. The extended closing date for applications is now the 30<sup>th</sup> of July and officers are awaiting announcements from ECC on follow up, similar business grant schemes. EFDC has requested that the level of maximum grant is raised from £1500

to £5000 to encourage greater application. Officers continue to use social media and other methods to promote the EBAF scheme.

The EBAF grant scheme has enabled businesses to make their businesses covid secure through, for example the purchasing of protective screens to aid food service. It has also enabled businesses to adapt, innovate and take their business services online through the purchasing of websites or new technology.

By top slicing funding from the Additional Restrictions Grant scheme the Economic Development team have created a new Economic resilience fund. This fund will be used to finance programmes like 'Click It local' and 'Loyal Free' supporting town centre regeneration.

**Civic Office accommodation:** The marketing campaign for the second floor of the civic offices continues. There has been significant interest from the private sector and officers are in detailed discussions and hope to report back to members in the very near future.

**Business E-newsletter/Database:** The council has now published four editions of its business e-newsletter 'Business Matters', which is emailed directly to over 2000 businesses in the district. Topics have focused on grant and funding opportunities, guidance for businesses upon reopening and the promotion of new council tools to support high street regeneration (Click It Local, Loyal Free). An intern has taken up a placement within the economic development team for three months to expand the business database. In May, High street ambassadors have been meeting face to face with local businesses providing 2000 'Supporting our High Street' leaflets to 2000 businesses to encourage them to sign up to the database. We would encourage all members to ensure that businesses in their areas have signed up for this.

The June 2021 e-newsletter is available to view on the council's website:  
<https://www.eppingforestdc.gov.uk/business/business-matters/>

**Attracting Inward Investment:** Following on from work with the UK Innovation Corridor to produce an inward investment prospectus for the Innovation Core/5 districts in West Essex/East Hertfordshire between London and Cambridge, officers are working on producing an inward investment prospectus specifically for the district. Consultants Puttock Brown have been contracted to undertake this work, marketing and supporting the area to maintain strong inward investment. It is expected that this work will be completed by mid-August.

**General Economic Briefing:** Council officers continue to review available economic indicators assessing the health of the local economy as restrictions are relaxed. These focus on key areas such as unemployment, furlough and SEISS (Self-employment income support scheme). Since the last portfolio holder report in February 2021, the unemployment count has been steadily falling for three consecutive months. It has fallen from 4,955 to 4,465 as of May 2021. The highest unemployment count since the pandemic began last year was in August 2020. Unemployment that month reached 4,985. Latest figures on furlough in the district show the numbers of local people on furlough has also fallen for three consecutive months. In March 2021, the number furloughed was 10,200 or 17% of the total working population. This then fell to 8,400 (14% of the total working population) in April. Latest figures up to the end of May 2021 report that 6,400 (11% of the total working population) are furloughed. Since the pandemic began, furlough figures reached their highest levels in July 2020, when 19,300 residents were furloughed. For the fourth SEISS grant, as of July 2021 63% of eligible individuals (9500) claimed the support. So, 6000 claims were made.

**Visitor Economy:** We have received the tourism value report for the Epping Forest District during 2019. Although somewhat academic under the present circumstances, it provides an important benchmark to measure our future performance. In line with previous years, the value of tourism increased by 4% to £242,151,200 with the number of tourism-related jobs rising by 5% to 4,291 which represents over 9% of total jobs in the district. As lockdown measures ease, and we move into summer, interest in our district as a destination continues to increase. As expected, the new freedoms coupled with problematic foreign travel has boosted the staycation market beyond the demand seen last year. The tourism website has seen ample evidence of this with rising searches and page views for all aspects of accommodation but especially inns, self-catering and particularly camping. Overall the website is seeing visitor numbers significantly up on last year and we know that there is a huge demand for things to do across the district. Attractions have reopened sites and events with a ticketed entry system and have sold out all their places. We have recently seen Waltham Abbey, Epping and Fyfield run their town shows and in just one month the three events pages combined generated 3,000 pageviews.

Recognising the growing importance of the tourism sector to building economies, supporting hospitality and creating footfall for our town centres, our neighbouring authorities are investing time and resource into the visitor economy and we have revived the tourism cross-border group with an initial meeting to look at the emerging 'new normal' and how we can work together to take advantage of the new interest in our combined area as a credible national destination.

**Essex + Herts Digital Innovation Zone (DIZ):** BDUK Local Full Fibre Network project – Delivery of the £1.7m DCMS funded Herts + Essex Ultrafast GPs broadband network has now seen all 26 sites in Hertfordshire built out and connected up to fibre to the premise (FTTP) connectivity, with 41 of the Essex sites also now built out and connected. A small number of Essex sites remain to be completed and it is planned that most of these will be completed before the end of July. This successful project will be publicised over the course of the next few months in parallel with the beginning of the benefits realisation phase of the project in conjunction with health partners, a number of whom have already expressed an interest in getting involved to ensure our communities and health economy fully realise the potential of this enhanced connectivity network.

DCMS Digital Connectivity Infrastructure Accelerator project – As a result of the Common Asset Register work previously undertaken by the DIZ, led and built by EFDC, the DIZ has been invited to participate in one of four DCMS co-development groups to help shape the project. The DIZ was one of only 12 -16 devolved, regional and local authorities invited to take part.

'Digital Skills Embracing the Transformation' Smart Place Seminar – The latest in the ongoing series of DIZ Smart Place Seminars was delivered via Zoom on 30<sup>th</sup> April. The event delivered presentations by the SELEP Digital Skills Partnership, Barclays Digital Eagles, Volker Wessels and the Royal Pharmaceutical Society. The event, which included a number of interactive workshops, saw attendees come together from education, industry, local and central government as well as community organisations to explore how the demand for digital skills has evolved and to identify critical gaps in provision.

DIZ Annual Progress Report – The 2020/21 Annual Progress Report by the DIZ was published in June and has been circulated to all DIZ partners. Highlighting the key successes and challenges from the last year, the report was presented to EFDC Cabinet on the 12<sup>th</sup> July and will shortly be uploaded to the DIZ website for full public access.

DIZ Advisory Board – Monthly DIZ Advisory Board meetings continue via Microsoft Teams and in recent months have seen hugely informative and interesting presentations being delivered by BDUK, Kao Park data centre and Connected Places Catapult.

Digital Inclusion Project: Following a recruitment campaign, a project manager has been appointed to drive this project forward over the next 24 months. Once in post, the DIZ Programme Manager will engage with the project manager to understand and help shape their priorities for the early stages of their work.

## ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29<sup>th</sup> July 2021  
**Subject:** Finance and Economic Development Portfolio Holder  
**Portfolio Holder:** Councillor J Philip

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### **Recommending:**

**That the report of the Finance and Economic Development Portfolio Holder be noted.**

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### **Finance**

I can report that the Finance Team are now close to producing the draft accounts for 2020/21, together with the year-end outturn position. The 2020/21 Financial Year has proved particularly complicated due to all the additional transactions associated with the Covid19 pandemic. The Council paid numerous additional grants and received government support in multiple transactions to help mitigate some of the financial impacts Covid19. In addition, with the resources of the Council deflected into the response effort the budgetary spending pattern looked significantly different to that originally assumed when the budget for 2020/21 was approved. Reconciling these and making sure that they all sit within the right places within the accounts has proved additionally time consuming, but the team still believe that they are on course to meet the statutory deadline.

At the same time the Finance Team have been working closely with the Council's External Auditors, (Deloitte), to support them in their review of the final accounts for 2019/20, and these appear elsewhere on this agenda. As members will be aware this is much delayed from the original deadline and this is due to a number of factors, including staff shortages on both the part of the external auditors and the council's own Finance Team. Again, Covid19 has played a significant contributory factor in this delay.

Audit and Governance received the External Auditor's Management Letter at its meeting on 15th of July 2021 and after considering its findings has recommended that the Council agree the Accounts.

The Management Letter has noted solid progress in resolving the issues that dogged the production of the 2018/19 Accounts but noted that there is still some work to be done. I have been working with Finance Team and am pleased to say that these improvements have been consolidated in the production of the 2020/21 Accounts, but I recognise that the improvement process is ongoing.

The restructuring of the Finance Team has been completed and when the final new additions join the Team next month, the section will be at full complement and this will

allow for the acceleration of the review and improvement journey which is already underway.

### **Qualis**

The Qualis 4 year Business Plan also appears on this agenda and represents a major step forward in its future plans development, but also in understanding how we can help each other. The report explains how the activities of Qualis will significantly financially benefit the Council; at a time when the Council will undoubtedly need this financial assistance. It also clarifies how the Council and Qualis can work together and specialise in those areas where they respectively work best. Through aligning and supporting each other, and not by duplicating or competing, Qualis and the Council can maximise the opportunities and benefits of partnership working.

## ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29 July 2021  
**Subject:** Housing Services Portfolio  
**Portfolio Holder:** Councillor Holly Whitbread

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### **Recommending:**

**That the report of the Housing Services Portfolio Holder be noted.**

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### **Executive Summary**

The following report provides an update on progress in the following areas:

#### **Housing Information, Strategy and Policy**

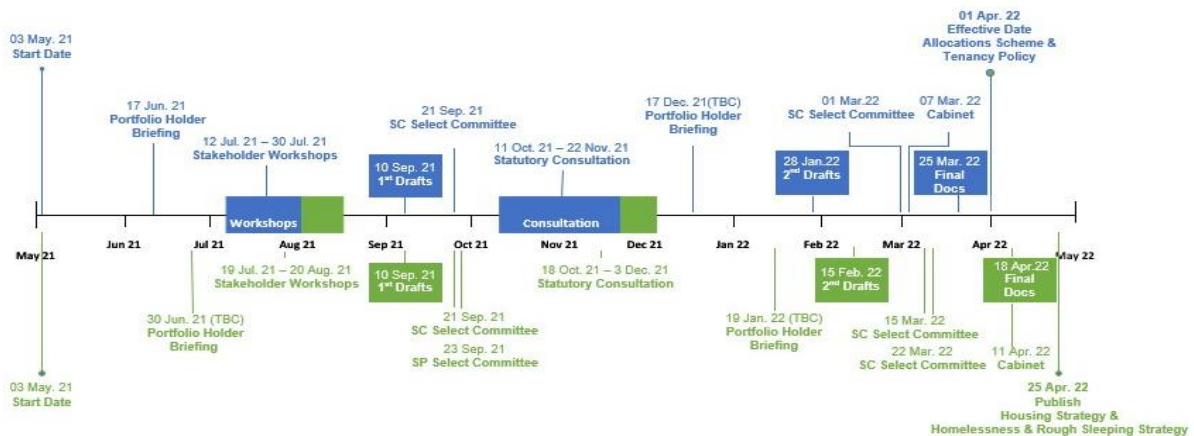
We have commenced the review of our four key housing documents which we collectively refer to as 'The Big 4'. These are:

- the Allocations Scheme,
- the Tenancy Policy,
- the Overarching Housing Strategy; and
- the Homelessness and Rough Sleeping Strategy.

Whilst there are major interdependencies linking all four reviews, the resulting publications will also be considered independently as standalone documents - by the widest range of stakeholders with an interest in housing and housing related issues across EFDC.

We will undertake comprehensive consultation and complete all four reviews by April 2022 subject to Cabinet approval. For ease of communication we have grouped together the review of the Allocations Scheme with the Tenancy Policy, and the review of the Housing Strategy with the Homelessness and Rough Sleeping Strategy in the following timeline:

## Allocations Scheme Review and Tenancy Policy Review



## Housing Strategy Review & Homelessness and Rough Sleeping Strategy Review

### The Social Housing Lettings Report 2020/21

The attached Social Housing Lettings Report 2020/21 provides details of the number, size, and type of social rented properties that Epping Forest District Council (EFDC) let to qualifying households in 2020/21.

Supplementary information is also provided on; the number of applicants on the housing register, the number of mutual exchanges that have taken place and the number of properties that former tenants have purchased from the Council under the Right to Buy.

The report will be published on the Council’s website.

### Housing Needs

#### Homelessness

Through the rough sleeping initiative grant, we have secured a Mental Health Navigator whose role works primarily to prevent rough sleeping and support clients presenting with mental health issues – both diagnosed and undiagnosed. This role also sets out to link up housing and health highlighting any gaps which need filling by establishing relationships between services and developing pathway plans to achieve better outcomes for people who sleep rough or are at risk of sleeping rough. This role also has the flexibility to work across the Directorate a bit more generally and provide guidance on cases where there are health concerns. The Homelessness Team are already feeding back on how invaluable this is.

#### Norway House (Temporary Accommodation)

We do not currently have any applicants in bed and breakfast accommodation thanks to the hard work of the Temporary Accommodation Team and the Homelessness Team. It is our aim that this will continue for as long as possible, as we know that bed and breakfast accommodation is both costly and largely unsuitable for our applicants.

St Johns Church in Epping have volunteered to help facilitate a number of activities for the children at Norway House during the summer holidays. We are also currently holding a sunflower growing competition for the children, the winner of which will receive a £20 gift voucher donated by the North Weald Parish Councillors.



### Rehousing Team

We have recently completed our Lettings Report for 2020-21, which shows that there has been a 20% increase in applicants on the housing register compared to last year.

We have begun work on the Housing Allocations Scheme review, which is being led by the Housing Strategy team. We will be attending the Housing Residents' Webinar on 21<sup>st</sup> July to speak about the review and will be engaging with all of our key stakeholders throughout July.

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# Social Housing Lettings Annual Report

2020/21



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## **Social housing lettings - April 2020 to March 2021**

This report provides information on the number, size, and type of social rented properties that Epping Forest District Council (EFDC) let to qualifying households in 2020/21. The figures include lettings to the Council owned stock, and successful nominations to housing associations (hereafter referred to as Registered Providers or RPs).

Supplementary information is also provided on; the number of applicants on the housing register, the number of mutual exchanges that have taken place and the number of properties that former tenants have purchased from the Council under the Right to Buy, between 2016/17 and 200/21.

## **Registering for housing**

The housing register is a list of home seekers who qualify for at least one offer of a council or RP property. The term 'home seeker' includes those applicants who have applied to the Council for housing, and existing Council or RP tenants who have been approved for a transfer to alternative accommodation.

Applicants are only accepted onto the housing register if they fulfil the local eligibility criteria specified in the Allocations Scheme.

Homeseekers on the housing register are awarded one of three priority bands; band A, band B, or band C. Band A represents the highest priority and band C represents the lowest.

## **Choice-based lettings and direct offers**

EFDC operates a choice-based letting (CBL) scheme to let vacant social rented housing to home seekers on the housing register. Home seekers actively search for available council and RP properties that are advertised on a database known as LOCATA.

Homeseekers access LOCATA via the HomeOption website ([www.homeoption.org](http://www.homeoption.org)).

Vacant properties are advertised weekly and home seekers can express their interest in the advertised properties by making a 'bid'.

The Council expanded the LOCATA functionality in April 2020 - to record and monitor households that are homeless or threatened with homelessness within 56 days, to comply with its statutory duties listed in the Homelessness Reduction Act 2017.

## **Shortlisting**

When home seekers bid for an advertised vacant property HomeOption will automatically compile a shortlist of applicants.

Typically, the bid from a qualifying home seeker in the highest band with the earliest registration date will generate an offer to that household first.

## Housing Allocations Scheme - categories of need by band

All housing applications are assessed in line with the [Housing Allocations Scheme](#). The current scheme can be viewed in full on the EFDC website.

The following table gives a breakdown of the main categories of need within each priority band for a choice based letting within the current scheme.

Band	Main categories of need
A	<ul style="list-style-type: none"> <li>• Members of the Armed Forces with serious injury, illness, or disability</li> <li>• Bereaved spouses or civil partners of those serving in the regular forces</li> <li>• Downsizers seeking fewer bedrooms than current social housing property</li> <li>• Home seekers needing to move on urgent medical/welfare grounds</li> <li>• Home seekers living in insanitary, overcrowded, or unsatisfactory conditions</li> <li>• Home seekers with mobility problems</li> <li>• Home seekers needing two or more additional bedrooms compared to their current accommodation</li> </ul>
B	<ul style="list-style-type: none"> <li>• Home seekers sharing accommodation, lacking at least one bedroom</li> <li>• Home seekers needing to move to a particular locality</li> <li>• Home seekers needing to be one household but are having to live apart</li> <li>• Home seekers needing one additional bedroom</li> <li>• Existing council tenants living in 2/3-bedroom flatted accommodation needing houses</li> <li>• Existing council sheltered tenants wishing to move within their scheme or to another scheme</li> <li>• Existing council tenants over 60 living in 1 bed property wishing to move to sheltered accommodation</li> </ul>
C	<ul style="list-style-type: none"> <li>• Home seekers needing to be closer to their place of work</li> <li>• Home seekers sharing accommodation with another household</li> <li>• Members of the Armed Forces with no housing need, and the application is made within 5 years of discharge</li> <li>• Spouses and children of existing and former Armed Forces Personnel</li> <li>• Home seekers needing to move on moderate medical/disability grounds</li> <li>• Home seekers in the Council's interim accommodation awaiting homelessness decision</li> <li>• Home seekers demonstrating an exceptional need to move to the district</li> <li>• Home seekers to whom the Council does not owe a full homelessness duty, where there is a requirement to afford reasonable preference on the ground of homelessness</li> </ul>

The periodic review of the Housing Allocations Scheme is in progress and is due to be published in April 2022 (subject to statutory consultation and Member approval).

## Number of properties let by year between 2016/17 and 2020/21

Year	Total	EFDC General Needs	RP General Needs
<b>2020/21**</b>	<b>397</b>	<b>356</b>	<b>41</b>
2019/20	450		
2018/19	449		
2017/18	437		
2016/17	493		

Source: Local Authority Housing Statistical Returns (LAHS) 2015-2020. \*\*Provisional figures 2020/21

Fig.1

This table shows the number of properties that have been let to home seekers each year over the last five years.

From 2020/21 the table includes a breakdown of the number of lettings between EFDC stock and RP stock.

## Number of properties let by bed size in 2020/21

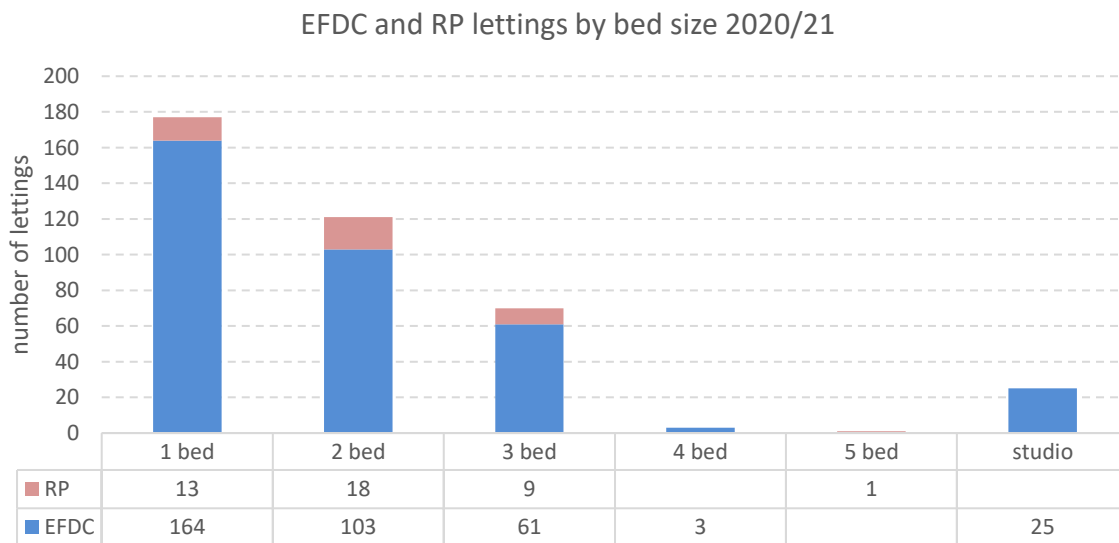


Fig. 2

Most lettings in 2020/21 were for 1-bed properties. These generally have the highest turnover of occupants and therefore become vacant more frequently than family sized accommodation.

## Percentage of properties let by age of main applicant in 2020/21

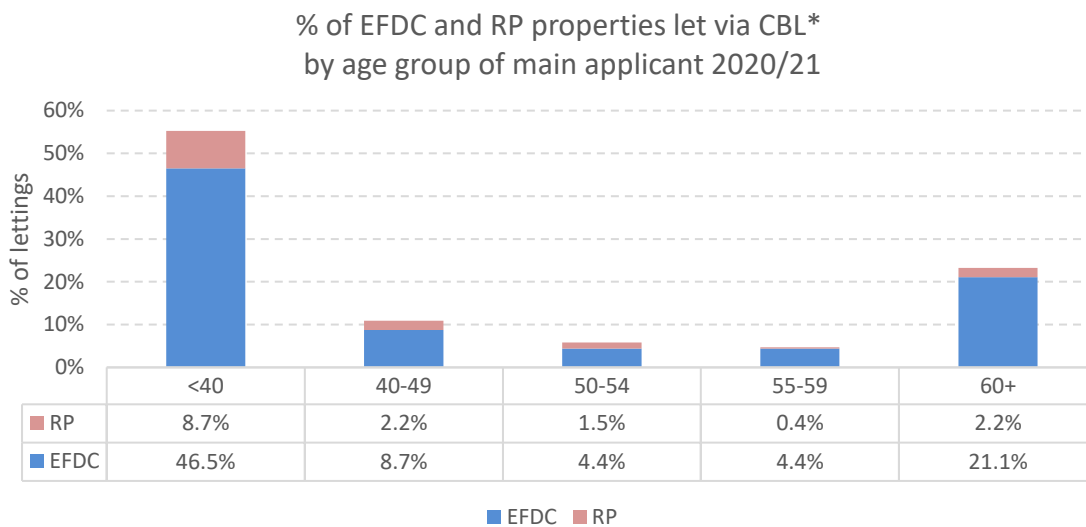


Fig.3

The majority of CBL lettings were to households where the main applicant was under 40 or over 60 years old.

## Number of properties let by bed size and age of main applicant in 2020/21

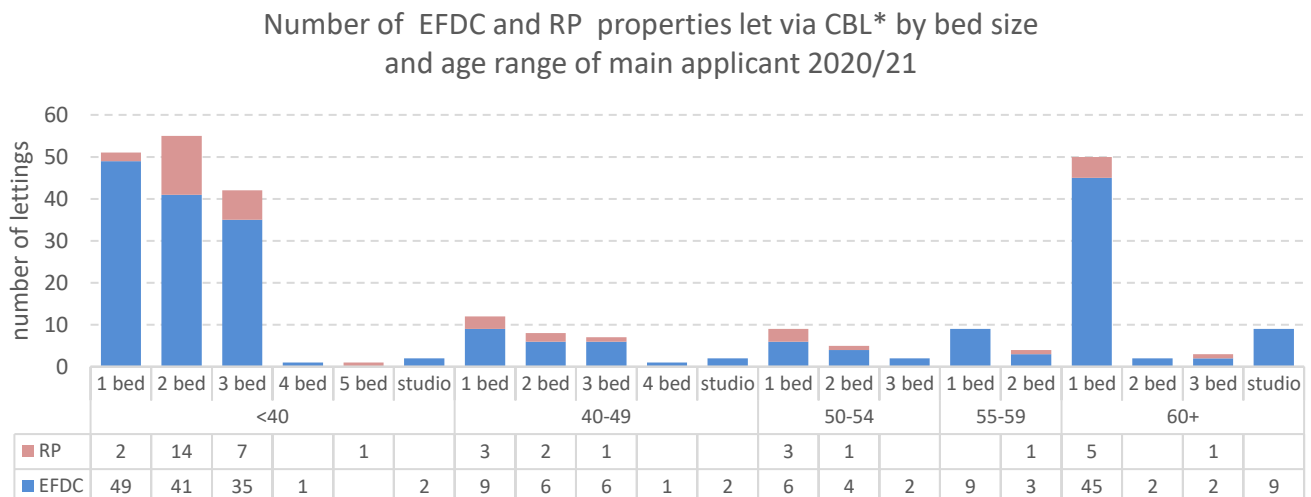


Fig.4

This comparison between the age of the main applicant and the size of the property is used to help with projecting the size, type and number of properties required to meet future demand.

\*The data in Fig 4 and Fig 5 relates to households that moved via CBL and does not include the 122 direct allocations that were made to management transfers and homeless households.



## Percentage of properties let by priority band in 2020/21

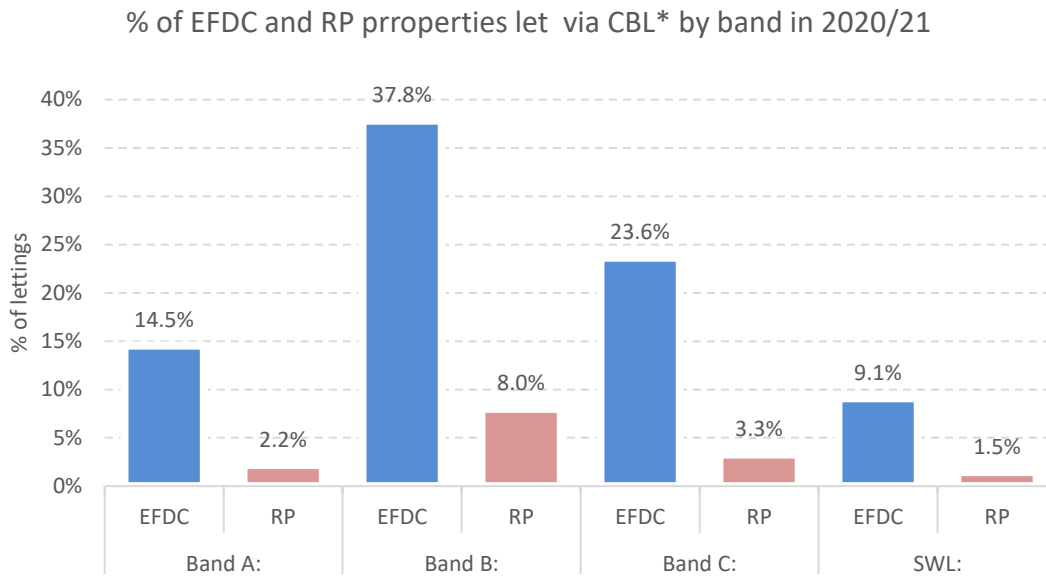


Fig.5

The majority of properties were let to applicants in band B.

## Applicant categories

Applicants fall into three categories:

**Direct applicants** – Homeseekers, the majority of whom are households currently renting in the private sector or living with their family.

**Transfer applicants** – Existing Council or RP tenants seeking a move to another property.

**Homeless applicants** – Homeless households that EFDC has accepted a legal duty to house, the majority of whom will be in temporary accommodation.

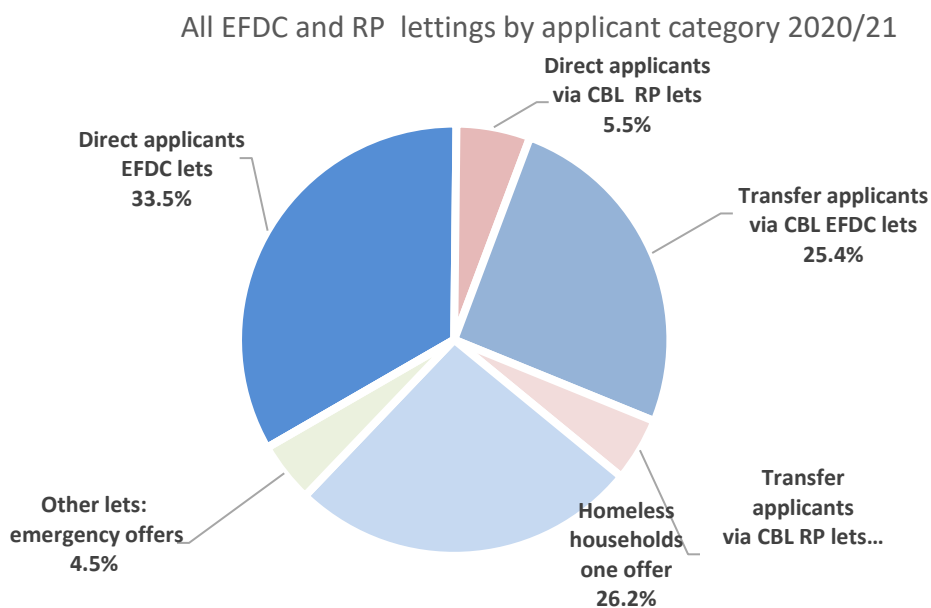


Fig.6

## Accessibility and adaptations in 2020/21

A significant number of households include one or more occupants with disabilities. Most commonly mobility is restricted, and a property is required with level access such as a bungalow or ground floor flat. Occasionally additional adaptations may be necessary such as a level-access shower, handrails, a stair lift or a fully wheelchair adapted property.

When adapted properties become available to let then households with an identified need for those specific adaptations are usually prioritised above households without that need.

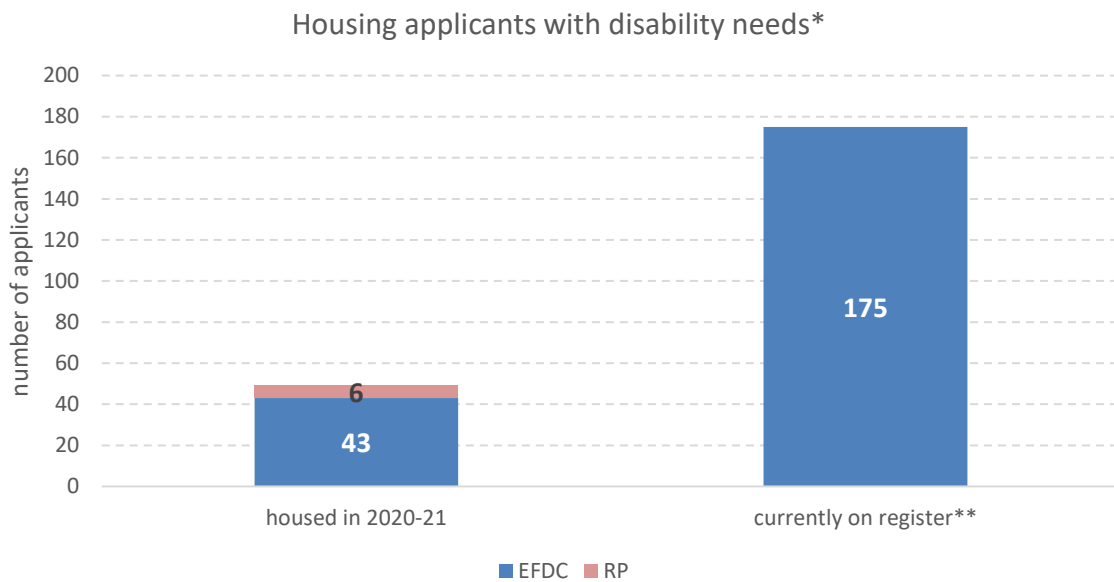


Fig.7

\*This data relates to all applicants who have identified a household member with a permanent physical disability including but not limited to those with supporting occupational health or medical evidence.

\*\* This data includes 35 applicants' households with a member who uses a wheelchair some or all the time.

## Waiting times to move via CBL by band in 2020/21

Waiting times for applicants to move to an EFDC or RP property via CBL in 2020/21

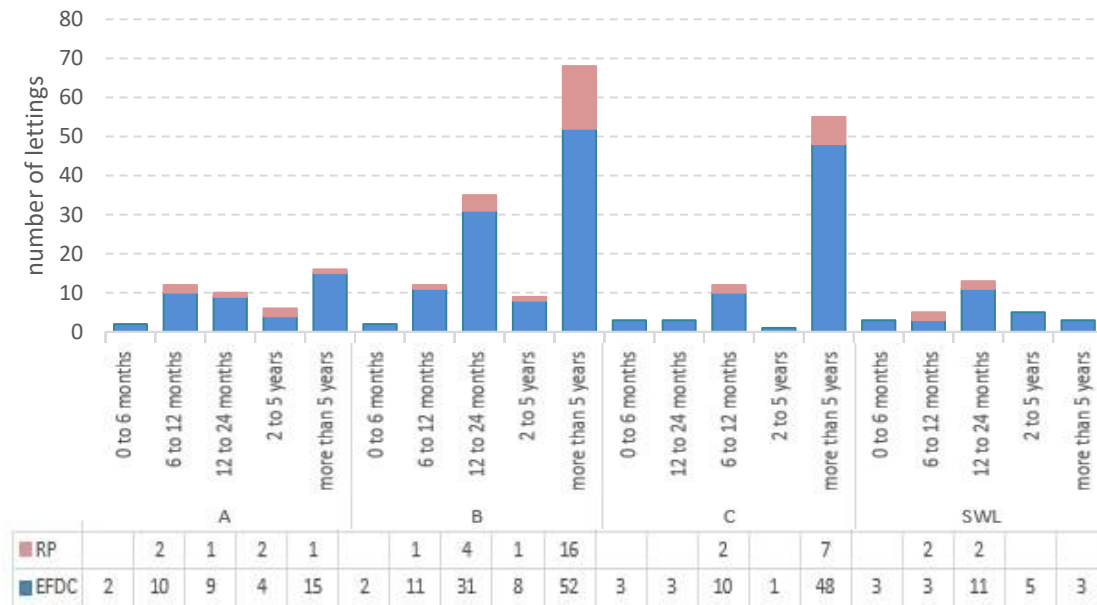


Fig.8

The above chart shows the number of months that households have waited to move to an EFDC or RP property via CBL.

The high number of households in band A that appear to have been waiting for longer than 12 months, and the very high number in band B waiting for longer than 5 years will have their applications reviewed to establish and (where possible) address the cause.

## Local connections in 2020/21

The following chart compares the percentage of lettings made to home seekers already living in EFDC with the percentage of lettings made to home seekers from other local authority areas.

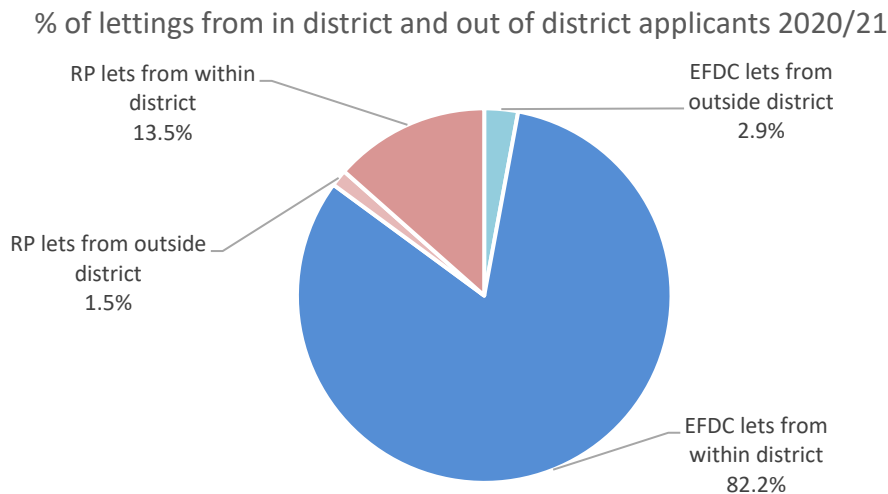


Fig.9

## Number of properties let via CBL by property type in 2020/21

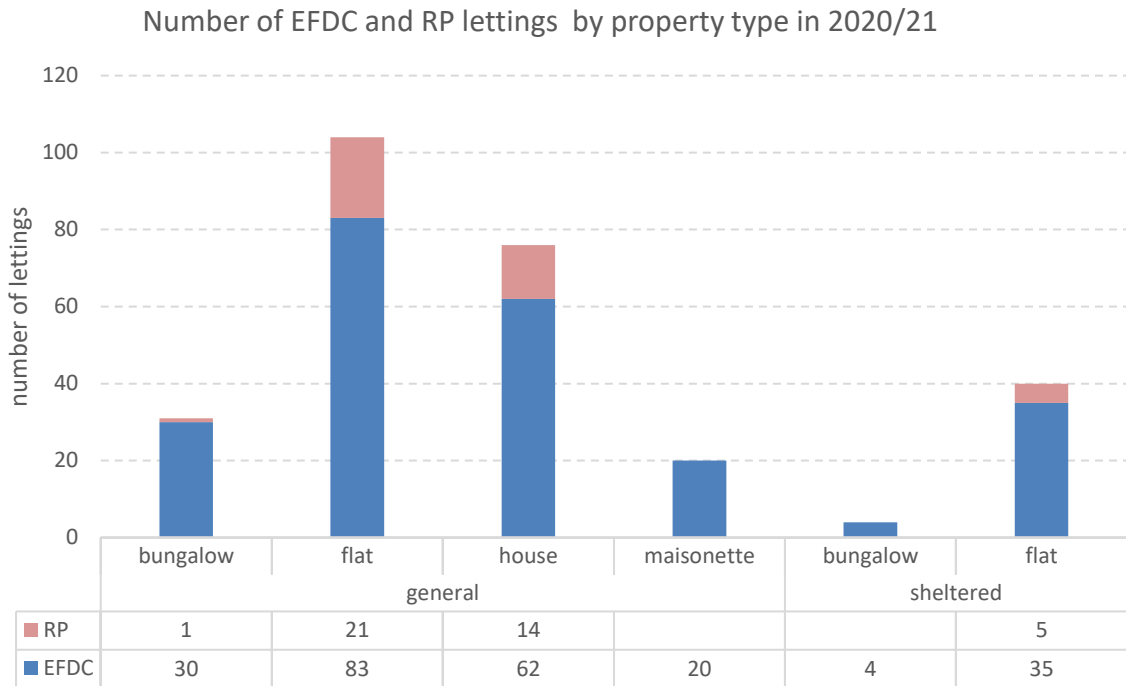


Fig.10

Most properties that were let via CBL in 2020/21 were flats, followed by houses then bungalows.

Invariably sheltered housing properties are flats in purpose-built schemes designed for older people, although the Council does have some individual properties (usually bungalows) that are linked to neighbouring sheltered schemes.

## Percentage of EFDC and RP new - build lets compared with re-lets in 2020/21

The graph below compares lettings of new-build Council and RP housing with the re-letting of existing Council and RP stock.

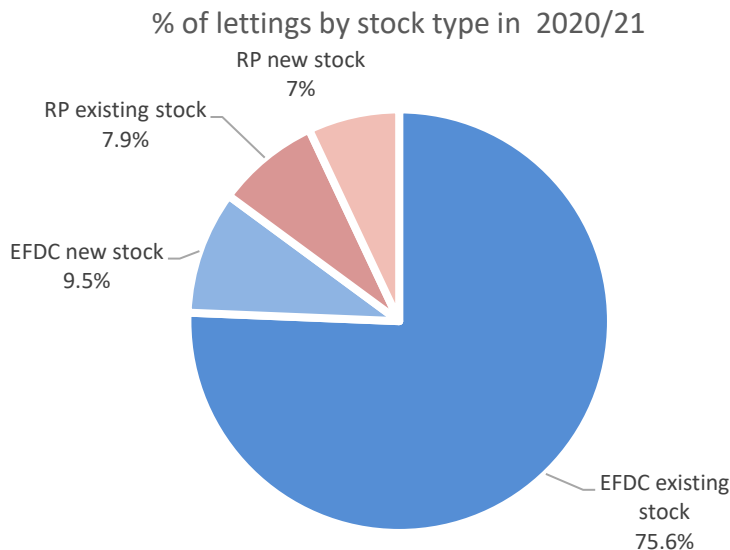


Fig.11

## Members of the Armed Forces or their bereaved partners

Number of members of the Armed Forces or their bereaved partners on the housing register or housed in 2020/21

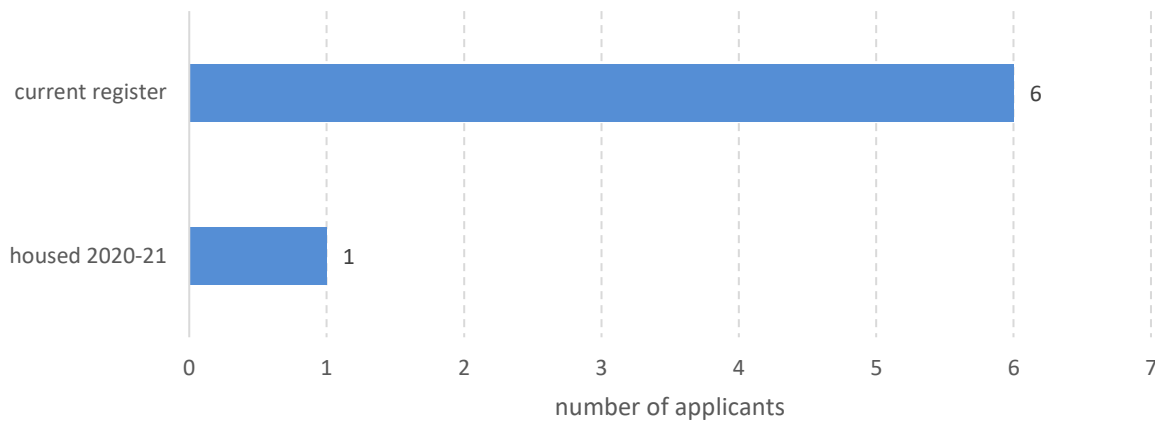


Fig. 12

Members of the Armed Forces and former members of the Armed Forces, or their bereaved partners are given specific consideration and priority is awarded based on their circumstances in relation to their service.

## Number of mutual exchanges by year between 2016/17 and 2020/21

Year	Total	Intra- district	Inter - district
<b>2020/21</b>	<b>69</b>	<b>59</b>	<b>10</b>
2019/20	74	63	11
2018/19	96	82	14
2017/18	92	82	10
2016/17	75	63	12

Fig.13

The vast majority of mutual exchanges over the last five years have been between tenants who already live in the district.

## Number of Right to Buy Sales by year between 2016/17 and 2020/21

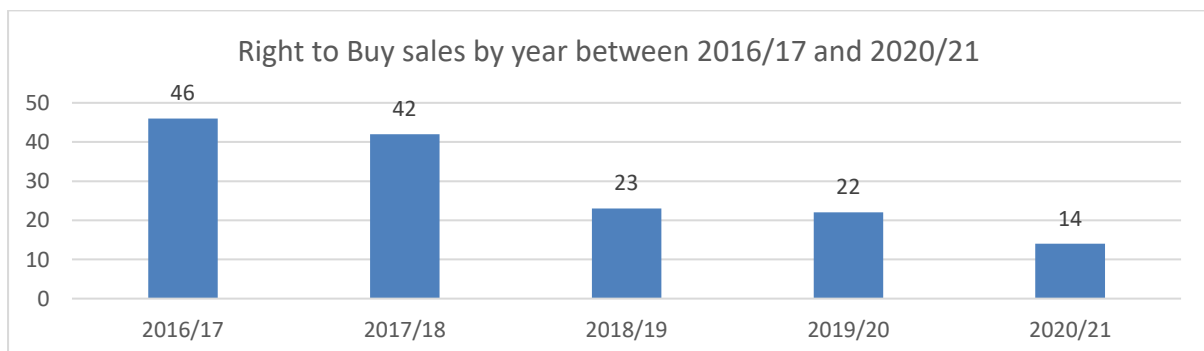


Fig. 14

There has been a steady reduction in the number of RTB sales per annum since 2016/17.

**Ethnic profile of households who moved via CBL in 2020/21 compared with the ethnic profile of the general EFDC population as recorded in the 2011 Census**

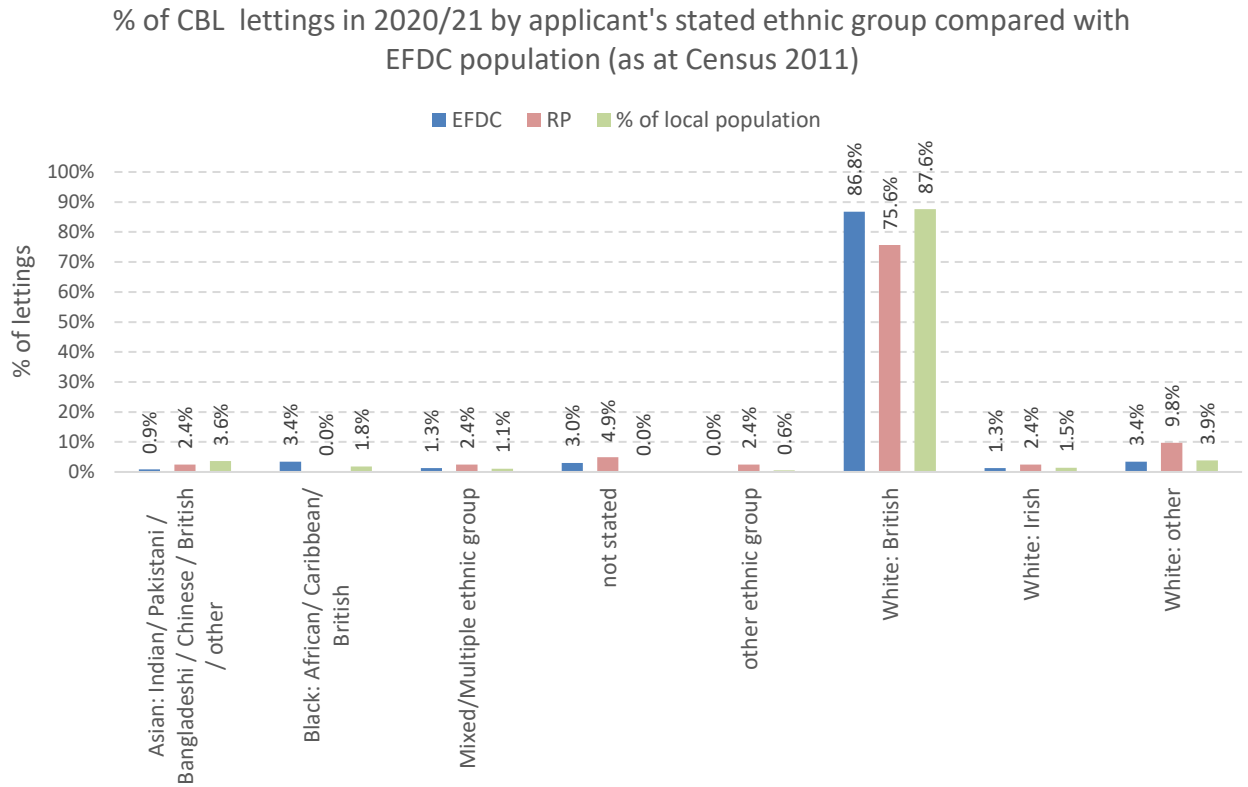


Fig.15

The ethnic profiling data comparison may not be robust enough to draw firm conclusions as the comparison is between current information for people who moved via CBL with 2011 Census statistics for the general population of EFDC.

More meaningful analysis can be undertaken once the 2021 Census data is published.

## Applicants on the housing register by year between 2016/17 and 2020/21

This is a snapshot per annum as at 1 April of the total number of active applicants on the housing register between 2016/17 and 2020/21.

Year	Total Active Applicants
2020/21	1,555
2019/20	1,291
2018/19	1,494
2017/18	1,376
2016/17	1,353

Fig.16

## Applicants on the housing register by band as at 1 April 2021

The chart below gives a snapshot as at 1 April 2021 of the number of home seekers in each band waiting to move, by the size of property that they require.

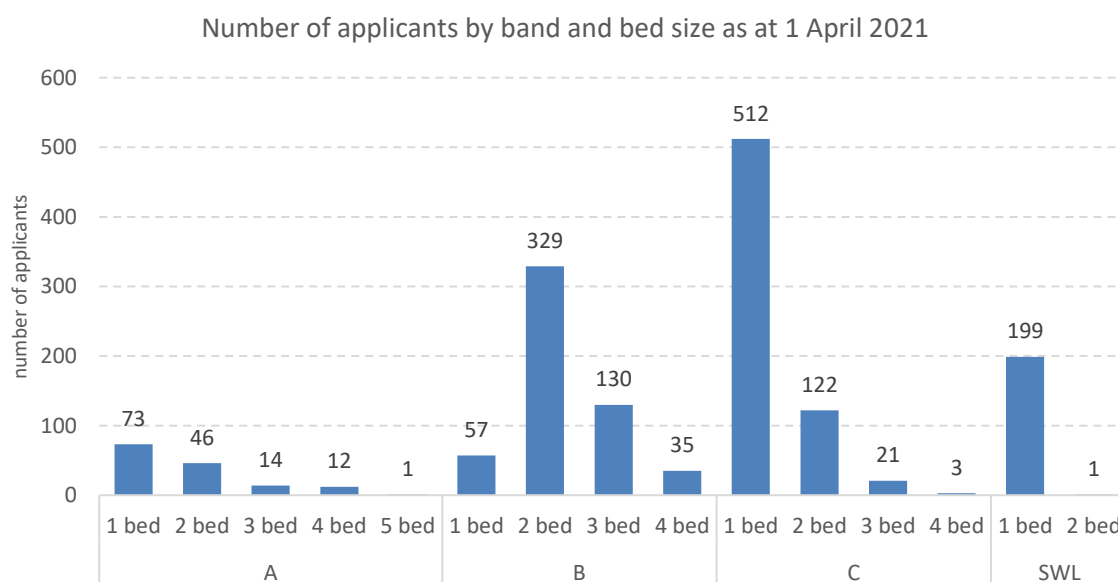


Fig. 17

There were 146 applicants in band A, 551 applicants in band B and 658 applicants in band C. An additional 200 applicants were on the Supplementary Waiting List.

The demand from band A applicants is mainly for 1 bed properties. The overwhelming demand from band B applicants is for 2-bed family sized accommodation.

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 Communities and Wellbeing  
 Epping Forest District Council  
 Civic Offices, High Street, Epping  
 Essex CM16 4BZ

[www.eppingforestdc.gov.uk](http://www.eppingforestdc.gov.uk)

June 2021

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## ***Report to the Council***

**Committee:** Cabinet  
**Date:** 29 July 2021  
**Subject:** Planning and Sustainability Portfolio  
**Portfolio Holder:** Councillor Nigel Bedford

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### **Recommending:**

**That the report of the Planning and Sustainability Portfolio Holder be noted.**

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### **Local Plan progress update**

Following the hearing sessions for the Independent Examination of the Local Plan, the Inspector released her Advice on 2 August 2019. Within her advice the Inspector set out a number of actions which needed to be addressed in the form of Main Modifications (MMs) to the Local Plan.

The proposed Main Modifications are set out in a single document. This includes modifications relating to the Local Plan Submission Version (LPSV) 2017 and all its appendices, including Appendix 6 (site allocation).

The MMs do not alter the strategy of the LPSV (2017) (i.e. that focus of growth is in the Garden Communities around Harlow and at the larger settlements within EFDC) with a strong emphasis on the use of previously developed land and minimising the loss of Green Belt. The MMs do not propose any new residential, traveller or employment site allocations to the LPSV (2017). Some MMs are also made to pick up on drafting inaccuracies or are factual updates required.

The MMs consultation is an opportunity for people to make representations on the proposed changes to the published LPSV 2017, including the supporting documents that have informed these changes.

It had been anticipated that the consultation would be launched on 8<sup>th</sup> July. However, at the time of producing this report, there is a short delay to the start of the Main Modifications consultation as the Council is working with the Inspector to finalise all elements, including responding to supplementary questions. Members will be informed as soon as we have confirmed a new launch date.

Early briefings have been completed with Full Council (28<sup>th</sup> June) and Town and Parish Council briefing (8<sup>th</sup> July).

Following the consultation, the Council will forward all representations to the Planning Inspector for her consideration. The Council is also required to consider the responses to each MM and provide a summary Council response per MM. Once the Inspector has considered the responses, including the evidence presented throughout the duration of the Examination, she will determine whether the Local Plan is 'sound' and produce a written report outlining her final recommendations. Following receipt of the Inspector's report, the Plan can be formally

adopted by the Council. It should be noted that the Planning Inspector is able to call further hearing sessions if she determines that they are required.

### **1. Housing Action Plan**

Annually, MHCLG publishes a Housing Delivery Test (HDT) measurement which calculates the number of new homes built in the past 3 financial years and divides this by the number of new homes required. The latest Housing Delivery Test (HDT), published in January 2021, calculates the HDT measurement for Epping Forest between April 2017 to March 2020 as 49%. As the HDT is below 95%, the Council is required to prepare a Housing Action Plan.

The reasons for under delivery, below MHCLG's requirement figure, include planning applications being held in abeyance pending the identification of an acceptable air quality mitigation strategy to manage the adverse effects of atmospheric pollution arising from additional vehicles using roads in the vicinity of the EFSAC. It also includes the delayed submission of the Local Plan (LPSV), primarily because of a judicial review and the consequential delay to the adoption of the Local Plan, which has impacted upon the delivery of Local Plan allocations and commitments.

The Draft Housing Action Plan was considered at the Cabinet meeting on 12<sup>th</sup> July and builds upon the Council's Housing Implementation Strategy (HIS) Update 2019 (EB410A).

Key interventions to accelerate housing delivery include the adoption of the Local Plan, thereby releasing housing allocations for development, the focused work on major sites and masterplanning through a dedicated Implementation Team, the Council's House Building Programme and its development company – Qualis.

### **2. Neighbourhood Planning**

Neighbourhood Planning gives communities direct power to develop a shared vision for their neighbourhood and deliver the sustainable development they need. Local Planning Authorities are required to facilitate Neighbourhood Planning and constructively engage with communities throughout the process.

On 25 May 2021 Lambourne Parish Council wrote to the Council to request the designation of the whole Parish of Lambourne as a neighbourhood area. The Local Plan Area was approved on 10<sup>th</sup> June 2021. The Policy Team are also working with Waltham Abbey and North Weald Bassett Neighbourhood Plans.

The Planning Policy Team are also working with the Rural Community Council of Essex (RCCE) to deliver support to Town and Parish Councils in producing Neighbourhood plan and also Design Statements. RCCE takes on the role of enabler and facilitator, ensuring that local residents genuinely lead the decision making process.

### **3. Harlow and Gilston Garden Town (HGGT)**

The HGGT project is now moving towards a focus on the delivery phase of the project. One of the key priorities is the design and implementation of appropriate governance arrangements. Naisha Polaine was appointed to the position of HGGT Director in April this year. She and the team are spearheading a review of the current challenges facing the informal partnership of five local authorities that together make up the Harlow and Gilston Garden Town and scoping out what the next iteration of the partnership is. This formalisation of the partnership will allow the respective corporate risks and demands on the individual authorities to be shared and accounted for. It will also allow the combined strength of the partnership to be fully mobilised to realise the immense opportunity to deliver a nationally groundbreaking model of local co-operation, delivering large-scale growth and regeneration at pace. It may well also open other avenues of public and private sector funding sources.

A recommendation was presented to the June Garden Town Board for a Lead Member led Governance Task and Finish Group to be established as soon as possible. This will consider, design, and propose the joint-working arrangements for the Partnership going forward, consisting of a lead member and a lead officer from each of the partner Authorities, and present the Governance recommendations to the wider HGGT Partnership Board by August 2021.

#### **4. Development Management**

##### **Planning Applications**

Work continues to release planning decisions held back by the Epping Forest Special Area of Conservation and 16 planning permission have been released, subject to appropriate air quality mitigation measures, unlocking 42 dwelling to contribute to the housing stock of the District. DDMC also agreed at their 7 July meeting to the release of 3 further applications that equates to an additional 40 dwellings.

There were two notable planning decisions made in the last month.

The first by Next, who submitted a planning application at Dowding Way, Waltham Abbey proposing the erection of a warehouse (Use Class B8) with ancillary accommodation & photo studio (sui generis); a multi-storey car park with associated bridge link, a signalised junction to A121 and shared foot and cycle links including a connection to the Public Right of Way network, was refused after a four hour long Full Council Extraordinary Meeting on 24 June 2021, against officer advice and recommendation, so we await now the inevitable appeal against this eight reason refusal.

Second, following a public inquiry concerning two planning applications on the Epping Forest College and Borders Lane sites, The Inspector allowed both appeals on 15 June 2021. These sites are for allocation in the emerging Local Plan under ref: LOU.R4 (Borders Lane Playing Fields) and LOU.R9 (Land at Former Epping Forest College) and proposed 139 residential units on the “middle site” on the north side of Borders Lane next to the College site and (planning application ref: EPF/2905/19) and 285 residential dwellings and Wellness Centre (Use Class D1) at Former Playing Fields, Epping Forest College, Borders Lane (planning application ref: EPF/0379/20).

Both appeals were against the non-determination of the planning applications by the Local Planning Authority, however, the Council asserted during the appeal that had the LPA determined the planning applications that they would have been refused. Both appeals were being challenged on the grounds of design/character and poor level of amenity for future occupiers; adverse impact on the SAC; viability and the absence of infrastructure (education, health, highway, open space and community facilities). The Borders Lane playing fields appeal was also being challenged on the grounds of over provision of car parking, contrary to the site specific requirements of the emerging Local Plan policy LOU.R4.

The Appeal Inspector concluded that he found no conflict with the Council’s policies and he identified that as the District has a substantial shortfall in housing delivery there would be very significant benefits arise from the early delivery of housing on these sites. He gave substantial weight to the emerging Local Plan.

Whilst not stated specifically by the Inspector, other deciding factors no doubt was that the sites are located in sustainable locations with close proximity to a local shopping centre, public transport including Debden tube station, education and open space (Roding Valley Nature

Reserve and playing fields) and it is not taking up Green Belt land, plus both sites are allocated in the emerging local plan for residential.

In addition, by the close of the appeal, the Council had negotiated with the appellant and agreed a position in respect of the package of measures required to mitigate the impact on the SAC, which included 50% EV charging points. The Council had also agreed on a 'without prejudice basis' a package of planning obligations within a signed S106 agreement that included 22 affordable units for Appeal A, 85 affordable units for Appeal B, a financial contributions towards early years, secondary education, GP surgeries, site specific green infrastructure projects, EFSAC recreational pressure and air pollution mitigation, and off-site affordable housing contribution. The proposals also included the provision of the Wellness Centre at an approximate cost of £4.7 million.

### **Planning Enforcement**

During the month of June the Development Management Service undertook a consultation on an update Local Enforcement Plan. All District Council Members were invited to comment, as well as all EFDC Town and Parish Councils. Three responses were received, so it is planned that the updated Local Enforcement Plan will be formally adopted in July 2021 by Portfolio Holder sign-off.

The Planning Enforcement team secured another successful prosecution on 18 May 2021 at Southend Magistrates Court when a transgressor pleaded guilty to breaching the requirements to remove assault course structures, hard standing and associated materials from land at Lyngs Farm, Nupers Hatch Stapleford Abbots. The transgressor was fined £1428 and ordered to pay costs of £1742 and a victim surcharge of £140.

### **5. Portfolio Holder Advisory Group on Air Pollution Mitigation Strategy**

In addition to the delivery of the environmental and air quality strategies supporting the Local Plan, as you are aware, I have drawn together an advisory group to include opposition party members and contribution for Essex County Council and the Corporation of London, of which so far, three meetings have taken place.

I can report that considerable progress has been made by the group since its inception and there are several additional ideas and suggestions made by the group in addition to those in the Interim APMS that are currently being investigated prior to possible implementation. However, the groups success will be heavily dependent on the ideas generated by the group, the evaluation of these ideas and advice given on their implementation. All members of the group are thanked so far for their contributions to date but will need to remain active in this regard over the following months.

A progress report will be submitted to the (date to be inserted) Cabinet Meeting.

## ***Report to the Council***

**Committee:** Council

**Date:** 29<sup>th</sup> July 2021

**Subject:** Qualis 4 Year Business Plan 2021/22 to 2024/25

**Portfolio Holder:** Finance, Qualis Client and Economic Development – Cllr J. Philip

---

### **Recommendations/Decisions Required:**

**That Council approves;**

- (1) The Qualis 2021/22 to 2024/25 4 Year Business Plan.**
- (2) A variation to its approved Capital Programme so as to include £35 million for regeneration loan requested by Qualis in 2021/22.**
- (3) Request Audit and Governance Committee to review both the Operational Boundary and the Approved Limit contained within the Treasury Management and Investment Strategies and to give approval to these being increased by up to the requested £35 million if the Committee considers this necessary.**

### **1. Executive Summary**

- 1.1. Cabinet considered the attached Qualis 2021/22 to 2024/25 4 Year Business Plan Report at its meeting on 12<sup>th</sup> July 2021 and has Recommended to Council that the Plan be approved, including all the specific permissions that are set out in the report.
- 1.2. The Governance framework for Qualis, as agreed by Cabinet in February 2020, set the requirement that Qualis should seek agreement from its sole Shareholder (Epping Forest District Council) for its proposed activities each year. The proposed activities are to be set out in the form of an annual Business Plan, which sets out the immediate priorities, and a 4-year rolling Plan, which sets out the Strategic direction Qualis intends to follow.
- 1.3. The Council was presented with the Qualis single year Business Plan at its meeting in December 2020. However, at that time, the newly appointed Board of Qualis needed time to consider its medium and longer term strategy and requested an extension of a few months to work-up their plans.
- 1.4. This report presents the 4 Year Qualis Business Plan and seeks the Council's permission to adopt this as its direction and focus.
- 1.5. The report presented to Cabinet, comprising the Business Plan and a cover report, including a commentary by the Council's S151, is attached as Appendix A and B.

- 1.6. If the Council is minded to approve the Business Plan, then the approval will also require Council to agree some specific actions relating to the borrowing request made by Qualis in order that it can deliver its Business Plan.
- 1.7. The Business Plan includes the request for a new regeneration loan of £35 million from the Council, potentially to be drawn down during the current financial year. In order to agree to this request, the Council will need to vary its existing Capital Programme, which it approved in February 2021, as any lending for a capital purposes constitutes capital expenditure.
- 1.8. In practice, the loan is likely to be drawn down in tranches and whilst this might commence from later this year, it is expected that the full drawdown would probably occur over a number of years. The Council will also need to amend elements of the Treasury Management and Investment strategies in order to accommodate the additional borrowing requirement associated with the request. Audit Governance Committee undertake a mid-year review of these strategies and should be asked to consider whether this additional expenditure requirement can be accommodated or whether the limits will need to be increased by an amount up to the value of the additional expenditure.
- 1.9. To ensure that the lending by the Council is at market rates, it will need to add a lenders margin. As a result, the repayments by Qualis will more than cover the Council's cost of borrowing and therefore the net impact on the Council's General Fund will be positive.
- 1.10. The cover report to Cabinet is attached as Appendix A and the detailed Qualis 4 Year Business Plan is attached as Appendix B.

## **2. Resource Implications**

- 2.1. These are covered in this report and the two appendices.

## **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**

Group Company Governance Document – Cabinet 6 February 2020



# QUALIS GROUP FOUR YEAR BUSINESS PLAN

1st October 2021 to  
30th September 2025



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# 1. Introduction

Qualis Group Limited (Qualis), which is wholly owned by Epping Forest District Council (EFDC), was established in 2019. It is the Council's property company that operates with flexibility and commercial focus to generate returns that support key services and regeneration.

Core activities include:

- Development
- Investment
- Property Asset Management
- Facilities Management (FM)

Qualis will contribute to the Council's objective to create more jobs, grow the local economy, improve housing and public amenities.

Through the planning process and public consultation we are able to identify key priorities for the local area and its residents.

We welcome stakeholder input to ensure that company activities provide maximum benefit to the community.

The company is currently working to deliver against agreed objectives as set out in the one year (2020-2021) Business Plan. The four year plan provides details on the next phase and sets out key targets and growth opportunities.

The financial plan in section 5 covers the approach, assumptions and key financial information for the Group and each subsidiary.

**Since the company became operational in September 2020, Qualis has;**

- Submitted planning applications for the five initial Epping sites including; St John's Road, Cottis Lane and Bakers Lane car parks, Conder and Hemnall Street.
- Completed public consultation for the Roundhills development in Waltham Abbey.
- Acquired two investment properties and agreed terms on a third investment.
- Provided financial benefits back to the Council.
- Set up Qualis Management and successfully transferred the housing repairs service from EFDC.
- Appointed the permanent leadership team and Group Board.

- Implemented robust corporate governance arrangements.
- Commenced the development of our Environmental Social Governance (ESG) and sustainability strategies.
- Established a Community Interest Company (CIC) and initiated stakeholder engagement.
- Identified a pipeline of development opportunities and services for transfer.
- Started the development of our corporate culture and introduced employee engagement initiatives.

**Over the next four years Qualis will aim to deliver:**

- The initial Epping Town Centre developments (subject to planning permission) providing approximately 270 new homes and a new car park that will allow the development of the Council's new leisure centre.
- Build 28 homes on the Roundhills site at Waltham Abbey.
- Explore how we will continue to invest in regeneration across the District, which includes a proposal for a further £35m loan facility from EFDC for site acquisitions.
- Undertake further work to identify potential development and regeneration opportunities across the EFDC property portfolio.
- Continue to build the investment portfolio.
- Continue to grow Qualis Management through the implementation of additional repairs and maintenance workstreams (as agreed in the original Business Plan).
- Consider the benefits of transferring the additional services from the Council including; asset management, grounds maintenance, FM and housing contract services.
- Advance projects within Qualis Community, focussing on employment, sustainability and other key areas.

# 2. Organisational Structure

**Qualis Group Ltd is a private company limited by shares, incorporated in England and Wales. The Group structure is shown below:**

**Qualis Group** – is the parent company that has responsibility for the overall performance and governance of the subsidiary companies.

**Qualis Living** – is the property investment company that will own, manage, buy and sell assets to maximise returns for the Group.

**Qualis Commercial** – is the development company that will build schemes on land purchased from the Council or land acquired on the open market.

*We are currently reviewing the organisational structure with a view to identifying operational and financial efficiencies.*

**Qualis Management** – is the facilities management company that provides a range of services to the Council and will in future years offer services to neighbouring councils and in the private sector.

**Qualis Community** – is the community interest company that will support activities and projects that provide a direct benefit to the community.



### 3. Purpose

Qualis Group was established by EFDC in 2019 as the Council's property company. Its purpose is to ensure that the Council's objectives to create more jobs, grow the local economy, improve housing and public amenities are achieved.

With central government funding to councils being reduced, EFDC, like many other local authorities has embraced the trading company model that will deliver financial returns to the benefit of the Council and its residents.

**The primary objectives of the Group are unchanged from the 2020/2021 Business Plan**

- To bring forward the development of key sites to provide new homes, public amenities and business premises within the District.
- To act commercially to maximise profits within Qualis and deliver sustainable returns to the Council as Shareholder that will replace reduced Government funding.
- To deliver long-term value across all Group activities and positively impact communities, the environment and local economy.
- To build a highly effective team and create a corporate culture that empowers and inspires people to deliver excellence.

### 4. Governance

A governance framework has been put in place to enable the Group to effectively organise its operational, financial, risk management and reporting processes. These underpin the Group's plans, assign clear responsibilities and accountabilities ensuring effective decision making and compliance with relevant regulations and legal obligations.

Qualis has entered into a Shareholder Agreement with the Council. The Agreement sets out obligations of the parties and 'Reserved Matters' that Qualis Group Board cannot approve without separate consent from the Council.

The Council has appointed Andrew Small as the Section 151 Officer and Shareholder's representative, responsible for general monitoring, compliance and administration.

One year and four year Business Plans are submitted to the Council for approval. Quarterly financial and operational performance reports are also provided.

The permanent Board was appointed in October 2020 and is responsible for governance and oversight of all company activities. It is made up of nine members including –

**Paul ffolkes Davis**  
Independent Non-Executive Director & Chair

**Councillor Richard Bassett**  
Non-Executive Director

**Peter Baynham**  
Independent Non-Executive Director

**Georgina Blakemore**  
Non-Executive Director

**Councillor Howard Kauffman**  
Non-Executive Director

**Farooq Mohammed**  
Independent Non-Executive Director

**Sacha Jevans**  
Group Managing Director, Executive Director

**Paul Hewitt**  
Group Operations Director, Executive Director

**Nick Dawe**  
Group Finance Director, Executive Director

An annual Board and Committee programme is in place with standing and ad hoc agenda items. Meetings for all companies are currently held on a monthly basis.

The Managing Director of each subsidiary will be appointed as a Board Director for their respective company.

**The following Committee structure was introduced in February 2021:**

- Executive Committee
- Investment and Development Committee
- Audit and Risk Committee
- Remuneration, Nominations and Governance Committee

A Health, Safety and Sustainability Committee will be established during the next financial year.

# 5. Finance

## Expectation

The original expectation was that within five years of creating Qualis, the Group would be sustainable and returning profit from all its companies. The targets set were as follows:

- Qualis Group would make an annual return of 3% from supervision and other services provided to subsidiary companies.
- Qualis Living, from rental returns and associated services, would make an annual 6% net return on capital invested in buying property.
- Qualis Commercial developments would make an average 15% return on the capital employed to buy land, construct, and complete projects. A slightly lower return would be considered acceptable if a significant regeneration benefit was delivered.
- Qualis Management, from providing services to EFDC, other public bodies, private companies and individuals would make an annual 6% net return within five years of set-up.

EFDC as Shareholder would benefit from the success of Qualis as follows:

- Immediate benefit from the full interest margin from loans provided and a partial margin where cash loans are provided.
- Medium-term benefit from the provision of services where productivity improvements meet inflation costs and income generated from external sales allow discounts to be offered.
- Long-term benefit from dividends, although in the early years re-investment planned to allow Qualis to continue to grow.

## Approach

All figures and assumptions are agreed with the appropriate budget holder. In terms of the level of detail the following is expected:

- An annual detailed budget.
- The four year plan in outline detail.
- The thirty five year plan formulaic approach.

Developments undertaken by Qualis would be delivered quicker and more efficiently than would be the case if delivery of the project were by EFDC.

As a broad financial benchmark, the assumption is that services transferring from EFDC to Qualis will be delivered at the same or improved quality, more efficiently and raise up to 20% of income from non EFDC sources in the medium-term.

## Assumptions

The following assumptions sit behind the four year plan:

- Inflation, staff costs, increase by 2.5% per year.
- Inflation, non staff costs, increase by 2.5% per year.
- Inflation, construction costs, increase by 2.5% per year.
- Inflation, sale of property and rental uplift increase by 2.5% per year.
- Inter-company recharges are actioned at full costs plus a 3% surcharge, (pending confirmation of the correct approach to reflect HMRC compliance).
- Services provided from EFDC or supplied to EFDC attract a 3% surcharge, (pending confirmation of the correct approach to reflect HMRC compliance).
- Costs incurred in respect of developments are treated as income and expenditure until planning permission is granted, at which point the charges are treated as work in progress and transferred to the balance sheet.

- The underlying cost of money is expected at 2.5%, the cost of loans from EFDC is no greater than 4% and the cost of money from the market at 4%.
- Interest earned through investment activities at 1.5%.
- Loans are expected to continue to be available for local regeneration and redevelopment from EFDC.
- Loans from the market will be required for out of District investment.

# 5. Finance

## Broad Timing and Financial Assumptions

### Qualis Management

2021/22 Investment Asset Team  
Capital Works  
Electrical Testing  
Cyclical Decoration

2022/23 Gas- Breakdown and Servicing  
Aids and Adapts  
Grounds Maintenance

2023/24 Boiler Installation

2024/25 External Income Generation

### Qualis Living

2021/22 £5m externally funded asset purchases

2022/23 £10m externally funded asset purchases  
*Possible investment asset transfer from EFDC, not in figures*

2023/24 £20m externally funded asset purchases

2024/25 £40m a year investment

### Qualis Commercial

2021/22 Epping Sites and Roundhills already in train  
Pyrles Lane and two other development opportunities in figures

2022/23 *Possible advance of some pipeline projects, not in figures*

2023/24 *Possible advance of some pipeline projects, not in figures*

2024/25 *Possible advance of some pipeline projects, not in figures*

### Qualis Community

2021/22 Simple Business Plan showing scale of ambition

2022/23 Simple Business Plan showing scale of ambition

2023/24 Simple Business Plan showing scale of ambition

2024/25 Simple Business Plan showing scale of ambition

### Qualis Group

2021/22 Performance allowance 5%  
Statutory employer pension contribution plus 3%  
Two additional transactional employees

2022/23 As above

2023/24 As above

2024/25 As above

## 5. Finance

### Income and Expenditure Summary View

The following figures have been calculated from the details submitted by the relevant budget holder.

Note:

- The figures exclude smaller specialist services that provide support to EFDC's Place Strategy.
- The benefit of the transfer of EFDC investment assets is excluded.
- The figures exclude predicted interest earned due to the volatility and the relatively small scale of the benefit.

Qualis Total	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	13,856,889	53,037,987	142,002,340	32,565,499
Total Expenditure	13,549,327	48,689,496	130,661,526	27,179,690
Profit/-Loss before Tax	307,561	4,348,492	11,340,814	5,385,809
Return	2.3%	8.9%	8.7%	19.8%

The figures show growing profitability delivered by increases in the range of services provided, a larger property investment portfolio and the completion of developments and subsequent sales. Corporation tax liabilities are subject to review and are not shown in the figures.

Qualis Management	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	9,185,726	12,899,262	14,078,890	14,685,863
Total Expenditure	9,120,799	12,494,149	13,514,987	13,853,239
Profit/-Loss before Tax	64,927	405,114	563,903	832,623
Return	0.7%	3.2%	4.2%	6.0%

- Qualis Management shows an increasing return as efficiency and external sales (subject to Teckal limitations) are gained.
- The figures include further transfers from EFDC (subject to approval).
- Estimated costs for resources to support the delivery of services to third parties have been included in the figures.

### Qualis Living

	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	2,229,150	2,929,150	4,329,150	7,129,150
Total Expenditure	2,054,930	2,513,263	3,254,930	4,854,930
Profit/-Loss before Tax	174,220	415,887	1,074,220	2,274,220
Return	8.5%	16.5%	33.0%	46.8%

- Qualis Living provides necessary short-term cash flow to the group whilst it is building a robust portfolio of assets.
- Future expansion of the portfolio will be reliant on obtaining finance from the market due to a change in the Public Works Loan Board lending criteria.
- To ensure maximum early cash flow, the portfolio is intended to be supported by loans repaid on maturity.
- The returns projected are based on the Company being able to sell assets within the time frames shown. The exact timing of those sales is not completely certain therefore the projected returns between 8.5% to 46.8% should be seen as indicative.

### Qualis Commercial

	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	1	34,298,048	120,062,552	7,723,013
Total Expenditure	1	30,939,508	110,729,370	5,539,126
Profit/-Loss before Tax	-	3,358,540	9,333,182	2,183,887
Return	0%	10.9%	8.4%	39.4%

- The figures show the anticipated profits to be made on the initial developments, Pyrles Lane in Loughton and other commercially sensitive opportunities.
- All costs are taken as work in progress from the grant of planning permission until completion of the project.
- The figures assume the sale of all completed developments, although these assets may be held to lease for rental income in whole or in part.
- Work has been undertaken to establish a pipeline of future projects, which are not shown in the figures, but could be brought forward.
- The returns from developments range from 0% to 39.4%. Returns in respect of any development are subject to uncertainties and risks (as noted in Section 10). In particular, returns are dependent upon timing, which may be subject to delay, such as the granting of planning permission.

## 5. Finance

Qualis Group	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	2,392,012	2,411,527	2,431,747	2,452,474
Total Expenditure	2,323,598	2,342,576	2,362,239	2,382,395
Profit/-Loss before Tax	68,414	68,951	69,508	70,079
Return	2.9%	2.9%	2.9%	2.9%

Includes costs associated with the Qualis Group Board, transactional and administrative support and some operational costs, such as IT and HR functions.

Qualis Community	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	50,000	500,000	1,100,000	575,000
Total Expenditure	50,000	400,000	800,000	550,000
Profit/-Loss before Tax	-	100,000	300,000	25,000
Return	0.0%	25.0%	37.5%	4.5%

An initial budget has been produced reflecting the potential to raise income currently not available to EFDC, or use income collected by EFDC for specific purposes, i.e. Section 106 contributions for environmental improvements.

Expenditure is related to specific projects.

### Balance Sheet

The balance sheet shows a growing net worth of the company despite it being initially set up on a highly leveraged basis. i.e., by loans.

By the 30th September 2025 the net worth of the company is expected to be £27m. This is achieved by a combination of growing operational income, the repayment of loans, and profit made from the sale of completed developments.

Assets purchased from the market are supported by a maturity loan rather than a repayment loan. This will require a sophisticated approach to portfolio management to maintain income and hold assets as maturity loans are repaid.

The Group continues to rely on loans from EFDC to support development activities. The option to repay some loans at the end of the four year period or to use cash receipts from sales to fund subsequent projects requires further discussion and analysis.

The summary balance sheet for Qualis Group is shown below

	2021/22	2022/23	2023/24	2024/25
Fixed Assets	35,000,000	45,000,000	65,000,000	105,000,000
Work in Progress	64,575,491	75,957,758	5,298,953	3,442,508
Debtors	70,000	77,000	84,700	93,170
Cash	24,565,406	47,198,298	126,031,253	132,106,841
Trade Creditors	-70,000	-77,000	-84,700	-93,170
Loan Balances	-123,833,333	-163,500,000	-180,333,333	-219,166,667
Net Assets and Liabilities	307,564	4,656,056	15,996,873	21,382,682
Share Capital	3	3	3	3
Profit and Loss	307,561	4,656,053	15,996,870	21,382,679
	307,564	4,656,056	15,996,873	21,382,682

## 5. Finance

### Cash Flow

Cash flow projections take into account income and expenditure performance, development, new loan facilities, and the repayment of existing loans, as well as interest receipts.

The success of the Group remains dependent on loans.

To allow continued investment out of District, loans from the market will be required.

To fund construction a further loan from EFDC of £65m is required as previously agreed. This figure is close to the original estimate. The loan is likely to be called down during 2021/22. EFDC will benefit from the loan margin by approximately £1m a year.

From 2023/2024, significant cash balances are forecast that would allow investment in future projects or early repayment of loans.

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					2021/22	2022/23	2023/24	2024/25
Cash Brought Forward					2,000,000	24,565,406	47,198,298	44,831,253
Operational Activities	Management	Income			9,185,726	12,899,262	14,078,890	14,685,863
		Expenditure			- 9,120,799	- 12,494,149	- 13,514,987	- 13,853,239
	Living	Income			2,229,150	2,929,150	4,329,150	7,129,150
		Expenditure			- 2,054,930	- 2,513,263	- 3,254,930	- 4,854,930
		Asset Purchase			5,000,000	- 10,000,000	- 20,000,000	- 40,000,000
	Commercial	Sales			4,932,422	49,744,629	87,459,059	7,723,013
		Development Cost			- 58,870,946	- 53,465,868	- 9,329,599	7,723,013
	Group	Income			2,392,012	2,411,527	2,431,747	- 8,905,538
		Expenditure			- 2,323,598	- 2,342,576	- 2,362,239	- 2,382,395
	Community	Income			50,000	500,000	1,100,000	575,000
		Expenditure			- 50,000	- 400,000	- 800,000	- 550,000
New Loans	Investment Asset 2	10		Market	Maturity	5,000,000		
	Investment Asset 3	10		Market	Maturity	10,000,000	10,000,000	
	Investment Asset 4	10		Market	Maturity	20,000,000		20,000,000
	Investment Asset 5	10		Market	Maturity	40,000,000		40,000,000
	Construction Loan 2	30	2021/22	EFDC	Repay	65,000,000	35,000,000	30,000,000
	Construction Loan 3	30	2022/23	EFDC	Repay	35,000,000	35,000,000	
	Construction Loan 4	30	2023/24	EFDC/Market	Repay	-		
	Construction Loan 5	30	2024/25	EFDC/Market	Repay	-		
Repay Loans	Investment Asset 1	10	2019/20	EFDC	Maturity	30,000,000	-	-
	Investment Asset 2	10	2021/22	Market	Maturity	20,000,000	-	-
	Investment Asset 3	10	2022/23	Market	Maturity	20,000,000	-	-
	Investment Asset 4	10	2023/24	Market	Maturity	20,000,000	-	-
	Investment Asset 5	10	2024/25	Market	Maturity	20,000,000	-	-
	Working Capital	6	2019/20	EFDC	Repay	6,000,000	- 1,200,000	- 1,200,000
	Asset Purchase Loan	30	2020/21	EFDC	Repay	18,000,000	- 600,000	- 600,000
	Construction Loan 1	30	2020/21	EFDC	Repay	6,000,000	- 200,000	- 200,000
	Construction Loan 2	30	2021/22	EFDC	Repay	65,000,000	- 2,166,667	- 2,166,667
	Construction Loan 3	30	2022/23	EFDC	Repay	35,000,000	- 1,166,667	- 1,166,667
	Construction Loan 4	30	2023/24	EFDC	Repay	-	-	-
	Construction Loan 5	30	2024/25	EFDC	Repay	-	-	- 80,000,000
Sub Total						24,202,371	46,500,786	44,168,722
Interest Earned	Accounts / Investments	1.50%				363,036	697,512	662,531
Cash Balance						24,565,406	47,198,298	44,831,253
EFDC Provided Loan Balances								
Taken						125,000,000	35,000,000	
Repaid / Reapplied						- 4,166,667	- 5,333,333	- 83,166,667
Balance						120,833,333	150,500,000	67,333,333

## 5. Finance

The tables below show the options available in relation to loans taken from EFDC.

The first option shows running out the loans as agreed.

### Option 1

EFDC Provided Loan Balances	2021/22	2022/23	2023/24	2024/25
Taken	125,000,000	35,000,000		
Repaid / Reapplied	-4,166,667	-5,333,333	-3,166,667	-3,166,667
Balance	120,833,333	150,500,000	147,333,333	144,166,667

The second option shows the impact of using cash to repay loans rather than reapply it to future projects.

### Option 2

EFDC Provided Loan Balances	2021/22	2022/23	2023/24	2024/25
Taken	125,000,000	35,000,000		
Repaid / Reapplied	-4,166,667	-5,333,333	-83,166,667	-3,166,667
Balance	120,833,333	150,500,000	67,333,333	64,166,667

### Property Investment Portfolio

The assumptions around the asset investment portfolio are set out below. It should be noted the figures shown relate to the additional asset investment made by Qualis only.

It is planned that a high performing portfolio returning 6% to 7% will continue to grow over the next four years.

The initial funding for the portfolio was provided by EFDC, sourced from funds made available by the Public Works Loans Board. Following recent changes, investment for yield no longer meets lending criteria.

Growth of the asset portfolio is highly dependent on loan finance from the market.

The net performance of the proposed portfolio is acceptable and capital growth is probable.



# 5. Finance

## Living summary

Financial Year			LEATHERHEAD	MALDON	COVENTRY	ASSET 4	ASSET 5, 6	ASSET 7-10	ASSET 11-18	TOTAL
		Inclusive Purchase Value	13,807,635	5,565,604	9,500,000	5,000,000	10,000,000	20,000,000	40,000,000	103,873,239
		Gross Return	6.50%	6.54%	6.50%	7.00%	7.00%	7.00%	7.00%	-
2021/22		Rent	897,650	364,000	617,500	350,000				2,229,150
Year 3		Other Income			-	-				-
		Total Income	897,650	364,000	617,500	350,000				2,229,150
	100,000	Living Overhead	4	25,000	25,000	25,000	25,000			100,000
	600,000	Group Overhead	4	150,000	150,000	150,000	150,000			600,000
		Financing Costs		552,305	222,624	380,000	200,000			1,354,930
		Total Costs		727,305	397,624	555,000	375,000			2,054,930
		Net Position		170,345	- 33,624	62,500	- 25,000			174,220
				1.23%	-0.60%	0.66%	-0.50%			0.17%
2022/23		Rent	897,650	364,000	617,500	350,000	700,000			2,929,150
Year 4		Other Income			-	-				-
Total		Income	897,650	364,000	617,500	350,000	700,000			2,929,150
	100,000	Living Overhead	6	16,667	16,667	16,667	25,000	33,333		108,333
	600,000	Group Overhead	6	100,000	100,000	100,000	150,000	200,000		650,000
		Financing Costs		552,305	222,624	380,000	200,000	400,000		1,754,930
		Total Costs		668,972	339,291	496,667	375,000	633,333		2,513,263
		Net Position		228,678	24,709	120,833	- 25,000	66,667		415,887
				1.66%	0.44%	1.27%	-0.50%	0.67%		0.95%
2023/24		Rent	897,650	364,000	617,500	350,000	700,000	1,400,000		4,329,150
Year 5		Other Income			-	-	-	-		-
		Total Income	897,650	364,000	617,500	350,000	700,000	1,400,000		4,329,150
	100,000	Living Overhead	10	10,000	10,000	10,000	10,000	20,000	40,000	100,000
	600,000	Group Overhead	10	60,000	60,000	60,000	60,000	120,000	240,000	600,000
		Financing Costs		552,305	222,624	380,000	200,000	400,000	800,000	2,554,930
		Total Costs		622,305	292,624	450,000	270,000	540,000	1,080,000	3,254,930
		Net Position		275,345	71,376	167,500	80,000	160,000	320,000	1,074,220
				1.99%	1.28%	1.76%	1.60%	1.60%	1.60%	1.03%
2024/25		Rent	897,650	364,000	617,500	350,000	700,000	1,400,000	2,800,000	7,129,150
Year 6		Other Income			-	-	-	-	-	-
		Total Income	897,650	364,000	617,500	350,000	700,000	1,400,000	2,800,000	7,129,150
	100,000	Living Overhead	18	5,556	5,556	5,556	11,111	22,222	44,444	100,000
	600,000	Group Overhead	18	33,333	33,333	33,333	66,667	133,333	266,667	600,000
		Financing Costs		552,305	222,624	380,000	200,000	400,000	800,000	4,154,930
		Total Costs		591,194	261,513	418,889	238,889	477,778	955,556	4,854,930
		Net Position		306,456	102,487	198,611	111,111	222,222	444,444	2,274,220
				2.22%	1.84%	2.09%	2.22%	2.22%	2.22%	2.19%
Performance				1.00%+	1.00%+	1.00%+	1.00%+	1.00%+	1.00%+	1.00%+
Loan Principle				Maturity	Maturity	Maturity	Maturity	Maturity	Maturity	Maturity
Net Cash In 2024/25										

## 5. Finance

### Development Sites

A financial summary for each of the initial developments is set out below.

The figures assume 25% affordable housing provision which is based on standard financial viability assessments, considerate to Shareholder profit expectations and other public good and benefits provided by the projects.

A pipeline of projects has been identified but is not included in the figures.

### Initial sites

Financial Year		BAKERS	COTTIS 1	CONDER	ST JOHNS	HEMNALL	ROUNDHILLS
Cumulative till 30/09/21	Sale Income						
Year 1 and 2	Other Income						
	Total Income	-	-	-	-	-	-
	Land		1,700,000	2,050,000	7,840,000	2,030,000	1,300,000
	Building Costs		920,662	844,365	1,435,125	470,067	330,170
	Fees	588,788	226,999	142,499	489,899	119,799	5,000
	Interest Costs		59,789	37,377	127,599	34,475	21,649
	Qualis Development Overhead						
	Qualis Group Overheads	678,712	750,712	750,712	750,712	750,712	221,502
	Total Costs	1,267,500	3,658,162	3,824,953	10,643,335	3,405,053	1,878,321
	Less Value Engineering	-	-	-	-	-	-
		-1,267,500	-3,658,162	-3,824,953	-10,643,335	-3,405,053	-1,878,321
2021/22	Sale Income			1,591,641	-		1,658,218
Year 3	Other Income						
	Total Income	-	-	1,591,641	-	-	1,658,218
	Land						
	Building Costs		8,274,455	7,934,478	19,451,825		6,910,462
	Fees		25,000				
	Interest Costs		314,284	199,497	549,552	107,772	148,251
	Qualis Development Overhead						
	Qualis Group Overheads		229,741	229,741	229,741	229,741	229,741
	Total Costs	-	8,843,480	8,363,716	20,231,118	337,513	7,288,454
	Less Value Engineering		221,087	209,093	505,778	8,438	182,211
		-	-8,622,393	-6,562,982	-19,725,340	-329,075	-5,448,025

## 5. Finance

Financial Year		BAKERS	COTTIS 1	CONDER	ST JOHNS	HEMNALL	ROUNDHILLS
<b>2022/23</b>	Sale Income		13,357,490	17,856,408	-		7,914,393
Year 4	Other Income						
	Total Income	-	13,357,490	17,856,408	-	-	7,914,393
	Land						
	Building Costs		1,084,170	5,230,498	23,332,155		635,315
	Fees						
	Interest Costs			291,425	537,247	112,147	80,478
	Qualis Development Overhead						
	Qualis Group Overheads		20,379	224,172	244,551	244,551	244,551
	Total Costs	-	1,104,549	5,746,095	24,113,953	356,698	960,344
	Less Value Engineering		27,614	143,652	602,849	8,917	24,009
		-	12,280,555	12,253,965	-23,511,104	-347,781	6,978,058
<b>2023/24</b>	Sale Income				54,558,473	202,078	900,000
Year 5	Other Income						
	Total Income	-	-	-	54,558,473	202,078	900,000
	Land						
	Building Costs				630,402	1,085,225	23,580
	Fees					24,999	
	Interest Costs				3,765	125,722	
	Qualis Development Overhead						
	Qualis Group Overheads				61,929	247,717	41,286
	Total Costs	-	-	-	696,096	1,483,663	64,866
	Less Value Engineering		-	-	17,402	37,092	1,622
		-	-	-	53,879,779	-1,244,493	836,756
<b>2024/25</b>	Sale Income					1,636,835	
Year 6	Other Income						
	Total Income	-	-	-		1,636,835	-
	Land						
	Building Costs					8,244,563	
	Fees						
	Interest Costs					266,072	
	Qualis Development Overhead						
	Qualis Group Overheads					250,963	
	Total Costs	-	-	-	-	8,761,598	-
	Less Value Engineering		-	-	-	219,040	-
		-	-	-	-	-6,905,723	-

## 5. Finance

Financial Year		BAKERS	COTTIS 1	CONDER	ST JOHNS	HEMNALL	ROUNDHILLS
<b>Total</b>	Sale Income	-	14,849,999	19,448,049	59,406,354	15,700,331	10,472,611
Including years	Other Income	-	-	-	-	-	-
after 2024/25	Total Income	1,267,500	14,849,999	19,448,049	59,406,354	15,700,331	10,472,611
	Land	-	1,700,000	2,050,000	7,840,000	2,030,000	1,300,000
	Building Costs	-	10,279,287	14,009,341	44,849,507	10,978,566	7,899,527
	Fees	588,788	251,999	142,499	489,899	144,798	5,000
	Interest Costs	-	374,073	528,299	1,218,163	765,865	250,378
	Qualis Development Overhead	-	-	-	-	-	-
	Qualis Group Overheads	678,712	1,000,832	1,204,625	1,286,933	1,850,302	737,080
	Total Costs	1,267,500	13,606,191	17,934,764	55,684,502	15,769,531	10,191,985
	Less Value Engineering	-	248,701	352,745	1,126,029	309,112	207,842
		-	1,492,509	1,866,031	4,847,881	239,912	488,468
	Real Return Inclusive of Funding Costs and Overheads at 25% Affordable	0.00%	10.97%	10.40%	8.71%	1.52%	4.79%
	Sale Value Based on Lease Value		14,849,999		59,406,354		
	Sale Value at Cost		12,231,286		53,179,406		
	Implied Return		21.41%		11.71%		
	Income and Expenditure Charge Across						
2021/22	Income	-					
	Expenditure Net						
2022/23	Income		14,849,999	19,448,049			
	Expenditure Net		13,357,490	17,582,018			
2023/24	Income				59,406,354		10,472,611
	Expenditure Net				54,558,473		9,984,143
2024/25	Income	-	-	-	-	1,636,835	-
	Expenditure Net	-	-	-	-	8,542,558	-

## 5. Finance

### Following Opportunities

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
<b>Cumulative till 30/09/21</b>	Sale Income					-	-
Year 1 and 2	Other Income					-	-
	Total Income	-	-	-	-	-	-
	Land	1,600,000	1,700,000			18,220,000	18,220,000
	Building Costs	368,380		60,000		4,428,769	4,428,769
	Fees	800,499		30,000		2,403,483	2,403,483
	Interest Costs	20,558				301,447	301,447
	Qualis Development Overhead					-	-
	Qualis Group Overheads	221,502			221,502	4,346,065	4,346,065
	Total Costs	3,010,939	1,700,000	-	311,502	29,699,764	29,699,764
	Less Value Engineering	-	-	-	-	-	-
		-3,010,939	-1,700,000	-	-311,502	-29,699,764	-29,699,764
<b>2021/22</b>	Sale Income	941,163			433,400	4,624,422	4,624,422
Year 3	Other Income			308,000		308,000	308,000
	Total Income	941,163	-	308,000	433,400	4,932,422	4,932,422
	Land			8,297,240		8,297,240	26,517,240
	Building Costs	3,669,466			198,723	46,439,409	50,868,178
	Fees			434,360		459,360	2,862,843
	Interest Costs	132,142		318,249	67,262	1,837,009	2,138,456
	Qualis Development Overhead					-	-
	Qualis Group Overheads	229,741		229,741	229,741	1,837,928	6,183,993
	Total Costs	4,031,349	-	9,279,590	495,726	58,870,946	88,570,710
	Less Value Engineering	100,784	-	231,990	12,393	1,471,774	1,471,774
		-2,989,402	-	-8,739,600	-49,933	-52,466,750	-83,638,288

## 5. Finance

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
<b>2022/23</b>	Sale Income	7,896,313			2,720,025	49,744,629	54,369,051
Year 4	Other Income					-	308,000
	Total Income	7,896,313	-	-	2,720,025	49,744,629	54,677,051
	Land					-	26,517,240
	Building Costs	5,979,592	2,673,160	6,409,290	4,311,740	49,655,920	100,524,098
	Fees					-	2,862,843
	Interest Costs	262,247	27,087	450,817	112,471	1,873,919	4,012,375
	Qualis Development Overhead					-	-
	Qualis Group Overheads	244,551	224,172	244,551	244,551	1,936,029	8,120,022
	Total Costs	6,486,390	2,924,419	7,104,658	4,668,762	53,465,868	142,036,578
	Less Value Engineering	162,160	73,110	177,616	116,719	1,336,647	2,808,420
		1,572,083	-2,851,309	-6,927,042	-1,832,018	-2,384,592	-87,359,527
<b>2023/24</b>	Sale Income	6,574,992	5,410,474	15,553,567	4,259,475	87,459,059	141,828,109
Year 5	Other Income					-	308,000
	Total Income	6,574,992	5,410,474	15,553,567	4,259,475	87,459,059	142,136,109
	Land					-	26,517,240
	Building Costs	172,246	2,436,382	3,007,787	78,885	7,434,507	107,958,605
	Fees					24,999	2,887,842
	Interest Costs	49,367	71,999	510,079	15,077	776,009	4,788,384
	Qualis Development Overhead					-	-
	Qualis Group Overheads	247,717	144,502	247,717	103,216	1,094,084	9,214,106
	Total Costs	469,330	2,652,883	3,765,583	197,178	9,329,599	151,366,177
	Less Value Engineering	11,733	66,322	94,140	4,929	233,240	3,041,660
		6,117,395	2,823,913	11,882,124	4,067,226	78,362,699	-9,230,068

## 5. Finance

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
<b>2024/25</b>	Sale Income			6,086,178		7,723,013	149,551,122
Year 6	Other Income					-	308,000
	Total Income	-	-	6,086,178	-	7,723,013	149,859,122
	Land					-	26,517,240
	Building Costs			76,074		8,320,637	116,279,242
	Fees					-	2,887,842
	Interest Costs			5,125		271,197	5,059,581
	Qualis Development Overhead					-	-
	Qualis Group Overheads			62,741		313,704	9,527,810
	Total Costs	-	-	143,940	-	8,905,538	160,271,715
	Less Value Engineering	-	-	3,599	-	222,638	3,264,299
		-	-	5,945,837	-	-959,887	-10,412,593
<b>Total</b>	Sale Income	15,412,468	5,410,474	21,639,745	7,412,900	169,752,931	
Including years	Other Income	-	-	308,000	-	308,000	
after 2024/25	Total Income	15,412,468	5,410,474	21,947,745	7,412,900	170,060,931	
	Land	1,600,000	1,700,000	8,297,240	-	26,517,240	
	Building Costs	10,189,684	5,109,542	9,493,151	4,649,348	117,457,953	
	Fees	800,499	-	434,360	30,000	2,887,842	
	Interest Costs	464,314	99,086	1,284,270	194,810	5,179,258	
	Qualis Development Overhead	-	-	-	-	-	
	Qualis Group Overheads	943,511	368,674	784,750	799,010	9,654,428	
	Total Costs	13,998,008	7,277,302	20,293,771	5,673,168	161,696,721	
	Less Value Engineering	274,677	139,433	507,344	134,042	3,299,924	
		1,689,137	-1,727,395	2,161,318	1,873,774	11,664,134	

## 5. Finance

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
Note:							
Real Return Inclusive of Funding Costs and Overheads at 25% Affordable		12.07%	-23.74%	10.65%	33.03%	7.21%	
Sale Value Based on Lease Value							
Sale Value at Cost							
Implied Return							
Income and Expenditure Charge Across							
2021/22	Income						-
	Expenditure Net						-
2022/23	Income					34,298,048	
	Expenditure Net					30,939,508	
2023/24	Income	15,412,468	5,410,474	21,947,745	7,412,900	120,062,552	
	Expenditure Net	13,723,331	7,137,869	19,786,427	5,539,126	110,729,370	
2024/25	Income	-	-	6,086,178	-	7,723,013	
	Expenditure Net	-	-	140,342	-	3,143,773	



## 5. Finance

### Financial Benefit to Shareholder

The following table gives a summary of the financial benefits that are currently forecast to fall to EFDC.

		Loan Value	Margin	Duration Years	Already Assumed	2021/22	2022/23	2023/24	2024/25
Loans	Working Capital	6,000,000	1.50%	5	90,000	90,000	90,000	90,000	90,000
	Asset Purchase Market	30,000,000	1.50%	10	450,000	450,000	450,000	450,000	450,000
	Asset Purchase EDFC	18,000,000	4.00%	30	720,000	720,000	720,000	720,000	720,000
	Construction Loan Original Pt 1	35,000,000	1.50%	30	-	525,000	525,000	525,000	525,000
	Construction Loan Original Pt 2	30,000,000	1.50%	30	-	-	450,000	450,000	450,000
	Asset Construction Loan New	35,000,000	1.50%	30	-	525,000	525,000	525,000	525,000
Discount									900,000
Dividend						Reinvest	Reinvest	Reinvest	Reinvest
Direct Benefit to EFDC					1,260,000	2,310,000	2,760,000	2,760,000	3,660,000
Indirect Benefits EFDC Overhead Reductions				600,000	600,000	600,000	600,000	600,000	
Total Benefit				1,860,000	2,910,000	3,360,000	3,360,000	4,260,000	

## 5. Finance

### Risk and Sensitivities

The financial plan has been put together using a standard planning approach with low medium and high growth options. The Four Year Business Plan (2021-2025) is based on the medium growth option.

	Low Growth	This Plan	High Growth
Overall profit in 2021/22	£295,218	£307,561	£319,863
Overall profit in 2024/25	£10,487,935	£10,924,935	£11,361,932
Range	94%		104%

The following specific risks and sensitivities have been considered and are summarised with outline risk management actions below:

Issue	Probability 1-20	Impact 1-20	Summary Management Action
General pay inflation over Treasury norm of 2.5%	5	5	Pay and incentive arrangement pegged to financial performance of Qualis.
General non-pay inflation over Treasury norm of 2.5%	5	5	Contracts and procurement approaches control prices of goods supplied.
Development construction costs	7	10	Economic uncertainty in short-term assumed and therefore procurement designed to fix development cost at commencement of project.
Development sale price	7	10	Baseline set prudently however if costs increase then probability of market rate for sales increasing is high, i.e., this risk offsets impact of cost risk.
External funding asset investment	7	5	Initially low amounts of private sector funding assumed, £5m in 2021/22, negligible impact initially. Risk addressed through agreed approach to lenders and feedback already received.
EFDC does not provide additional £35m loan for further projects	5	5	Financial benefit to EFDC is high. Qualis can offer repayment of this loan in full over five years.

## 6. Qualis Living

Qualis Living has developed a strategy to build a diverse property investment portfolio across a mix of locations and asset classes with minimal occupational risk and no immediate capital expenditure requirement. The company has targeted assets with immediate and long-term income, with strong tenant covenants and attractive yields that provide a surplus after the cost of finance.

All investment proposals are assessed by the Investment and Development Committee before being recommended to the Group Board.

The 2020-2021 Business Plan made reference to an objective to build a £90m portfolio. Following changes to Public Works Loan Board lending criteria, which now prohibits investment for yield, the primary source of finance to grow the portfolio is unavailable. The company will now seek to raise debt from the market.

**Detail on the two properties purchased in 2020 is provided on the following pages.**

## 6. Qualis Living



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**Birchwood Building, Leatherhead**

The Birchwood Building is a recently refurbished multi-let office building of 34,939 sq ft (3,246 sq m) together with 154 car parking spaces. It is located within The Leatherhead Park situated on Springfield Drive adjacent to the international headquarters of Unilever and the national headquarters of CGI.

The building provides modern, high specification, trendy office space. The property is let to Zoetis UK and Hyundai Motor UK on full repairing and insuring (FRI) leases producing a total income of £916,389.75 per annum.



Hyundai UK is a wholly owned subsidiary of Hyundai Motor Company, with its principal activities include the importation and sale of cars and parts to consumers. Hyundai is a Korean company that sells cars to customers in more than 190 countries and employs over 75,000 staff. Hyundai is the fastest growing car manufacturer in the world due to its focus on technologically advanced, high quality vehicles.



Zoetis UK undertakes the development, manufacture, marketing and sales of animal health medicines and vaccines, with a focus on livestock and companion animals. Its parent company Zoetis Inc is listed on the New York Stock Exchange and is the global leader in the sector with over 300 product lines and a presence in 120+ countries.



**Wicket's, Maldon**

The property is a purpose built stand-alone retail warehouse of 28,199 sq ft (2,620 sq m). The site extends to 3.13 acres with the store occupying 0.7 acres. In addition, there are 149 car parking spaces to the front of the building.

The building is located in Maldon, East Essex and is let to Wicket's Building Supplies Limited and provides a total income of £457,000 per annum.



Wicket's was established in 1972 and has grown into one of the UK's leading DIY retailers. In April 2021 the company demerged from Travis Perkins Plc and was listed on the London Stock Market in its own right. It has a market capitalisation of circa £630m, and in a sector that is performing well.

## 6. Qualis Living

Detail on the property to be purchased provided below, target completion July 2021.



### Greenfields House, Coventry

Greenfields House is located on the Westwood Business Park, which sits adjacent to Warwick University Campus. 50 companies are based on the park including, EON, Tui, Barclays, RBS and the Institute of Housing.

The property is a two storey office building of 30,000 sq ft split into two wings with external car parking for 106 cars. It has low site coverage of 14%.

The building is the head office of the Camping and Caravan Club Ltd.

The tenure is long leasehold from Coventry City Council for 125 years from 2003. Coventry City Council has confirmed that it will be prepared to extend the long leasehold subject to negotiation.

The current rent is £694,503 per annum and is let to the Camping and Caravan Club on a FRI lease until 25 March 2031.

### Proposed Investment Assets Transfer

EFDC owns and manages a property investment portfolio that provides approximately £9.43m of net rental income per annum and has a capital value of £148m (based on a March 2021 draft valuation). The portfolio is made up of mostly retail and industrial property.

The Shareholder has indicated that they wish for Qualis, as the Council's property company, to consider the transfer of the investment assets to consolidate the portfolio and drive performance to maximise returns for the Council.

It is proposed that Qualis will purchase the investment assets on a part loan and part equity arrangement. EFDC would receive an income guarantee from Qualis, and benefit from a full loan margin. It is also proposed that the Council receive a share of the upside achieved through proactive asset management.

Qualis will gain access to sites that have development potential, creating a strong pipeline for regeneration across the District, with each project expected to provide significant financial returns.

The indicative timetable which is subject to agreement, is provided below. This includes the transfer of personnel, assets and the joint appointment of professionals to undertake comprehensive financial, technical and legal due diligence.

Item	Timing
Secondment of asset team	October 2021
Financial	October to December 2021
Property valuation and technical	October 2021 to January 2022
Legal	October 2021 to February 2022
Transfer of assets and personnel	April to October 2022

## 6. Qualis Living

The key priorities for Qualis Living over the four year period are as follows -

- Secure new debt facilities from the market to grow the investment portfolio.
- Take interim management responsibility for the EFDC investment assets.
- Complete the due diligence exercise in connection with the proposed transfer of investment assets from EFDC.
- Complete the transfer of investment assets from EFDC.
- Establish a fit for purpose internal property asset management function to manage the property portfolio and reduce outsourcing.

## 7. Qualis Commercial

Qualis Commercial has several key development schemes in Epping that featured in the 2020-2021 Business Plan. The schemes are at different stages of development and approval. The planning applications for Cottis Lane and Bakers Lane were submitted in December 2020, and the applications for the three residential schemes at St John's, Conder and Hemnall Street were submitted in March 2021. A summary of each scheme is provided below:

**Cottis Lane** - 330 multi-storey car park with ancillary retail and office accommodation.



**Bakers Lane** - Leisure Centre



*Images above are for illustrative purposes only*

# 7. Qualis Commercial

## St John's Road

£ Value: £58m 🏠 Residential homes: 184



## Conder Building

£ Value: £17m 🏠 Residential homes: 45



Images above and opposite are for illustrative purposes only

## Hemnal Street

£ Value: £15m 🏠 Residential homes: 41



For the purposes of the four year Business Plan, it was assumed a Planning Committee meeting would take place in July 2021, with a completed Section 106 Agreement and the issue of planning permission in September 2021.

Each scheme requires enabling works as preparation for a full start on site, these were envisaged to commence from September 2021.

<b>Cottis Lane</b> Phase 1 (car park only)	Start November 2021	Completion September 2022
<b>Bakers Lane</b> To follow Cottis Lane <i>Note: The project is now being delivered by Places Leisure working in partnership with EFDC</i>	Start October 2022	Completion May 2024
<b>St John's Road</b> To be delivered in phases	Start January 2022	Completion June 2023
<b>Conder Building</b> Independent from other sites	Start January 2022	Completion March 2023
<b>Hemnal Street</b> To follow Bakers Lane	Start June 2024	Completion July 2025

## 7. Qualis Commercial

In addition to the Epping Town Centre sites we have also included the following in the Business Plan. The Roundhills scheme in Waltham Abbey will provide 28 new homes. Public consultation concluded in June 2021, and the planning application will be submitted in July 2021. Subject to consent being granted, the development could be completed before the end of 2022.

### Roundhills



The development proposal for the Pyrles Lane site in Loughton was presented to Overview and Scrutiny Committee in June 2021. The indicative scheme will provide 33 new homes. This is subject to agreeing terms with EFDC but we aim to complete negotiation by September 2021, with a view to submit the planning application in November 2021. If successful, completion of the development is programmed for August 2023.

Beyond the initial developments in Epping, Waltham Abbey and Loughton, the business intends to establish a significant pipeline.

A high-level review of additional opportunities across the District has been completed. This review indicates significant scope for growth. We are proposing to invest a further £35m to progress other regeneration opportunities within the District.

### The key priorities for Qualis Commercial over the four year period are as follows

- Secure planning permission for the five Town Centre Sites
- Complete development of these five initial sites
- Establish a sales brand to manage this process and the customer experience
- Secure planning permission for Roundhills and Pyrles Lane
- Increase the pipeline at a minimum rate of 120%

## 8. Qualis Management

Qualis Management was established to provide FM services. Its initial focus is on the Council's housing repairs and maintenance service which transferred in September 2020.

The company operates commercially and delivers quality services at competitive rates. It uses the latest technology and smart sourcing solutions, to drive efficiency and increase productivity.

Over the next four years (subject to agreement), the company will transfer additional services from EFDC ensuring continuity and mitigation of risk. Relationships with specialist contractors and subcontractors will continue until such a time when Qualis is able to self-deliver.

Qualis Management will also provide services to Group companies and extend the service offer to neighbouring local authorities and the private sector to increase income and profitability.

To generate income from sources other than EFDC, the company will require additional internal skills and expertise in business development, bid writing and marketing, which has been included in the budget forecast. Opportunities identified include:

### Direct Customer Services

There are currently 1085 leaseholders within EFDC housing portfolio. Providing volume based repairs activities that operationally fit alongside current services. Ideas could include:

- Undertaking general repairs in leaseholders homes, which avoids any Leaseholder Section 20 considerations.
- Providing a 24 hour emergency home care service to leaseholders for a fixed monthly fee.

The offer would need to be developed in year three, to launch in year four.

### Commercial Arrangement

To generate sizable revenue, the company will need to consider bidding for contracts on a competitive basis.

A full analysis of the potential target clients and market is planned in 2023. It is proposed that we initially target smaller providers who are less likely to fall into complex procurement arrangements. Further consideration is needed from a risk and reward perspective.

Additional expenditure in the way of resources to service larger contracts would be required.

### Productivity

Driving productivity through effective management is a priority. It is anticipated by year four, Qualis Management will be able to provide a 2% efficiency saving against the initial business case. Annual value for money reviews will be undertaken to track progress against this target.

### Planned / Capital Works

The Business Plan assumes £2m per annum from planned / capital works from year one onwards. EFDC are in the process of undertaking a major stock condition survey, which may change the assumptions made in the original financial model. The plan will be revisited in year two once the new EFDC five year plan is developed and available.

## 8. Qualis Management

### Residential Asset Management and Facilities

There are opportunities to explore a more holistic approach to management of the housing assets. In addition to repairs and void management, the company could provide a comprehensive service to include; compliance and building safety, full capital works and mechanical and electrical delivery.

Linked to the commercial assets and maintenance aspect there is also an opportunity to explore a full FM package for all office spaces.

A full business case would need to be developed in conjunction with EFDC over the course of this Business Plan.

### Grounds Maintenance

The integration of this service into Qualis Management makes sense from a commercial and customer perspective. The Council are currently reviewing the service to understand whether this would be better delivered through Qualis. The service currently generates £1.6m of income and £1.5m of expenditure. The primary areas where Qualis Management could add value include -

- Technology
- Customer service and engagement
- Productivity
- Contractual arrangements
- Service integration

The proposed timetable (subject to agreement) for the transfer of additional services from EFDC and external income generation is provided below:

QM 4 Year Business Plan	2021/22	2022/23	2023/24	2024/25
Capital Works	■			
Electrical Testing	■			
Cyclical Decoration	■			
Gas- Breakdown & Servicing		■		
Aids & Adapts		■		
Grounds Maintenance		■		
Boiler Installation			■	
External Income Generation				■

The key priorities for Qualis Management over the four year period are as follows -

- Successfully manage service transfers
- Generate productivity and efficiency savings
- Explore opportunities for external income generating work
- Explore other areas of service which could add value to EFDC, residents and the community

## 9. Qualis Community

A new Community Interest Company (CIC) was set up in 2021 to deliver a range of projects to benefit the people and communities of Epping Forest District.

Qualis Community will work to improve the socio-economic aspirations for all, including the most disadvantaged communities, and collaborate with existing community groups and stakeholders.

The creation of a CIC will see profits and assets generated used for public and community good.

A rigorous and transparent governance structure will ensure that activities align with local needs, to be developed through close dialogue with local communities and wider stakeholders including District, Town and Parish Councils.

The CIC aims to generate funding and create a surplus, which in turn is used to fund services which have been identified by the community as key priorities.

Consultation with stakeholders to build a picture of what the local community would like to see the CIC deliver commenced in May 2021.

Early feedback has highlighted some key priorities for the area including:

- Employment and Training
- Enhancements to the look and feel of the area
- Business and Enterprise
- Sustainable Environment
- Transport
- Community Facilities

The finance section includes income and expenditure forecasts for the CIC, which is based on assumptions around project opportunities and funding.



# 10. Risk Management

The Group has developed a risk mitigation strategy which identifies the following key internal and external risks:

### External

- Economic
- Political and regulatory
- Investment market
- Occupier markets
- Availability and cost of finance
- Catastrophic business event

### Internal

- Finance strategy
- Investment strategy
- Development strategy
- Operational strategy
- People and culture
- Information technology and systems
- Governance
- Supply chain management

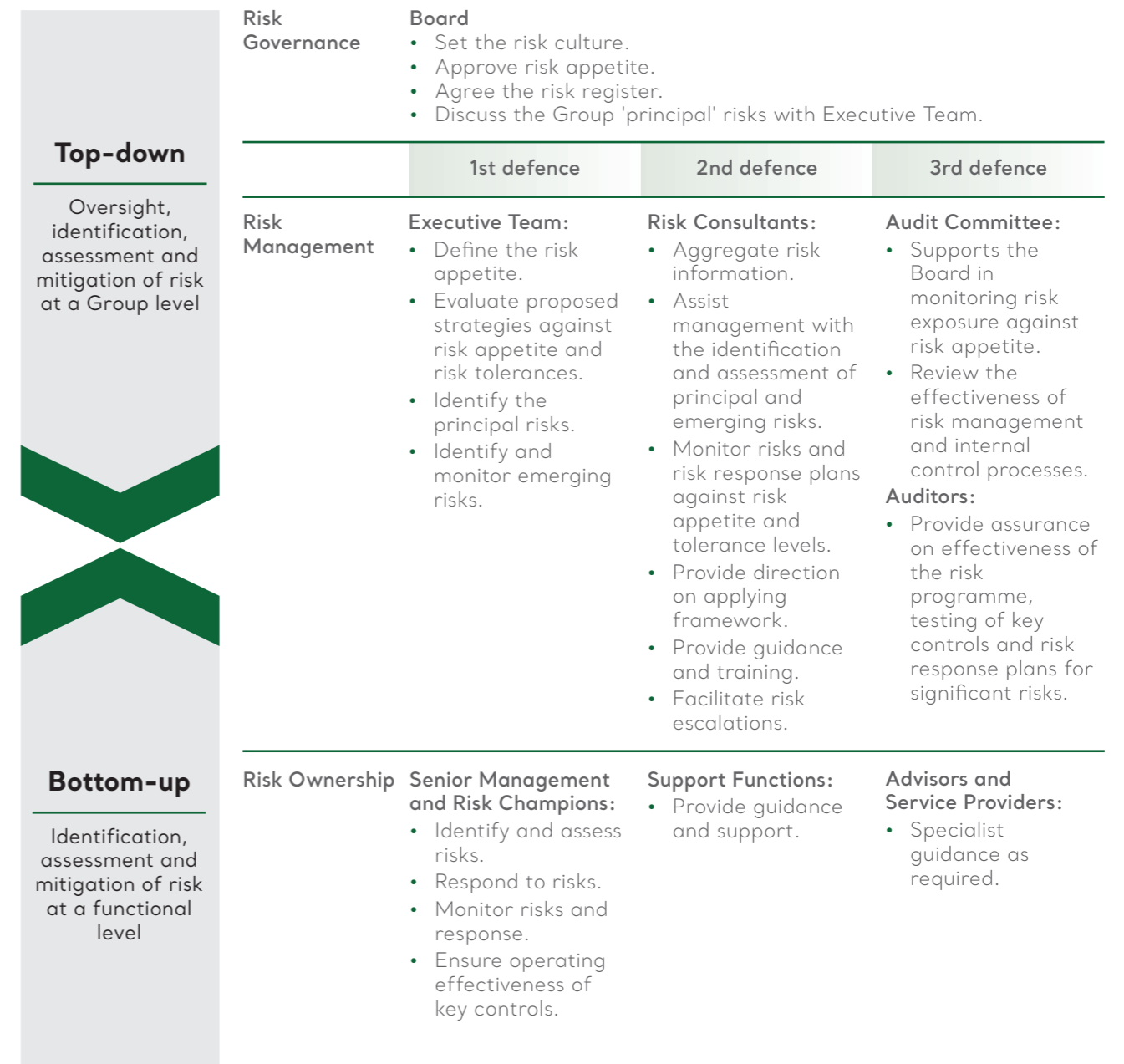
The Risk Framework opposite shows the high level approach to risk management across the Group.

A detailed risk register was produced and approved by Qualis Group Board in February 2021. Key strategic risks were also identified. All risks are reviewed regularly.

The Group was established in 2019, a time of relatively high economic and political uncertainty. In 2020, the arrival of COVID-19 impacted the economy in ways we have not seen in a generation. The structure and purpose of the Group mean it is fairly resilient to the impacts of the pandemic. The importance of activities to be undertaken by Qualis are arguably even more important as EFDC will likely see further budget / funding cuts as part of the recovery effort.

Property development requires significant capital investment in project cycles for up to five years. This combined with uncertain investment and occupier markets makes development activities the highest risk activity of the Group.

As the Group becomes more established and there is more certainty around investment, development and service opportunities, it will be possible to consider a different approach to risk.



# 11. Health and Safety

Qualis Group Board and the Executive Team believe that the health and safety culture comes from the top of the organisation. It applies to all activities of the Group as an employer, service provider, owner, developer and manager of property and operator of a community interest company.

The Board of Directors accepts responsibility for Qualis Group to provide safe and healthy environments and to prevent injury and ill health, in accordance with the Health and Safety at Work Act 1974 and associated regulations.

The company employs competent personnel and ensures that adequate resources are provided for the prevention of incidents and ill health in the workplace.

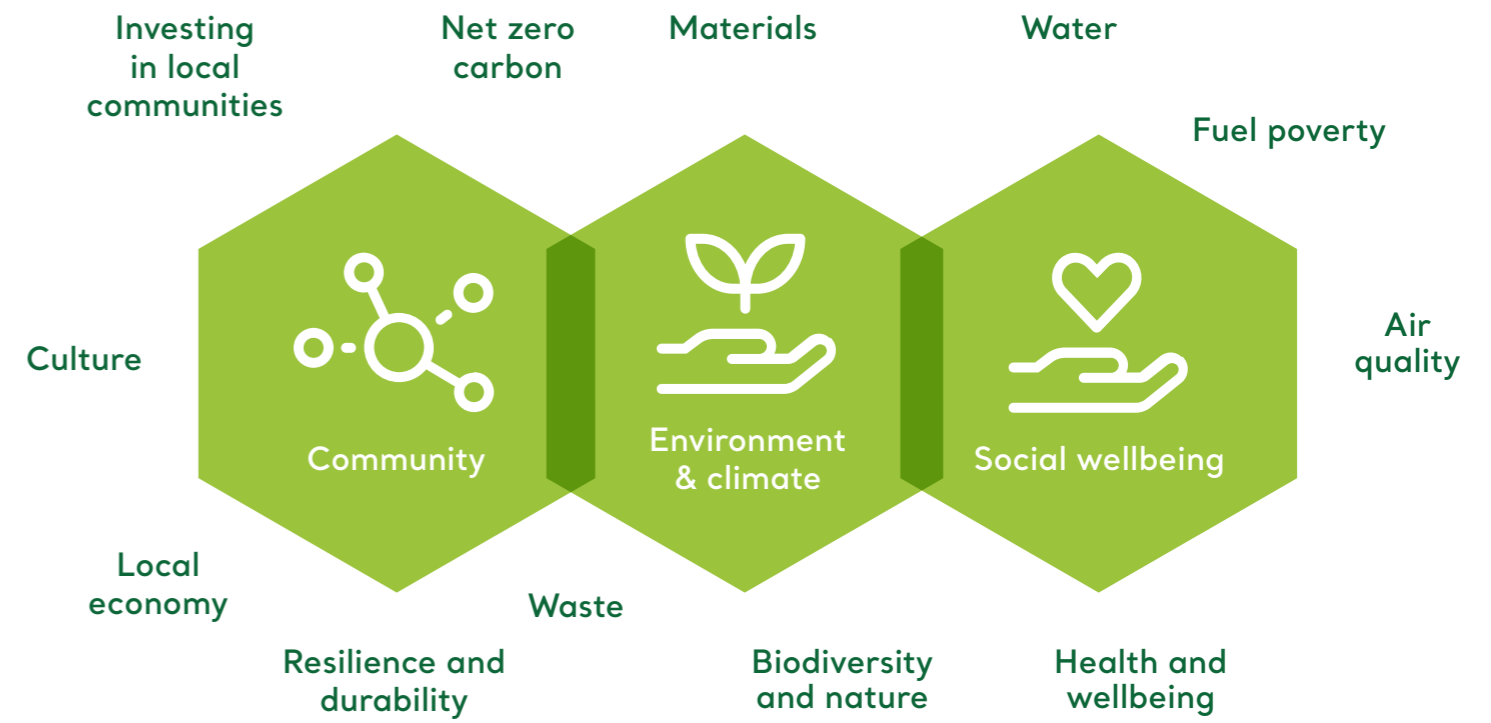
We will provide appropriate health and safety information, instruction, training and supervision for all employees and we are committed to creating a positive health and safety culture. We will do this by actively promoting health and safety throughout the organisation through the development of a behavioural based health and safety program which will be delivered to all employees.

Health and Safety performance is assessed through internal and external audits. Findings from audits will be used to identify areas for improvement to management systems and to the overall health and safety performance.

# 12. ESG and Sustainability

We recognise the importance of Environmental Social Governance (ESG) and we are currently developing our strategy to ensure it is fully embedded in the vision, purpose and operation of the business. We are working to implement robust performance measurement against ESG criteria and transparent reporting.

Alongside ESG, we are developing our sustainability strategy which will be finalised in October 2021. The business has agreed key priorities as shown in the diagram below.



**The Group is committed to:**

- Comply with legislation, regulations and codes of practice.
- Work with the Shareholder to promote the ESG and sustainability agenda.
- Integrate ESG and sustainability considerations across all business activities.
- Ensure all employees are fully aware of our strategy and targets.
- Make customers and partners aware of our targets and encourage them to adopt similar practices.
- Be transparent about performance.
- Strive to continuously improve.



**If you would like this information in another format or language please contact:**

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[hello@QualisGroup.com](mailto:hello@QualisGroup.com)  
[www.QualisGroup.com](http://www.QualisGroup.com)

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<b>Epping Forest District Council – Service Review Framework</b>				
<b>Date</b>	<i>May 2021</i>	<b>Version</b>	<i>1.0</i>	<b>Owner</b>
<b>Purpose</b>	<p>This framework is designed to ensure that proper consideration has been applied to options for service improvement. It seeks to identify and address the key reasons for any change proposed and sets out options for change that can be considered by the Council. This framework does not seek to establish an outcome (decide an option) but merely sets out the facts, and supplies options for consideration.</p> <p>This framework should seek to deliver a document that will stand alone and contain all the essential information about the service, its performance, drivers for change and options for improvement.</p> <p>This framework is design to reside at the beginning of any consideration for a change to any service, should a change be selected a further element of the framework '<b>EFDC readiness for service</b>' (Section B) should also be populated to ensure that any project to make the change is best informed, and the change is still valid, prior to it taking place.</p>			
<b>Section A - Initial Service Review</b>				
<b>No.</b>	<b>Description</b>	<b>Purpose</b>	<b>Questions</b>	<b>Sources</b>
1	<b>Scope</b>	This section sets out the scope of the review and places limits on the extent of analysis	N/a	
2	<b>Service description</b>	Describes the service in question and sets out to the reader what the service does, and at the highest level how it works. This should be a simple explanation and allow anyone, without prior knowledge to understand.	<ul style="list-style-type: none"> <li>• What does the service do?</li> <li>• Why is it required?</li> <li>• How does it work?</li> </ul>	<ul style="list-style-type: none"> <li>• Service plans</li> <li>• Process information</li> <li>• Stakeholder interviews</li> <li>• Staff interviews</li> </ul>
3	<b>Driver(s) for change</b>	Describes why change is required, typically due to, Market demand or trading opportunity, Organisational need, Customer request, Technological advance, Legal requirement, Ecological or environmental impacts (e.g., carbon footprint reduction), or Social need.	<ul style="list-style-type: none"> <li>• Why is the change required?</li> <li>• Why is it required now?</li> <li>• How will the change support the Council's strategic objectives?</li> </ul>	<ul style="list-style-type: none"> <li>• Council strategy</li> <li>• Local plan</li> <li>• Development plan</li> <li>• Service plans</li> </ul>
4	<b>Background</b>	Describe what events have led to this review. This section sets the context for the review.	<ul style="list-style-type: none"> <li>• What events led to this review being required?</li> <li>• How does the service fit with the Council more widely?</li> </ul>	<ul style="list-style-type: none"> <li>• Submissions to Committees</li> <li>• Essential performance information</li> <li>• External benchmarking</li> <li>• Strategy</li> <li>• Service plans</li> </ul>

5	<b>Performance</b>	Describe in detail how the service is performing presently, set out the context of performance over time (aim for 3 to 5 years)	<ul style="list-style-type: none"> <li>• How well is the service performing today?</li> <li>• How do we know this? Cite what data and why it proves performance</li> <li>• Describe the performance levels in comparison to 'good performance'</li> <li>• Demonstrate service performance over time (is it better/worse or the same?)</li> <li>• What is the customer perspective?</li> </ul>	<ul style="list-style-type: none"> <li>• Management information</li> <li>• KPI's</li> <li>• Stakeholder feedback</li> <li>• Analysis</li> <li>• Benchmarking</li> <li>• Customer feedback</li> <li>• Complaints</li> <li>• Portfolio holder perspective</li> </ul>
6	<b>People</b>	Describe the capacity and capability of the Staff who undertake the service delivery	<ul style="list-style-type: none"> <li>• How do they seem? Happy, engaged, or indifferent?</li> <li>• Does the service have sufficient capacity?</li> <li>• Are the staff capabilities at the correct levels to drive good performance?</li> <li>• Are staff engaged with personal development?</li> <li>• Is the service carrying unfilled roles? If so, then why?</li> <li>• Does the service have high levels of sickness absence or unplanned staff turnover? If so, why?</li> </ul>	<ul style="list-style-type: none"> <li>• HR data</li> <li>• Structure chart</li> <li>• Staff interviews</li> <li>• Stakeholder interviews</li> <li>• Customer feedback</li> <li>• Personal development plans</li> </ul>
7	<b>Process and technology</b>	Describe the systems and technologies employed by the service	<ul style="list-style-type: none"> <li>• What is used?</li> <li>• What for?</li> <li>• Is the use restricted to this service only?</li> <li>• Does the service hold the license or is it held by I.T.?</li> </ul>	<ul style="list-style-type: none"> <li>• IT systems and assets records</li> <li>• Licensing documents</li> <li>• Budgets</li> <li>• Process/systems documentation</li> <li>• Stakeholder interviews</li> </ul>

8	<b>Cost and budget</b>	Describes the service delivery and associated costs	<ul style="list-style-type: none"> <li>• What is the cost of delivery?</li> <li>• Is the cost stable, increasing or reducing?</li> <li>• Is the cost acceptable?</li> <li>• Are good cost control techniques being employed?</li> <li>• Can an improvement be demonstrated?</li> </ul>	<ul style="list-style-type: none"> <li>• Budgets</li> <li>• I+E</li> <li>• Benchmarking</li> </ul>
8	<b>Strategic issues</b>	Describes strategy development and service delivery in the context of best practice	<ul style="list-style-type: none"> <li>• Does strategy development exist?</li> <li>• Does it work?</li> <li>• Does it translate to outcomes?</li> <li>• Do staff understand their connection to the strategy?</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Strategy development process information</li> <li>• Action plans/work boards</li> </ul>
9	<b>Risk</b>	Sets the risk context for the service and tests mitigation	<ul style="list-style-type: none"> <li>• Can risk management be demonstrated?</li> <li>• Do staff understand the method?</li> <li>• Is it effective? Can that be evidenced?</li> <li>• Is mitigation tested?</li> </ul>	<ul style="list-style-type: none"> <li>• Risk register</li> <li>• Audit reports</li> <li>• Staff interviews</li> <li>• Test reports</li> </ul>
10	<b>Options</b>	Describes options for change and sets out relative strengths and weaknesses for them.	<ul style="list-style-type: none"> <li>• Identifying how similar projects were done in the past</li> <li>• Documenting the alternative solutions.</li> <li>• Quantifying the benefits of implementing each solution</li> <li>• Forecasting the costs of implementing each solution</li> <li>• Assessing the feasibility of implementing each solution</li> </ul>	<ul style="list-style-type: none"> <li>• Service change documents</li> <li>• External best practice</li> <li>• Professional sources (like RICS for example)</li> </ul>

			<ul style="list-style-type: none"> <li>Identifying the risks and issues associated with each solution</li> </ul>	
11	<b>Options summary</b>	A summary of the relative risk and return for each option. These are assessed in a matrix.	<ul style="list-style-type: none"> <li>Impact on people</li> <li>Impact on process</li> <li>Impact on technology</li> <li>Impact on income</li> <li>Impact on Cost (delivery)</li> <li>Impact on the Customer</li> </ul>	<ul style="list-style-type: none"> <li>Options table</li> </ul>
12	<b>Feasibility</b>	Are the options feasible?	<ul style="list-style-type: none"> <li>Are suggested Markets feasible?</li> <li>Are available technologies feasible?</li> <li>Is the intended Operation feasible (include Quality of processes)</li> <li>Is the option economically feasible?</li> <li>Is the option feasible with current or planned capabilities?</li> </ul>	<ul style="list-style-type: none"> <li>Market research</li> <li>Technology appraisal or RFI</li> <li>Operations analysis</li> <li>Cost models and ROI analysis</li> <li>HR data</li> </ul>
13	<b>Recommendation</b>	Selects and describes the reason for the selection of the option	<ul style="list-style-type: none"> <li>Selected an option</li> <li>Explain why that selection was made</li> </ul>	<ul style="list-style-type: none"> <li>Options table</li> </ul>
14	<b>Stakeholder engagement list</b>	A list of stakeholders that have been engaged during the analysis	<ul style="list-style-type: none"> <li>N/a</li> </ul>	<ul style="list-style-type: none"> <li>List stakeholders</li> </ul>
15	<b>Bibliography</b>	A list of documents (or sources of information) that have been used for reference during the analysis	<ul style="list-style-type: none"> <li>N/a</li> </ul>	<ul style="list-style-type: none"> <li>Document repository</li> <li>Data storage location/name</li> </ul>
16	<b>Change register</b>	Informs changes to the document as reviews take place	<ul style="list-style-type: none"> <li>What change took place</li> <li>Why that changes was required</li> <li>Who made/proposed that change</li> </ul>	<ul style="list-style-type: none"> <li>Communications evidence</li> <li>Draft reviews</li> </ul>



			<ul style="list-style-type: none"> <li>The date the change was made</li> <li>The new version reference for the document</li> </ul>		
<b>Section B - Readiness for Service</b>					
<b>Purpose</b>	This element ensures that all proper considerations have been given to change the service, including people, process, technology, contracts, and measures. It is designed to guide the user to ensure all essential thinking has been done prior to making a change happen. This framework covers both internal change and any change to services that may engage a third party or external supplier.				
<b>Page 145</b>	<b>1</b>	<b>Change validity</b>	Seeks to answer if the change being proposed is still valid, and if the Business Case and associated benefits till remain intact and accurate.	<ul style="list-style-type: none"> <li>Is the case for change still valid?</li> <li>The case is unaffected by any events that has occurred since it was completed?</li> <li>Are the business benefits still deliverable?</li> <li>Has the risk profile remained static or reduced?</li> <li>Have any changes occurred that impacts the validity of the proposal?</li> </ul>	<ul style="list-style-type: none"> <li>Section 1 business case for change</li> <li>Benefits table or reference</li> <li>Risk register</li> <li>Council meeting minutes</li> </ul>
	<b>2</b>	<b>People</b>	Ensures that our staff have been properly engaged and have the correct information at their disposal. Ensures that HR process issues have been satisfied	<ul style="list-style-type: none"> <li>Are the staff that will be impacted engaged with the change process and planning?</li> <li>Have essential contract issues been addressed with HR?</li> <li>Has essential notice been given (or planned)</li> <li>Has the timing of the change been effectively communicated?</li> </ul>	<ul style="list-style-type: none"> <li>Job Descriptions</li> <li>TUPE information</li> <li>Pension analysis</li> <li>Evidence of staff engagement</li> <li>Employment contracts</li> </ul>

			<ul style="list-style-type: none"> <li>• Have the Team met key stakeholders?</li> <li>• If TUPE arrangement(s) apply, has the process been formed and executed?</li> <li>• Has any pensions risk been mitigated?</li> <li>• Has any remuneration ceiling or constraint been addressed?</li> </ul>	
3	<b>Process</b>	Ensures that process connect between parties to protect and/or enhance ways of working	<ul style="list-style-type: none"> <li>• Plans for managing the working relationship exist for both parties?</li> <li>• Process level connectors are in place and have been tested?</li> </ul>	<ul style="list-style-type: none"> <li>• Operational or implementation plans</li> <li>• Management reporting framework</li> <li>• Process documentation</li> </ul>
4	<b>Technology</b>	What technologies will be required, will changes in licensing be needed.	<ul style="list-style-type: none"> <li>• Is the technology map up to date?</li> <li>• Have licensing issues ben resolved?</li> <li>• Has any new software requirement been implemented, or is implementation planned?</li> <li>• Has a transition plan been completed?</li> </ul>	<ul style="list-style-type: none"> <li>• IT asset information</li> <li>• Licensing records</li> <li>• Budgets and payments</li> <li>• Process documentation</li> </ul>
5	<b>Assets</b>	Seeks to ensure that any asset transfer is understood, and costs are agreed.	<ul style="list-style-type: none"> <li>• If assets are to transfer have costs been agreed?</li> <li>• Is this element of agreement contained in the contract?</li> <li>• Is there evidence that the new supplier has sufficient funding to pay for the asset(s)? is it evidenced?</li> </ul>	<ul style="list-style-type: none"> <li>• Asset register</li> <li>• Finance records</li> <li>• Contract terms</li> <li>• Loan terms (if this applies)</li> </ul>

			<ul style="list-style-type: none"> <li>Does any residual liability exist? And if so what controls are agreed to mitigate them?</li> </ul>	
6	<b>Contracts</b>	If the service is moving to an external arrangement this section seeks to ensure that contractual issues have been designed and addressed	<ul style="list-style-type: none"> <li>Have contract arrangements been agreed and completed?</li> <li>Are operational arrangements in place?</li> <li>Have measures been agreed, and more formal data collection been implemented?</li> <li>Have prerequisite insurance been sought and implemented?</li> <li>Does the legal advice agree that the contracts are robust and can be executed?</li> <li>If supply or service contracts are to be transferred, do they have sufficient flexibility?</li> </ul>	<ul style="list-style-type: none"> <li>Contracts</li> <li>Contract registers</li> <li>Management information frameworks</li> <li>Insurance policies</li> <li>Legal advice</li> </ul>
7	<b>Risk</b>	This section seeks to ensure that risk is managed	<ul style="list-style-type: none"> <li>Has any insurance or residual liability been mitigated?</li> <li>All parties have plans to mitigate the risk?</li> <li>Does a risk management process exist with any associated governance engagement?</li> <li>Is the risk of implementation being</li> </ul>	<ul style="list-style-type: none"> <li>Policy framework</li> <li>Risk register</li> <li>Testing outputs</li> <li>Project management documentation</li> </ul>

			managed? Can this be evidenced?	
8	<b>Business continuity</b>	Section to cover the associated controls to ensure that business continuity is maintained.	<ul style="list-style-type: none"> <li>Do business continuity plans exist?</li> <li>Is there evidence that they have been tested?</li> <li>Are the triggers for the BC plan understood and thresholds agreed?</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity plans</li> <li>Testing plans</li> <li>Risk register</li> <li>Audit reports</li> </ul>
9	<b>Regulation or legislation</b>	Seeks to ensure that any requirements have been investigated and agreed.	<ul style="list-style-type: none"> <li>Does the change require any regulatory process changes or mitigations? And if so are they planned or executed?</li> <li>Does the change require any legislative process changes or mitigations? And if so are they planned or executed?</li> </ul>	<ul style="list-style-type: none"> <li>Legal advice</li> <li>Service advice</li> <li>Regulatory frameworks</li> <li>legislation</li> </ul>
10	<b>Implementation management</b>	Confirm that all parties have agreed plans for training, communication, roll-out, production release and support as required	<ul style="list-style-type: none"> <li>Was any testing (technology, physical, process or people) required? If so, can we evidence that the testing has been completed and that the results are satisfactory?</li> <li>Are training plans completed?</li> <li>Is there a communication plan and can we evidence its efficacy?</li> <li>Were any previous actions required (from the business case) been implemented?</li> </ul>	<ul style="list-style-type: none"> <li>Implementation plan</li> <li>Training evidence/plans</li> <li>Communication plans</li> <li>Previous change plans/evidence</li> <li>Stakeholder map</li> <li>Organisational structure charts</li> <li>Operations plans</li> <li>Service plans</li> </ul>

			<ul style="list-style-type: none"> <li>• Do the parties have plans that set out the changes, stakeholders, and timing?</li> <li>• Does a management process for overseeing the change exist?</li> <li>• Do organisational structures and controls exist to manage the change delivery?</li> <li>• Has any residual service (or part thereof) or process element been considered, and if so have arrangements been made to protect residual business continuity?</li> </ul>	
11	<b>Governance</b>	Seeks to ensure that proper approvals have been, and/or will be sought prior to the change being finally agreed	<ul style="list-style-type: none"> <li>• Evidence to support essential approvals is in place?</li> <li>• Evidence that feedback from key stakeholders has been sought and considered?</li> </ul>	<ul style="list-style-type: none"> <li>• Council meetings minutes</li> <li>• Council approvals or submissions timetables</li> <li>• Portfolio holder support/evidence</li> <li>• Change register(s)</li> </ul>
12	<b>Lessons</b>	Sets out lessons learned to improve the transfer process	<ul style="list-style-type: none"> <li>• Are there lessons from this process that should be applied to future change?</li> <li>• Has agreement been sought to modify the framework of change to include them for the next change?</li> <li>• Has the change to the framework been made and a new version issued?</li> </ul>	

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## Report to Council



**Date of meeting:** 29 July 2021

**Epping Forest  
District Council**

**Portfolio:** Finance, Qualis Client and Economic Development – Cllr J. Philip

**Subject:** Audited Statement of Accounts 2019/20

**Responsible Officer:** Andrew Small (07548 145665).

**Democratic Services:** Jackie Leither (01992 564756).

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### Recommendations/Decisions Required:

- (1) That Council – as recommended by the Audit & Governance Committee – approves the audited Statement of Accounts for 2019/20 (*Appendix A*); and
- (2) That Council recommends to the Constitution Working Group that consideration be given to the Audit & Governance Committee – in future – being given delegated authority for approving the Council’s annual Statement of Accounts.

#### 1. Executive Summary

- 1.1 The audit of the Council’s Statement of Accounts 2019/20 (*Appendix A*) has now concluded, and the findings of the external auditor and the audited Statement of Accounts were considered by the Audit & Governance Committee on 15th July 2021.
- 1.2 The external auditors expressed their intention to issue an “unqualified” audit opinion on both the Statement of Accounts 2019/20 and the Council’s arrangements for securing Value for Money (VFM). The external auditors also acknowledged significant improvement in the 2019/20 Statements and supporting records compared to 2018/19, although noted the requirement for one material Balance Sheet adjustment (impacting on the General Fund Reserve) to the draft Statements.
- 1.3 In the light of the accounting adjustment, and updated intelligence on the financial impact of the Covid-19 Pandemic, the Section 151 Officer reassessed the original assumptions made on provisions and reserve transfers in the draft Statements and further proposed a limited number of discretionary amendments to the draft Statements, with the primary objectives being as follows:
  - To better enable the Council to meet its current financial commitments to the approved 2021/22 budget (which assumes a £1.35 million contribution from the General Fund Reserve) and a range of priority projects, many aimed at supporting the district’s recovery from the pandemic; and
  - Provide for a £4.0 million contingency balance in the event of unexpected financial pressure as recommended by the Section 151 Officer in accordance with Section 25 of the Local Government Act 2003 and adopted by full Council on 25th February 2021.

- 1.4 Having considered the external auditor's report and the audited Statement of Accounts 2019/20, the Audit & Governance Committee recommended full Council approval of the Statements, including the discretionary accounting adjustments recommended by the Section 151 Officer.
- 1.5 Members attention is also drawn to the Accounts and Audit (Amendment) Regulations 2021. Regulation 2 amends Regulation 10 of the 2015 Regulations and requires the Council to publish its Statement of Accounts 2020/21 and supporting documents (together with any external audit certificate or opinion) by 30th September 2021. The Council's current constitutional arrangements – which require full Council approval of the Statement of Accounts, based on the recommendation of the Audit & Governance Committee – make the achievement of the statutory deadline extremely difficult. It is therefore recommended that consideration be given by the Constitution Working Group to giving delegated authority to the Audit & Governance Committee for the future approval of the Council's Statement of Accounts.

## **2. Resource Implications**

- 2.1 There are significant resourcing implications, which are reflected throughout the Statement of Accounts 2019/20; this includes the availability of financial reserves on the Council's Balance Sheet as at 31st March 2020, to meet future spending plans and provide for contingencies.

## **3. Legal and Governance Implications**

- 3.1 The local government financial reporting and audit regime exists within in a tightly regulated framework.
- 3.2 For the accounting period 2019/20, this included the:
- Local Government Act 1972 (Section 151)
  - Local Government Act 2003 (Section 21(2))
  - Local Audit and Accountability Act 2014 (various); and
  - Accounts and Audit (Coronavirus) Amendment Regulations 2020.
- 3.3 The Accounts and Audit (Amendment) Regulations 2021 (especially Regulation 2) apply to the Council's Statement of Accounts 2020/21.
- 3.4 The Council Constitution currently requires the Audit & Governance Committee to consider the annual Statement of Accounts and make recommendations to full Council.

## **4. Safer, Cleaner and Greener Implications**

- 4.1 None.

## **5. Consultation Undertaken**

- 5.1 None.



## **Background Papers**

Epping Forest District Council "*Statement of Accounts 2019/20*" (draft) published August 2020.

Deloitte "*Audit Report to Audit & Governance Committee for year ended 31st March 2020*" ("ISA 260") considered by Audit & Governance Committee 15th July 2021 (Agenda Item 8).

"*Audited Statement of Accounts 2019/20*" considered by Audit & Governance Committee 15th July 2021 (Agenda Item 9).

CIPFA/LASAAC "*Code of Practice on Local Authority Accounting in the United Kingdom 2019/20*" (Guidance Notes).

National Audit Office "*Code of Audit Practice 2015*" (valid for accounting periods 2015/16 to 2019/20).

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# STATEMENT OF ACCOUNTS



**2019 / 2020**



 **Epping Forest  
District Council**  
[www.eppingforestdc.gov.uk](http://www.eppingforestdc.gov.uk)

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# Narrative Report

## 1. INTRODUCING EPPING FOREST DISTRICT COUNCIL

Epping Forest District is in Essex and takes its name from the forest which runs from the Greater London border in the south up through the district northwards. The district also shares boundaries with Hertfordshire and four other Essex districts. The district, which is a mixture of rural and urban areas, has a population of 131,137 (as at 2018) and covers an area of 131 square miles. The key population centres are the commuter towns of Buckhurst Hill, Chigwell and Loughton which are all located in the south of the district and contain more than half of the population, but only covers 5% of the total area of the district. There are also the market towns of Epping, Waltham Abbey and Ongar and numerous villages and hamlets which are situated in attractive countryside and are scattered across the remaining 95% of the district. The district has good transport links, with both the M25 and M11 running through it and crossing at Theydon Garnon. The area is also serviced by the London Underground Central Line and an over ground rail line.

Most of the district is designated within the protective status of the Metropolitan Green Belt with both Epping Forest and Roding Valley Meadows being sites of special scientific interest. This brings visitors to the district and tourism generates a substantial amount of income for the local economy each year.

The residents of the district are considered to be relatively affluent with the average weekly income for a resident working full time in 2018 being 15.7% higher than the average for England. Similarly, the number of residents claiming out of work benefits is lower than average. Children tend to be successful with their education; 67.8% of pupils achieved a “good” passes at GCSE in 2018, which is again higher than the England average. But the rate of young people attending university was 3% lower than average in the same year at 47%.

Epping Forest is in the upper 40% of least deprived Lower Tier Local Authorities (LTLAs) nationally, although there are areas of deprivation with 12% of children in low income families. Life expectancy in the district is higher than the national average, but an aging population puts pressure on both NHS and local government services.

Within the district, local government services are provided at three levels; by Epping Forest District Council, Essex County Council and local Town and Parish Councils.

- District Council services – Housing, Street Cleansing, Waste Collection and Recycling, Sports and Recreation, Planning Applications, Electoral Registration, Benefit Administration, Council Tax and Business Rates Collection, and Environmental Health.
- County Council services – Education, Social Care, and Highways and Transportation; and
- Parish and Town Council services – Allotments, Burial Grounds and Cemeteries, Public Halls, and Playgrounds and Sports Grounds.

Forecasts suggest that the population of the district will rise significantly over the next 20 years. A key factor in this estimated growth is that life expectancy in the district is higher than the national average and rising; projections indicate that over 55% of the district's population will be aged over 60 by 2020. Additional properties will be built over the coming years to assist in accommodating the anticipated rise in the population.

## 2. PERFORMANCE AGAINST CORPORATE OBJECTIVES

A new Corporate Plan for 2018-2023 was adopted in December 2017. The Council has a duty to secure continuous improvement in a way in which its functions and services are exercised, and as part of that duty a range of Key Performance Indicators (KPIs) relevant to the Council's service priorities and key objectives are adopted each year.

The Year 2 Action Plan (covering 2019/20) represented the second reporting cycle for the Corporate Plan. Performance measures for Year 2 have been streamlined to enable a sharper focus on how well corporate objectives are being met. This has resulted in a reduction of the number of KPIs listed in 2018/19 from 47 to 12, and 11 key corporate programmes of work ranked with a "RAG" (Red, Amber, Green) rating reported for each ambition.

The Corporate Plan links the key external drivers influencing Council services, with a set of corporate aims and objectives, grouped under three corporate ambitions.

- Stronger Communities
- Stronger Place; and
- Stronger Council.

Performance against all KPIs and all key corporate programmes of work is reviewed quarterly. During the year the Stronger Council Select Committee, the Stronger Place Select Committee, the Stronger Communities Select Committee and the Finance and Performance Management Cabinet Committee have had overview and scrutiny roles to ensure continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of under-performance.

The 'Stronger Communities' ambition has three strategic aims supported by six key objectives that were delivered from the three key corporate programmes: Customer Excellence, Insight & Behaviour and delivery of the Epping Forest Health & Wellbeing Strategy. During 2019/20, one out of three key programmes was achieved.

Five out of eight (62.5%) performance indicators that were measured were achieved. A summary of the performance during 2019/20 is given below.

Stronger communities		
1. People live longer, healthier and independent lives	2. Adults and children are supported in times of need	3. People and communities achieve their full potential
1.1 Supporting healthy lifestyles	2.1 Safeguarding and supporting people in vulnerable situations	3.1 Enabling communities to support themselves
1.2 Promoting independence for older people and people with disabilities		3.2 Promoting culture and leisure
		3.3 Keeping the district safe

The 'Stronger Place' ambition also has three strategic aims which are supported by seven key objectives that were delivered from the four key corporate programmes: Delivery of the Council Housebuilding, Local Plan, St Johns Road and Growth/Skills/Employment. During 2019/20, out of the four key programmes of work set, one was achieved. The Local Plan was delayed due to the requirement for a Habitats Regulation Assessment.

One out of two (50%) of performance indicators measured were achieved and the second one performed within agreed tolerance levels for the indicator.

Stronger place		
4. Delivering effective core services that people want	5. A district with planned development	6. An environment where new and existing businesses thrive
4.1 Keeping the district clean and green	5.1 Planning development priorities	6.1 Supporting business enterprise and attracting investment
4.2 Improving the district housing offer	5.2 Ensuring infrastructure supports growth	6.2 People develop skills to maximise their employment potential
		6.3 Promoting retail, tourism and the visitor economy

The 'Stronger Council' ambition has four strategic aims supported by six key objectives that were delivered from the three key corporate programmes: People Strategy, Digital Enablement and Accommodation Strategy. During 2019/20, the three key programmes of work set were not achieved. The Accommodation Strategy hit design delays; however, the Council remains on course to complete the overall programme on time in 2020/21. was in delivery is:

One out of two (50%) of performance indicators measured, were achieved.

Stronger council			
7. Customer satisfaction	8. Democratic engagement	9. A culture of innovation	10. Financial independence with low Council Tax
7.1 Engaging with the changing needs of our customers	8.1 Robust local democracy and governance	9.1 Enhancing skills and flexibility of our workforce	10.1 Efficient use of our financial resources, buildings and assets
		9.2 Improving performance through innovation and new technology	10.2 Working with commercial partners to add value for our customers

### 3. FINANCIAL REVIEW 2019/20

At the time of writing, it is hard to ignore or understate the financial impact that the Coronavirus (Covid-19) Pandemic has had and will continue to have on local authority finances for some time yet (see discussion in Note 4 of the main financial statements). However, the financial effects really began to bite when the Government imposed a national lockdown from 23rd March 2020 i.e. just eight days before the end of the 2019/20 financial year. The impact on this Statement of Accounts is therefore quite limited, with the following discussion reflecting on the period April 2019 through to March 2020.

The Consolidated Income & Expenditure Statement (CIES) on Page 20 shows that the Net Cost of Services for 2019/20 was £29.229 million (up £7.665 million compared to 2018/19); after other factors such as the impact of Taxation and other Gains and Losses, including those from the ring-fenced Housing Revenue Account, are adjusted for, Total Comprehensive Net Income of £0.723 million was received. The most significant factor behind the increase in Net Cost of Services was a decrease in Net Income from the Housing Revenue Account of £4.203 million (explained below).

The presentation of individual services (“Continuing Operations”) on the face of the CIES follows the principles established in CIPFA’s “Service Reporting Code of Practice for Local Authorities (2019/20)” (SERCOP); consistency of reporting is achieved with the internal management accounts, which reflect how services are delivered and organised within the Council.

Although overall Net Expenditure across the services in 2019/20 is generally consistent compared to 2018/19, there are some fluctuations (both up and down) between the two years, reflecting changing local circumstances including a senior management restructure (affecting the Chief Executive’s cost centres), fluctuating asset values (in particular, an increase in value of a specific asset affecting a Commercial & Regulatory cost centre this year) and continuing local initiatives such as the Local Plan and the Garden Town initiative (combining to increase net expenditure on Planning Services).

However, the CIES reflects a vast range of adjustments required by both statute and accounting standards. Underlying the figures, is the performance of the Council’s General Fund and Housing Revenue Account in the year.

#### General Fund

The table below reflects the unadjusted Month 12 (year-end) Management Accounts for 2019/20.

General Fund Service	Net Expenditure		Variance
	Budget	Outturn	
	£000’s	£000’s	£000’s
Business Support	3,763	4,773	1,010
Community & Partnerships	3,765	3,438	(327)
Commercial & Regulatory	(4,014)	(4,485)	(471)
Contracts & Technical	6,943	7,057	114
Customer Services	4,782	4,794	12
Housing & Property	522	435	(87)
Planning	4,300	3,555	(745)
Chief Executive	2,574	2,159	(415)
<b>Totals</b>	<b>22,635</b>	<b>21,727</b>	<b>(908)*</b>



\*The Month 12 Accounts show that the unadjusted General Fund budget was in surplus by £908,351. There were a wide range of budget variances – both positive and negative – underlying the surplus; the most significant service variance related to Business Support, which was overspent by £1.010 million, with the single largest factor in the overspend was perceived need to set aside additional contingency funds – within the corporate Bad Debt Provision – of £515,410, because of the pandemic. However, the Council has not experienced the level of bad debt that was initially feared with businesses especially receiving substantial Government support. Therefore the additional provision was subsequently reduced from £515,410 to £200,000 which had the effect of boosting the budget surplus (from £908,351 to £1,223,761) and limiting the reduction in the General Fund (unallocated) balance (see discussion below on Usable Reserves).

## Housing Revenue Account (HRA)

The table below summarises the outturn on the HRA for 2019/20 compared to 2018/19.

Description	2019/20	2018/19	Variance
	£000's	£000's	£000's
Total Income	(34,399)	(33,629)	(770)
Total Expenditure	33,174	27,987	5,187
Net Cost of Services (included in CIES)	<b>(1,225)</b>	<b>(5,642)</b>	<b>4,417</b>
Other costs and accounting adjustments	4,270	4,156	114
(Surplus)/Deficit for Year	<b>3,045</b>	<b>(1,486)</b>	<b>4,531</b>
Reconciling adjustments (including reversals)	(2,760)	1,458	(4,218)
(Increase)/Decrease in HRA Balance	<b>285</b>	<b>(28)</b>	<b>313</b>

A higher than anticipated Depreciation requirement (£501,000) in the year led to the legislative requirement to contribute a total of £8.579 million to the Major Repairs Reserve (MRR). This meant that a planned contribution of £0.5 million to the Self-Financing Reserve was no longer viable without reducing the minimum balance assumed within the 30-Year HRA Business Plan.

In addition, there was a notable accounting adjustment required following a downward revaluation (“Impairment”) of Council Dwellings and Garages of £7.62 million, which compared to a corresponding adjustment of £2.351 million in 2018/19. This further increased expenditure in the year, but – in accordance with proper accounting practice – the effects are reversed out to determine the actual HRA balance available to support future spending.

Overall, the HRA balance marginally reduced (partly due to an additional provision of £140,000 made to the Bad Debt Provision, due to Coronavirus) from an opening position of £2.315 million, to close at £2.030 million at the year end.

## Collection Fund

The Collection Fund recorded an overall Deficit for 2019/20 of £5.013 million. Whilst collection rates for Council Tax and Business Rates held up in the year and the Council continued to benefit from the Essex Council Tax Sharing Agreement (income £577,000) and the Essex Business Rates Pool (benefit £324,000), these were more than offset by other (exceptional) factors. Thus:

- Council Tax (2019/20 Deficit £1.215 million) – the Epping share of the recorded Deficit is £106,000. The most notable factor was the need to significantly increase the Bad Debt Provision this year (£1.622 million Collection Fund charge, compared to £0.234 million in 2018/19), with the most notable factor being the impact of Covid-19; and

- *Business Rates (2019/20 Deficit £3.798 million)* – the Epping share of the recorded Deficit is £1,519,200. The most notable factor was a loss of a major Appeals case in the year, which used all of the previously set-aside provision for this purpose. The Collection Fund charge for Appeals was therefore £2.224 million, compared to £0.226 million in 2018/19. As with Council Tax, additional provision for Bad Debts was required due to the impact of Covid-19 (£0.602 million Collection Fund charge, compared to £0.110 million in 2018/19).

Despite the deficits recorded this year, the Collection Fund still retained an overall Surplus as at 31st March 2020 of £1.675 million (Council Tax £0.175 million, Business Rates £1.499 million).

## Balance Sheet

The Council's Balance Sheet value has been virtually static in 2019/20, with a marginal increase of just £0.7 million (0.1%) on the net position as at 31st March 2020. However, there are some significant differences compared to 2018/19 as follows:

- Investment Properties (up £19.4 million) – the Council acquired new Commercial Assets with a total value of £23.9 million in 2019/20, which is the primary reason behind the increase in value on the Balance Sheet in this area
- Short-Term Temporary Investments (down £16.0 million) – investments were gradually redeemed during the year as the Council moved towards a planned borrowing position on its General Fund
- Cash & Cash Equivalents (up £24.1 million) – short-term borrowing of £14.0 million in late March 2020 to meet anticipated cash flow requirements expenditure in April 2020 was primarily the reason for a brief spike in cash holding, although maintaining higher cash holdings generally has been a deliberate strategy since the outbreak of the pandemic (against the added backdrop of exceptionally low interest rates)
- Long-Term Loans (up £25.0 million) – planned borrowing from the PWLB to finance the needs of the Council's General Fund Capital Programme saw Long-Term Loans on the Balance Sheet rise from £185.5 million to £210.5 million in the year.

### Usable Reserves

The overall balance on Usable Reserves declined from £48.266 million to £42.846 million over the year.

The General Fund (unallocated) balance began the year at £7.437 million and ended the year at £6.417 million (down £1.02 million). The decrease on the balance was due to a combination of factors. Notably:

- An adjusted surplus on the General Fund budget of £1.224 million (referred to above), was outweighed by a net deficit on funding and other adjustments of £3.495 million (resulting in a net decrease of £2.271 million before Transfers to/from Earmarked Reserves); this was partially offset by
- Net transfers of £1.251 million from Earmarked Reserves, including £0.874 million and £0.850 million from the DFF and Insurance Reserve respectively.

However, it should be noted that the Council had to meet an additional Business Rates Levy payment of £0.718 million relating to 2018/19; this liability was not reflected in the opening balance on the General Fund, which accentuates the in-year net reduction.

Earmarked Reserves declined slightly overall this year:

- District Development Fund (DDF) – a long established reserve to meet expenditure on priorities of a one-off or temporary nature ended the year with a balance of £0.497 million (down by £1.923 million compared to 31st March 2019) as a number of priority projects were advanced during the year; the largest spending item was the Local Plan (£0.649 million). The year-end balance contains the funds necessary to finance all future commitments. It also includes funding of £0.229 million for DDF projects rolled forward from 2019/20. DDF commitments established in 2020/21 (e.g. in response to the pandemic) will require a future transfer from the General Fund balance noted above; and
- Invest to Save (ITS) – a reserve earmarked for projects usually of a transformational nature. This was dormant in 2019/20 and retained its balance of £0.292 million; due to delays in committed projects such as planned capital works at Vere Road Car Park.

Three new reserves with a combined value of £1.546 million were also created at year end. This improves transparency and clarity, especially in the case of the Garden Town project which is a joint partnership with East Hertfordshire District Council and Harlow Borough Council; the year-end balance of £0.537 million represents the Epping Forest District Council share of funds.

### Unusable Reserves

The Council is required to maintain substantial Unusable Reserves, primarily for technical accounting purposes. The overall balance rose slightly from £601.4 million to £607.6 million over the year. Most notably, despite the pandemic, the Council's Pension Liability actually decreased at the year end.

The Pension Reserve (liability) reduced from £69.848 million to £63.637 million. This was primarily due to a reduction in estimated Defined Benefit Obligations of £14.7 million outweighing a decrease in the estimated Fair Value of the Fund Assets of £8.8 million. The two largest factors were:

- *Obligations* – there was a substantial change in financial assumptions based on market conditions as at 31st March 2020. In particular, both future pensions and salary increases were expected to be lower compared to the same stage in 2019. Revised financial assumptions reduced estimated Obligations by £22.2 million; and
- *Assets* – the turmoil caused on financial markets near the year end as a consequence of the pandemic led to a significant reduction in investment returns, with a loss on assets (after interest) of £12.2 million recorded.

## Capital

The table below summarises the Capital Expenditure outturn for 2019/20.

Description	2019/20	2018/19
	£000s	£000s
General Fund	26,377	10,157
Housing Revenue Account (HRA)	17,336	17,354
Total Capital Programme	<b>43,715</b>	<b>27,511</b>

The table shows that it was a very stable year for HRA Capital Expenditure. There were some minor underlying variances, most notably with additional expenditure required on Structural Schemes due to the age of some properties and tree root damage (£688,000) being broadly matched by some slippage on Housing Developments (especially Phase 4) of £640,000.

It was a larger General Fund Capital Programme this year as the Council increased its investment on its priorities within the Corporate Plan 2018-2023. The increase was primarily due to the planned acquisition of Commercial Assets from a total budget of £30.0 million (the objective being to “achieve financial independence with low Council Tax” as part of the “Stronger Council” corporate ambition). The Loughton & Centric Development was acquired at a cost of £19.8 million, with 90 Brooker Road also acquired for £5.3 million. The unspent balance (£4.8 million) has been rolled forward into 2020/21 and is available for future potential investment opportunities as they arise.

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## 4. PRINCIPAL RISKS AND UNCERTAINTIES

A Risk Management Strategy is in place to identify and evaluate risks. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact.

Annually the Chief Internal Auditor gives their opinion on the adequacy and effectiveness of the Council's governance, risk management arrangements and control processes. For 2019/20 these were found to be adequate and effective. During 2019/20, formal responsibility for risk management was transferred over to the Audit and Governance Committee from the Finance and Performance Management Cabinet Committee. The Audit and Governance Committee receive regular updates on the Corporate Risk Register and are given the opportunity to comment and suggest changes.

The top risks from the Council's Corporate Risk Register as at June 2020 are listed below:

<b>Top Risks Identified</b>		
<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
The Council does not have an adopted Local Plan.	Potential loss of strategic planning control; vulnerability to planning appeal decisions.	Engagement with stakeholders. Modifications to Local Plan in progress.
Welfare reform changes have a detrimental effect on the Council and the community	Increases in rent arrears, Council Tax arrears, evictions and homelessness, costs of temporary accommodation, public dissatisfaction and loss of income for the Council.	Cross-service and sector working group established to assess impacts of the introduction of Universal Credit and an action plan to mitigate the effects.
Failure to achieve strong economic development	Unable to secure enough opportunities; local area and people lose out; insufficient inward investment; impact on economic vitality of area; loss of revenue	An Economic Strategy and action plan have been developed which contain a range of options
Business Continuity - Inability to function should a significant event occur	Services disruption / loss of service, possible loss of income; staff absence, hardship for some of the community. Council criticised for not responding effectively	Corporate business continuity plan, which has been tested. Underpinned by departmental plans.
Delays in issuing Planning Permission for development due to the impact on air quality in Epping Forest Special Area of Conservation	Delays in getting an adopted Local Plan in place; loss of New Homes Bonus; restricted Business Rates tax base growth	Regular meetings with key stakeholders including Natural England. Interim mitigation strategy has been agreed by Council. Draft Air Quality Strategy developed.
Lack of response to the climate emergency	Failure to achieve identified carbon reduction targets/actions.	A Climate Change Officer has been appointed together with a Sustainable Transport Officer, and an action plan will be developed.
Failure to successfully deliver the Council's Travel Plan	If staff are unable to travel flexibly it could impede the delivery of the Council's Accommodation Strategy.	Staff engagement through the Travel Plan survey and key messages delivered through staff communications

<p>Covid-19 and recovery from it prevents the Council providing services and achieving its objectives</p>	<p>Loss of income and increased costs; economic downturn; greater demand on Council services; risk of the Council's contractors not surviving the crisis; workforce ability to work safely; reliance on IT, especially for staff working remotely; risk of cyberfraud; risk to the success of Quails; responding to central government Covid-19 initiatives.</p>	<p>Covid-19 Health &amp; Safety risk assessments; variety of recovery plans in place; central government funding; higher levels of Council reserves and balances; keeping abreast of government initiatives; regular reviews and monitoring of contracts; cybersecurity measures and IT Disaster recovery plan in place.</p>
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## 5. EXPLANATION OF THE ACCOUNTING STATEMENTS

The Statement of Accounts shows the financial performance for 2019/20 and the financial position as at 31st March 2020. They present the income and expenditure for the year and highlight any significant changes in the Council's financial position during the year.

The document comprises Core and Supplementary Statements, together with Disclosure Notes. The format and content of the financial statements is prescribed by the *CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2019/20* ("the Code"), which is underpinned by International Financial Reporting Standards (IFRSs).

The Code requires that the Statement of Accounts give a true and fair view of the financial position of the Council and are prepared on the basis that the Council is a going concern. In line with the Code, suitable accounting policies have been applied, and where necessary, prudent judgements and estimates have been made.

The Statement of Accounts can be 'technical' and complex, but – wherever possible – information is presented as simply and clearly as possible to assist the understanding of users. This Narrative Report explains the purpose and meaning of the Core (main) Statements below and then goes on to provide a summary of the Council's financial performance for the year 2019/20.

### **The Core Financial Statements are:**

#### **Comprehensive Income and Expenditure Statement (CIES)**

This records the Council's income and expenditure for the year. It can be broken down into two parts. The top part of the statement shows the accounting cost of providing the Council's services. The costs have been grouped into service areas based on the way in which the Council manages and monitors its services' spending throughout the year. This results in a Surplus or Deficit on the provision of services for the year. The bottom part of the statement is where gains and losses relating to the measurement of the Council's assets and liabilities are shown i.e. within Other Comprehensive Income and Expenditure.

#### **Movement in Reserves Statement (MiRS)**

This summarises movements that have taken place during the year between the Council's different reserves. The Statement shows the split between 'usable' reserves, i.e. those that can be used to fund expenditure and/or reduce local taxation; and other 'unusable' reserves i.e. these reserves are for specific purposes and cannot be spent.

#### **Balance Sheet**

This is a "snapshot" of the Council's assets, liabilities, cash balances and reserves at the year-end date. The net assets (assets less liabilities) of the Council are matched by the reserves held by the Council.

#### **Cash Flow Statement**

This shows the reasons for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as the repayment of borrowing and other long-term liabilities). The cash flow statement also includes "cash equivalents" which are short-term investments that are subject to only insignificant risks of changes in value.

**The Supplementary Financial Statements are:**

**Annual Governance Statement**

This sets out the governance structures of the Council and its key internal controls.

**Housing Revenue Account (HRA)**

This separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.

**Collection Fund**

This summarises the collection of council tax and business rates, and the redistribution of that money to other local authorities and central Government.

The other notes to these financial statements provide more detail about the Council's accounting policies and individual transactions.

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# STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNT

## THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer (Section 151 Officer);
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

Councillor Ian Hadley  
Chairman of the Audit & Governance Committee

15th July 2021

## THE SECTION 151 OFFICER'S RESPONSIBILITIES

The Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the *CIPFA Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing this Statement of Accounts, the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code of Practice.

The Section 151 Officer has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the accounts set out on pages 3 to 79 give a true and fair view of the financial position of the Council as at 31st March 2020 and the income and expenditure for the year then ended.



Andrew Small CPFA  
Strategic Director & Section 151 Officer

29th July 2021

# Auditors Report

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPPING FOREST DISTRICT COUNCIL

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

In our opinion the financial statements of Epping Forest District Council ('the Authority'):

- give a true and fair view of the financial position of the Authority as at 31 March 2020 and of the Authority's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We have audited the financial statements which comprise:

- the Comprehensive Income and Expenditure Statement;
- the Balance Sheet;
- the Movement in Reserves Statement;
- the Cash Flow Statement;
- the Housing Revenue Account Income and Expenditure Statement;
- the Movement on the Housing Revenue Account Balance Statement;
- the Collection Fund; and
- the related 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 the CIPFA/LASAAC Code of Practice on Local Authority Accounting (2019/20).

#### 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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

#### Emphasis of matter - material uncertainty related to the property portfolio valuation

We draw attention to note 4, 12 and 13 which describes the effects of the uncertainties created by the coronavirus (COVID-19) pandemic on the valuation of the Council's property portfolio.

As noted by the Council's external valuer, the pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the valuation of the property portfolio at the balance sheet date. Our opinion is not modified in respect of this matter.

#### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Chief Financial Officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority'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.

We have nothing to report in respect of these matters.

### **Other information**

The Chief Financial Officer is responsible for the other information. The other information comprises the information included in the statement of accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 respect of these matters.

### **Chief Financial Officer's responsibilities**

As explained more fully in the Chief Financial Officer's responsibilities statement, the Chief Financial Officer is responsible for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and for such internal control as the Chief Financial Officer determines is 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 Chief Financial Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future.

### **Auditor's 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 an auditor's report 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 FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **Report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

#### **Conclusion**

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in April 2020, we are satisfied that, in all significant respects, Epping Forest District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

## **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020 as to whether Epping Forest District Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Epping Forest District Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

### **Matters on which we are required to report by exception**

The Code of Audit Practice requires us to report to you if:

- any matters have been reported in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit;
- any recommendations have been made under Section 24 of the Local Audit and Accountability Act 2014;
- an application has been made to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- an advisory notice has been issued under Section 29 of the Local Audit and Accountability Act 2014; or
- an application for judicial review has been made under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

### **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Epping Forest District Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

### **USE OF OUR REPORT**

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]

Craig Wisdom, FCA (Appointed auditor)  
For and on behalf of Deloitte LLP  
St Albans, United Kingdom  
29th July 2021

## Comprehensive Income and Expenditure Statement

	Note	2019/20			2018/19		Net Expenditure £000
		Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	
		£000	£000	£000	£000	£000	
<b>Continuing Operations</b>							
Chief Executive		2,695	(536)	2,159	1,399	(3)	1,396
Business Services		6,192	(280)	5,912	4,468	(298)	4,170
Commercial & Regulatory Services		4,016	(2,778)	1,238	4,299	(1,870)	2,429
Community & Partnership Services		4,214	(895)	3,319	3,808	(551)	3,257
Contract & Technical Services		11,744	(4,969)	6,775	12,481	(4,084)	8,397
Customer Services		34,311	(29,516)	4,795	38,371	(33,717)	4,654
Housing & Property Services		3,115	(928)	2,187	1,415	(680)	735
Planning Services		5,186	(1,631)	3,555	3,977	(2,537)	1,440
Housing Revenue Account		34,034	(34,745)	(711)	29,070	(33,984)	(4,914)
<b>Net Cost of Services</b>		<b>105,507</b>	<b>(76,278)</b>	<b>29,229</b>	<b>99,288</b>	<b>(77,724)</b>	<b>21,564</b>
Other Operating Expenditure	9			1,505			2,253
Financing and Investment Income and Expenditure	10			6,330			(983)
Taxation and Non-Specific Grant Income	11			(17,599)			(19,930)
<b>(Surplus)/Deficit on Provision of Services</b>				<b>19,465</b>			<b>2,904</b>
(Surplus) on Revaluation of Property Plant and Equipment	12+13			(10,294)			(9,564)
Actuarial (Gains)/Losses on Pension Assets/Liabilities	32			(9,894)			(14,637)
Other (Gains)/Losses				-			(25)
<b>Total Comprehensive Income and Expenditure</b>				<b>(723)</b>			<b>(21,322)</b>

## Movement in Reserves Statement

	General Fund Balance	Housing Revenue Account	Earmarked Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Applied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Movements in 2019/20	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2019	7,437	2,316	18,921	9,782	9,125	687	48,267	601,434	649,701
Surplus / (Deficit) on Provision of Services	(18,231)	(1,234)	-	-	-	-	(19,465)	-	(19,465)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	20,188	20,188
<b>Total Comprehensive Income and Expenditure</b>	<b>(18,231)</b>	<b>(1,234)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,465)</b>	<b>20,188</b>	<b>723</b>
Adjustment Between Accounting and Funding Basis Under Regulations	15,960	791	-	(952)	(2,002)	247	14,044	(14,044)	-
<b>Net Increase / (Decrease) before Transfer to Earmarked Reserves</b>	<b>(2,271)</b>	<b>(443)</b>	<b>-</b>	<b>(952)</b>	<b>(2,002)</b>	<b>247</b>	<b>(5,421)</b>	<b>6,144</b>	<b>723</b>
Transfer to Earmarked Reserves	1,251	157	(1,408)	-	-	-	-	-	-
<b>Increase / (Decrease) in Year</b>	<b>(1,020)</b>	<b>(286)</b>	<b>(1,408)</b>	<b>(952)</b>	<b>(2,002)</b>	<b>247</b>	<b>(5,421)</b>	<b>6,144</b>	<b>723</b>
<b>Balance as at 31 March 2020</b>	<b>6,417</b>	<b>2,030</b>	<b>17,513</b>	<b>8,830</b>	<b>7,123</b>	<b>934</b>	<b>42,846</b>	<b>607,578</b>	<b>650,424</b>

	General Fund Balance	Housing Revenue Account	Earmarked Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Applied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Movements in 2018/19	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2018	6,726	2,287	21,117	-	11,693	409	42,232	592,151	634,383
Surplus / (Deficit) on Provision of Services	4,415	(1,511)	-	-	-	-	2,904	-	2,904
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	18,418	18,418
<b>Total Comprehensive Income and Expenditure</b>	<b>4,415</b>	<b>(1,511)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,904</b>	<b>18,418</b>	<b>21,322</b>
Adjustment Between Accounting and Funding Basis Under Regulations	(6,600)	1,266	(2,196)	9,782	(3,468)	278	(938)	(9,135)	(10,073)
<b>Net Increase / (Decrease) before Transfer to Earmarked Reserves</b>	<b>(2,185)</b>	<b>(245)</b>	<b>(2,196)</b>	<b>9,782</b>	<b>(3,468)</b>	<b>278</b>	<b>1,966</b>	<b>9,283</b>	<b>11,249</b>
Transfer to Earmarked Reserves	2,896	274	-	-	900	-	4,070	-	4,070
<b>Increase / (Decrease) in Year</b>	<b>711</b>	<b>29</b>	<b>(2,196)</b>	<b>9,782</b>	<b>(2,568)</b>	<b>278</b>	<b>6,035</b>	<b>9,283</b>	<b>15,318</b>
<b>Balance as at 31 March 2019</b>	<b>7,437</b>	<b>2,316</b>	<b>18,921</b>	<b>9,782</b>	<b>9,125</b>	<b>687</b>	<b>48,267</b>	<b>601,434</b>	<b>649,701</b>

## Balance Sheet

	Note	31 March 2020		31 March 2019	
		£000	£000	£000	£000
<b>Long Term Assets</b>					
Property, Plant & Equipment	12	780,589		775,695	
Heritage Assets		542		542	
Investment Properties	13	136,418		117,011	
Intangible Assets		418		676	
Long Term Debtors	14	3,713		3,050	
<b>Total Long Term Assets</b>			<b>921,680</b>		<b>896,974</b>
<b>Current Assets</b>					
Inventories		81		109	
Debtors and Prepayments	16	13,843		11,754	
Short Term Temporary Investments	15	-		16,049	
Cash & Cash Equivalents	17	24,722		580	
			<b>38,646</b>		<b>28,492</b>
<b>Current Liabilities</b>					
Creditors	18	(19,665)		(18,028)	
Provisions	19	(2,145)		(1,255)	
Short Term Loans	15	(14,000)			
			<b>(35,809)</b>		<b>(19,283)</b>
<b>Long Term Liabilities</b>					
Long Term Loans	15	(210,456)		(185,456)	
Pensions Liability	32	(63,636)		(69,848)	
Leasing liability	15	-		(1,163)	
Capital Grant Receipts in Advance		-		(16)	
			<b>(274,092)</b>		<b>(256,483)</b>
<b>Total Assets Less Liabilities</b>			<b>650,424</b>		<b>649,699</b>
Usable Reserves		(42,846)		(48,266)	
Unusable Reserves	20	(607,578)		(601,434)	
			<b>(650,424)</b>		<b>(649,700)</b>

## Cash Flow Statement

	Note	2019/20 £000	2018/19 £000
Net Surplus/(Deficit) on Provision of Services		(19,465)	(2,904)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	21	38,631	18,916
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	21	(2,701)	(4,267)
		<b>16,465</b>	<b>11,745</b>
Net cash flows from Operating Activities		16,465	11,745
Investing Activities	22	(37,956)	(20,803)
Financing Activities	23	37,635	2,736
<b>Net Increase or (Decrease) in cash and cash equivalents</b>		<b>16,144</b>	<b>(6,322)</b>
Cash and Cash Equivalents at the beginning of the reporting period		8,578	14,900
<b>Cash and Cash equivalents at the end of the reporting period</b>	17	<b>24,722</b>	<b>8,578</b>



# Notes to the Statement of Accounts

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## **1. ACCOUNTING POLICIES**

### **1.1 GENERAL PRINCIPLES**

The Statement of Accounts summarises Epping Forest District Council's transactions for the 2019/20 financial year and its position at the year-end of 31st March 2020. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices.

The Statement of Accounts has been prepared in accordance with proper accounting practices (under Section 21 of the Local Government Act 2003). These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 7 of the Accounts and Audit Regulations 2015.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The accounts have been prepared on an accruals basis and are based on the concept of the Council as a going concern whereby local authorities cannot be created or dissolved without statutory prescription.

The significant accounting policies are set out in alphabetical order (1.2 to 1.18) below:

### **1.2 ACCRUALS OF INCOME AND EXPENDITURE**

Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and its probable that economic benefits or service potential associated with transaction will flow to the Council.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **1.3 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in a specified period of no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

## 1.4 CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Services, support services and trading accounts are charged with the following amounts to reflect the cost of holding non-current assets during the year:

- depreciation attributable to the asset used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off; and
- amortisation of intangible assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation, however it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance).

Depreciation, revaluation and impairment losses and amortisation are replaced by the contribution in the General Fund Balance by way of a Capital Adjustment transaction in the Movement in Reserves Statement for the difference between the two.

Under the Item 8 Credit and Item 8 Debit (General) Determination issued 24th January 2017 depreciation is charged to the Housing Revenue Accounts. From 1 April 2017 impairment charges and revaluation losses on dwelling assets continue to be reversed out of the Housing Revenue Account post the transitional period and for non-dwelling assets prospectively only from this date. Revaluation gains which reverse a previous impairment and revaluation losses are adjusted for against the Housing Revenue Account Balance.

## 1.5 COUNCIL TAX AND NON-DOMESTIC RATES

The Council as a billing authority acts as an agent, collecting Council Tax and non-domestic rates (NDR) on behalf of Essex County Council and Essex Police (i.e. the major preceptors, which also includes Essex Fire Authority and Central Government for NDR) and as principal, it collects Council Tax and NDR for itself. Billing authorities are required by statute to maintain a separate fund (the "Collection Fund") for the collection and distribution of amounts due in respect of Council Tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and Central Government share proportionately the risks and rewards that the amount of Council Tax and NDR collected could be less or more than predicted.

### **Accounting for Council Tax and NDR**

The Council Tax and NDR income included in the CIES is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the year-end balances in respect of Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments and appeals.

## 1.6 EVENTS AFTER THE REPORTING PERIOD

Events after the Balance Sheet date, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue are of two types:

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## 1.7 FINANCIAL INSTRUMENTS

Financial assets and liabilities are carried at amortised cost. Credits are made to the CIES for Interest Receivable and are based on the carrying amount multiplied by the effective rate of interest. The amount appearing in the Balance Sheet relates to the principal outstanding plus accrued interest.

## 1.8 GOVERNMENT GRANTS AND CONTRIBUTIONS

Whether paid on account, by instalments or in arrears, Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contribution have been satisfied.

Where there are no conditions attached to a grant it should be recognised immediately as income in the CIES. This applies to both revenue and capital grants.

As capital grants and contributions credited to the CIES are not proper income charges to either the General Fund or HRA they must be reversed out through the MIRS to ultimately end up in the Capital Adjustment Account. If there are no conditions attached and the expenditure to which the grant relates has been incurred then the reversal can be made directly to the Capital Adjustment Account. However if there are conditions attached then the grant will be recognised in the Capital Grants Receipts in Advance Account until the conditions are met.

Further to this, if the conditions of a capital grant have been met, but the expenditure to be financed from the grant has not been incurred at the Balance Sheet date, then the grant should be reversed out of the CIES through the MIRS to the Capital Grants Unapplied Account. By doing this there is a recognition that the capital grant is not proper income to the General Fund nor HRA and that the capital resources have yet to be applied.

## 1.9 INVESTMENT PROPERTY

Investment properties are those which are held solely to earn rentals or for capital appreciation purposes. The definition is not met if the property is used in any way to facilitate the delivery of services or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset. Investment properties are not depreciated but are re-valued annually according to market conditions to ensure that they are held at the highest and best use value on the Balance Sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. Under statute, revaluation and disposal gains and losses are not permitted to impact on the General Fund balance and therefore such gains and losses are reversed out of the General Fund balance in the Movement in Reserves Statement to the Capital Adjustment Account; sale proceeds greater than £10,000 are posted to the Capital Receipts Reserve.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund balance.

## 1.10 LEASES

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

### **The Council as Lessee:**

#### **Finance Leases**

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A financing charge (debited to the Financing and Investment Income and Expenditure line in the CIES).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution (minimum revenue provision - MRP) is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by the MRP in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Operating Leases**

Rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

### **The Council as Lessor:**

#### **Finance Leases**

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain and loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a long-term lease debtor in the Balance Sheet.

#### **Lease rentals receivable are apportioned between:**

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the CIES).

The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, it is posted out of the General Fund Balance to the Capital Receipt Reserve in the Movement in Reserves Statement. Where the amount due in relation to the leased asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **1.11 OVERHEADS AND SUPPORT SERVICES**

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

## 1.12 PRIOR YEAR ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected by the change and do not give rise to prior period adjustment.

Changes in accounting policies are made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where change is made it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## 1.13 PROPERTY PLANT AND EQUIPMENT

Assets that have a physical substance and are held for use in the production or supply of goods or services (for rental to others or for administrative purposes) and that are expected to be used during more than one financial year are classified as property, plant and equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of property plant and equipment is capitalised on an accruals basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its current value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historic cost
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Investment properties and surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other property assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); or
- Where there is no balance in the Revaluation Reserve or an insufficient balance the carrying amount of the asset is written down against the relevant service line in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated in the Capital Adjustment Account.

### **Impairment**

Assets are reviewed at each year-end for evidence of reductions in value i.e. impairment. Where impairment is identified, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

When impairment losses are identified, they are accounted for as follows:

- Where there is a balance in the revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the amount of the accumulated gains; or
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.



## Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives on a straight-line basis. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). Subsequent expenditure on a fixed asset that maintains or enhances the previously assessed standard of performance of the asset does not negate the need to charge depreciation.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charge on assets and the depreciation that would have been charged based on their historical cost, being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

## Disposal and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. These should be:

- Immediately available for sale
- Sale is highly probable
- Actively marketed; and
- Expected to be sold within 12 months.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Any loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

If an asset no longer meets the criteria to be classified as an asset held for sale it is reclassified again as a non-current asset and valued at the lower of

- Its carrying amount before it was classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had it not been classified as held for sale; and
- Its recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or asset held for sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from the disposal (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal above £10,000 are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to central government. The balance of receipts remains within the Capital Receipts' Reserve and then can be used for new capital investment (or set aside to reduce the Council's underlying need to borrow). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against Council Tax as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## 1. 14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that the reimbursement will be received if the Council settles the obligation.

### Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation the existence of which will be confirmed by the occurrence or otherwise of uncertain future events which are not wholly within the control of the Council. Contingent liabilities may arise in circumstances also where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed by way of a note to the accounts.

### Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset the existence of which will be confirmed by the occurrence or otherwise of uncertain future events which are not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed by way of a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## 1.15 RESERVES

The Council has set aside certain revenue and capital amounts as earmarked reserves for future policy purposes or to cover contingencies. All other fund balances represent working balances for the purpose of the specific fund and are made up of accumulated surpluses and deficits derived over a period of time. All earmarked fund balances and reserves are reviewed periodically as to their size and appropriateness.

Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are unusable reserves and are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits are explained in the relevant policies.

## 1.16 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure incurred during the year that may be capitalised under statutory provisions, but which does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year.

Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves' Statement from the General Fund Balance to the Capital Adjustment Account ensures the accounting principle does not impact on the General Fund Balance.

## 1.17 VALUE ADDED TAX (VAT)

VAT is included in the accounts only to the extent that it is irrecoverable from HM Revenue and Customs. VAT can only be recovered on partially exempt activities where all such activities account for less than 5% of total VAT on all the Council's activities. VAT receivable is excluded from income.

## 1.18 FAIR VALUE MEASUREMENT

The Council measures some of its financial and non-financial assets, such as surplus assets and investment properties and some of its financial instruments, at fair value at the end of each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, (assuming that market participants act in their economic best interest).

When measuring fair value of a non-financial asset the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## **2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

The Council is required to disclose known or reasonably estimated information relevant to assessing the possible impact on the financial statements of an accounting change that will be required by the application of a new standard that has been issued but not yet adopted in the period of application.

The most significant standard which applies for this Council is IFRS 16 (“Leases”). IFRS16 was issued in January 2016 and became effective for the private sector on 1st January 2019. It removes the existing classifications of operating and finance leases for lessees, requiring a lessee to recognise assets and liabilities for all leases with a term of more than 12 months (unless the underlying asset is of low value) on their Balance Sheet.

Thus all material operating leases were required to be recorded on the Balance Sheet from 1st April 2019 in the private sector. However, CIPFA/LASAAC have now deferred the incorporation of IFRS16 into the Code until 2021/22. Nevertheless, in recognition of the significant preparatory work required to achieve compliance with the new standard, the Council will be undertaking a detailed review of its leasing position during 2020/21.

At this stage, it is not possible to provide a reasonable estimate of the financial impact that adopting IFRS16 will have.

## **3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions in the current economic climate of the high degree of uncertainty about future levels of funding for local government. The Council has determined, however, that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

## **4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The Accounts contain a number of figures that are estimated based on historical experience, current trends or other factors that are relevant. As these figures cannot be ascertained with certainty it is possible that actual results could be materially different from those estimated. The items in the Balance Sheet where there is a risk of material adjustment are as follows:

### **Pensions Liability**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, life expectancy rates and expected returns on pension fund assets. Consultant actuaries are engaged to provide advice about assumptions to be applied. The actuary has provided some sensitivity analysis around the assumptions and this is contained within the Pensions note 32. The carrying value of the Pensions Liability is (£63.637 million).

### **Fair Value Measurement**

The use of the discounted cash flow model to measure the fair value of some of the Council's investment properties and financial instruments are dependent upon significant assumptions for rent growth, void properties and discount rates adjusted for regional factors. Significant changes in any of the inputs would result in a significantly different fair value measurement. The Council's fund manager has provided a sensitivity analysis around a 1% increase in the discount rate used for measuring the fair value of the Council's financial assets and liabilities which is disclosed within the Financial Instrument Note 15.

There are also two major events – “Brexit” and “Coronavirus” – which could both have a significant financial impact on the assumptions and estimates made in this Statement of Accounts.

### **The United Kingdom leaving the European Union (“Brexit”)**

A resolution to the previous impasse on the land border between Ireland and Northern Ireland was accepted by MPs and subsequently ratified by the European Union (EU) in January 2020. Consequently, the UK ceased to be a member of the European Union at 11pm on 31st January 2020.

Following an 11-month transition period (from 1st February to 31st December 2020) in which the UK remained in the EU single market, its customs union and paid into its budget, the UK eventually withdrew completely from the EU on 31st December 2020, having negotiated an EU-UK Trade and Co-Operation Agreement; the widely feared ‘no deal Brexit’ was therefore averted.

Nevertheless, it is too early to gauge the longer-term impacts of Brexit and the impact on this Statement of Accounts is therefore still unknown. Most notably, asset values could still be negatively impacted as could the valuation of the Pension liability. However, in the absence of intelligence to the contrary, it has been assumed that there will be no significant impairment to the Council’s asset values or any change to the Pension Fund liability. These assumptions are kept under constant review.

### **Coronavirus (Covid-19) Pandemic**

On 11th March 2020, the World Health Organisation (WHO) declared a global pandemic due to the rapid spread of the Covid-19 virus. The measures taken by the UK and most major countries worldwide to control the spread of the virus has had an immediate and profound impact on economies across the world.

As a provider of frontline public services, there have been significant operational impacts on Epping Forest District Council as it tries to maintain the delivery of its core services, whilst providing additional support to residents and businesses who have faced a range of difficulties as a consequence of self-isolation measures and Government-imposed restrictions on businesses and the movement of people.

Whilst core services such as Waste Collection have been maintained, other services – including Leisure Centres – have not been able to continuously operate (due to enforced closures).

Wherever possible office-based operations have continued through staff working remotely from home.

Support given to vulnerable residents included the delivery of supplies by volunteers/re-deployed staff (supported by an allocation from the Government’s Covid-19 Response Fund). In addition, extensive support has been provided to residents and businesses facing economic hardship. This has included the delivery of Government funded support measures, including:

- Council Tax – further means-tested reductions (up to £150) to Council Tax bills
- Business Rates – the enhancement and extension of business rates ‘holidays’ and discounts; and
- Grants – the delivery of a range of grants to small businesses and businesses affected by Government restrictions.

### General Financial Impact

Despite the provision of strong and rapid financial Government support, the Council has faced a range of other financial pressures on its General Fund and Housing Revenue Account (HRA). Most of the revenue impact is being felt in the 2020/21 financial year, so there is no material threat to this – the 2019/20 – Statement of Accounts, with General Fund income from Fees and Charges in particular, falling significantly (see comment below on Leisure Centres), along with general revenue funding, especially from Business Rates. There is also a threat to income from Housing Rents in the HRA.

In addition – as with Brexit – there are potentially negative impacts on asset values on the Balance Sheet, including property and pensions-related assets (e.g. likely to increase the size of the deficit in the Pension Fund).

### Impact of the Covid-19 Pandemic on the Property Portfolio

The Covid-19 pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the valuation of the property portfolio at the Balance Sheet date. This presented an unprecedented set of circumstances on which to base valuation judgements.

These include Property, Plant & Equipment as disclosed within Note 12 and Investment Property valuations as disclosed within Note 13.

The valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, as outlined by the valuation report, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it has been recommended that the valuation is kept under frequent review. The valuation amounts disclosed within the accounts have been based on the best information available and are therefore a valid basis of valuation for this Statement of Accounts.

### Leisure Contract

The Council has a 20-year contract with *Places Leisure* (PL) for the provision of leisure services in Epping Forest, which commenced in 2017. Under the terms of the contract, PL is responsible for managing four leisure centres (situated in Epping, Ongar, Loughton and Waltham Abbey) and pays an annual Management Fee to the Council (£1.4 million in 2019/20).

The outbreak of the pandemic led to the rapid closure of all leisure centres in the district on 20th March 2020. This led to the immediate cessation of leisure operations and a complete loss of income from leisure-related fees and charges to PL. Although PL have managed to mitigate the scale of their financial losses, primarily through the use of the Government's furlough scheme, this has still resulted in an inability to maintain the payment of the Management Fee to the Council. In addition, the Council has made ex gratia compensation payments to PL in order to protect leisure services in Epping.

The leisure centres reopened on 3rd August 2020 following the initial closure. However, the mandatory requirement to implement strict 'social distancing' measures for the foreseeable future, means that they had to operate on significantly reduced capacities, leading to much smaller income streams than those anticipated in the contract. And the cycle has been repeated following two further Government ordered closures during 2020/21 as part of measures to tackle the pandemic (i.e. the second and third "lockdowns").

However, the Council has been partially compensated by the Government for its losses on the Management Fee and has also received payments from Sport England to reflect the pressures faced by Councils with outsourced leisure facilities. Nevertheless, the Leisure contract remains a continuing source of major financial uncertainty.

The financial implications for 2019/20 are understood and are reflected in this Statement of Accounts.

## 5. EVENTS AFTER THE BALANCE SHEET DATE

The draft 2019/20 Statement of Accounts were authorised for issue on 21st August 2020 by Andrew Small (Executive Director & Section 151 Officer).

Where events taking place before this date provided information about conditions existing at 31st March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. This includes the reflection of intelligence gathered during 2020/21 in relation to Coronavirus pandemic, including the second and third lockdowns e.g. the anticipated collectability of outstanding debt at 31st March 2020 has declined, which is reflected in increases to provisions for bad debts.

## 6. EXPENDITURE AND FUNDING ANALYSIS

2018/19			2019/20		
Net Expenditure Chargeable to General Fund & HRA Balances	Adjustments between the funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure Chargeable to General Fund & HRA Balances	Adjustments between the funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement
£000	£000	£000	£000	£000	£000
1,289	107	1,396	2,159	(326)	1,833
2,717	1,453	4,170	5,912	(2,067)	3,845
1,638	791	2,429	1,238	184	1,422
2,973	284	3,257	3,319	(360)	2,959
5,224	3,173	8,397	6,775	(2,527)	4,248
4,306	348	4,654	4,795	(456)	4,339
348	387	735	2,187	(1,962)	225
1,319	121	1,440	3,555	(277)	3,278
(16,167)	11,253	(4,914)	(711)	(3,021)	(3,732)
<b>3,647</b>	<b>17,917</b>	<b>21,564</b>	<b>29,229</b>	<b>(10,812)</b>	<b>18,417</b>
(3,284)	(15,374)	(18,658)	(9,764)	(5,939)	(15,703)
<b>363</b>	<b>2,543</b>	<b>2,906</b>	<b>19,465</b>	<b>(16,751)</b>	<b>2,714</b>
30,130		Opening General Fund and HRA Balance	28,674		
(1,332)		Surplus / (Deficit) on General Fund & HRA Balance in Year	(2,714)		
<b>28,798</b>		<b>Closing General Fund &amp; HRA Balance at 31 March 2020 (For a split of this balance between the General Fund, HRA and Earmarked Reserves - see the Movement in Reserves Statement)</b>	<b>25,960</b>		

## Adjustments between Funding & Accounting Basis

	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total
<b>2019/20</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Office of the Chief Executive	-	(338)	12	<b>(326)</b>
Business Services	(1,560)	(540)	33	<b>(2,067)</b>
Commercial & Regulatory Services	256	(74)	2	<b>184</b>
Community & Partnership Services	(500)	138	2	<b>(360)</b>
Contract & Technical Services	(2,706)	177	2	<b>(2,527)</b>
Customer Services	(659)	204	(1)	<b>(456)</b>
Housing & Property Services	(2,000)	43	(5)	<b>(1,962)</b>
Planning Services	(436)	161	(2)	<b>(277)</b>
Housing Revenue Account	(3,092)	73	(2)	<b>(3,021)</b>
<b>Net Cost of Service</b>	<b>(10,697)</b>	<b>(156)</b>	<b>41</b>	<b>(10,812)</b>
<b>Other Income and Expenditure from the Expenditure and Funding Analysis</b>	<b>(7,899)</b>	<b>1,936</b>	<b>24</b>	<b>(5,939)</b>
<b>Difference between General Fund (Surplus) / Deficit and Comprehensive Income and Expenditure</b>	<b>(18,596)</b>	<b>1,780</b>	<b>65</b>	<b>(16,751)</b>

	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total
<b>2018/19</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Office of the Chief Executive	-	95	12	<b>107</b>
Business Services	764	674	15	<b>1,453</b>
Commercial & Regulatory Services	743	43	5	<b>791</b>
Community & Partnership Services	214	71	(1)	<b>284</b>
Contract & Technical Services	2,122	1,050	1	<b>3,173</b>
Customer Services	-	345	3	<b>348</b>
Housing & Property Services	-	403	(16)	<b>387</b>
Planning Services	-	115	6	<b>121</b>
Housing Revenue Account	11,131	112	10	<b>11,253</b>
<b>Net Cost of Service</b>	<b>14,974</b>	<b>2,908</b>	<b>35</b>	<b>17,917</b>
<b>Other Income and Expenditure from the Expenditure and Funding Analysis</b>	<b>(15,887)</b>	<b>2,185</b>	<b>(1,672)</b>	<b>(15,374)</b>
<b>Difference between General Fund (Surplus) / Deficit and Comprehensive Income and Expenditure</b>	<b>(913)</b>	<b>5,093</b>	<b>(1,637)</b>	<b>2,543</b>



## Income & Expenditure Analysed by Nature

	Office of the Chief Executive	Business Services	Commercial & Regulatory Services	Community & Partnership Services	Contract & Technical Services	Customer Services	Housing & Property Services	Planning Services	Housing Revenue Account	Total
2019/20	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fees, Charges & Other Service Income	(536)	(281)	(1,185)	(544)	(4,835)	(672)	(371)	(1,785)	(34,745)	(44,954)
Government Grants	-	-	(805)	-	(1)	(28,845)	(557)	154	-	(30,054)
<b>Total Income</b>	<b>(536)</b>	<b>(281)</b>	<b>(1,990)</b>	<b>(544)</b>	<b>(4,836)</b>	<b>(29,517)</b>	<b>(928)</b>	<b>(1,631)</b>	<b>(34,745)</b>	<b>(75,008)</b>
Employee Expenses	1,534	4,366	2,438	2,395	2,856	4,497	951	3,272	4,026	26,335
Other Service Expenses	(696)	(763)	309	843	6,425	1,421	285	1,416	17,141	26,381
Support Service Recharges	1,857	1,131	459	532	431	723	126	498	4,098	9,855
Asset Charges	-	1,459	22	93	1,899	-	1,752	-	8,770	13,995
Benefit Payments	-	-	-	-	-	27,670	-	-	-	27,670
<b>Total Expenditure</b>	<b>2,695</b>	<b>6,193</b>	<b>3,228</b>	<b>3,863</b>	<b>11,611</b>	<b>34,311</b>	<b>3,114</b>	<b>5,186</b>	<b>34,035</b>	<b>104,236</b>
<b>Net Cost of Service</b>	<b>2,159</b>	<b>5,912</b>	<b>1,238</b>	<b>3,319</b>	<b>6,776</b>	<b>4,794</b>	<b>2,186</b>	<b>3,555</b>	<b>(710)</b>	<b>29,229</b>

	Office of the Chief Executive	Business Services	Commercial & Regulatory Services	Community & Partnership Services	Contract & Technical Services	Customer Services	Housing & Property Services	Planning Services	Housing Revenue Account	Total
2018/19	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fees, Charges & Other Service Income	(3)	(298)	(1,022)	(551)	(4,041)	(559)	(365)	(1,474)	(33,970)	(42,283)
Government Grants	-	-	(848)	-	(43)	(33,158)	(315)	(1,063)	(14)	(35,441)
<b>Total Income</b>	<b>(3)</b>	<b>(298)</b>	<b>(1,870)</b>	<b>(551)</b>	<b>(4,084)</b>	<b>(33,717)</b>	<b>(680)</b>	<b>(2,537)</b>	<b>(33,984)</b>	<b>(77,724)</b>
Employee Expenses	824	4,622	2,419	2,102	2,224	4,424	1,347	2,801	4,135	24,898
Other Service Expenses	298	772	837	1,208	8,029	1,136	681	958	9,431	23,350
Support Service Recharges	277	(934)	301	367	182	818	(613)	218	4,326	4,942
Asset Charges	-	8	742	131	2,046	-	-	-	11,178	14,105
Benefit Payments	-	-	-	-	-	31,993	-	-	-	31,993
<b>Total Expenditure</b>	<b>1,399</b>	<b>4,468</b>	<b>4,299</b>	<b>3,808</b>	<b>12,481</b>	<b>38,371</b>	<b>1,415</b>	<b>3,977</b>	<b>29,070</b>	<b>99,288</b>
<b>Net Cost of Service</b>	<b>1,396</b>	<b>4,170</b>	<b>2,429</b>	<b>3,257</b>	<b>8,397</b>	<b>4,654</b>	<b>735</b>	<b>1,440</b>	<b>(4,914)</b>	<b>21,564</b>

## 7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Usable Reserves					Movements in Unusable Reserves
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Applied	
2019/20	£000	£000	£000	£000	£000	£000
<b>Adjustments Involving the Capital Adjustment Account:</b>						
Charges for depreciation and impairment of non-current	(3,068)	(8,696)	0	(8,579)	0	20,343
Upward/(Downward) revaluation of non-current assets	(1,585)	(7,617)	0	0	0	9,202
Movements in the fair value of Investment Properties	(5,838)	0	0	0	0	5,838
Amortisation of intangible assets	(209)	(27)	0	0	0	236
Capital Grants and contributions applied	0	0	0	0	85	(85)
Revenue expenditure funded from Capital under statute	(12)	0	0	0	0	12
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(117)	(720)	0	0	0	837
Capital expenditure charged against the General Fund and	0	4,430	0	0	0	(4,430)
Reversal of Notional Lease adjustment	0	0	0	0	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	328	0	0	0	0	(328)
<b>Adjustments Primarily Involving the Capital Grants</b>	331	0	0	0	(332)	1
<b>Adjustments Involving the Capital Receipts Reserve</b>						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	0	4,064	(4,064)	0	0	0
Transfer from Deferred Capital receipts on receipt of cash	0	0	0	0	0	0
Used to finance new Capital Expenditure	0	0	3,708	0	0	(3,708)
Contribution towards administrative costs of non-current	0	(28)	28	0	0	0
Contribution to finance the payments to the Government	(1,280)	0	1,280	0	0	0
Adjustment for incorrect use of 1-4-1 receipts in previous year	0	0	0	0	0	0
<b>Adjustments Involving the Deferred Capital Receipts</b>						
Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.	0	0	0	0	0	0
<b>Adjustments relating to the Major repairs Reserve</b>						
Depreciation transferred from HRA	0	8,579	0	0	0	(8,579)
Use of the Major Repairs Reserve to finance new capital	0	0	0	10,581	0	(10,581)
<b>Adjustments involving the Pensions Reserve</b>						
Reversal of items relating to retirement benefits	(2,873)	(810)	0	0	0	3,683
<b>Adjustments involving the Collection Fund Adjustment</b>						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements.	(1,671)	0	0	0	0	1,671
<b>Adjustments Involving the Accumulated Absences</b>						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	34	34	0	0	0	(68)
<b>Total Adjustments</b>	<b>(15,960)</b>	<b>(791)</b>	<b>952</b>	<b>2,002</b>	<b>(247)</b>	<b>14,044</b>

	Usable Reserves					
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Applied	Movements in Unusable Reserves
2018/19	£000	£000	£000	£000	£000	£000
<b>Adjustments Involving the Capital Adjustment Account:</b>						
Charges for depreciation and impairment of non-current	(2,832)	(8,536)	0	0	0	11,368
Upward/(Downward) revaluation of non-current assets	(494)	(2,351)	0	0	0	2,845
Movements in the fair value of Investment Properties	2,466	0	0	0	0	(2,466)
Amortisation of intangible assets	(208)	(32)	0	0	0	240
Capital Grants and contributions applied	106	224	0	0	210	(540)
Revenue expenditure funded from Capital under statute	(419)	(97)	0	0	0	516
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(709)	(2,597)	0	0	0	3,306
Capital expenditure charged against the General Fund and	15	3,650	0	0	0	(3,665)
Reversal of Notional Lease adjustment	559	23	0	0	0	(582)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	261	0				(261)
<b>Adjustments Primarily Involving the Capital Grants</b>	559	0	0	0	(559)	0
<b>Adjustments Involving the Capital Receipts Reserve</b>						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	60	4,722	(4,782)	0	0	0
Transfer from Deferred Capital receipts on receipt of cash	0	0	(956)	0	0	956
Used to finance new Capital Expenditure	0	0	4,035	0	0	(4,035)
Contribution towards administrative costs of non-current	0	(30)	30	0	0	0
Contribution to finance the payments to the Government	(894)	0	894	0	0	0
Adjustment for incorrect use of 1-4-1 receipts in previous year	0	0	(9,004)	0	0	9,004
<b>Adjustments Involving the Deferred Capital Receipts</b>						
Transfer to Deferred Capital Receipts Reserve upon revaluation of rents to mortgages.	0	24	0	0	0	(24)
<b>Adjustments relating to the Major repairs Reserve</b>						
Depreciation transferred from HRA	0	8,414	0	(8,414)	0	0
Use of the Major Repairs Reserve to finance new capital	0	0	0	10,982	0	(10,982)
<b>Adjustments involving the Pensions Reserve</b>						
Reversal of items relating to retirement benefits	(3,752)	(1,340)	0	0	0	5,092
<b>Adjustments involving the Collection Fund Adjustment</b>						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements.	1,767	0	0	0	0	(1,767)
<b>Adjustments Involving the Accumulated Absences</b>						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(80)	(50)	0	0	0	130
<b>Total Adjustments</b>	<b>(3,595)</b>	<b>2,024</b>	<b>(9,783)</b>	<b>2,568</b>	<b>(349)</b>	<b>9,135</b>

## 8. MOVEMENTS IN EARMARKED RESERVES

A summary of balances on Earmarked Reserves is set out below.

	Balance 31 March 2018	Transfers Out	Transfers In	Balance 31 March 2019	Transfers Out	Transfers In	Balance 31 March 2020
	£000	£000	£000	£000	£000	£000	£000
Housing Repairs Reserves	1,255	(563)	-	692	(442)	-	250
District Development Fund	4,220	(1,800)	-	2,420	(4,840)	2,917	497
Invest to Save Reserve	307	(15)	-	292	-	-	292
Self Financing Reserve	12,720	-	-	12,720	-	-	12,720
Deferred Revenue Income	684	-	-	684	(56)	45	673
Insurance Reserve	1,007	-	-	1,007	(857)	-	150
Building Control	111	-	47	158	-	151	309
Museum Fund	73	-	21	94	-	19	113
All Weather Pitch	62	-	-	62	-	27	89
O2 Mast Fund	37	-	-	37	(358)	358	37
Rental Loans	268	-	110	378	-	-	378
Small Loans Fund	6	-	-	6	(6)	-	-
S106 Revenue Contributions	37	-	-	37	-	51	88
Community Services Projects	330	-	4	334	-	37	371
Garden Town	-	-	-	-	-	537	537
Local Plan	-	-	-	-	-	964	964
Planning Appeals	-	-	-	-	-	45	45
<b>Total Earmarked Reserves</b>	<b>21,117</b>	<b>(2,378)</b>	<b>182</b>	<b>18,921</b>	<b>(6,559)</b>	<b>5,151</b>	<b>17,513</b>

## 9. OTHER OPERATING EXPENDITURE

	31 March 2020 £000	31 March 2019 £000
Parish Council Precepts	3,651	3,481
Parish Support Grants	-	67
Payments to the Government Housing Pool	1,280	894
(Gains) / losses on the disposal of non-current assets	(3,426)	(2,190)
<b>Total</b>	<b>1,505</b>	<b>2,252</b>

## 10. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	31 March 2020 £000	31 March 2019 £000
Total Net Surplus from Trading Operations (Note 24)	(6,729)	(5,864)
Interest payable and similar charges	5,721	5,654
Pensions interest cost	1,630	1,912
Interest receivable and similar income	(131)	(194)
Changes in Fair Value of Investment Properties	5,838	(2,467)
Changes in Value of Deferred Capital Receipts	-	(24)
<b>Total</b>	<b>6,329</b>	<b>(983)</b>

## 11. TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

	31 March 2020 £000	31 March 2019 £000
Council Tax Income	(12,379)	(12,494)
Non Domestic Rate Income	(12,492)	(14,912)
Non Domestic Rate Tariff Payment and Levy	11,526	10,463
Non-ring fenced Government Grants	(3,969)	(2,657)
Capital Grants and Other Contributions	(285)	(330)
<b>Total</b>	<b>(17,599)</b>	<b>(19,930)</b>

## 12. PROPERTY, PLANT AND EQUIPMENT

2019/20

	Council Dwellings & Garages £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
<b>Gross Book Value 01 April 2019</b>	681,121	56,017	16,086	8,865	1,143	7,850	17,934	<b>789,016</b>
Additions	12,648	1,267	559	278	0	86	3,577	<b>18,415</b>
Disposals / Impairments	(692)	(91)	(64)	0	0	0	(41)	<b>(888)</b>
Reclassified in Year	12,219	1,432	0	0	0	(1,250)	(12,401)	<b>0</b>
Revaluation Applied to the CIES	(7,755)	(2,611)	0	0	0	800	0	<b>(9,566)</b>
Revaluation Credited to the Revaluation Reserve	(972)	9,383	0	0	0	0	(193)	<b>8,218</b>
Accumulated Depreciation & Impairment Written Off on Revaluation	(8,409)	(1,112)	0	0	0	0	0	<b>(9,521)</b>
<b>Gross Book Value 31 March 2020</b>	<b>688,160</b>	<b>64,285</b>	<b>16,581</b>	<b>9,143</b>	<b>1,143</b>	<b>7,486</b>	<b>8,876</b>	<b>795,674</b>
Depreciation 01 April 2019	0	(733)	(9,179)	(3,406)	0	(1)	0	<b>(13,319)</b>
Reclassified	(1)	1	0	0	0	0	0	<b>0</b>
Depreciation in Year	(8,435)	(1,597)	(1,463)	(166)	0	0	0	<b>(11,661)</b>
Depreciation on Disposed Assets	27	65	49	0	0	0	0	<b>141</b>
Accumulated Depreciation & Impairment Written Off on Revaluation	8,409	1,112	0	0	0	0	0	<b>9,521</b>
<b>Depreciation 31 March 2020</b>	<b>0</b>	<b>(1,152)</b>	<b>(10,593)</b>	<b>(3,572)</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(15,318)</b>
<b>Net Book Value 31 March 2020</b>	<b>688,160</b>	<b>63,133</b>	<b>5,988</b>	<b>5,571</b>	<b>1,143</b>	<b>7,485</b>	<b>8,876</b>	<b>780,356</b>

	Council Dwellings & Garages £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
<b>Gross Book Value 01 April 2018</b>	675,541	42,647	19,119	8,374	1,143	7,389	20,364	<b>774,577</b>
Additions	8,822	2,655	1,772	491	0	0	12,269	<b>26,009</b>
Disposals / Impairments	(2,592)	(731)	(1,658)	0	0	0	0	<b>(4,981)</b>
Reclassified in Year	5,933	12,520	(3,147)	0	0	1,246	(16,552)	<b>0</b>
Revaluation Applied to the CIES	(2,351)	360	0	0	0	(739)	(115)	<b>(2,845)</b>
Revaluation Credited to the Revaluation Reserve	3,999	2,238	0	0	0	91	1,985	<b>8,313</b>
Accumulated Depreciation & Impairment Written Off on Revaluation	(8,231)	(3,672)	0	0	0	(137)	(17)	<b>(12,057)</b>
<b>Gross Book Value 31 March 2019</b>	<b>681,121</b>	<b>56,017</b>	<b>16,086</b>	<b>8,865</b>	<b>1,143</b>	<b>7,850</b>	<b>17,934</b>	<b>789,016</b>
Depreciation 01 April 2018	0	(1,378)	(11,097)	(3,244)	0	0	(5)	<b>(15,724)</b>
Reclassified	13	(2,044)	2,181	0	0	(138)	(12)	<b>0</b>
Depreciation in Year	(8,274)	(1,263)	(1,669)	(162)	0	0	0	<b>(11,368)</b>
Depreciation on Disposed Assets	30	278	1,406	0	0	0	0	<b>1,714</b>
Accumulated Depreciation & Impairment Written Off on Revaluation	8,231	3,672	0	0	0	137	17	<b>12,057</b>
<b>Depreciation 31 March 2019</b>	<b>0</b>	<b>(735)</b>	<b>(9,179)</b>	<b>(3,406)</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(13,321)</b>
<b>Net Book Value 31 March 2019</b>	<b>681,121</b>	<b>55,282</b>	<b>6,907</b>	<b>5,459</b>	<b>1,143</b>	<b>7,849</b>	<b>17,934</b>	<b>775,695</b>

	Council Dwellings & Garages £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
<b>Carried Historical Cost</b>	0	0	16,085	8,866	1,142	0	145	<b>26,238</b>
<b>Valued at Current Value as from:</b>								
28 March 2020	7,038	18,341	0	0	0	(365)	0	<b>25,014</b>
28 February 2019	681,122	27,252	0	0	0	6,030	0	<b>714,404</b>
28 February 2018	0	9,806	0	0	0	520	0	<b>10,326</b>
28 February 2017	0	5,438	0	0	0	50	0	<b>5,488</b>
28 February 2016	0	2,520	0	0	0	1,250	0	<b>3,770</b>
<b>Total Cost or Valuation</b>	<b>688,160</b>	<b>63,357</b>	<b>16,085</b>	<b>8,866</b>	<b>1,142</b>	<b>7,485</b>	<b>145</b>	<b>785,240</b>

The Council dwellings and garages valuation has been carried out by District Valuer, Thomas Dimmock (MRICS). The valuation date for 2019/20 is 31st March 2020. As part of this year's revaluation the valuer has re-assessed the proportion of value in the Land element and concluded that it should remain unchanged at 35%.

The useful lives of both dwellings and the components within have been reviewed during 2019/20. The average useful life of all components, including the buildings has been assessed from 52 to 54 years.

Type of Asset	Valuation Method (Years)
Council Dwellings and Garages	15 to 60 years
Other Land and Buildings (buildings element only)	20 to 50 years
Infrastructure Assets	15 to 40 years
Community Assets	Indeterminable
Vehicles, Plant, Furniture and Equipment	5 to 20 years

As described within Note 4, due to the Covid-19 pandemic, valuations as at 31 March 2020 are included on the basis of 'material valuation uncertainty' so a higher degree of caution should be attached to these valuations. However, they have been based on the best information available and are therefore a valid basis of valuation for this Statement of Accounts.

This matter relates to the 'Other Land & Buildings' and 'Council Dwellings & Garages' categories within Note 12.

### 13. INVESTMENT PROPERTY

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the CIES. Income and expenditure relating to the General Fund is recorded under trading operations.

	31 March 2020 £000	31 March 2019 £000
Rental income from investment property	7,463	7,183
Direct operating expenses arising from investment property	(1,247)	(1,251)
<b>Net Gain / (Loss)</b>	<b>6,216</b>	<b>5,932</b>

The following table summarises the movement in fair value of investment properties over the year. Unlike in previous years. The biggest movement in fair values is a loss in value to the Epping Forest Shopping Park (-£5,650,000) primarily due to current market conditions in the retail sector, although there have been other smaller gains and losses to other properties in the portfolio resulting in a slight mitigation. All investment properties have been valued based on Level 3 unobservable inputs using an income approach and that their current use is their highest and best use. The updated valuations were carried out as at 31 March 2020 by Amy Currie MRICS, RICS Registered Valuer (Senior Surveyor) and Jason Sharman MRICS, RICS Registered Valuer (Partner) of Carter Jonas.



<b>Properties Categorised within level 3</b>	<b>31 March 2020 £000</b>	<b>31 March 2019 £000</b>
Balance as at 31 March	117,011	113,793
<b>Balance as at 01 April</b>	<b>117,011</b>	<b>113,793</b>
Reclassified in year	-	-
Acquisition	25,245	-
Construction	-	751
Net Gains / (Losses) from fair value adjustments	(5,838)	2,467
<b>Balance at end of the year</b>	<b>136,418</b>	<b>117,011</b>

As noted within Note 4, due to the Covid-19 pandemic, valuations as at 31 March 2020 are included on the basis of 'material valuation uncertainty' so a higher degree of caution should be attached to these valuations. However, they have been based on the best information available and are therefore a valid basis of valuation for this Statement of Accounts.

#### 14. LONG TERM DEBTORS

	<b>31 March 2020 £000</b>	<b>31 March 2019 £000</b>
Capital Advances (B3 Living)	526	525
Rents to Mortgages	2,095	2,095
Loan to Waste Management Contractor	-	(72)
Home Assist Loans	495	452
Place Loan	100	50
Qualis Loan	497	-
<b>Net Carrying Amount at Year End</b>	<b>3,713</b>	<b>3,050</b>

#### 15. FINANCIAL INSTRUMENTS

##### Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet.

	<b>Long-term</b>		<b>Current</b>	
	<b>31 March 2020 £000</b>	<b>31 March 2019 £000</b>	<b>31 March 2020 £000</b>	<b>31 March 2019 £000</b>
<b>Financial liabilities at amortised cost</b>				
Borrowing	210,456	185,456	14,000	-
Finance lease liability	-	1,163	-	582
Trade creditors	-	-	-	-
<b>Total financial liabilities</b>	<b>210,456</b>	<b>186,619</b>	<b>14,000</b>	<b>582</b>
<b>Loans and receivables</b>				
Investments	-	-	-	16,049
Debtors	2,590	2,547	-	-
Cash	-	502	24,722	580
<b>Total financial assets</b>	<b>2,590</b>	<b>3,049</b>	<b>24,722</b>	<b>16,629</b>

On 28th March 2012 the Council borrowed £185.456m from the Public Works Loan Board (PWLB) to pay the Ministry of Housing, Communities and Local Government (formerly the DCLG) on the cessation of the HRA Subsidy System. The Council borrowed a further £25.0m from the PWLB in 2019/20. In both cases, accrued interest for each current year is included in creditors on the Balance Sheet.

### Income and Expense Gains and Losses

	Financial Liabilities		Financial Assets	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Interest expense	(5,721)	(5,621)	0	0
Fee expense	0	0	0	0
<b>Total expense in Surplus or Deficit on the Provision of Services</b>	<b>(5,721)</b>	<b>(5,621)</b>	<b>0</b>	<b>0</b>
Interest Income	0	0	131	194
<b>Total income in Surplus or Deficit on the Provision of Services</b>	<b>0</b>	<b>0</b>	<b>131</b>	<b>194</b>
<b>Net Gain / (Loss) for the year</b>	<b>(5,721)</b>	<b>(5,621)</b>	<b>131</b>	<b>194</b>

### Fair Values of Assets and Liabilities

Fair value is the amount for which an asset can be exchanged, or a liability settled. Financial liabilities and financial assets represented by loans and receivables are carried on the Balance Sheet at amortised cost, i.e. the aggregate of principal and accrued interest.

The Council's outstanding debt at 31st March 2020 consists of loans from the Public Works Loan Board (PWLB). Fair values are calculated by determining the amounts that the Council would have to pay to extinguish the loans on these dates and has rated these at a Fair Value "Level 2" (i.e. based on significant observable inputs). The fair value of short-term financial liabilities held at amortised cost, including trade payables is assumed to approximate to the carrying amount.

The fair value for financial assets can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions: a) where an instrument will mature in the next 12 months, carrying amount is assumed to approximate fair value; b) the fair value of trade and other receivables is taken to be the invoiced or billed amount.

	31 March 2020		31 March 2019	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Financial liabilities held at</b>				
Long term borrowing	210,456	248,283	185,502	216,019
Short term borrowing	14,000	14,000		
Finance lease liabilities	-	-	1,163	1,210
<b>Total Financial Liabilities</b>	<b>224,456</b>	<b>262,283</b>	<b>186,665</b>	<b>217,229</b>
<b>Financial Assets</b>				
Short term investments	-	-	16,049	16,049
Cash and cash equivalents	24,722	24,722	580	580
Long Term Debtors	3,713	3,713	3,123	3,123
<b>Total Financial Assets</b>	<b>28,435</b>	<b>28,435</b>	<b>19,752</b>	<b>19,752</b>

The fair value of borrowings is higher than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31st March 2020) arising from a commitment to pay interest to lenders above current market rates.

The table below shows the effect of a 1% increase in the discount rate used to measure the fair values of the Council's Finance Lease and PWLB liabilities.

### Fair Value Sensitivities

Impact of 1% increase on discount rate for fair values (AA Corporate Bond Yield Curve - Bloomberg GBP European AA Composite)	Fair Values	
	31 March 2020 £000	1% increase 31 March 2019 £000
Finance Lease	0	1,192
PWLB	220,352	189,886
<b>Total</b>	<b>220,352</b>	<b>191,078</b>

## 16. DEBTORS AND PREPAYMENTS

	31 March 2020 £000	31 March 2019 £000
Government Departments and Other Local	3,706	3,786
Council Tax Arrears	619	561
NDR Arrears	427	382
Housing Rent Arrears	254	305
Sundry Debtors	8,001	6,228
Prepayments & Deposits	836	493
<b>Total</b>	<b>13,842</b>	<b>11,755</b>

Council Tax and Business Rates arrears shown above, and the related Bad Debt Provision relate only to the Council's proportion of the total debt. The remainder is shown as part of an amount due from major preceptors on the basis that the Council has paid over more in precepts than it has received and is net of prepayments.

## 17. CASH AND CASH EQUIVALENTS

	31 March 2020 £000	31 March 2019 £000
Cash	4	30
Bank Current Accounts	24,718	550
<b>Total Cash and Cash Equivalents</b>	<b>24,722</b>	<b>580</b>

## 18. CREDITORS

	31 March 2020 £000	31 March 2019 £000
Government Departments and Other Local Council Tax	8,733	6,654
Non Domestic Rates	227	245
Housing Rents	389	392
Sundry Creditors	330	364
Accruals and Deferred Income	4,643	5,181
	5,343	5,192
<b>Total Creditors</b>	<b>19,665</b>	<b>18,028</b>

Council Tax and Business Rates prepayments shown above relate only to the Council's proportion of the total debt. The remainder is shown as being due to Government Departments and Other Local Authorities. This is shown net of arrears, Collection Fund balance and, in the case of Business Rates, Provision for Appeals.

## 19. PROVISIONS

With the retention of Business Rates income, the Council has had to take on the liability for settling appeals. It has been necessary to make a provision for those appeals within the Collection Fund the total amount being £5.4 million (£3.1 million 2018/19) of which £2.1 million (£1.26 million 2018/19) relates to this Council.

## 20. UNUSABLE RESERVES

	31 March 2020 £000	31 March 2019 £000
Revaluation Reserve	200,246	194,661
Capital Adjustment Account	467,374	471,421
Pension Reserve	(63,637)	(69,848)
Deferred Capital Receipts Reserve	3,325	3,325
Collection Fund Adjustment Account	626	2,297
Accumulated Absences Account	(355)	(422)
<b>Total Unusable Reserves</b>	<b>607,579</b>	<b>601,434</b>

## Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and gains are consumed through depreciation, or
- disposed of and the gains are realised

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	31 March 2020 £000	31 March 2019 £000
<b>Balance as at 01 April</b>	<b>194,661</b>	<b>189,751</b>
Revaluations During the Year	9,976	8,313
Depreciation Adjustment	(2,633)	(2,306)
Disposals / Reinstatements	(1,758)	(1,097)
<b>Balance as at 31 March</b>	<b>200,246</b>	<b>194,661</b>

## Capital Adjustment Account

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets and financing the acquisition, construction or enhancement of those assets under statutory provision. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve and Deferred Capital Receipts.

	31 March 2020 £000	31 March 2020 £000	31 March 2019 £000
<b>Balance as at 01 April</b>		<b>471,421</b>	<b>472,766</b>
<b>Reversal of items relating to capital expenditure debited or credited to the CIES</b>			
Charges for depreciation and impairment of non-current assets	(11,550)		(10,802)
Depreciation Leased Assets	-		(566)
Amortisation of Intangible Assets	(371)		(240)
Reversal of Notional Lease	-		582
Revaluation Gains / (Losses) on Property, Plant and Equipment	(9,566)		(2,845)
Revenue Expenditure Funded from Capital under Statute	(12)		(517)
Transfer to Capital Receipts on repayment of loan			-
Amounts for non-current assets written off on disposal or sale as part of gain / loss on disposal to the CIES	(593)		(3,306)
Lease Repayment	1,745	(20,347)	
Adjusting Amounts Written Out of the Revaluation Reserve		2,633	2,450
		<b>453,707</b>	<b>457,522</b>
<b>Capital Financing Applied in the Year</b>			
Use of the Capital Receipts Reserve to Finance New Capital Expenditure	3,608		4,989
Use of the Major Repairs Reserve to Finance New Capital Expenditure	10,581		10,982
Capital Grants Credited to the CIES that have been applied to Capital Financing	558		540
Capital Expenditure Charged against the General Fund and HRA Balances	4,430	19,177	3,665
Asset Restatements			-
Movement in the Market Value of Investment Properties debited or credited to the CIES		(5,838)	2,466
Statutory Provision for the financing of capital investment charged against the General Fund and HRA balances		328	261
Adjustment for prior year use of Capital Receipts	-		(9,004)
<b>Balance as at 31 March</b>		<b>467,374</b>	<b>471,421</b>

The fair value of long-term liabilities is higher than the carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

### Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employers contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance of the Pension Reserve therefore shows a substantial shortfall in the benefits earned by the past and current employees and the resources the Council have set aside to meet them. The statutory arrangements ensure the funding will have been set aside by the time the benefits come to be paid.

	31 March 2020 £000	31 March 2019 £000
<b>Balance as at 01 April</b>	<b>(69,848)</b>	<b>(74,860)</b>
Re-measurements of the net defined liability/(asset)	9,894	11,701
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(8,431)	(11,602)
Employers pensions contributions and direct payments to pensioners payable in the year	4,748	4,913
<b>Balance as at 31 March</b>	<b>(63,637)</b>	<b>(69,848)</b>

### Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as useable for financing new capital expenditure until they are backed by cash receipts. When the cash is eventually received, amounts are transferred to the Capital Receipts Reserve.

	31 March 2020 £000	31 March 2019 £000
<b>Balance as at 01 April</b>	<b>3,324</b>	<b>4,256</b>
Rents to Mortgages	0	24
Waste Contractor Loan	0	(956)
<b>Balance as at 31 March</b>	<b>3,324</b>	<b>3,324</b>

## 21. CASH FLOW STATEMENT – OPERATING ACTIVITIES

Adjustment to surplus or deficit on the provision of services for non-cash movements.

	31 March	
	31 March	31 March
	2020	2019
	£000	£000
Depreciation	11,634	10,236
Amortisation	237	240
Impairment and upward revaluations	11,119	2,845
Increase / (decrease) in creditors	6,497	(1,136)
(Increase) / decrease in interest and dividend Debtors	3	(21)
(Increase) / decrease in debtors	2,115	(530)
(Increase) / decrease in inventories	28	(15)
Pension Liability	3,683	5,013
Carrying amount of Non-Current Assets sold	2,351	4,981
Other Non-Cash Items Charged to the Net Surplus or deficit on the Provision of Services	964	(2,697)
<b>Total</b>	<b>38,631</b>	<b>18,916</b>

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities.

	31 March	
	31 March	31 March
	2020	2019
	£000	£000
Any other items for which the cash effects are investing or financing cash flows	81	(229)
Proceeds from the sale of property and equipment, investment property and intangible assets	(2,782)	(4,038)
<b>Total</b>	<b>(2,701)</b>	<b>(4,267)</b>

The cash flows for operating activities include the following items.

	31 March	
	31 March	31 March
	2020	2019
	£000	£000
Interest Received	180	173
Interest Charge for the Year	(5,453)	(5,654)
<b>Total</b>	<b>(5,273)</b>	<b>(5,481)</b>



## 22. CASH FLOW STATEMENT - INVESTING ACTIVITIES

	31 March	
	31 March	31 March
	2020	2019
	£000	£000
Purchase of Property, Plant and Equipment, Investing Property	(44,184)	(26,310)
Purchase of Short-term and Long-term Investments	-	(23,000)
Other Payments for Investing Activities	(590)	-
Proceeds from Sale of Property, Plant and Equipment, Investment	2,782	4,967
Proceeds from Short-term and Long-term Investments	-	23,000
Other Receipts from Investing Activities	4,036	540
<b>Total</b>	<b>(37,956)</b>	<b>(20,803)</b>

## 23. CASH FLOW STATEMENT - FINANCING ACTIVITIES

	31 March	
	31 March	31 March
	2020	2019
	£000	£000
Billing Authorities - Council Tax and NDR Adjustments	(1,365)	2,736
Cash Receipts from Long and Short Term Borrowing	39,000	-
<b>Total</b>	<b>37,635</b>	<b>2,736</b>

## 24. TRADING OPERATIONS

The trading operations of the Council comprise a number of commercial properties and industrial estates including North Weald Airfield where units are leased to local businesses at market rates, the Fleet Operations Service provides MOT testing and motor servicing to the public. In August 2017 the Epping Forest Shopping Park was opened to the public providing retail services.

	31 March			
	2020	2020	2020	2019
	Expenditure	Income	(Surplus) / Deficit	(Surplus) / Deficit
	£000	£000	£000	£000
Commercial Properties	226	(2,702)	(2,476)	(2,118)
Fleet Operations	578	(606)	(28)	(36)
Industrial Estates	68	(1,637)	(1,569)	(1,524)
North Weald Centre	1,062	(1,266)	(204)	47
Shopping Park	46	(2,498)	(2,452)	(2,233)
<b>Total (Surplus) / Deficit</b>	<b>1,980</b>	<b>(8,709)</b>	<b>(6,729)</b>	<b>(5,864)</b>

## 25. MEMBER ALLOWANCES

	31 March 2020 £000	31 March 2019 £000
Allowances	353	355
Expenses	6	6
<b>Total Member Allowances</b>	<b>359</b>	<b>361</b>

## 26. OFFICER REMUNERATION

	2019/20				
	Salary (including fees and allowances)	Benefits in Kind	Pension Contributions	Redundancy	Total Remuneration including Pension Contributions
Acting Chief Executive	26,232	184	3,472	98,706	128,594
Chief Executive	139,958	7,673	21,589	-	169,220
Strategic Director	68,407	-	10,946	-	79,352
Director of Communities	-	-	-	-	-
Director of Business Support Services	85,407	1,239	13,670	-	100,316
Director of Commercial & Regulatory Services	86,377	1,239	13,824	-	101,440
Director of Community & Partnerships Services	86,047	1,256	13,770	-	101,074
Director of Contract & Technical Services	86,041	1,287	13,770	-	101,097
Director of Customer Services	85,978	1,239	13,761	-	100,978
Director of Governance & Member Services	-	-	-	-	-
Director of Housing & Property Services	173,393	1,146	18,704	-	193,243
Director of Planning Services	85,947	1,239	13,756	-	100,942
Harlow & Gilston Town Director	112,809	1,239	18,004	-	132,052
<b>Total</b>	<b>1,036,597</b>	<b>17,741</b>	<b>155,265</b>	<b>98,706</b>	<b>1,308,309</b>

	2018/19				
	Salary (including fees and allowances)	Benefits in Kind	Pension Contributions	Redundancy	Total Remuneration including Pension Contributions
Acting Chief Executive	23,201	184	15,520	-	38,905
Strategic Director	52,223	819	7,593	-	60,635
Director of Communities	108,172	695	9,289	30,000	148,156
Director of Business Support Services	59,435	1,239	8,365	-	69,039
Director of Commercial & Regulatory Services	59,283	1,239	8,340	-	68,862
Director of Community & Partnerships Services	59,567	1,276	8,392	-	69,235
Director of Contract & Technical Services	60,027	1,285	8,467	-	69,779
Director of Customer Services	59,070	1,245	8,307	-	68,622
Director of Governance & Member Services	50,406	934	7,182	-	58,522
Director of Housing & Property Services	60,219	1,239	8,490	-	69,948
Director of Planning Services	60,309	1,239	8,505	-	70,053
Assistant Director of Resources	65,262	1,244	9,298	-	75,804
<b>Total</b>	<b>717,174</b>	<b>12,638</b>	<b>107,748</b>	<b>30,000</b>	<b>867,560</b>

There were no payments relating to bonuses in the year. The emoluments above include all taxable employee payments. Pension contributions relate to Employer's contributions of 21.2% (18.0% in 2018/19).

The number of employees whose remuneration, including benefits in kind, but excluding employer's pension contributions, was £50,000 or more, is summarised in bands of £5,000 in the table below. There was a significant increase in 2019/20, reflecting a management restructure that saw a number of technical specialist roles introduced into the Council.

Remuneration Band	31 March	
	2020 No of Employees	2019 No of Employees
£50,000 - £54,999	1	2
£55,000 - £59,999	4	2
£60,000 - £64,999	11	7
£65,000 - £69,999	7	3
£70,000 - £74,999	13	-
£75,000 - £79,999	-	-
£80,000 - £84,999	1	1
£85,000 - £89,999	-	1
£90,000 - £94,999	6	1
£95,000 - £99,999	-	-
£100,000 - £104,999	-	1
£105,000 - £109,999	-	2
£110,000 - £114,999	-	1
£115,000 - £119,999	1	-
£120,000 - £124,999	-	-
£125,000 - £129,999	1	-
£130,000 - £134,999	-	-
£135,000 - £139,999	-	-
£140,000 - £144,999	-	-
£145,000 - £149,999	-	-
£150,000 - £154,999	1	1
£170,000 - £174,999	-	-
£175,000 - £179,999	1	1
£230,000 - £234,999	1	-
<b>Total</b>	<b>48</b>	<b>23</b>

A number of employee contracts were terminated in 2019/20, which are summarised in the table below.

Termination Benefits	2019/20			
	No of Compulsory Redundancies	No of Other Departures	Total No of Exist Packages	Total Cost of Exit Packages in Each Band
<b>Exit Package Cost Band (including special payments)</b>				
£0 - £20,000	-	3	3	46,168
£20,001 - £40,000	-	8	8	217,422
£40,001 - £60,000	-	2	2	104,284
£60,001 - £80,000	-	-	-	-
£80,001 - £100,000	-	2	2	181,259
-	-	-	-	-
<b>Total Cost Included in Bandings and in the CIES</b>	-	15	15	549,134

Termination Benefits	2018/19			
	No of Compulsory Redundancies	No of Other Departures	Total No of Exist Packages	Total Cost of Exit Packages in Each Band
<b>Exit Package Cost Band (including special payments)</b>				
£0 - £20,000	-	7	7	36,010
£20,001 - £40,000	-	3	3	85,220
£40,001 - £60,000	-	4	4	198,543
£60,001 - £80,000	-	1	1	75,746
£80,001 - £100,000	-	-	-	-
<b>Total Cost Included in Bandings and in the CIES</b>	-	15	15	395,519

## 27. EXTERNAL AUDIT FEES

The following fees have been paid for services carried out by public sector appointed auditors for 2019/20.

	31st March 2020 £000	31st March 2019 £000
External Audit Services	98	50
Certification of Grant Claims & Returns	21	19
Other Services	0	2
<b>Total External Audit Fees</b>	<b>119</b>	<b>71</b>

## 28. GRANTS AND CONTRIBUTIONS

	31 March	
	31 March 2020 £000	31 March 2019 £000
<b>Credited to Taxation and Non-Specific Grant Income</b>		
Revenue Support Grant	-	237
New Homes Bonus	1,049	849
S31 Small Business Rate Relief	2,821	1,518
Transitional Grant	-	-
Community Projects	94	39
Other	5	13
<b>Total Grants and Contributions</b>	<b>3,969</b>	<b>2,656</b>

	31 March	
	31 March 2020 £000	31 March 2019 £000
<b>Credited to Services</b>		
Department for Work and Pensions	28,672	32,792
Department for Communities and Local Government (MHCLG)	1,190	1,535
Homes England (MHCLG)	-	385
Essex County Council	1,686	1,724
Arts Council	-	1
Essex Police, Fire & Crime Commissioner	109	137
Town and Parish Councils	14	15
Broxbourne Borough Council	79	82
Cabinet Office	-	17
National Heritage	85	77
Harlow Borough Council	83	20
East Herts District Council	82	-
Uttlesford District Council	-	10
Housing Associations	-	18
Chelmsford City Council	-	103
Action For Children	30	28
West Essex CCG	20	-
Corporate Contribution To The	10	-
Other	19	18
<b>Total Grants and Contributions</b>	<b>32,079</b>	<b>36,962</b>

## 29. RELATED PARTY TRANSACTIONS

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council, or to be controlled or influenced by the Council.

The Interim Assistant Director of Planning is a director of Fortismere Associates which has a contract through Bloom Procurement Services Limited. The company is currently working on the Local Plan on behalf of the Council. During 2019/20, £126,210 was paid to Fortismere Associates for Local Plan project management and 'critical friend' support (£191,948 2018/19).

Epping Forest District Council Holds a Register of Interests in which all members are required to declare any interests in accordance with the Code of Conduct which is open to public viewing.

### Central Government

Central government has effective control over the general operations of the Council - it is responsible for providing the statutory framework, within which the Council operates, provides a significant amount of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, Housing Benefits).

## 30. CAPITAL EXPENDITURE AND FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	31 March 2020 £000	31 March 2019 £000
<b>Opening Capital Financing Requirement</b>	<b>224,109</b>	<b>207,077</b>
<b>Adjustment to Opening Balance to correct for incorrect use of Capital Receipts to finance expenditure</b>		9,004
<b>Capital Investment</b>		
Property, Plant and Equipment	18,422	26,011
Investment Properties	25,245	751
Revenue Expenditure Funded from Capital Under Statute	12	517
Private Sector Housing Loans	-	100
Intangible Assets	56	132
<b>Sources of Finance</b>		
Capital Receipts	(3,608)	(4,035)
Government Grants and Other Contributions	(459)	(540)
Major Repairs Reserve	(10,581)	(10,982)
Direct Revenue Contributions	(4,430)	(3,665)
Minimum Revenue Provision	(328)	(261)
<b>Closing Capital Financing Requirement</b>	<b>248,438</b>	<b>224,109</b>

## 31. LEASES

The Council has leases with third parties under operating leases with rental income from the lease being credited to trading operations.

The total of future minimum lease payments due within 1 year are:

	31 March 2020 £000	31 March 2019 £000
<b>Assets Leased to Third Parties:</b>		
<b>Land and Buildings</b>		
Shops (including shopping park)	5,951	4,881
Industrial and Commercial	1,529	1,274
Other	873	780
<b>Total Rental Receivable</b>	<b>8,353</b>	<b>6,935</b>

The total of future minimum lease payments due after 1 year are:

	31 March 2020		31 March 2019	
	Receipts Due between 2 & 5 Years £000	Total Receipts Due Thereafter £000	Receipts Due between 2 & 5 Years £000	Total Receipts Due Thereafter £000
<b>Land and Buildings</b>				
Shops (including shopping park)	20,322	27,851	16,830	28,479
Industrial and Commercial	5,039	51,764	4,382	55,706
Other	2,671	30,446	2,354	30,458
<b>Total</b>	<b>28,032</b>	<b>110,061</b>	<b>23,566</b>	<b>114,643</b>

Gross Amount of Assets Held for Use in Operating Leases:

	31 March 2020 £000	31 March 2019 £000
<b>Land and Buildings</b>		
Shops (including shopping park)	89,725	74,751
Industrial Units	32,011	24,443
Other and Commercial	16,290	17,817
<b>Total Assets</b>	<b>138,026</b>	<b>117,011</b>

There are no accumulated depreciation charges on the assets held for use in operating leases.

## 32. PENSIONS

Employees of Epping Forest District Council are admitted to the Essex County Council Pension Fund ("the Fund"), which is administered by Essex County Council under the Regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The Fund is a funded scheme meaning that the authority and employees pay contributions into a fund calculated at a level intended to balance the pensions liabilities with investment assets.

As part of the terms and conditions of employment of the Council's officers the authority offers retirement benefits. Although these benefits will not actually be payable employees retire the Council has a commitment to make the payments that need to be disclosed at the time employees earn their future entitlement.

The figures disclosed below have been derived from a re-assessment of the assets and liabilities as a result of an interim actuarial valuation of the Fund carried out by the Fund's Actuary, Barnett Waddingham Public Sector Consulting, as at 31st March 2020. The approach to calculating the IAS19 figures in between full actuarial valuations is approximate in nature.

The Council recognises cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge made against Council Tax is based on contributions payable to the fund in respect of 2019/20, so the real cost of retirement benefits is reversed out of the Income and Expenditure Account after Net Operating Expenditure.

As a result of the High Court's recent Lloyds ruling on the equalisation of "Guaranteed Minimum Pensions" (GMPs) between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is our understanding that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

The transactions below have been made in the CIES during the year.

Comprehensive Income and Expenditure Statement	31 March	
	2020 £000	2019 £000
Service Cost	6,751	9,630
Net Interest Charged	1,630	1,912
Administration Expenses	50	60
<b>Net Charge made to the CIES</b>	<b>8,431</b>	<b>11,602</b>
<b>Re-Measurements in Other Comprehensive Income</b>		
Return on Fund Assets in Excess of Interest	(12,231)	8,664
Other Actuarial Gains / (Losses)	1,611	-
Changes in Financial Assumptions	22,153	(9,748)
Change in Demographic Assumptions	1,072	12,785
Experience Gain / (Loss) on Defined Benefit Obligation	(2,711)	-
Net Settlements Received	-	2,936
<b>Re-Measurement of the Net Assets/(Defined Liability)</b>	<b>9,894</b>	<b>14,637</b>
<b>Pension Assets and Liabilities Recognised in the Balance Sheet</b>		
Present Value of the Funded Obligation	214,582	229,281
Present Value of the Unfunded Obligation	2,671	3,007
Fair Value of Scheme Assets	(153,616)	(162,440)
<b>Net Liability in the Balance Sheet</b>	<b>63,637</b>	<b>69,848</b>

Reconciliation of the fair value of the Scheme Liabilities				
	Unfunded Liabilities		All Funded/Unfunded Local Government Scheme	
	2020 £000	2019 £000	2020 £000	2019 £000
Net pensions liability at 1 April	(3,007)	(3,333)	(232,288)	(223,074)
Current Service Cost		0	(6,176)	(6,070)
Interest Cost	(69)	(81)	(5,504)	(5,828)
Change in Financial Assumptions	99	(57)	22,153	(9,748)
Change in Demographic Assumptions	4	185	1,072	12,785
Experience Gain	24	0	(2,711)	0
Liabilities Assumed / (Extinguished) on Settlements		0		(3,965)
Estimated Benefits Paid		0	7,665	6,997
Past Service Cost Including Curtailments		0	(575)	(2,531)
Contributions by Scheme Participants		0	(1,167)	(1,133)
Unfunded Pension Payments	278	279	278	279
<b>Net Pension Liability at 31 March</b>	<b>(2,671)</b>	<b>(3,007)</b>	<b>(217,253)</b>	<b>(232,288)</b>

Reconciliation of the fair value of the Scheme Assets	31 March	
	2020 £000	2019 £000
Fair Value of the Plan Assets at 1 April	162,440	148,214
Interest on Assets	3,874	3,916
Return on Assets less Interest	(12,231)	8,664
Other Actuarial Gains / (Losses)	1,611	-
Administration Expenses	(50)	(60)
Employer Contributions including Unfunded	4,748	4,913
Contributions by Scheme Participants	1,167	1,133
Benefits Paid	(7,943)	(7,276)
Settlement Prices Received / (Paid)	-	2,936
<b>Fair Value of the Plan Assets at 31 March</b>	<b>153,616</b>	<b>162,440</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual loss on assets less interest in the year was -£12.2 million (£8.7 million return for 2018/19).

Scheme History	2019/20	2018/19	2017/18	2016/17	2015/16
	£000	£000	£000	£000	£000
Present Value of Liabilities	(214,582)	(229,281)	(223,074)	(220,002)	(183,640)
Fair Value of Assets	153,616	162,440	148,214	138,881	116,659
Present Value of Unfunded Obligation	(2,671)	(3,007)	-	-	-
<b>Surplus / (Deficit) in the Scheme</b>	<b>(63,637)</b>	<b>(69,848)</b>	<b>(74,860)</b>	<b>(81,121)</b>	<b>(66,981)</b>

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £63.6 million in the balance sheet has decreased the reported net worth of the Council by 8.9% (6.7% 2018/19).



However statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit will be gradually eliminated by increased contributions over the remaining working life of employees, as assessed by the scheme Actuary.

The total employer contributions expected to be made to the scheme by the Council in the year to 31 March 2021 is £4.1 million. The Service Cost is expected to be £5.8 million for the year to 31 March 2021.

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about life expectancy rates, salary levels, and inflation rates. The District Council fund liabilities have been assessed by Barnett Waddingham, a firm of actuaries who provide the service for the Essex County Council Pension Fund, being based on the full Actuarial Valuation of the scheme as at 31st March 2017.

The principal assumptions used by the actuary have been:	2020 £000	2019 £000
<b>Life Expectancy Assumptions</b>		
Longevity at 65 for current pensioners in years:		
Men	22	21
Women	24	24
Longevity at 65 for future pensioners in years:		
Men	23	23
Women	25	25
Rate of inflation RPI	2.70%	3.45%
Rate of inflation CPI	1.90%	2.45%
Rate of increase in salaries	2.90%	3.95%
Rate of increase in pensions	1.90%	2.45%
Rate for discounting scheme liabilities	2.35%	2.40%

The Scheme's assets consist of the following categories, by proportion of the total assets held.

	31 March 2020		31 March 2019	
	£000	%	£000	%
Equities	89,918	59%	101,133	62.3
Government Bonds	6,621	4%	8,622	5.3
Other Bonds	9,307	6%	9,494	5.8
Property	13,814	9%	14,443	8.9
Cash / Liquidity	6,385	4%	4,278	2.6
Alternative Assets	17,694	12%	15,838	9.8
Other Managed Funds	9,877	6%	8,632	5.3
<b>Total</b>	<b>153,616</b>	<b>100%</b>	<b>162,440</b>	<b>100.0</b>

The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities was considered by the actuaries in the 2017 actuarial review of the Pension Fund. The anticipated shortfall in the funding of the scheme has determined the future level of pension contributions which will be due in between triennial valuations.

Sensitivity Analysis as at 31 March 2020	Sensitivity 1	Existing Assumptions	Sensitivity 2
	£000	£000	£000
<b>Adjustment to Discount Rate</b>	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	213,361	217,253	221,221
Projected Service Cost	5,638	5,768	5,901
<b>Adjustment to Long Term Salary Increase</b>	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	217,579	217,253	216,930
Projected Service Cost	5,771	5,768	2,765
<b>Adjustment to Pension Increases and Deferred Revaluation</b>	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	220,909	217,253	213,664
Projected Service Cost	5,899	5,768	5,640
<b>Adjustment to Mortality Age Rating Assumptions</b>	+1 Year	None	-1 Year
Present Value of Total Obligation	226,426	217,253	208,483
Projected Service Cost	5,946	5,768	5,595

Sensitivity Analysis as at 31 March 2019	Sensitivity 1	Existing Assumptions	Sensitivity 2
	£000	£000	£000
<b>Adjustment to Discount Rate</b>	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	226,790	230,692	234,664
Projected Service Cost	5,894	6,023	6,155
<b>Adjustment to Long Term Salary Increase</b>	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	231,071	230,692	230,314
Projected Service Cost	6,023	6,023	6,023
<b>Adjustment to Pension Increases and Deferred Revaluation</b>	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	234,279	230,692	227,166
Projected Service Cost	6,155	6,023	5,894
<b>Adjustment to Mortality Age Rating Assumptions</b>	+0.1%	None	-0.1 year
Present Value of Total Obligation	239,544	230,692	222,172
Projected Service Cost	6,227	6,023	5,825

### 33. NATURE & EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council has adopted CIPFA's Revised Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities (both revised in December 2017).

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy (for 2019/20 this was agreed at Full Council on 21st February 2019). The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the MHCLG Investment Guidance for local authorities. This guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments; and
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rate movements.

#### **Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

#### **Investments**

The risk is minimised through the Annual Investment Strategy, which requires that deposits are made with Debt Management Office, other local authorities, AAA rated money market funds or Banks and Building Societies having sufficiently high credit worthiness as set out in the Treasury Management Strategy. It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. A limit of £10m is placed on the amount of money that can be invested with a single counterparty excepting UK Central Government which is unlimited. The Council also sets a total group investment limit (£10m) for institutions that are part of the same banking group.

The table below summaries the nominal value of the Council's investment portfolio at 31st March 2020, and confirms that all investments were made in line with the Council's approved rating criteria when investment placed:

The amounts below include the money market fund which is included in cash and cash equivalents.

**Balances Invested as at 31st March 2020**

	Credit Rating Criteria Met	Up to 1 Month £000	1 - 3 Months £000	4 - 6 Months £000	7 - 12 Months £000	Greater than 12 Months £000	Total £000
Banks UK	Yes	24,718	0	0	0	0	24,718
<b>Total</b>		<b>24,718</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,718</b>

**Balances Invested as at 31st March 2019**

	Credit Rating Criteria Met	Up to 1 Month £000	1 - 3 Months £000	4 - 6 Months £000	7 - 12 Months £000	Greater than 12 Months £000	Total £000
Banks UK	Yes	550	0	0	0	0	550
Local Authorities	Yes	0	0	8,000	0	0	8,000
Money Market Funds	Yes	8,599	0	0	0	0	8,049
<b>Total</b>		<b>8,599</b>	<b>0</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>16,599</b>

**Debtors**

The following analysis summaries the Council's potential maximum exposure to credit risk, based on the experience gathered over the last five financial years on the level of default on trade debtors, adjusted for market conditions.

	31st March 2020		
	Amount £000	Default Risk Judged %	Bad Debt Provision £000
Sundry Debtors	8,001	36.7	2,935
Housing Arrears	1,092	76.7	838
<b>Net Charge made to CIES</b>	<b>9,093</b>		<b>3,773</b>

	31st March 2019		
	Amount £000	Default Risk Judged %	Bad Debt Provision £000
Sundry Debtors	6,211	42.4	2,635
Housing Arrears	850	64.1	545
<b>Net Charge made to CIES</b>	<b>7,061</b>		<b>3,180</b>

The credit risk in relation to counterparty investments is relatively small as the likelihood of default is also small. With regard to sundry debtors, housing and taxation debtors, a risk arises by virtue of the fact that they represent amounts owed to the Council and there will always be a level of default inherent in such debts. A provision for non-payment of debts is provided within the overall debtors' figure stated in the accounts.

### Liquidity Risk

The Council has access to borrowing facilities via the Public Works Loan Board, commercial banks, bond issues and other local authorities. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage risk that it will not be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates.

The Council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The maturity analysis of the nominal value of the Council's debt at 31st March 2020 was as follows.

		31 March 2020 £000	% of Total Debt Portfolio	Cash Flows including Interest £000
<b>Short Term Borrowing</b>	<b>Less than 1 Year</b>	<b>14,000</b>	<b>100%</b>	<b>14,023</b>
Long Term Borrowing	Over 1 but not Over 2	46,800	22%	45,645
	Over 2 but not Over 5	0	0%	17,618
	Over 5 but not Over 10	0	0%	29,214
	Over 10 but not Over 15	0	0%	29,027
	Over 15 but not Over 20	90,000	43%	115,723
	Over 20 but not Over 25	63,656	30%	67,847
	Over 25	10,000	5%	5,745
<b>Long Term Borrowing</b>		<b>210,456</b>	<b>100%</b>	<b>310,819</b>

The maturity analysis of the nominal value of the Council's debt at 31st March 2019 was as follows:

		31st March 2019 £000	% of Total Debt Portfolio	Cash Flows including Interest £000
<b>Short Term Borrowing</b>	<b>Less than 1 Year</b>	<b>0</b>	<b>0%</b>	<b>5,638</b>
Long Term Borrowing	Over 1 but not Over 2	0	0%	5,678
	Over 2 but not Over 5	31,800	17%	37,478
	Over 5 but not Over 10	0	0%	26,740
	Over 10 but not Over 15	0	0%	26,740
	Over 15 but not Over 20	60,000	32%	85,702
	Over 20 but not Over 25	93,656	51%	100,428
<b>Long Term Borrowing</b>		<b>185,456</b>	<b>100%</b>	<b>282,766</b>

### Interest Rate Risk

The Council is exposed to risks arising from movements in interest rates. The Treasury Management Strategy aims to mitigate these risks by setting an upper limit of 25% on external debt that can be subject to variable rates. At 31st March 2020, 85% of the debt portfolio was held in fixed rate instruments and 15% in variable rate instruments.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	2020 £000	2019 £000
Increase in interest payable on variable rate borrowing	318	318
Increase in interest receivable on variable rate investments	(0)	(247)
<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>318</b>	<b>71</b>
<b>Share of overall impact debited/(credited) to HRA</b>	<b>318</b>	<b>71</b>

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Fair Value disclosure note.

### Price Risk

The Council does not invest in equity holdings or in financial instruments whose capital value is subject to market fluctuations. It therefore has no exposure to losses arising through price variations.

### Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

## 34. CAPITAL COMMITMENTS

Capital commitments predominantly relate to Housing.

The Council entered into a contract with Storm Building Ltd in January 2019 to build 12 properties at Queens Road, Epping. The anticipated contract sum is £2.852 million with cost incurred up until the 31st March 2020 of £2.620 million; completion is anticipated in December 2020.

Further contracts are held with other building companies for construction works on the Council's Housebuilding Programme. Contracts with TSG Building Services plc for the construction of 14 affordable homes, and with Indecon Building Ltd to build 22 affordable homes, commenced in March 2020. The properties are scheduled for handover in June 2021, with an estimated final cost of £10 million.

In addition, the Council committed to the purchase of nine domestic dwellings to add to its existing housing stock in the Spring of 2020 (total costs £3.167 million). A further commitment of £3.023 million was discharged during April and May 2020, with the purchase of another nine domestic properties.

Finally, a contract with Fairclough Construction for £810,000 for the recently completed expansion works at the Oakwood Hill Depot was entered into during 2019/20.

## Housing Revenue Account Income and Expenditure Statement

	Note	2019/20 £000	2018/19 £000
<b>Income</b>			
Dwelling Rents	3	(31,698)	(31,083)
Non Dwelling Rents		(809)	(865)
Charges for Services and Facilities		(1,564)	(1,556)
Leaseholder Contributions		(328)	(107)
Revaluation of Fixed Assets	1		(18)
<b>Total Income</b>		<b>(34,399)</b>	<b>(33,629)</b>
<b>Expenditure</b>			
Repairs and Maintenance	4	6,565	6,709
Supervision and Management		9,070	9,503
Revaluation of Fixed Assets		7,620	2,368
Rents, Rates, Taxes and Insurance		486	532
Revenue Expenditure funded from Capital under Statute		328	107
Depreciation and Amortisation	8/9	8,674	8,644
Debt Management		64	60
Provision for bad and doubtful debt		366	64
<b>Total Expenditure</b>		<b>33,174</b>	<b>27,987</b>
<b>Net Cost of Services as Included in the Comprehensive Income and Expenditure Statement</b>			
		<b>(1,225)</b>	<b>(5,642)</b>
HRA services share of Corporate Expenses		496	701
HRA services share of Other Services		18	30
<b>Net Cost (Income) of HRA Services</b>		<b>(711)</b>	<b>(4,911)</b>
HRA Share of the Income and Expenditure included in the Comprehensive Income and Expenditure Statement		(711)	(4,911)
Capital Grants and Contributions		(103)	(224)
Gain on Sale of HRA Non-Current Assets		(1,899)	(2,130)
Interest Payable and similar charges		5,721	5,575
Interest and Investment Income		(314)	(384)
Valuation increase Rent to Mortgage		-	(24)
Changes in Fair Value of Investment Properties		-	-
Pensions Interest / Return on Assets		352	612
<b>(Surplus) / Deficit for the Year on HRA Services</b>		<b>3,045</b>	<b>(1,486)</b>

## Movement on Housing Revenue Account Statement

The Housing Revenue Income and Expenditure Statement shows the Council's actual financial performance for the year in managing its housing stock, measured in terms of the resources consumed and generated over the last twelve months. However,

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The payment of a share of housing capital receipts to the Government is treated as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than from Council Tax; and
- Retirement benefits are charged as amounts become payable to pension funds and pensioners rather than as future benefits earned.

The Housing Revenue Account Statement compares the Council's spending against the income that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn in the Housing Revenue Income and Expenditure Statement and the Housing Revenue Account balance.

Note 7 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve and Deferred Capital Receipts.

<b>Increase / decrease in the Housing Revenue Account Balance</b>	<b>Note</b>	<b>2019/20 £000</b>	<b>2018/19 £000</b>
(Surplus)/ deficit for the year on the Housing Revenue Account Income and Expenditure Statement		3,045	(1,489)
Adjustments between accounting basis and funding basis under statute (including to or from reserves)	<b>10</b>	(2,318)	2,024
Transfers to Earmarked Reserves	<b>10</b>	(442)	(563)
<b>(Increase) / decrease in the Housing Revenue Account</b>		<b>285</b>	<b>(28)</b>
Housing Revenue Account Surplus Brought Forward		(2,315)	(2,287)
<b>Housing Revenue Account Surplus Carried Forward</b>		<b>(2,030)</b>	<b>(2,315)</b>



## 1. HOUSING REVENUE ACCOUNT ASSET VALUATION

The valuation of the Council's housing stock and other HRA assets is as follows:

	Operational Assets						Non Operational Assets	Total
	Land	Dwellings	Garages	Vehicles & Equipment	Other Land & Buildings	Other	Investment Properties	
2019/20	£000	£000	£000	£000	£000	£000	£000	£000
<b>Gross Book Value 01 April 2019</b>	<b>238,603</b>	<b>438,565</b>	<b>3,954</b>	<b>3,531</b>	<b>1,428</b>	<b>22,343</b>	<b>139</b>	<b>708,563</b>
Additions	-	25,626	-	98	-	3,716	0	<b>29,440</b>
Disposals / impairments	(777)	(1,442)	-	-	-	(13,114)	0	<b>(15,333)</b>
Reclassified in year	19	35	-	-	49	-	0	<b>103</b>
Revaluations applied to the CIES	(2,668)	(4,956)	1	-	(49)	0	0	<b>(7,672)</b>
Revaluation credited to the Revaluation Reserve	(177)	(1)	(216)	-	-	753	0	<b>359</b>
Accumulated depreciation and impairment written off on revaluation	-	(8,248)	(159)	-	(49)	0	0	<b>(8,456)</b>
<b>Gross Book Value 31 March 2020</b>	<b>235,000</b>	<b>449,579</b>	<b>3,580</b>	<b>3,629</b>	<b>1,379</b>	<b>13,698</b>	<b>139</b>	<b>707,004</b>
Depreciation 01 April 2019	-	-	-	(2,081)	(10)	(943)	-	<b>(3,034)</b>
Reclassified	-	-	-	-	-	-	-	<b>0</b>
Depreciation in year	-	(8,275)	(159)	(157)	(27)	(86)	-	<b>(8,704)</b>
Depreciation on disposed assets	-	27	-	-	-	-	-	<b>27</b>
Accumulated depreciation and impairment written off on revaluation	-	8,248	159	-	1	-	-	<b>8,408</b>
<b>Depreciation 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,238)</b>	<b>(36)</b>	<b>(1,029)</b>	<b>-</b>	<b>(3,303)</b>
<b>Net Book Value 31 March 2020</b>	<b>235,000</b>	<b>449,579</b>	<b>3,580</b>	<b>1,391</b>	<b>1,343</b>	<b>12,669</b>	<b>139</b>	<b>703,701</b>
<b>Net Book Value 01 April 2019</b>	<b>238,603</b>	<b>438,565</b>	<b>3,954</b>	<b>1,450</b>	<b>1,418</b>	<b>21,400</b>	<b>139</b>	<b>705,529</b>

	Operational Assets						Non Operational Assets	Total
	Land	Dwellings	Garages	Vehicles & Equipment	Other Land & Buildings	Other	Investment Properties	
2018/19	£000	£000	£000	£000	£000	£000	£000	£000
<b>Gross Book Value 01 April 2018</b>	<b>236,903</b>	<b>434,218</b>	<b>4,420</b>	<b>3,317</b>	<b>938</b>	<b>18,860</b>	<b>129</b>	<b>698,785</b>
Additions	-	8,821	1	760	-	7,513	-	17,095
Disposals / impairments	(907)	(1,625)	(60)	(360)	-	-	-	(2,952)
Reclassified in year	2,015	4,254	(335)	(186)	(50)	(5,884)	-	(186)
Revaluations applied to the CIES	(823)	(1,528)	-	-	-	(114)	10	(2,455)
Revaluation credited to the	1,415	2,497	87	-	588	1,985	-	6,572
Accumulated depreciation and impairment written off on revaluation	-	(8,072)	(159)	-	(48)	(17)	-	(8,296)
<b>Gross Book Value 31 March 2019</b>	<b>238,603</b>	<b>438,565</b>	<b>3,954</b>	<b>3,531</b>	<b>1,428</b>	<b>22,343</b>	<b>139</b>	<b>708,563</b>
Depreciation 01 April 2018	-	-	-	(2,283)	(43)	(864)	-	(3,190)
Reclassified	-	-	13	53	1	(14)	-	53
Depreciation in year	-	(8,100)	(174)	(176)	(15)	(82)	-	(8,547)
Depreciation on disposed assets	-	28	2	325	-	-	-	355
Accumulated depreciation and impairment written off on revaluation	-	8,072	159	-	47	17	-	8,295
<b>Depreciation 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,081)</b>	<b>(10)</b>	<b>(943)</b>	<b>-</b>	<b>(3,034)</b>
<b>Net Book Value 31 March 2019</b>	<b>238,603</b>	<b>438,565</b>	<b>3,954</b>	<b>1,450</b>	<b>1,418</b>	<b>21,400</b>	<b>139</b>	<b>705,529</b>
<b>Net Book Value 01 April 2018</b>	<b>230,730</b>	<b>421,368</b>	<b>4,694</b>	<b>1,032</b>	<b>897</b>	<b>15,407</b>	<b>129</b>	<b>674,257</b>

The Dwellings valuation shown in the Balance Sheet represents the value of the Housing Stock to the Council in its existing use as social housing, occupied on the basis of secured tenancies. The corresponding value of those Dwellings if sold on the open market without tenants (i.e. vacant possession) is £1,799,602,300 based on stock figures from 31st March 2020 and values as at 1st April 2019. The difference between the two values represents the economic cost of providing Council Housing at less than open market rent.

## 2. HOUSING STOCK

The Council was responsible for managing on average 6,421 dwellings during 2019/20 (6,374 in 2018/19). Changes in the stock are summarised below. The figures include 48 units for the homeless at Norway House, North Weald, and 6 wardens' and caretakers' dwellings.

	31 March 2020 £000	31 March 2019 £000
Stock as at 1 April	6,376	6,374
Less: Sales	(22)	(23)
Stock Transfers / Other Movements	-	-
New Properties	1	-
	66	25
<b>Stock as at 31 March</b>	<b>6,421</b>	<b>6,376</b>
Number of: Houses and Bungalows	3,466	3,465
Flats and Maisonettes	2,901	2,863
Other	54	48
<b>Stock as at 31 March</b>	<b>6,421</b>	<b>6,376</b>

## 3. GROSS DWELLING RENT INCOME

During 2019/20:

- 1.14% (2.40% in 2018/19) of all lettable dwellings were vacant
- Average rents were £96.50 per week including affordable rents, an increase of £0.31 or 0.32%, on the previous year
- 41.00% (46.60% in 2018/19) of all Council tenants received some help through rent rebates in 2019/20.
- Rent arrears increased to £1,092,146 (£850,037 in 2018/19), which represents 3.45% (2.73% in 2018/19) of gross dwelling rent income.
- The provision for bad and doubtful debts on these arrears amounted to £ 837,832 (£545,193 in 2018/19).
- Amounts written off during the year totalled £73,849 (£73,875 in 2018/19); and
- Dwelling rents are shown after allowing for voids.

#### 4. HOUSING REPAIRS FUND

The Council maintains a Housing Repairs Fund that evens out the annual cost to tenants of a cyclical repairs programme. The movement on the Fund is as follows:

	2019/20		2018/19	
	£000	£000	£000	£000
Balance as at 1 April		(692)		(1,255)
Contribution from the HRA	(6,000)		(6,000)	
Other Income	(123)		(143)	
<b>Total Income</b>		<b>(6,123)</b>		<b>(6,143)</b>
Responsive and Void Repaired	4,471		4,562	
Planned Maintenance	2,071		2,126	
Other	23		18	
<b>Total Expenditure</b>		<b>6,565</b>		<b>6,706</b>
<b>Balance as at 31 March</b>		<b>(250)</b>		<b>(692)</b>

The amount shown on the face of the Housing Revenue Income and Expenditure Statement is the actual net expenditure on repairs and maintenance rather than the contribution to the repairs fund. The difference between the two figures forms part of the adjustments between accounting and funding basis under regulations (Note 10).

#### 5. PENSIONS

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge made against the HRA is based on the contributions payable to the fund in respect of 2019/20; the real cost of retirement benefits is therefore reversed out of the Housing Revenue Account after Net Operating Expenditure.

#### 6. HOUSING REVENUE ACCOUNT CAPITAL RECEIPTS

The Council received £4,147,294 in respect of HRA capital receipts during 2019/20 (£4,721,600 in 2018/19). The receipts came from the sale of Council Houses £4,064,500 (£4,611,600 in 2018/19) and Right to Buy ("RTB") discounts repaid £82,794. There were no sales of other HRA land or properties in 2019/20 (none in 2018/19). The receipts have been allocated in accordance with the prescribed proportions - £2,790,735 (£3,177,188 in 2018/19) for house building projects, £28,600 (£29,900 in 2018/19) to be paid over to the administration of the sales, £839,313 (£894,205 in 2018/19) to be paid over to the Central Government pool, with the remainder of £488,646 (£620,307 in 2018/19) available to fund other capital projects.

## 7. HOUSING REVENUE ACCOUNT CAPITAL EXPENDITURE

The HRA incurred the following capital expenditure:

	2020 £000's	2019 £000's
<b>Capital Expenditure:</b>		
Council Dwellings	8,847	8,216
House Building and Developments	6,879	7,279
Disabled Adaptations	497	446
Plant, Vehicles and Equipment	214	853
Environmental Works	899	560
<b>Total Expenditure</b>	<b>17,336</b>	<b>17,354</b>
<b>Financed by:</b>		
Revenue	4,430	2,750
Major Repairs Reserve	10,341	11,882
Capital Receipts	1,951	2,498
Other Contributions	374	224
Borrowing	240	0
<b>Total Financing</b>	<b>17,336</b>	<b>17,354</b>

## 8. MAJOR REPAIRS RESERVE

The Council is required to maintain a Major Repairs Reserve (MRR). This was originally funded from the Government via Housing Subsidy but is now funded from the HRA directly. The HRA is charged with the depreciation for the year the opposite entry of which is a credit to the MRR. This income can then be used to fund repairs of a capital nature. The movement on MRR is as follows:

	2019/20		2018/19	
	£000s	£000s	£000s	£000s
Balance as at 1 April		(9,125)		(11,693)
Depreciation Transferred from the HRA	(8,579)		(8,414)	
Used to Fund Capital Expenditure on Council Dwellings	10,581		10,982	
<b>Total Expenditure</b>		<b>2,002</b>		<b>2,568</b>
<b>Balance as at 31 March</b>		<b>(7,123)</b>		<b>(9,125)</b>

## 9. DEPRECIATION AND IMPAIRMENTS

Depreciation is charged on Housing Revenue Account assets in accordance with IAS 16. Depreciation is charged with reference to balance sheet values and the average life remaining on the housing stock and its major components. No depreciation is chargeable on the HRA investment assets. The difference between the figure shown on the face of the HRA and Note 8 above relates to £95,000 (2018/19 £230,000) in amortisation of intangible assets, other non-dwellings depreciation, revenue expenditure funded from capital and impairments.

## 10. NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON HRA BALANCE

	2019/20 £000	2018/19 £000
<b>Amounts to be Excluded</b>		
Transfer from Major Repairs Reserve and Other Depreciation Reversals and Impairments	(142)	(153)
Downward Revaluation of Council Dwellings and Garages	(7,620)	(2,351)
Movements in the fair value of investment	-	-
Leaseholder contributions	(328)	(107)
Revenue Expenditure Funded from Capital Under Statute	-	(98)
Reversal of notional lease payment	-	23
Valuation changes rents to mortgages	-	24
Gain / (loss) on disposal of HRA Fixed Assets	1,790	2,096
Flexi / leave accruals	34	(50)
HRA share of contributions to / (from) Pensions Reserve	(1,855)	(2,913)
<b>Total of Amounts to be Excluded</b>	<b>(8,121)</b>	<b>(3,529)</b>
<b>Amounts to be Included</b>		
Leaseholder contributions	328	107
Employers contributions payable to the Pension Fund	1,045	1,572
Capital expenditure funded by the HRA	4,430	3,650
Capital contributions applied	-	224
<b>Total of Amounts to be Included</b>	<b>5,803</b>	<b>5,553</b>
<b>Net increase/(decrease) before transfers to / from Reserve</b>	<b>(2,318)</b>	<b>2,024</b>
<b>Transfers to /from Earmarked Reserves</b>		
Housing Repairs Fund	(442)	(563)
<b>Total Transfers To Earmarked Reserves</b>	<b>(442)</b>	<b>(563)</b>
<b>Total</b>	<b>(2,760)</b>	<b>1,461</b>

## 11. TRANSFER TO SELF FINANCING RESERVE

The HRA Self-Financing Reserve was set up for the purpose of receiving a transfer of £3.18m per annum to accumulate enough funds to repay the £31.8m variable loan (due to be repaid in March 2022). Whilst this is the stated purpose of the fund the decision does not preclude the use of these funds for another HRA purpose. The balance on the Reserve as at 1st April 2017 was £12.72m, however it was agreed that in 2017/18 the contribution would be suspended leaving the year-end balance unchanged. There have been no further contributions.

## Collection Fund

	Note	2019/20			2018/19		
		Council Tax	Non Domestic Rates	Collection Fund Total	Council Tax	Non Domestic Rates	Collection Fund Total
		£000	£000	£000	£000	£000	£000
<b>Income</b>							
Council Tax	1	(96,717)		(96,717)	(91,371)	-	(91,371)
Non Domestic Rates	2		(34,552)	(34,552)	-	(37,281)	(37,281)
<b>Total Income</b>		<b>(96,717)</b>	<b>(34,552)</b>	<b>(131,269)</b>	<b>(91,371)</b>	<b>(37,281)</b>	<b>(128,652)</b>
<b>Expenditure</b>							
<b>Precepts and Demands</b>							
Essex County Council		68,806	3,086	71,892	65,440	3,093	68,533
Essex Police		10,451	-	10,451	9,053	-	9,053
Essex Fire Authority		3,924	343	4,267	3,770	344	4,114
Epping Forest District Council		11,908	13,714	25,622	11,647	13,747	25,394
<b>Distribution of Estimated Collection Fund Surplus/(Deficit)</b>							
Essex County Council	3	687	67	754	399	(122)	277
Essex Police		95	-	95	54	-	54
Essex Fire Authority		40	7	47	24	(14)	10
Epping Forest District Council		122	297	419	73	(542)	(469)
<b>Non Domestic Rate</b>							
Payment to Central Government			17,143	17,143	-	17,184	17,184
Repayment of Deficit			372	372	-	(678)	(678)
Transitional Protection			216	216	-	(530)	(530)
Cost of Collection Allowance			173	173	-	173	173
Provision for Appeals			2,224	2,224	-	226	226
Provision for Non Payment		1,622	602	2,224	234	110	344
Write Offs		277	106	383	190	21	211
<b>Total Expenditure</b>		<b>97,932</b>	<b>38,350</b>	<b>136,282</b>	<b>90,884</b>	<b>33,012</b>	<b>123,896</b>
<b>Deficit / (Surplus) for the Year</b>		<b>1,215</b>	<b>3,798</b>	<b>5,013</b>	<b>(487)</b>	<b>(4,269)</b>	<b>(4,756)</b>
<b>Balance Brought Forward</b>		<b>(1,391)</b>	<b>(5,297)</b>	<b>(6,688)</b>	<b>(904)</b>	<b>(1,028)</b>	<b>(1,932)</b>
<b>Balance Carried Forward</b>		<b>(176)</b>	<b>(1,499)</b>	<b>(1,675)</b>	<b>(1,391)</b>	<b>(5,297)</b>	<b>(6,688)</b>

### 1. COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands, estimating 1st April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council, Essex Police, Essex Fire Authority and this Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts: 54,159 for 2019/20 (53,563 for 2018/19). The basic amount of Council Tax for a Band D property of £1,688.31 for 2019/20 (£1,613.61 for 2018/19) is multiplied by the proportion specified for the particular band to give an individual amount due.

Income of £96,716,640 for 2019/20 (£91,371,076 for 2018/19) was receivable from Council Tax payers.

	Chargeable Dwellings	Chargeable Dwellings after Discount, Exemptions and Disabled Relief	Ratio to Band D	Band D Equivalents
Band A Disabled	-	4	5/9	2.22
Band A	1,887	1,496	2/3	997.33
Band B	5,035	4,143	7/9	3,222.33
Band C	11,645	10,364	8/9	9,212.44
Band D	14,160	13,035	9/9	13,035.00
Band E	9,840	9,130	11/9	11,158.89
Band F	6,864	6,458	13/9	9,328.22
Band G	5,979	5,652	15/9	9,420.00
Band H	1,163	1,093	18/9	2,186.00
<b>Total Band D</b>				<b>58,562</b>
Less Band D				3,578
<b>Total Band D Equivalents</b>				<b>54,984</b>
Less Adjustment for Collection Rate				825
<b>Council Tax Base</b>				<b>54,159</b>

## 2. NON-DOMESTIC RATES

Non-Domestic Rates are organised on a national basis. The Government specifies an amount, 49.1p (small business) and 50.4p (others) in 2019/20, (48.0p (small business) 49.3p (others) in 2018/19) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

From 1st April 2013 Business Rates Retention was introduced whereby Local Authorities retain 50% of the Business Rates collected and pay the remainder over to Central government. The amount retained is shared between the Council (40%), Essex County Council (9%) and Essex Fire Authority (1%). In addition, the Government has set a level of Business Rates Funding deemed to be applicable to each area and every Council either receives a top up (where business rates are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding). In 2019/20 this Council paid a tariff of £10,706,120 (£10,466,268 in 2018/19).

If the Council increases its Business Rates base and therefore income it is allowed to retain a proportion of this increased income whilst paying up to 50% to Central Government. This payment is known as a Levy payment.



If a reduction of Business Rates income of more than 7.5% of its funding baseline has occurred, then the Government will make up any difference between this and the actual loss in the form of a Safety Net Payment.

The Council is part of the Essex Business Rates Pool. A pool is set up in order to minimise the potential Levy on Business Rates growth that an individual authority might need to pay Central Government. A number of authorities that are paying a Tariff to the Government join a pool with an authority receiving a Top Up. In the case of the Essex Pool, the County Council are receiving a Top Up and the Districts are paying a Tariff, and by pooling their Business Rates can significantly reduce their Levy rates from the 50% they would face if on their own.

The total non-domestic rateable value at the year-end was £96,356,039 (£96,411,876 in 2018/19).

### **3. CONTRIBUTIONS TO COLLECTION FUND SURPLUSES AND DEFICITS**

The surplus or deficit on the Collection Fund arising from Council Tax and Business Rates transactions relates to this Council, other major precepting authorities and Central Government. The surplus or deficit on the fund is estimated as at 15th January every year and paid over or recovered from the Council's General Fund and major precepting authorities in the following financial year. The balance on the Fund represents the difference between the estimated surplus or deficit and the actual position.

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# EPHING FOREST DISTRICT COUNCIL

## Annual Governance Statement 2019/20

### 1. Scope of responsibility

Epping Forest District Council (EFDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has approved and adopted a Local Code of Governance (last updated January 2020), which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the Councils Constitution. A copy of the Code is on our website at [www.eppingforestdc.gov.uk](http://www.eppingforestdc.gov.uk). The code is aligned to the 2016 edition of the CIPFA/SOLACE framework.

This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6(1) of the Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an annual governance statement (AGS).

### 2. The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. It is also responsible for evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council's Code of Governance recognises that effective governance is achieved through the following seven CIPFA/SOLACE principles.

- (i) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- (ii) Ensuring openness and comprehensive stakeholder engagement.
- (iii) Defining outcomes in terms of sustainable economic, social and environmental benefits.
- (iv) Determining the interventions necessary to optimise the achievement of intended outcomes.

- (v) Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- (vi) Managing risks and performance through robust internal control and strong public financial management.
- (vii) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

It is important the Council can demonstrate that its Annual Governance Statement is aligned with its Local Code and the seven CIPFA/SOLACE principles and this is set out in Appendix 1.

The table below summarises the Council's Governance Framework (which includes the system of internal control) for the year ending 31 March 2020 and up to the date of approval of this Statement and the Statement of Accounts.

<b>The Governance Framework</b>	
	The key elements of the Council's governance arrangements for 2019/20 were:
1	The corporate plan covering 2018-2023, setting out the Council's priorities and defining the goals to be achieved
2	The Constitution, which is revised each year: <ul style="list-style-type: none"> <li>2.1 sets out the Council's decision-making framework;</li> <li>2.2 gives a clear definition of the roles and responsibilities of members, committees, and the statutory officers (Head of the Paid Service, Section 151 Officer and Monitoring Officer);</li> <li>2.3 includes a scheme of delegation of responsibility, financial regulations and Procurement Rules; and</li> <li>2.4 defines codes of conduct for members and officers, and a protocol for how the two work together.</li> </ul>
3	The Council facilitates policy and decision making via a Cabinet Structure with Cabinet Member portfolios. The Council's Local Code of Governance was reviewed, updated and approved by the Audit and Governance Committee January 2020.
4	There are three Select Committees to cover the Council's corporate ambitions being Stronger Communities, Stronger Place and Stronger Council. In addition, Task and Finish Panels undertake specific reviews and there is a co-ordinating Overview and Scrutiny Committee.
5	A Standards Committee
6	An Audit and Governance Committee
7	A Leadership Team consisting of the Chief Executive, two Strategic Directors and a Chief Operating Officer. The Chief Executive as Head of Paid Service is supported by the Council's Monitoring Officer and Section 151 Officer
8	A Corporate Governance Group consisting of the Chief Executive, Section 151 Officer, Monitoring Officer, the Chief Internal Auditor and other senior officers as required depending on the agenda, meeting monthly
9	A Corporate Risk Strategy overseen by a Risk Management Group meeting quarterly
10	A standard committee report format that includes specific consideration of all legal, financial, professional, technical, risk management and equalities implications

11	A Medium-Term Financial Strategy which informs service planning and budget setting, and a Finance and Performance Management Cabinet Committee that meets regularly
12	A comments, compliments and complaints procedure
13	A risk-based approach to internal audit, emphasising the need for sound control, governance and risk management arrangements
14	A robust whistle blowing policy and process (which is reviewed biennially and last updated January 2019) along with anti-fraud and corruption strategy (which was reviewed and approved by Council in December 2019) outlining the Council's zero tolerance approach to fraud and corruption and include anti-bribery and anti-money laundering policies.

### 3. Review of effectiveness

The Council is responsible for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the various sources noted below and concludes that the arrangements continue to be regarded as fit for purpose in accordance with the Council's governance framework:

The Chief Executive and Service Director governance statements, which provide appropriate management assurance that the key elements of the system of internal control are operating effectively;

Documentary evidence of processes, procedures and standards;

A Corporate Fraud Team, which supports the Council's counter fraud and corruption framework in taking action to prevent, detect and investigate fraud.

The Chief Internal Auditor's annual opinion on the Council's control environment, delivered to the Audit and Governance Committee, as the body charged with governance. Audit reports issued along with the assurance ratings of, substantial, moderate, limited or no assurance, on the adequacy and effectiveness of the Council's control environment, including key financial systems;

The work undertaken by the External Auditor reported in their annual audit and inspection letter and other review reports;

Significant governance issues from previous years and from 2019/20

### 4. Impact of coronavirus on the Council's governance arrangements for 2020/21

On 23 March 2020 the Prime Minister announced a national lockdown due to the coronavirus pandemic. This led to the majority of staff working from home and a temporary cessation of Council meetings. Due to the outbreak the Council invoked its emergency powers under Article 7 (appendix 3) of the Council's Constitution. This has allowed the Chief Executive, in consultation with the Leader of the Council, to carry out the functions of the Council and Cabinet.

Local authorities in England were granted new powers to hold public meetings virtually by using video or telephone conferencing technology from 4 April 2020. Since the end of April 2020 virtual meetings have been taking place for the Council, which are open to the public. This included those meetings deferred from the end of March/beginning of April including Cabinet and Council.

This came to an end in May 2021. Regulations which have allowed local authorities to meet remotely during the Covid-19 pandemic do not apply to meetings after 6 May 2021.

Key Council services, including all statutory ones, continued during lockdown although some processes were amended to allow for remote working, for example allowing approval by email instead of a wet signature and discussed with Internal Audit first. Some services were paused for a while for example routine housing repairs and leisure services. Coronavirus led to some new activities being undertaken, for example distribution of the government's Covid-19 related business grants by the Revenues and Benefits service.

## 5. Overall opinion of Epping Forest's governance arrangements

The majority of 2019/20 was unaffected by coronavirus and this AGS demonstrates that the Council's governance arrangements have remained fit for purpose, even when flexed, for example by invoking the Council's emergency powers. There has been no significant detriment on the Council's ability to deliver its services. The longer-term impact of coronavirus and recovery from its effects on the governance framework for 2020/21 is included in table two.

## 6. Significant governance issues

This final part of the Annual Governance Statement (AGS) outlines the actions taken, or proposed, to deal with significant governance issues or risks. The Council's Corporate Governance Group, who monitor and review the corporate governance framework, has ensured that the issues raised in the previous AGS have been addressed as detailed in Table one below.

**Table One: Progress on significant governance issues identified in the 2019/20 AGS**

No.	Significant issue identified in 2019/20 AGS	Action taken in 2019/20 to address the issue
1	Business continuity planning (BCP): An internal audit of BCP found that although there is a corporate Business Continuity plan it is not fit for purpose and contingency arrangements in place inadequate.	<p>An urgent project was initiated to address the concerns raised by Internal Audit which involved a dedicated Officer group working in conjunction with an external specialist. Progress against the project was closely monitored by the Corporate Governance Group, which is chaired by the Chief Executive.</p> <p>Prior to Covid-19 lockdown, most business continuity plans were in place (corporate and service level) and were used in the Leadership Team exercise that took place in February 2020. Lessons learnt from the exercise and from Covid-19 will help inform the plans and future exercises at a service level.</p>
2	Brexit: If there is a 'no deal' Brexit then this may impair the Council's strategic aims and objectives	<p>The economic climate has been reviewed as part of the 2020/21 budget and includes the general and more significant impact of international protectionism and economic uncertainties as well as the impact for a shorter period of time of Brexit uncertainties.</p> <p>Prior to Covid-19 the local growth and inflation levels were expected to remain low although inflation pressures were predicted to peak at around 3% next year.</p> <p>Economic conditions are reviewed across the Council and are discussed at Leadership Team and Cabinet level each month.</p>

3	Statutory posts: It is important the Council ensures that the role, responsibilities and standing of the Council's Section 151 Officer and Monitoring Officer complies with legislation (in particular the Local Government and Housing Act 1989) and good practice as the Council's restructure is completed	Since September 2019 there has been a period of stability regarding the Section 151 and Monitoring Officer posts.
4	Close down of Accounts: Delays were encountered in the closure of the Council's 2018/19 accounts due to a variety of internal and external factors and resulted in an increase in External Audit fees.	<p>The Council has been jointly working on improvements with its External Auditors, which includes a review of processes, working papers and electronic files.</p> <p>The aim is to improve efficiency and achieve a more effective closedown for 2019/20.</p> <p>The Audit and Governance Committee has received an action plan to improve account closure and updates of progress against this.</p>
Common theme from the Service Assurance Statements was:		
4	Restructure: As a result of the restructure many Officers have/or will be taking on new roles and responsibilities. The Council's scheme of delegation needs to remain robust and fit for purpose. In addition, support and guidance needs to be offered to these Officers	<p>Delegated authorities have been reviewed by the Service Director (Business Services) in conjunction with the Head of Legal and Internal Audit.</p> <p>Once finalised a staff awareness campaign will be undertaken to ensure Officers are aware of their responsibilities regarding corporate policies and training offered as appropriate.</p>

In preparing this statement and reviewing the effectiveness of the Council's governance arrangements, the following areas have been identified for improvement or require careful monitoring. These are set out in the table below, together with the steps to be taken to address them.

**Table Two: Areas for improvement or monitoring during 2020/21**

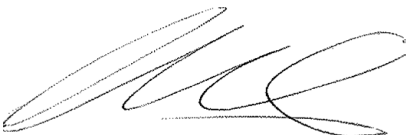
No.	Objective	Risk area/action plan for 2020/21
1	Risk Management and lessons learnt	It is important that the Council continues to monitor (and where required) mitigate risks to the Council's objectives, not only those relating to coronavirus. This will be undertaken in conjunction with a lessons learnt review of the Council's response to Covid-19. And will include the annual review of the Council's local code of governance
2	Financial resilience	<p>The Council's financial monitoring and reporting process is being reviewed and will be enhanced as an early priority for 2020/21; this is vital in the light of the financial pressure created by the Covid-19 pandemic.</p> <p>In addition, the financial planning process, and the Council's Medium-Term Financial Strategy in particular, is to be reviewed in detail as the Council seeks to restore financial stability and maintain sustainability in the longer term.</p>

No.	Objective	Risk area/action plan for 2020/21
3	Ensuring the health and safety of staff, partners and the public in the way it delivers its services	The Council will keep under constant review Health and Safety measures both within the Council and across the district to ensure government legislation and guidance is being followed regarding Covid-19, especially where the Council is delivering its services to the public
4	Qualis: It is important there are robust governance arrangements for the Qualis group of subsidiary companies being a significant new venture for the Council in delivering key services	<p>During 2019/20 formal transition governance and reporting lines were put in place which included an EFDC Group Steering Board.</p> <p>Legal advice will continue to be sought to ensure governance arrangements comply with legislation and the Qualis Group Board, which will be made up of a combination of Council officers, Council members and independent non-executives will ensure these arrangements are working in the best interest of the Council. The Section 151 Officer will act on behalf of EFDC as the main conduit with Qualis Group and other Qualis companies</p> <p>An audit of Qualis governance arrangements forms part of the 2020/21 Internal Audit Plan</p>
Common themes from the Service Assurance Statements were:		
5	Project management processes: Need for consistent approach	<p>Council wide training on project management took place in 2018/19 in conjunction with the implementation of Pentana (a performance and risk management tool)</p> <p>The capabilities and functionality of Pentana is to be assessed ahead of a review of project management processes. The Council's focus on recovery from Covid-19 may hamper the review.</p>
6	Documented procedures and guidance notes to support critical functions	Following implementation of the People Strategy and any subsequent changes to service delivery, there is a need to review and, where necessary, redraft procedures and guidance notes to ensure they reflect current processes. This issue was identified in several internal audits and many teams are in the process of completing this.
7	Mandatory training Mandatory training requirements are not fully, or clearly identified, and formal evidence of staff training undertaken is incomplete.	A fundamental review of mandatory training requirements in 2020/21 starting with Health and Safety. The review will also assess the functionality of the HR system (iTrent) to capture this information.

We propose over the coming year to continue to improve matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for any improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed 

Georgina Blakemore  
Chief Executive

Signed 

Councillor Chris Whitbread  
Leader of the Council

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## Appendix 1 – Epping Forest Code of Governance

INTEGRITY	OPENNESS	VISION	OUTCOMES	CAPACITY & CAPABILITY	PERFORMANCE	ACCOUNTABILITY
Behave with integrity, demonstrating a strong commitment to ethical values and respect the rule of law.	Ensure openness and comprehensive stakeholder engagement	Define outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of intended outcomes	Develop the Council's capacity, including the capability of its leadership and the individuals within it.	Manage the Council's risk and performance through robust internal control and strong public financial management.	Implement good practice in transparency, reporting and audit to deliver effective accountability.
Examples supporting the Annual Governance Statement (AGS) 2019/20						
<p>Constitution sets out code of conduct for Members and staff.</p> <p>Regularly publicised whistleblowing policy. Zero tolerance to anti-fraud and corruption.</p> <p>Clear and transparent decision-making process. Section 151/Monitoring Officer part of report clearing process.</p> <p>Standards Committee</p>	<p>Published Freedom of Information and complaints/complaints scheme.</p> <p>Publicly available agenda and minutes of meetings.</p> <p>Monitoring and maintaining a record of partnerships.</p> <p>Member appointment to community organisations.</p> <p>Active consultation through the Council's Consultation policy and plan</p> <p>'Critical friend' challenge through the Council's scrutiny process.</p> <p>Revised and updated Code of Governance</p>	<p>2018-2023 Corporate Plan which is supported by service/operational plans.</p> <p>Draft Local plan that supports the Council's vision.</p> <p>Decision making process that take into account these effects on its residents, paying due regard to the public sector equality duty.</p> <p>Providing fair access to Council services offered.</p> <p>Economic Development Strategy</p>	<p>Open and transparent reporting of Key Performance Indicators and action plans for indicators that are out of tolerance.</p> <p>Decision making processes that receive objective and rigorous involvement including involvement of the Monitoring and Section 151 Officers</p> <p>Anti-Fraud and Corruption strategy.</p>	<p>People Strategy</p> <p>Established induction and training programme for existing and new Councillors.</p> <p>Process includes mentoring and training events.</p> <p>Induction process for staff, access to personal development appropriate to their roles. Formal Personal Development Review (PDR) for staff and access to health and wellbeing opportunities.</p>	<p>Risk management is an integral part of the council's activities and decision making.</p> <p>Internal Audit function that provide assurance on governance, risk management and controls reporting to the Audit and Governance Committee</p> <p>Active corporate fraud team</p> <p>Medium Term Financial Strategy.</p>	<p>Defined process to ensure reports for the public/stakeholders are fair, balanced, easily accessible and understandable.</p> <p>Reporting regularly on performance and on the use of resources.</p> <p>Processes to ensure external/internal audit recommendations are acted upon.</p> <p>Requirement for Service Directors to produce annual assurance statements which feed into the AGS</p>
An active Corporate Governance Group which takes charge of the Annual Governance Statement						

## GLOSSARY OF TERMS

For the purposes of this Statement of Accounts, the following definitions have been adopted:

### **ACCOUNTING PERIOD**

This is the period of time covered by the accounts, normally a period of twelve months commencing on 1st April. The end of the accounting period is the Balance Sheet date.

### **ACCOUNTING POLICIES**

The rules and practices adopted by the Council that determine how the transactions and events are reflected in the accounts.

### **ACCRUALS**

Amounts included in the final accounts to recognise income earned and expenditure incurred for both revenue and capital in the financial year, but for which actual payment had not been received or made as at 31st March.

### **AMORTISATION**

A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

### **ANNUAL GOVERNANCE STATEMENT**

The annual governance statement is a statutory document that explains the processes and procedures in place to enable the council to carry out its functions effectively.

### **ASSET**

An asset is an item having a value to the Council in monetary terms. Assets are categorised as either non-current or current:

- A non-current asset provides benefits to the Council and to the services it provides for a period
- Of more than one year and may be tangible e.g. a leisure centre, or intangible, e.g. computer software licences
- A current asset will be consumed or cease to have material value within the financial year e.g. cash; and
- Stock.

### **AUDIT OF ACCOUNTS**

An independent examination of the Council's financial affairs.

### **BALANCES (OR RESERVES)**

These are usable or unusable reserves. Usable reserves represent accumulated funds from prior years that are available to the Council and can be spent. Some reserves may be earmarked for specific purposes and are for funding future defined initiatives or meeting identified risks or liabilities. Unusable reserves, have been established for technical purposes and are not available to spend nor can be used to fund service provision.

### **BALANCE SHEET**

This statement sets out an authority's financial position at the year-end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness and the non-current and net current assets employed in its operations together with summarised information on the non-current assets held.

## **CAPITAL EXPENDITURE**

This is the expenditure on the acquisition, construction, enhancement or replacement of a non-current asset such as land, buildings, and computer. It is expenditure that enhances and improves the use of the assets. It isn't expenditure that merely maintains the value of an existing asset.

## **CAPITAL ADJUSTMENT ACCOUNT**

This account records the accumulated amount of set aside capital receipts and minimum revenue provision (the contribution from revenue to cover repayment of the borrowing that has been undertaken to fund capital expenditure) together with capital expenditure financed by way of capital receipts, grants and revenue contributions. Set against these amounts are adjustments to the revenue account for depreciation and capital expenditure written off to revenue during the year. This, therefore, ensures that only actual expenses are charged to revenue in year and are paid for by council taxpayers.

## **CAPITAL FINANCING**

Funds used to pay for capital expenditure. There are various sources of funding available to finance capital expenditure including borrowing, leasing, revenue contributions, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

## **CAPITAL FINANCING REQUIREMENT**

This measures the change in the underlying need for the council to borrow to finance capital expenditure. Where all capital expenditure is financed when it is incurred by resources generated by the council, e.g. revenue contributions, grants and capital receipts, the Capital Financing Requirement (CFR) will not increase. However, if borrowing is required to finance capital expenditure then the CFR will increase. The annual minimum revenue provision will be applied to reduce the CFR each year and capital receipts can also be used to reduce the CFR.

## **CAPITAL RECEIPT**

A capital receipt is the proceeds from the disposal of land or other non-current asset. The government regulates the proportion of capital receipts that can be used to finance new capital expenditure. Capital receipts cannot ordinarily be used to finance revenue expenditure.

## **CASH FLOW STATEMENT**

This statement summarises the cash flows of the authority for capital and revenue spending as well as the cash flows used to finance these activities.

## **CIPFA**

This is the Chartered Institute of Public Finance and Accountancy. This organisation produces the Code of Practice that practitioners follow so that all local authorities prepare their accounts in a consistent and comparable way.

## **COLLECTION FUND**

This account reflects the statutory requirement for billing authorities to maintain a separate collection fund which shows the transactions of the billing authority in relation to non-domestic rates and the council tax and illustrates the way in which these have been distributed to other authorities (preceptors) and the General Fund.

## **COMMUNITY ASSETS**

Assets that the local authority intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

## **COMPREHENSIVE EXPENDITURE AND INCOME STATEMENT (CIES)**

This is the statement that shows the accounting cost (surplus/deficit) in the year of providing services in accordance with generally accepted accounting practices. It is not the amount funded from taxation. The Council raises taxation to cover the cost of expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

## **CONSISTENCY**

The accounting treatment of like items within an accounting period and from one period to the next is the same.

## **CONTINGENT GAINS**

A contingent gain (or asset) is a possible economic gain arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control.

## **CONTINGENT LIABILITIES**

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the authority's control; or
- A current obligation arising from past events where it is not probable (but not impossible) that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

It is considered that a contingent liability below £50,000 need not be disclosed, as any such amounts would not be significant.

## **CORPORATE AND DEMOCRATIC CORE**

This includes all the activities which local authorities engage in specifically because they are elected, multi-purpose organisations. The costs of these activities are those that are over and above those that would be incurred by a series of independent, single purpose nominated bodies managing the same services. It includes costs relating to the corporate management and democratic representation.

## **COUNCIL TAX**

A local tax on dwellings within the district, set by billing authority (Epping Forest District Council) and the precepting authorities (the county council, fire and rescue services, the police and town and parish councils). It is calculated by taking the revenue expenditure requirements for each authority divided by the council tax base for the year.

## **CREDITORS**

Amounts owed by the Council for goods and services that it has received before 31st March, but that have not been paid for at that date.

## **DEBTORS**

Amounts owed to the Council for goods and services that it has provided before 31st March, but where the associated income was not received at that date.

## **DEPRECIATION**

This is the measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset whether arising from use, passage of time or obsolescence through technological or other changes. The useful life is the period over which the local authority will derive benefit from the use of a fixed asset.

## **FAIR VALUE**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the assets.

## **FINANCE LEASE**

This is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if, at the inception of the lease, the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

## **GENERAL FUND**

This is the account where all the costs of providing the Council services (with the exception of the landlord services, the costs of which sit in the HRA and Local Council precepts) are charged to which are then paid for from Council Tax and government grants.

## **GOING CONCERN**

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

## **GOVERNMENT GRANTS**

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

## **HOUSING REVENUE ACCOUNT**

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure such as maintenance, administration, rent rebates and capital financing costs, and how these are met by rents subsidy and other income.

## **IMPAIRMENT**

This is a reduction in the carrying value of a non-current asset to below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

## **INTANGIBLE ASSETS**

This is expenditure which may properly be defined as being capital expenditure, but which does not result in a physical asset being created. For expenditure to be recognised as an intangible asset it must yield future economic benefits to the council. One of the most common examples would be software licences.

## **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by an independent, not-for-profit organisation called the International Accounting Standards Board (IASB).

## **INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)**

International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

## **INVESTMENTS**

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments that do not meet the above criteria should be classified as current assets.

## **INVESTMENT PROPERTIES**

An interest in land and/or buildings:

- In respect of which construction work and development have been completed; and
- Which are held for their investment potential, any rental income being negotiated at arm's length.

## **LIABILITY**

A liability exists where the Council owes payment to an individual or another organisation

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

## **LONG TERM DEBTORS**

These debtors represent the capital income still to be received, e.g. from the sale of an asset or the granting of a mortgage or a loan.

## **MINIMUM REVENUE PROVISION (MRP)**

This is the minimum amount that the Council must charge to the CIES each year to provide for the repayment of General Fund debt.

## **MOVEMENT IN RESERVES STATEMENT**

This financial statement presents the movement in usable and unusable reserves (the Council's total reserve balances).

## **NON-DOMESTIC RATES (NDR) (also known as Business Rates)**

Non-domestic rates, or business rates, collected by the Council are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally (currently 50%). This money, together with revenue from council taxpayers, fees and charges and certain other sums, is used to pay for the services provided by the Council.

## **NET BOOK VALUE**

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

## **NET CURRENT REPLACEMENT COST**

This is the cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

## **NET REALISABLE VALUE**

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

## **NON-OPERATIONAL ASSETS**

Non-current assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties, assets that are surplus to requirements pending sale or redevelopment and assets under development or construction.

## **OPERATING LEASES**

Leases other than a finance lease.

## **OPERATIONAL ASSETS**

Non-current assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility. Operational assets comprise Council dwellings, other land and buildings, vehicles, plant and equipment, infrastructure and community assets.

## **POST BALANCE SHEET EVENTS**

These are events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the responsible financial officer signs the Statement of Accounts.

## **PRECEPT**

The levy (demand for money) made by precepting authorities (the authorities with the power to instruct another local authority (the billing authority) to collect an amount from council tax on their behalf). Precepts are demanded by the county council, fire and rescue services, the police and parish and town councils.

## **PRIOR YEAR ADJUSTMENTS**

These are material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

## **PROPERTY, PLANT AND EQUIPMENT**

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

## **PROVISIONS**

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. Provisions are required to be recognised when:

- The local authority has a present obligation (legal or constructive) as a result of a past event;
- It is probable that a transfer of economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision should be recognised.

A constructive obligation is an obligation that derives from an authority's actions where;

- By an established pattern of past practice, published policies or sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities; and
- As a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

## **PRUDENCE**

This is the concept that revenue is not anticipated until received in the form either of cash or of other assets, or a reliable estimate of the cash realisation can be assessed with reasonable certainty.

## **PRUDENTIAL CODE**

Since 1st April 2004, local authorities have been subject to a self-regulatory "prudential system" of capital controls. This gives authorities the freedom to determine how much of their capital investment they can afford to fund by borrowing. The objectives of the code are to ensure that the local authority's capital investment plans are affordable, prudent and sustainable, with Councils being required to set specific prudential indicators.

## **PUBLIC WORKS LOAN BOARD (PWLB)**

A Central Government Agency, which provides loans for one year and above to local authorities at interest rates only slightly higher than those at which the Government can borrow itself. Virtually all borrowing undertaken by local authorities comes from the PWLB.

## **RELATED PARTIES**

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party; or
- The parties are subject to common control from the same source; or
- One party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- The parties, in entering a transaction, are subject to influence from the same source, to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Advice from CIPFA is that related parties to a local authority include Central Government, precepting bodies or bodies levying demands on the Council Tax, members and chief officers of the Council and its pension fund.

## **RELATED PARTY TRANSACTION**

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- The purchase, sale, lease, rental or hire of assets between related parties;
- The provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- The provision of services to a related party, including the provision of pension fund administration services; and
- Transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the authority but also in relation to its related party.

## **REMUNERATION**

This is all sums paid to or receivable by an employee and any sums due by way of expenses and allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

## **REVALUATION RESERVE**

This account was created on 31st March 2007. The purpose of which is to hold all revaluations occurring to fixed assets subsequent to that date.

## **REVENUE EXPENDITURE**

These are the day to day payments on the running of Council services including salaries, wages, contract payments, supplies and capital financing costs.

## **REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)**

This is expenditure of a capital nature that does not result in a fixed asset being created. An example of such an item would be expenditure on a former HRA property held on a long lease by a third party. The expenditure is written off in the year that it is incurred.



## **STOCKS**

These are items of raw materials and stores a Council has procured and holds in expectation of future use. Stock comprises the following categories:

- Goods or other assets purchased for resale;
- consumable stores;
- raw materials and components purchased for incorporation into products for sale;
- products and services in intermediate stages of completion;
- long-term contract balances; and
- finished goods.

## **THE CODE**

The Code of Practice on Local Authority Accounting in the United Kingdom known as 'The Code' incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council. The Code has statutory status via the provision of the Local Government Act 2003. There are also accompanying guidance notes for practitioners.

## **UNAPPORTIONABLE CENTRAL OVERHEADS**

These are overheads for which no user now benefits and should not be apportioned to services.

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## GLOSSARY OF PENSIONS RELATED TERMS

### **ACTUARIAL GAINS AND LOSSES**

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- Actual events have not coincided with the actuarial assumptions made for the last valuation (known as experience gains and losses); or
- The actuarial assumptions have changed.

### **CURRENT SERVICE COST**

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

### **CURTAILMENT**

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- Termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business; and
- Termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

### **DEFINED BENEFIT SCHEME**

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

### **DEFINED CONTRIBUTION SCHEME**

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

### **DISCRETIONARY BENEFITS**

Retirement benefits that the employer has no legal, contractual or constructive obligations to award and which are awarded under the authority's discretionary powers, such as the Local Government (Discretionary Payments) regulations 1996.

### **EXPECTED RATE OF RETURN ON PENSION ASSETS**

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

### **IAS19**

International Accounting Standard 19 (IAS19) ensures that organisations account for employee retirement benefits when they are committed to pay them, even if the actual payment may be years into the future.

### **INTEREST COST (PENSIONS)**

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

## **INVESTMENTS (PENSIONS FUND)**

The investments of the Pensions Fund will be accounted for in the statements of the fund. However, authorities (other than town and community councils) are also required to disclose, as part of the transitional disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

## **NON-DISTRIBUTED COSTS**

Non-distributed costs are defined as comprising:

- Retirement benefit costs including past service costs, settlements and curtailments. To note, current service pension costs are included in the total costs of services;
- The costs associated with unused shares of IT facilities; and
- The costs of shares of other long-term unused but unrealisable assets.

## **PAST SERVICE COST**

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

## **PENSION SCHEME LIABILITY**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

## **PROJECTED UNIT METHOD - PENSION FUND VALUATION**

This is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases; and
- The accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

## **RETIREMENT BENEFITS**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

- An employer's decision to terminate an employee's employment before the normal retirement date; or
- An employee's decision to accept redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

## **SCHEME LIABILITIES**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

## **SETTLEMENT**

An irrecoverable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

- A lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits
- The purchase of an irrevocable annuity contract sufficient to cover vested benefits; and
- The transfer of scheme assets and liabilities relating to a group of employees leaving the scheme

## **VESTED RIGHTS**

In relation to a defined benefit scheme, these are:

- For active members, benefits to which they would unconditionally be entitled on leaving the scheme
- For deferred pensioners, their preserved benefits; and
- For pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependents.

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## ***Report to the Council***

**Committee:** Council

**Date:** 29<sup>th</sup> July 2021

**Subject:** Treasury Management Strategy (including Investment Strategy 2021-2022)

**Portfolio Holder:** Finance, Qualis Client and Economic Development – Cllr J. Philip

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### **Recommendations/Decisions Required:**

**(1) To approve the Treasury Management and Investment Strategies for 2021/22**

**1. Executive Summary**

- 1.1. The Audit and Governance Committee considered the attached strategies at their meeting on 22<sup>nd</sup> March 2021 and Recommended that Council approve them.
- 1.2. The preparation of an annual Treasury Management Strategy is a requirement of CIPFA's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) and generally accepted good practice. It covers planned treasury activity for the financial year 2021/22 and is attached at Appendix A.
- 1.3. In addition, following the issue of (MHCLG) statutory guidance on Local Government Investments in 2018, the Council is now recommended to produce an annual Investment Strategy, covering the Council's wider investment activities. The 2021/22 Strategy is attached at Appendix B.

**2. Resource Implications**

- 2.1. These are contained within the report.

**3. Legal and Governance Implications**

- 3.1. CIPFA's Code requires the Council to prepare for approval by full Council, an annual Treasury Management Strategy.
- 3.2. The Government (MHCLG) issued Investment Guidance in 2018, recommending the preparation (at least annually) of an Investment Strategy for approval by full Council.
- 3.3. Audit and Governance Committee are delegated responsibility for consider the Treasury Management and Investment strategies and make recommendations to full Council.

**4. Safer, Cleaner and Greener Implications**

4.1. None.

**5. Consultation Undertaken**

5.1. None

## ***Report to the Council***

**Date:** 29 July 2021.

**Portfolio Holder:** Councillor C Whitbread.

**Subject:** Appointment to Outside Body – Whipps Cross Joint Health Overview & Scrutiny Committee.

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### **Recommending:**

- (1) That the invitation from the London Borough Council of Waltham Forest to appoint a non-voting member from the Council to their new Whipps Cross Joint Health Overview & Scrutiny Committee be accepted;**
  - (2) That future appointments to this Outside Body should be considered a Council appointment, rather than a Leader appointment, be agreed; and**
  - (3) That suitable nominations to this new Outside Body be considered and an appointment made for the 2021-22 municipal year.**
- 

1. The London Borough Council of Waltham Forest is proposing to establish a new Joint Health Overview and Scrutiny Committee (JHOSC) to look at the development of Whipps Cross Hospital. The proposed composition of the JHOSC is as follows:

- four members from the London Borough Council of Waltham Forest;
- two members from the London Borough Council of Redbridge; and
- one member from Essex County Council.

2. It is also proposed that one non-voting member from Epping Forest District Council should also join the JHOSC, as the West Essex Clinical Commissioning Group makes up the third largest number of patients at Whipps Cross, after Waltham Forest and Redbridge. As Epping Forest does not have health scrutiny powers, our nominated Member cannot be a full voting member, which is partly why it is proposed to have a full member from Essex County Council as well. However, Waltham Forest are keen for Epping Forest District Council to be represented as an observer.

3. The Council each year already appoints a Member to the Outer North-East London Joint Health Overview and Scrutiny Committee (currently Cllr A Lion), as part of its annual appointments to Outside Bodies. This is a Council appointment, as opposed to a Leader appointment, and it is proposed that this new appointment should be treated in the same fashion and also be a Council appointment. If the Council is in agreement, then this new appointment will be added to the list to be considered each year at the Annual Council meeting.

4. In the meantime, an appointment is required for the 2021-22 municipal year and the Council is requested to consider nominations and make an appointment for

remainder of this municipal year. It is proposed for the new Whipps Cross JHOSC to start in the Autumn.

5. We recommend as set out at the commencement of this report.



**TERMS OF REFERENCE FOR  
WHIPPS CROSS  
JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE**

**Establishment of the JHOSC**

**Legislation**

1. The National Health Act 2006 as amended by the Health and Social Care Act 2012 sets out the regulation powers in relation to health scrutiny. The relevant regulations are the Local Authority (Public Health, Health and Wellbeing Board and Health Scrutiny) Regulations 2013 (“the Local Authority Regulations 2013”).
2. Regulation 30 (1) of the Local Authority Regulations 2013 states that two or more local authorities may appoint a joint health scrutiny committee and arrange for relevant health scrutiny functions in relation to all of those authorities to be excisable by the joint committee, subject to such terms and conditions as the authorities may consider appropriate.
3. The Whipps Cross Joint Health Overview and Scrutiny Committee (the JHOSC) is established on a ‘task and finish’ basis by the Overview and Scrutiny Committees having health responsibilities of the London Borough Councils of Waltham Forest and Redbridge and Essex County Council (“the OSCs”) in accordance with s.190-191 of the Health and Social Care Act 2012 and consequential amendments and the Local Authority Regulations 2013.

**Membership**

4. The JHOSC will consist of seven Members, four from Waltham Forest, two from Redbridge and one from Essex County Council as nominated by their respective Health Scrutiny Committees.
5. In accordance with section 21(9) of the Local Government Act 2000, Executive Members may not be members of an Overview and Scrutiny Committee.
6. The Council of the District of Epping Forest may also nominate one observing Member.
7. Appointments made to the JHOSC by each participating OSC or Council will reflect the political balance of that Council, unless a participating Council agrees to waive the requirement in accordance with legal requirements and with its own constitutional arrangements.

**Attendance of Substitute Members**

8. If a Member is unable to attend a particular meeting, they may arrange for any appropriate Member of the Council to attend as substitute, provided that a Member having executive responsibilities may not act as a substitute. Notice of substitution shall be given to the clerk before the commencement of the meeting.

## **Role and Function of the JHOSC**

9. The JHOSC shall have the remit to review and scrutinise any matter, including substantial variations, relating to the planning, provision and operation of health services at Whipps Cross Hospital during and after its development. The JHOSC will have the right to respond in its own right to all consultations on such matters, both formal and informal.
10. The JHOSC will not be able to scrutinise any matter relating to the Whipps Cross Hospital development that does not pertain to health services. Only health services are in the remit of the JHOSC.
11. In fulfilling its defined role, as well as reviewing documentation, the JHOSC will have the right to do any or all of the following:
  - a. Request information or to hold direct discussions with appropriate officers of any NHS Trust or other body whose actions impact on the development.
  - b. Co-operate with any other Joint Health Overview and Scrutiny Committee or Committees established by two or more other local authorities, whether within or without the Greater London area;
  - c. Make reports or recommendations to any of the NHS bodies listed above and expect full, written responses to these;
  - d. Require an NHS or relevant officer to attend before it to answer such questions as appear to it to be necessary for the discharge of its functions in connection with a consultation;
  - e. Consider the NHS bodies' responses to its recommendations;
  - f. Such other functions, ancillary to those listed in a to e above, as the JHOSC considers necessary and appropriate in order to fully perform its role.

Although efforts will be made to avoid duplication, any work undertaken by the JHOSC does not preclude any individual constituent borough Overview and Scrutiny Committee from undertaking work on the same or similar subjects.

## **Co-optees**

12. The JHOSC shall be entitled to co-opt any non-voting person as it thinks fit or appropriate to assist in its debate on any relevant topic. Each Healthwatch organisation for Waltham Forest, Redbridge and Essex shall be entitled to nominate one co-opted (non-voting) member of the JHOSC.

## **Meetings of the JHOSC**

13. The JHOSC shall meet formally at such times, at such places and on such dates as may be mutually agreed, provided that five clear days' notice is given of the meeting. The Committee may also meet informally as and when necessary for

purposes including, but not limited to, visiting appropriate sites within the boroughs or elsewhere.

The JHOSC will meet a minimum of four times per annum. Meetings will normally be held at Waltham Forest Council. Any change to the venue will be communicated by the clerk at least five clear days before the meeting. Meetings shall be open to the public and press in accordance with the Access to Information requirements.

### **Attendance at Meetings**

14. Where any NHS officer is required to attend the JHOSC, the officer shall be given reasonable notice in advance of the meeting at which they are required to attend. The notice will state the nature of the item on which they are required to attend to give account and whether any papers are required to be produced for the JHOSC. Where the account to be given to the JHOSC will require the production of a report, then the officer concerned will be given reasonable notice to allow for preparation of that documentation.
15. Where, in exceptional circumstances, the officer is unable to attend on the required date, and is unable to provide a substitute acceptable to the JHOSC, the JHOSC shall in consultation with the officer arrange an alternative date for attendance.
16. The JHOSC may invite other people (including expert witnesses) to address it, to discuss issues of local concern and/or to answer questions. It may for example wish to hear from residents, stakeholders and members and officers in other parts of the public sector and shall invite such people to attend.
17. The JHOSC shall permit a representative of any other authority or organisation to attend meetings as an observer.

### **Quorum**

18. The quorum for the JHOSC shall be the larger of either one third, or three of the total voting members, provided there is at least one Member present from both of the London borough OSCs.

### **Chair and Vice Chair**

19. The Chair and Vice Chair will be elected at the first meeting.

### **Notice and Summons to Meetings**

20. The Clerk of the Joint Committee will give notice of meetings to all members. At least five clear working days before a meeting the relevant officer will send an agenda to every member specifying the date, time and place of each meeting and the business to be transacted, and this will be accompanied by such reports as are available.
21. Any such notice may be given validity by e-mail.

22. The proper officer of each Council shall ensure that public notice of the meeting is displayed in accordance with the customary arrangements of that Council for giving notice of Committee etc. meetings.

### **Reports from the JHOSC**

23. The formal response of the JHOSC will be reached as far as is reasonably practicable by consensus and decided by a majority vote if necessary.

24. In undertaking its role the JHOSC should do this from the perspective of all those affected or potentially affected by any particular proposal, plan, decision or other action under consideration.

### **Formal Consultations and Referrals to Secretary of State**

25. Under guidance on Local Authority Health Scrutiny issued by the Department of Health in June 2014, only the JHOSC may respond to a formal consultation on substantial variation proposals covering health services in at Whipps Cross Hospital.

26. The JHOSC may only refer matters directly to the Secretary of State on behalf of Councils who have formally agreed to delegate this power to it.

### **Procedure at JHOSC meetings**

27. The JHOSC shall consider the following items of business:

- minutes of the last meeting;
- declarations of interest;
- any urgent item of business which is not included on an agenda but the Chair, after consultation with the relevant officer, agrees should be raised;
- the business otherwise set out on the agenda for the meeting.

### **Conduct of Meetings**

28. The conduct of JHOSC meetings shall be regulated by the Chair (or other person chairing the meeting) in accordance with the general principles and conventions which apply to the conduct of local authority committee meetings.

29. Where any person other than a full or co-opted member of the JHOSC has been invited to address the meeting, the Chair may specify a time limit for their contribution in advance of its commencement which shall not be less than three minutes. The total amount of time allocated to public speaking time will not be more than fifteen minutes.

30. The Chair (or other person chairing the meeting) may also structure a discussion and limit the time allowed for questioning by members of the JHOSC.

### **Officer Administration of the JHOSC**

31. The London Borough of Waltham Forest will be the Lead Authority for clerking and administering the JHOSC. Costs of supporting the JHOSC will be shared, in

proportion to their representation on the Committee, by the London Boroughs of Waltham Forest and Redbridge and Essex County Council.

### **Voting**

32. Any matter requiring a vote will be decided by a simple majority of those members voting and present at the time the motion was put. This will be by a show of hands or, if no dissent, by the affirmation of the meeting. If there are equal votes for and against, the Chair or other person chairing the meeting will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote. Co-opted members will not have a vote.

### **Public and Press**

33. All meetings of the JHOSC shall be open to the public and press unless an appropriate resolution is passed in accordance with the provisions of Schedule 17 of the National Health Service Act 2006.

34. All agendas and papers considered by the JHOSC shall be made available for inspection on the relevant web sites.

### **Code of Conduct**

35. Members of the JHOSC must comply with the Code of Conduct or equivalent applicable to Councillors of each constituent Local Authority.

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## **Report to Council**

**Date of meeting: 29 July 2021**



**Subject: Overview and Scrutiny 2020/21 Annual Report**

**Officer contact for further information: V Messenger (01992 564243)**

**Democratic Services Officer: V Messenger (01992 564243)**

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### **Recommendations/Decision Required:**

- (1) **That the Overview and Scrutiny 2020/21 Annual Report be submitted to Council on 29 July 2021, for approval.**

### **Report:**

1. This is the sixteenth report under the new scrutiny regime instituted by the Council in April 2005 and incorporates the three Select Committees – Stronger Communities, Stronger Council and Stronger Place. The Local High Streets Task and Finish Panel is currently waiting to be reconvened.
2. This report is produced in accordance with Article 6, Overview and Scrutiny Rule 37 of the Constitution that requires an annual report to be submitted to the Council each year.
3. Further to the Overview and Scrutiny Committee meetings held on 15 April and 1 July 2021, the attached annual report incorporates comments previously submitted and is the final version.
4. Council is asked to approve this annual report.

### **Reason for decision:**

Annual report is in accordance with the Constitution Article 6, Overview and Scrutiny Rule 37.

**Options considered and rejected:** N/A

### **Consultation undertaken:**

This is the first draft to consult members at the Overview and Scrutiny Committee above.

**Resource implications:** N/A

**Legal and Governance Implications:** N/A

**Safer, Cleaner, Greener Implications:** N/A

**Background Papers:** None

**Impact Assessments:** N/A

**Risk Management:** N/A

### **Equality:**

There are no equality implications arising from the recommendations of this report.

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A stylized illustration of a forest scene. The background is a light blue sky with green sunbeams filtering through the trees. The trees are tall and thin, with green foliage. In the foreground, two deer are silhouetted against the forest. The larger deer is on the left, and the smaller one is on the right. The overall color palette is green and blue.

 Epping Forest District Council

# Overview & Scrutiny 2020/21 Annual Report

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Report by: V Messenger, EFDC Democratic Services Officer (April 2021)

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# Overview and Scrutiny Annual Report 2020/21

## Introduction and welcome from the Chairman

Welcome to the sixteenth annual report of the Overview and Scrutiny Committee of Epping Forest District Council.

This has been an unprecedented and challenging year. The start of the municipal year saw the Elections in May 2020 suspended by the Government as the emerging Covid-19 pandemic caused a national lockdown in March 2020 – the UK's first. Fortunately, the resumption of Council meetings virtually was facilitated by Government legislation under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. Following the enactment of the Coronavirus Bill in Parliament and after consultation with the Chairman of Council, the Head of Paid Service, the Section 151 Officer and the Monitoring Officer, the Council declared an Emergency under the Constitution – Article 3 (The Executive), Appendix 7 (Action in Designated Emergencies).

The last Overview and Scrutiny Committee meeting in the 2019/20 municipal year was held on 28 January 2020, as the meeting on 17 March had been postponed. However, with the resumption of committee meetings being held virtually on Zoom, this had kept scrutiny members busy throughout the municipal year, as Council business continued at pace. In the interests of transparency, all the scrutiny committees were also webcast by the Corporate Communications team. For the scrutiny committees, virtual meetings started in June with the first virtual meeting in the new municipal year on 22 June 2020 for the Overview and Scrutiny Committee when the memberships of the select committees were approved.

This is the second year since the select committees were restructured for the start of the 2019/20 municipal year, from May 2019. The three new select committees aligned to the Council's Corporate Plan ambitions for Stronger Communities, Stronger Council and Stronger Place.

The annual report provides information on the work undertaken by the Overview and Scrutiny Committee, and the three select committees. Additional information is given in this report on the time limited Task and Finish Panels set-up during 2019/20 – one that had reached a stage to be able to complete most of its business before the first national Covid lockdown and one that was suspended.

I would like to thank the chairmen and members of the three select committees and the task and finish panels. Also, my special thanks go to my Vice-Chairman, Councillor Bob Jennings for all his help and support throughout this very challenging and unique year.

And of course, I would like to thank all the officers who have worked so hard to keep the members of the scrutiny committees informed and provided with the background information the needed to carry out their investigations.

**CLlr Mary Sartin**  
**Chairman – Overview and Scrutiny**  
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# Overview and Scrutiny Annual Report 2020/21

## What is scrutiny?

- Scrutiny in local government is the mechanism by which public accountability is exercised.
- The purpose of scrutiny in practice is to examine, question and evaluate in order to achieve improvement.
- The value of scrutiny is in the use of research and questioning techniques to make recommendations based on evidence.
- Scrutiny enables issues of public concerns to be examined.
- At the heart of all the work is consideration of what impact the Cabinet's plans will have on the local community.
- However, the overview and scrutiny function is not meant to be confrontational or seen as deliberately set up to form an opposition to the Cabinet. Rather the two aspects should be regarded as 'different sides of the same coin'. The two should complement each other and work in tandem to contribute to the development of the authority.

Alongside its role to challenge, the scrutiny function has also continued to engage positively with the Cabinet, which is why Cabinet members cannot be members of scrutiny committees, and there continues to be cross party co-operation between members on all panels.

Scrutiny has continued to provide valuable contributions to the Council and the Cabinet remained receptive to ideas put forward by Scrutiny throughout the year.

The rules of the Overview and Scrutiny Committee also allow members of the public to have the opportunity to address the Committee on any agenda item.

## Overview and Scrutiny Committee

The Committee reviewed the Executive's programme of Key Decisions (the Cabinet Forward Plan) at each meeting to identify appropriate matters for its work programme and for the overview of specific decisions proposed to be taken over the period of the Forward Plan. The Cabinet has also had the opportunity to ask Overview and Scrutiny to look at any items of work that they considered needed either scrutiny or pre-scrutiny.

The Committee has also engaged with external bodies, whose functions related to the Council or were other public bodies that provided services within the District, for the purposes of scrutinising or having an overview of parts of their work that have had an impact on the District and its people.

The Committee also received stand-alone reports from officers and the select committees on work undertaken during the municipal year.

## Select Committees

The select committees were reduced following a restructure from four to three at the start of 2019/20 to align with the Council's Corporate Plan 2018-2023 and the three pillars of its corporate ambitions:

- Stronger Communities;
- Stronger Council; and
- Stronger Place.

The terms of reference of the three select committees were agreed by the Overview and Scrutiny Committee at its first meeting, which set out a rolling programme of ongoing and cyclical issues for reviewing. A lead officer was appointed to each select committee to help facilitate this process. These select committees continued to grow throughout 2020/21 to identify any related items to scrutinise. The Committee monitored their work as the Chairmen of the select committees regularly reported their progress at each meeting.

## **Task and Finish Panels**

Task and Finish Panels can be set up by the Overview and Scrutiny Committee to deal with ad-hoc projects or reviews included in the annual work programme for overview and scrutiny. The Panels are restricted to those activities which are issue-based, time limited and non-cyclical in character and also have clearly defined objectives.

Although no Task and Finish Panels were set up in 2020/21, the Waste Management Task and Finish Panel managed to conclude most of its work as its last meeting was early March 2020. However, the Covid pandemic interrupted the work of the Local High Streets Task and Finish Panel, which had only held one meeting in February 2020 before the first national lockdown ensued in mid-March 2020.



# Overview and Scrutiny Annual Report 2020/21

## Overview and Scrutiny Agenda Planning Group

The Overview and Scrutiny APG, as it is often referred to, is where the lead scrutiny officer, the Chief Executive, G Blakemore, Strategic Director, A Small, and the Chief Operating Officer, N Dawe, meet with the Chairman and Vice-Chairman of the Overview and Scrutiny Committee to review which business items will be going forwards to the next Overview and Scrutiny Committee. This is not a public committee, but the agendas and minutes can be accessed by members via the Extranet or via the Intranet for staff.

Other relevant officers that attend the APG include the Service Director Strategy, Delivery and Performance, L Wade, most of the Democratic Services Team led by G Woodhall, Democratic and Electoral Services Manager, as well as the Corporate Communications Manager, T Carne, and Legal Services Assistant Solicitor, R Ferreira. All officers who have a report going to the next meeting of the Overview and Scrutiny Committee will usually attend as their reports will be reviewed and may require amendments. The decision on whether their reports will go to the next meeting will be taken by the Chairman and Vice-Chairman of the Overview and Scrutiny Committee and other members of the Group.

The APG leads into the four cycles of the select committees, although extra meetings may be scheduled at the discretion of the Chairman, such as for Stronger Council (to review the draft budget) or Stronger Communities for additional items during the municipal year. This cyclical scrutiny process normally concludes with the main Overview and Scrutiny Committee meeting. However, as the Overview and Scrutiny Committee holds six (plus) meetings each municipal year, these are usually preceded by the APG meetings.

The APG will also review select committee or task and finish panel reports that require a decision from the main committee. The work programmes of the Overview and Scrutiny Committee and select committees are also assessed. The Chairman and Vice-Chairman may consider any matters that need to be raised at the next Joint Meeting of the Overview and Scrutiny Committee. Further information on the Joint Meeting can be found later in this report.

Full details of the agendas and minutes can be found on the Intranet.

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## Overview and Scrutiny Committee

**Covid-19** dominated the municipal year and emergency Government legislation under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 was enacted on 1 April 2020. This legislation suspended the 2020 elections until May 2021, but importantly and for the first time in history, allowed council meetings to be held virtually.

### Members for 2020/21:

The Overview and Scrutiny Committee holds six meetings each municipal year. The membership was approved at the first (annual) Council meeting on 21 May 2020, which was held virtually.

Councillor Mary Sartin (Chairman)

Councillor Bob Jennings (Vice-Chairman)

Councillors:  
Roger Baldwin  
Peter Bolton  
Les Burrows  
David Dorrell  
Ian Hadley  
Steven Heather  
Jeanne Lea  
Stephen Murray

Councillors:  
Dave Plummer  
Sheree Rackham  
Paul Stalker  
D Stocker  
Darshan Sunger  
Janet H Whitehouse  
David Wixley



Cllr Mary Sartin



Cllr Bob Jennings

The lead officer was Georgina Blakemore, Chief Executive.

### Terms of Reference

The Overview and Scrutiny Committee may within its specific functions:

- review and scrutinise decisions and performance of the Executive and Committees, and Council officers;
- review and scrutinise the performance of the Council's policy objectives, performance targets and/or particular service areas;
- question members of the Executive, the Chief Executive and Service Directors about their decisions and performance;
- make recommendations to the Executive and appropriate Committees and the Council arising from the outcome of the scrutiny process;
- review and scrutinise the performance of other bodies operating in the District and invite appropriate organisations to address the Committee about their activities and performance.

### Committee workload

The **first** meeting each municipal year specifically looks at the year ahead. The Overview and Scrutiny held its first virtual meeting on 22 June 2020, having been delayed by the Covid crisis. At this meeting the Leader of Council presented an overview of the Council's Corporate Priorities for 2020/21 and the Cabinet's Forward Plan of Key Decisions was reviewed. The Committee also

discussed its work programme and reserve programme, in addition to the select committees' Terms of Reference and work programmes.

Importantly, it considered nominations for the membership appointments of the select committees for the current municipal year and appointed the chairman and vice-chairman of each select committees. Accordingly, the memberships were agreed for the select committees – Stronger Communities, Stronger Council and Stronger Places. In the interests of transparency, all scrutiny committees throughout the municipal year were held virtually on Zoom, which allowed member and public participation. These meetings were also webcast and available for viewing on the Council's website.

### ► **Scrutinising and monitoring the work of the Cabinet**

The Committee received a presentation from the Leader of Council on the Council's corporate priorities for the municipal year 2020/21 at its first meeting in June. Thereafter, ongoing business throughout the year had involved the review of the Executive's programme of Forward Plan of Key Decisions at each meeting. The Chairman was keen for members to scrutinise Cabinet's work for each of the seven Portfolio Holder areas – The Leader, Finance and Economic Development, Commercial and Regulatory Services, Customer and Corporate Support Services, Planning and Sustainability, Housing and Community, and Environmental and Technical Services. Portfolio Holders were regularly in attendance to answer members queries and provide further information where necessary.

Members raised concerns throughout the year including the following:

- Status of the Pyrles Lane site in Loughton – a report would be going to Overview and Scrutiny on 8 June 2021 to facilitate pre-scrutinise Qualis' acquisition and development of the site before Cabinet's decision which was due on 21 June 2021;
- New Council policies should be pre-scrutinised – this was being addressed. A new policy on the disposal of HRA assets was pre-scrutinised on 2 February 2021; and a new Policy on the Council's approach to trees which were impacting on the safety of its assets would a reviewed by the Committee at the meeting on 3 June 2021;
- Accountability of Qualis – regular reports would be provided and quarters 1,2 and 3 were considered by the Committee on 15 October 2020; the Qualis four-year business plan would be pre-scrutinised by the Committee on 1 July 2021;
- Transfer of services to Qualis – pre-scrutiny of the business case for the transfer of Corporate Asset management service to Qualis was also scheduled for 1 July 2021;

### ► **Call-in requests**

The Committee received two call-ins. The first call-in was because of the report (C-017-2020/21) to Cabinet on 14 September 2020 that approved New City College (formerly Epping Forest College) be granted a "variation to the covenants further to previous removal of restrictive covenants, in order to facilitate the College's plans for the site". At the November 2020 meeting, the Committee discussed the call-in as the College site was subject to restrictive covenants in favour of the Council in relation to the use of the property for education. These were agreed to be released in 2019, but since this time, in order to facilitate further College plans, two variations to the covenants were required. The first involved transfer of land to the residential developer to facilitate housing development. The second involved transfer of development land from the residential developer back to the College and removal of the restriction that said land could only be used for residential purposes. This was to facilitate the College's proposed wellness centre. The Committee resolved that the recommendation be referred to Cabinet, and on 3 December, the Executive reaffirmed the decision taken at their meeting held on 14 September 2020 on the release of the restrictive covenants for the College. Details of the November meeting agenda and minutes can be viewed at this weblink: <https://rds.eppingforestdc.gov.uk/ieListDocuments.aspx?CId=395&MId=10551&Ver=4>

The second call-in was over the Planning and Sustainability Portfolio Holder Decision of 11 December 2020 regarding PLS-003 (2020/21) on the adoption of the Interim Air Quality Mitigation Strategy. An extra meeting was organised to hear the call-in on 7 January 2021, when J Maurici QC, the Council's appointed Counsel, and the Council's air quality consultants from AECOM, Drs J Riley and H Venfield, were also in attendance. The reasons stated for the call-in were because the proposed mitigation was: insufficient and thus probably unlawful; the Holohan judgment implied it was insufficient to have identified a suitable mitigation strategy (the Clean Air Zone) unless the competent authority (EFDC) could ensure the mitigation would be carried out; and the proposed mitigation strategy also made no reference to the amelioration of damage done to the wellbeing of the SAC by particulates. The councillors that supported the call-in were concerned that the strategy would allow EFDC to issue irrevocable planning permissions on the basis of a mitigation that might well be removed during the examination of main modifications by the independent inspector before the Local Plan was finally adopted. A robust and lengthy debate ensued but the Committee voted to confirm the decision of the Planning and Sustainability Portfolio Holder. Full details of all the reasons for the call-in and the January meeting agenda and minutes can be viewed at this weblink:

<https://rds.eppingforestdc.gov.uk/ieListDocuments.aspx?CId=395&MId=10714&Ver=4>

### ► High street and local economic recovery

The Council's Covid-19 response and recovery was added to the Committee's work programme as a standing item at its first meeting on 22 June. This was an important addition so that members could review the progress being made throughout the pandemic and the three national lockdowns triggered by the Covid crisis that impacted on everyone in an unprecedented and major emergency from mid-March and continued into the next municipal year. However, the Portfolio Advisory Group for Covid-19 Recovery was created, under the Commercial and Regulatory Services Portfolio Holder, and Councillor A Patel took the lead in high street and local economic recovery. Although the work somewhat aligned with the Local High Streets Task and Finish Panel, the Committee agreed not to continue with the work of the Task and Finish Panel, which allowed officers to concentrate their focus on the PAG workload, but reconvene it once the pandemic was firmly in the recovery phase. Therefore, no meetings of the Task and Finish Panel were held for this municipal year.

### ► Waste Management

The final report of the Waste Management Task and Finish Panel was presented by the Chairman, Councillor L Burrows, for members to review at the 16 July meeting that had been carried forward from the postponed meeting of 17 March 2020. Seven recommendations of the Task and Finish Panel were highlighted, which included the possibility of a third wheeled bin for households within the District, the future collection of food and garden waste, the provision of the Street Cleansing service, new high street refuse bins, and the possibility of further changes to the Service as a result of the Environment Bill 2020 and further Resource and Waste Strategy. The Environment Bill 2020 set out how the Government planned to protect and improve the natural environment in the UK.

The Committee's approval of the seven recommendations were detailed in full in the minutes of its 16 July meeting and were available to view on the Council's website at the link below:

<https://rds.eppingforestdc.gov.uk/ieListDocuments.aspx?CId=395&MId=10549&Ver=4>

An additional recommendation made was to reconvene of the Waste Management Task and Finish Panel when any new information arising from the Environment Bill and any new legislation was introduced by the Government. However, although the Environment Bill was introduced into Parliament on 15 October 2019 and was re-introduced to Parliament on 30 January 2020 following the general election in December 2019, the Covid crisis was delaying its progress.

### ► Customer Services

Its initiatives and performance over the previous municipal year were reviewed by the Committee on 16 July 2020. The Annual Report for 2019/20 included an update on the following topics within the Programme:

- the Customer Service Strategy;
- customer satisfaction;
- the corporate Contact Centre;
- the Digital Inclusion Programme;
- Members;
- partnership working;
- digital payments; and
- communications and public relations.

Furthermore, Customer Services' future direction for 2020/21, particularly its Strategy in its response and support for residents during the Covid crisis and how the public contacted the Council with the closure of the Civic Offices in mid-March, was also reviewed. However, the Strategy was just the start of the process to put people at the heart of everything it did, and it was anticipated that this would evolve over time to meet the changing needs of the Council's residents. Customer Services was also aware that the Council would not be able to channel shift everyone to digital contact under the Digital Inclusion Programme, as individuals had different needs. As Cllrs M Sartin and S Rackham highlighted at the meeting on 16 July, the ability and/or preference of some people to use technology also declined, especially as they got older.

### ► People Strategy

A new People Strategy was presented to the Committee in July 2020 by the Service Director for Business Services, P Maginnis. The Service Director highlighted the road map for the candidate journey from the video, with its seven steps: Pre-attraction; recruitment; onboarding; learning; performance and talent management; communication; and leaving the organisation. The Ambition of the Strategy was to have the right people with the right skills who were highly motivated and high performing, and to transform the service provided by the People Team. The Strategy would build on the work undertaken during the life of the previous People Strategy, and had six main themes:

- attracting and retaining our best candidates;
- developing our Leaders;
- supporting the Council to evolve and embrace change;
- developing the skills and behaviours of our employees to make EFDC
- a great place to work;
- creating a culture of engagement and wellbeing; and
- creating a culture of collaboration, innovation and creativity to enable our employees to fulfil their potential.

In July 2020 the Council had a target of 10% of staff being mental health aware and first aid trained by 2021. By February 2021, mental health first aiders numbered 63, which had exceeded this target of trained employees. Subsequent updates provided to the Committee at the meetings held on 15 October, 19 November 2020, and 2 February 2021 highlighted:

- The Council's Apprenticeship Programme and more apprentices were employed than was required under its public sector duty.
- A new Employee Assistance Programme (EAP), known as Perkbox, had been launched on 1 September 2020 and by February 2021 87% of staff had signed up. Plus, Perkbox Medical with 24/7 access to online GPs and a free learning platform hosted by Magpie.
- The Insight engagement platform, developed by Perkbox and the People Team, had enabled employees to receive and answer questionnaires from January 2021.
- The Recognition platform launched on 1 December 2020 let staff nominate others as super stars.
- New automated recruitment processes through iRecruit to recruit, attract and induct candidates, and help retain officer talent with a new career landing page called "A Place of Opportunity".

Although future updates would only be reported to the Stronger Council Select Committee, the Overview and Scrutiny Committee could seek periodic reviews.

### ► **Corporate Plan Key Action Plan Year 3 (2020/21)**

The Key Action Plan provided a mechanism for reporting on the Council's Key Performance Indicators (KPIs) and key programmes of work and highlighted the Council's overall performance against agreed Corporate objectives. Year 2 of the Action Plan covered 2019/20 and represented the second reporting cycle for the Council's Corporate Plan (2018-23). Performance Measures for year 2 had been streamlined to improve the focus on how Corporate Objectives were being met and quarter 4 was reviewed by the Committee on 16 July.

The performance of Year 3 (2020/21) quarters 1 and 2 by exception (only) in relation to the 16 KPIs and work programmes within the Corporate Plan were reviewed by the Committee in November 2020. The Strategy, Delivery and Performance Director summarised the key points in the report, which included an internal officer governance structure that had been established to focus on the delivery of the Corporate programmes aligned to the Stronger ambition objectives. This would strengthen governance and internal decision-making, as the programmes would be led by a director enabling corporate performance management to be aligned with individual performance management. All projects would be aligned under one of the three Stronger select agendas. There were three exceptions under the Corporate plan programmes scope and performance measuring report. These concerned the telecare offering project, the ICT restructure delayed by Covid-19, and the Local Plan due to Inspector's capacity to digest main modifications' (MMs) submissions.

The exceptions only for quarter 3 performance were reviewed by Overview and Scrutiny at the meeting on 2 February 2021. Based on comments made by select committee members, further work had been necessary on the website to remove the 'contact us' email address, which had been replaced by a new general enquiry – a recommendation of the Ombudsman. On the Sheltered Housing Review, the reason for the RAG red status was in relation to the high cost of Wi-fi access in communal areas and its impact on service charges. Disaster recovery was not progressing at the planned rate due to resourcing issues in ICT caused by a restructure with the loss of 17 individuals on the team, but 10 people had now been recruited.

The Committee reviewed and commented on the delivery against the quarter 4 milestones specifically the projects that highlighted exceptions, which was determined by a red status. There were more 'reds' than in previous quarters but the reasons for the red status were referenced. The focus on the red status was where there had been missed targets on key milestones, a key issue of resolution or KPIs had missed targets. These had been reviewed in detail by the Stronger Council Select Committee on 13 April 2021. The majority of cases would be re-baselined to achieve a green status and the reasons for this would be referenced. The quarter 4 KPIs had been unavailable because of the timing of the reporting period but these detailed in the minutes. Also, People KPIs were in their infancy. Staff turnover had increased mainly because of the ICT restructure.

### ► **Service Plan objectives**

The objectives for quarter 1 and progress were reviewed on 16 July 2020. The Committee was advised that although services had been maintained and an outstanding effort had gone into ensuring these were in operation throughout, the impact of the additional demand on their BAU activities or supporting other services had resulted in an impact on quarter 1, 2020 objectives. In addition, further impact to objectives had been as a result of emergency legislation to stop certain activities or as a result of lockdown and shielding.

### ► **Qualis Quarterly Monitoring Reports 2019/20**

The governance framework for Qualis was agreed by Cabinet on February 2020 and the requirement that Qualis should report to Epping Forest District Council on its performance on a quarterly basis. In view of the first quarter being a period of basic set-up activities following company registration in

October 2019, the report covered both quarters one and two (Cabinet Report C-022-2020/21). The monitoring report for quarter 3 for the period 1 May to 31 July 2020, was pre-scrutinised by Overview and Scrutiny on 15 October 2020 before Cabinet met on 19 October 2020. In quarter 3 Qualis completed the loan funding transaction, progressed planning work on the Epping Development sites and prepared for the transfer of Housing Maintenance at the end of September 2020. With the impact of Covid-19 on all Council activities, Qualis has performed in line with expectations during quarter 3. Key asset acquisitions and service transfers would take place during quarter 4 and monitoring reports would look different from that point forward.

#### ► **Disposal of HRA Assets**

The Committee was more pro-active in the pre-scrutiny of Cabinet decisions. The report related to the disposal of HRA assets and a proposed policy. The Council owned some 12,000 assets which included, properties, garages, land, pathways, unadopted roads, alleyways and grassed areas on residential estates. A standard assessment procedure (SAP) rating was used by the Government for energy efficiency. The Council would be looking at SAP ratings and costs so that if there was a deficit in income over the 30 years of the plan for an asset, the Council was looking to its disposal and to reinvest the capital into other projects in the HRA framework. The Project Director HRA, D Fenton, advised that two small parcels of land sold for £80,000 that the Portfolio Holder had approved had been used to reinvest in its estates. Therefore, the recycling of capital receipts of dwellings and land would be reinvested into the capital programme. To ensure that the sale of land or assets met the highest standards of Governance, a policy has been written to set out the framework in which these disposals would take place.

#### ► **Accommodation Strategy**

Progress reviews were undertaken by the Committee in October and November 2020 when the Service Manager for Strategy, Delivery and Performance reported that the refurbishment works of the Civic Offices were developing well and discussions had progressed on the Travel Plan with the appointment of a Sustainable Transport Officer. The Strategy for the space had been focused on introducing new ways of working and learning how individuals had been working from home. In terms of both partner and commercial space, there had been some positive interest. The Customer Journey for residents was also being developed. By mid-October works had continued forwards and had reached a critical stage of the project, in confirming the design and the fixtures and fittings. When refurbished, the loop system would also be as extensive as possible. The contract was within budget, and a positive variance of £91,806 was being forecast. A Members briefing had been held on 16 November 2020 where plans, layouts and more information around the delivery of the programme had been shared. However, members were informed at the February 2021 meeting that in future the Stronger Council Select Committee would monitor these updates, which would likely reduce as the refurbishment of the Civic Offices was approaching completion.

#### ► **Elections Planning Progress Report**

The report provided an update to the May 2021 elections. The postponed 2020 elections and those due on 6 May 2021 were being planned by the Elections Planning Group at monthly meetings. Despite uncertainty if the May 2021 elections would be going ahead because of the Covid crisis, the Returning Officer, G Blakemore, was still planning on the assumption the elections would happen. The order of counts had been confirmed as Essex County Council on Thursday 6 May followed by the Police, Fire and Crime Commissioner on 7 May. Local elections would be counted on 8 May. Staff resourcing for the elections had been positive. Some of the polling stations might not be available in May. A hangar at North Weald airfield had been booked for the counts, which would be large enough to accommodate social distancing. A detailed project plan and risk assessment in line with LGA guidance were being regularly updated. It was likely there would be an increase in the number of postal votes this year and various measures would need to be in place, such as social distancing at polling stations.



Shortly after this meeting, the Government announced the elections would go ahead on 6 May 2021 but with guidelines on the precautions to Covid that would be required to mitigate its risk, such as social distancing and use of PPE and adequate sanitising etc. This report instigated a number of questions from members on 2 February 2021 with concerns about an increase in postal votes and unavailability of polling stations. Electoral Services was aware of these concerns and that some polling station venues were being used as Covid vaccination centres or were in schools, which could pose a problem in light of the Government's recent guidance on not using schools, if possible. The Strategy, Delivery and Performance Service Director also reported that staff resourcing for the elections had been positive.

#### ► **Co-option of Independent Member to Stronger Communities Select Committee**

At the last meeting of the Stronger Communities Select Committee on 14 January 2021, members agreed to recommend to the Overview and Scrutiny Committee that Mr W Marshall be co-opted to their select committee. Officers had also strongly supported his appointment, as he was currently the Chairman of the Tenants and Leaseholders Forum and his participation at meetings would ensure that tenants opinions and input would be considered in relation to Housing issues scrutinised by the select committee. It was also important that tenants had a voice at this level especially in relation to the publication of the Social Housing White paper. As Mr Marshall's appointment was close to the end of this municipal year, the Committee recommended his co-option to Council for approval and that this should continue until the end of 2021/22 when it could be reviewed.

#### ► **Budget Monitoring Reports**

The Budget Monitoring Reports for quarters 2 in November 2020 and quarter 3 in February 2021 were reviewed by the Committee instead of the Stronger Council Select Committee because the timings of the select committees' meetings were slightly out of sync for these financial reports. It was hoped that timing issues would improve in 2021/22.

#### ► **Overview and Scrutiny Committee work programme**

The work programme was regularly reviewed by the Agenda Planning Group (APG) and Committee throughout the year. As a result, both the Accommodation Strategy and the People Strategy were moved by the APG in January 2021 to the Stronger Council Select Committee to scrutinise. The APG also was queried if Qualis' group company structure needed to be a standing item on the Overview and Scrutiny Committee. However, all the scrutiny committees would have the opportunity to review their work programmes, and this would be revisited in the new municipal year. The transfer of Council services to Qualis was also added to the work programme including scrutiny of charging for Environmental Information Requests (EIRs) at the Committee's 2 February 2021 meeting, which would be items for the next municipal year 2021/21.

#### ► **Select Committees' work programmes**

Each select committee Chairman summarised progress made against their work programme in their meeting leading up to the relevant Overview and Scrutiny meeting and reported on any recommendations for the Committee to consider. Further information on the select committees' work is also detailed later in this annual report.

## External Scrutiny

External scrutiny of outside bodies was an integral part of the work of the Overview and Scrutiny Committee to review and scrutinise their performance especially for those operating in the District and invite appropriate organisations to address the Committee about their activities and performance.

### ► Epping Forest Youth Council Annual Reports – 2019/20 and 2020/21

The April 2020 Youth Council elections were interrupted by the first Covid national lockdown in mid-March and all 29 candidates were offered a seat on the Youth Council for a two-year term until 2022 – 25 remain in office.



The presentation from the Youth Council on its work during 2019/20 was postponed but took place on 16 July 2020. Five youth councillors presented the highlights which covered the:

- 'We are safe' project and a letter of thanks had been received from Buckingham Palace;
- Epping Forest Youth Activities map that had been updated and expanded;
- Health and Wellbeing Youth Conference;
- undertaking surveys on local youth issues in the District's schools;
- Youth Council's social media activities;
- external funding secured for youth projects from the Jack Petchey Foundation, the Safer Communities Fund and the High Sherriff of Essex;
- receipt of several awards, certificates and letters of recognition;
- production of a two-minute film in April 2020 on how Covid-19 had affected young people within the District; and the
- undertaking of a post-Covid-19 survey of young people on their mental health and wellbeing.

At the Leader's invitation, youth councillors attended Cabinet in October 2020 to summarise the findings of the #Your Say Youth survey. Furthermore, their report on the Health and Wellbeing of Young People in the Epping Forest District during Covid-19 was well received by members. This revealed that of the 383 young people who responded to the survey 74% were coping well with the first lockdown, but 33% were struggling and feeling stressed by schoolwork. Young people experienced social isolation and 28% missed the contact with friends, extended family and daily school life.

Lack of contact with their grandparents instigated this 'Keep your Granny Safe' poster campaign.



The Committee received an annual progress report on the work undertaken during 2020/21 by the Epping Forest Youth Council supported by the Community, Culture and Wellbeing Team at the meeting on 15 April 2021. Four Youth Councillors, Aliza Zarras from West Hatch, Martin Prinsloo from Davenant Foundation, Natalie Moffat from Roding Valley and Sonny Bazzoni from Epping St John's gave an informative presentation on the activities of the Youth Council. Their views on the challenging year that unfolded with the unprecedented Covid crisis and national lockdowns was inspiring for the Committee to hear, and especially how the Youth Council's work had helped them and their fellow students in the District's secondary schools cope. Poster campaigns on 'Staying Safe' and 'Keep your Granny Safe' (see poster above) were also praised by members. The additional external funding achieved for 2020/21 of over £5,000 was impressive and complemented the Council's annual grant of £5,000. A key project for the Youth Councillors in 2020/21 was the MiLife C19 Health and Wellbeing project. Launched in the District's secondary schools in December, it

focused on supporting students, year 9 upwards, with their mental and physical health to build personal resilience and confidence in order to tackle the challenges Covid-19 was presenting. Youth councillors were working in partnership with the Red Balloon Foundation that had previously created the award winning MiLife programme with the Youth Council several years ago. MiLife C19 was an extension of this and new online resources would be made available on the MiLife website <https://www.rbf.org.uk/milife> The project was multi-faceted and included cultural and physical activities to support the wellbeing sessions, which were being conducted by the Council's Community Culture and Wellbeing team. The MiLife C19 promotional launch film had been distributed to seven District secondary schools and was also available to view at this weblink: <https://www.eppingforestdc.gov.uk/youth-council-launch-new-wellbeing-project/> EFYC topical mugs were sent to NHS staff at Princess Alexandra Hospital in February to remind them to take regular breaks and to the District's secondary/independent headteachers. Youth councillors also had the opportunity to be virtual guests of the Right Honourable Dame Eleanor Laing MP and the High Sheriff of Essex. The youth councillors were looking forward to the EFYC 2021 conference this November.

### ► Local Mental Health Services

The Associate Director of West Essex Mental Health Services, Ms S Rea, from the Essex Partnership University NHS Foundation Trust (EPUT), focussed her presentation to address specific questions members had raised before the meeting on 15 October 2020 and gave a wider overview of EPUT's services within the District. This encompassed:

- the impact of Covid-19 on mental health;
- EPUT's response during Covid especially for older people and those with dementia;
- funding for local mental health services;
- the mental health and wellbeing of students aged 18 plus;
- services for older people and all age dementia;
- EPUT Services in Epping Forest for the adult community; and
- working in collaboration.

The ramifications on mental health from the Covid pandemic was being addressed by supporting those people already using the services. The Trust was also examining how to develop the Crisis Team using funding from Essex County Council, for example the Crisis Café in Harlow. There was a pilot scheme for young people aged 18–25, which it intended to continue and supported any initiative that reinforced the view mental health was an issue that could affect anyone. The Trust always campaigned on World Mental Day to raise local awareness of mental health issues.

### ► UK Innovation Corridor

Director, Dr J McGill, and Independent Business Chairman, Dr A Limb, accepted the invitation to attend on 19 November 2020. Their overview clarified the work of UK Innovation Corridor and its benefit to the Epping Forest District. Its geographical area extended from north east London to Cambridge and Peterborough, and from Stevenage eastwards to beyond Stansted Airport. The local authorities that formed the Innovation Core included Epping Forest (a founder member), Broxbourne, East Hertfordshire, Harlow and Uttlesford district councils. It had changed its name to the UK Innovation Corridor as this evidenced the importance of 'innovation' to match the scale of its ambitions, and no one else had claimed the name. It was an important asset for the UK, and by raising its profile was a corridor to the world.

The Innovation Corridor was a leading sci-tech region and collective corridor to England as a whole. It had become the UK's most productive region and was home to 2.1 million jobs. A fifth of those people were employed in the 'knowledge economy' – ICT, life sciences, advanced manufacturing and engineering, transport and logistics. The main sectors for Epping Forest were construction, business services, public admin and health, but lower employment in the information, financial services, communications and R&D sectors.

How did the Innovation Corridor support the Council? It was a voice to Advocate, Broker and Coordinate – an ABC. It was a non-statutory, like-minded group and coalition of the willing that gave it a bigger voice to lobby national and London government and private investors for districts' ambitions, such as Harlow and Gilston and the Digital Innovation Zone (DIZ). It lobbied for infrastructure, rail, road and digital, and promoted the local economy but there were areas of deprivation. It helped to promote investment opportunities, such as those for the North Weald Airfield Masterplan.

Members questions centred on work that had been done to promote skills and its support in this area. There was more collaboration with colleges as the Innovation Corridor had signed the Regional Skills Concordat to get investments into colleges to retrain the older workforce and provide for the younger workforce. It recognised that economic growth could widen social inequality and during the first Covid lockdown had devised a suggested policy document on "Covid-19: A recovery where no-one gets left behind", which had been circulated to members after the meeting.

### ► North Essex Parking Partnership

The Group Manager, Mr R Walker, gave a comprehensive overview of its operations to the Committee on 2 February 2021. Formed in April 2011 the north part of the partnership comprised Essex County Council (ECC) and six other local authorities – Colchester (lead LA), Braintree, Epping Forest, Harlow, Tendring and Uttlesford. NEPP had been set up to bring the operation out of deficit and reported to the Joint Parking Committee, which was made up of NEPP officers and partnership members. The governance arrangements allowed each authority member a vote plus up to six schemes a year. Kerbside parking management was funded from penalty income from patrols but was not an income generator. Funding also came from resident parking permits, pay and display schemes and sundry income. The operational team and patrols issued some 76,000 penalty charge notices (PCNs) in the year before the coronavirus crisis. NEPP had CCTV patrol cars and enforcement officers monitoring parking infractions, footway parking and obstructive parking. The enforcement process could be challenged by the public. Parking schemes encompassed ECC safety and congestion, new housing schemes, traffic schemes and socially necessary schemes. Most consultations were undertaken in the winter months as maintenance work was targeted for completion in the summer. The scheme process usually took a minimum of 50 weeks to be implemented. A project team was looking at innovation of the scheme process to try and automate it going forwards. NEPP was involved with school safety parking issues, especially near primary schools. A data led team was looking at efficiencies and investing in digital technology. It was developing fixed camera and mobile sites. A 3PR scheme was looking at safe parking at schools, so people parked where it was safe to park and then walked to the school. Parking in future included looking at footway parking, obstructive parking, active travel to get people in / out of town centres, connected, autonomous and new types of vehicles, and electric vehicles and environmental issues.

Members questions covered the red routes painted on the roads in Epping Forest in May 2020 and that a full consultation on these would be held, yellow line applications for parking schemes, delivery vans not being able to park in loading bays, speeding on roads, safety of Enforcement officers, controlled parking zones, residents parking zones, idling vehicles and fines for drivers on enforcement issues.

### ► Young People's Mental Health Services

The Committee had the opportunity to scrutinise West Essex Clinical Commissioning Group for Young People's Mental Health Services on 15 April 2021. Ms S Garner who was the Assistant Director, Southend, Essex & Thurrock Children & Young Peoples Emotional Wellbeing & Mental Health Collaborative and Programme Director Joint Commissioning SEND (Essex) and was based at St Margaret's Hospital in Epping. She collaborated with seven Clinical Commissioning Groups and three local authorities. As she was the lead commissioner in Essex, equal access across Essex was important. Targeted and specialist services for children and young people 0–18 were accessed via a single point of access, supported by a County-wide crisis team, learning disability service and eating disorder service. Continued support where clinically appropriate was also available up to age 25. There was a locality hub based at Harlow and others sited in each CCG area. Various mental

health disorders were covered, but of all the referrals, including self-referrals, coming into the Essex single point of access, 25 per cent were referred on to other people/organisations. The Crisis Support teams visited individuals to review and assess them 24/7. The Children and Young People Eating Disorder service, which covered anorexia and bulimia, and the Learning Disability service had seen a rise for their services during the lockdowns. There were seven community teams that worked alongside six youth offending service workers. There was a lot of provision with place base teams, life coaching and various support help available. The referrals between 2015 and 2020 had increased annually, but it was better to catch these early. During the Covid pandemic services had continued to operate as usual. Digital help offer had been expanded through apps and online therapy. Group therapy and support offers were widened, as was communication through schools and community groups to reach young people in need. Additional support was being provided for community eating disorder services and the voluntary and community sector to support the Crisis teams and single point of access. Future plans for young people's mental health services were outlined, which included development of 0–25 services, and getting risk support and the Crisis teams integrated and working across the NHS and Children's Services.

As the youth councillors had presented their annual report at this same meeting, their work on the MiLife C19 Health and Wellbeing project supporting young people in the District during the Covid crisis, achieved a crossover interest in relation to the mental health of young people. They had stayed to hear this presentation and were invited to ask questions after members. Questions covered various aspects including: the number and types of referrals during the Covid crisis; what constituted a crisis; silent cases, home visits; at what point were mental health issues defined; male suicides; how the outcome for a child was measured and what evaluation was done that the right treatment had been provided; and what had inspired Ms Garner to motivate mental health. Although the stigma around mental health had declined, ultimately it needed to be normalised, and for people to help each other and include others more.

Further information on the agendas and minutes of past meetings of the Overview and Scrutiny Committee are available to view at:

<https://rds.eppingforestdc.gov.uk/ieListMeetings.aspx?CId=395&Year=0>

## Joint Meeting of Overview and Scrutiny Chairmen and Vice-Chairmen

The joint meeting is held twice a year and is an opportunity for the Chairmen and Vice-Chairmen of the scrutiny committees to come together and discuss mutual issues. The meetings are not webcast as this is more a discussion committee to inform, be informed and provide feedback to the Senior Leadership Team (lead scrutiny officers), the Service Director Strategy, Delivery and Performance and the Democratic and Electoral Services Manager.

Here members can voice their opinions and concerns on how something can be improved, or needs to be acted upon etc. Officers can likewise raise any issue that they believe will be beneficial to the running of the scrutiny committees.

This year joint meetings were held on 25 August 2020 and 11 January 2021.

Topics that arose from the joint meetings included:

► **Independent scrutiny members** regarding their co-option to scrutiny committees. The select committees could invite a co-opted member to join, as a non-voting member, subject to a proposal being made to Overview and Scrutiny that Council also had to approve. In addition, independent, non-voting scrutiny members could act as expert witnesses.

► **Informal advance chairman's pre-meetings** would facilitate additional scrutiny by the Chairman and Vice-Chairman of a select committee prior to the agenda being published. Democratic Services select committee officers have been asked to organise an informal advance Chairman's pre-meeting with the relevant lead officer to discuss forthcoming work programme items to gauge member input.

► **Meetings timings** needed to be looked at and good governance arrangements instated, as the scheduling of committees in the annual Calendar of Meetings was important in relation to the scrutiny committee cycles.

► **Pre-scrutiny of Cabinet business** was also integral to the scrutiny process. Members supported more pre-scrutiny going forwards. The scheduling of scrutiny meetings should also sync with Cabinet meetings.

► **Scrutiny driven by members** would be greatly improved if officers' reports did not use 'to note' in the (decision) recommendation. Therefore, members emphasised that better use of wording in recommendations would give members the opportunity to scrutinise all reports going to the scrutiny committees.

► **Scrutiny items and reports** for the next meeting of the Overview and Scrutiny Committee would be assessed at the Agenda Planning Group to see if they could be scrutinised more effectively by a select committee. It was for the chairmen of the select committees to provide feedback to the Overview and Scrutiny Committee on business items that had been scrutinised.

► **Training** for members of the scrutiny committees, especially chairmen and vice-chairmen, was another concern as this had been deferred because of the cancellation of the 2020 elections. An influx of newly elected councillors was anticipated after the elections in 2021. Therefore, members agreed at the meeting in January 2021 that training on scrutiny must be provided in the next municipal year, but the scope of the course would be finalised nearer the time. It was hoped that a trainer used by the Local Government Association could be booked.

Members were hopeful that their reciprocal dialogue with the lead scrutiny officers at these joint meetings would work towards improving scrutiny processes within the Council in the 2021/22 new municipal year.

Full details of the agendas and minutes can be found on the Intranet.

# Overview and Scrutiny Annual Report 2020/21

## Stronger Communities Select Committee

### Members for 2020/21:

The Stronger Community Select Committee held five virtual meetings this municipal year. The membership was approved at the Overview and Scrutiny Committee at its first virtual meeting on 22 June 2020.

Councillor Darshan Sunger (Chairman)

Councillor Jaymey McIvor (Vice-Chairman)

Councillors:

Amy Beales

Ian Hadley

Jeane Lea

Ann Mitchell

Dave Plummer

Sheree Rackham

Jo Share-Bernia

Janet H Whitehouse

David Wixley



Councillor Darshan  
Sunger



Councillor Jaymey  
McIvor

The lead officer was Nick Dawe, Chief Operating Officer.

### Terms of Reference

Core areas of responsibility were:

(1) To provide scrutiny for the following corporate projects:

◆ **Customer Excellence** – delivering services that put the customer at the heart of everything we do

◆ **Behaviours and Insights** – future-proofing the Council's service provision by understanding customer needs and expectations over the next ten years and beyond; and

◆ **Partnerships** – working with public, private and third sector partners to deliver and develop services to our community, businesses and visitors to the district including shared and cross-border working.

(2) To monitor levels of customer satisfaction and provides scrutiny of services that are not performing to standard and develop proposals for their improvement. This will also include matters of concern that are identified by the select committee in its review of Corporate Key Performance Indicators.

The **scrutiny role** incorporates the following:

- to engage in policy review and development, with a focus on improvement and how this can be best achieved;
- to develop a work programme each year that effectively scrutinises the areas of responsibility outlined above;
- to consider any matter referred by the Overview and Scrutiny Committee, Cabinet or a Portfolio Holder and to make recommendations as appropriate;
- to look outwards and show community leadership;
- to consider the effect of Government actions or initiatives that affect the Select Committee's areas of responsibility and the impact on customers, residents, businesses and visitors to our district, and to respond to consultation activities as appropriate;
- to establish working groups and task and finish panels to undertake any activity within these terms of reference;
- to undertake pre-scrutiny through the review of specific proposals of the Council and its partner organisations or other local service providers to help develop policy;
- to monitor and review relevant projects and associated closure and benefits reports; and
- to engage with the community and encourage community engagement.

### **Committee workload**

As the last meeting in the municipal year 2019/20 in April 2020 had been postponed, outstanding work items carried over into the 2020/21 municipal year. At each meeting members had the opportunity to review the Terms of Reference and the work programme.

#### **1st virtual meeting – 21 July 2020**

► **Grow Community Garden** based in Loughton gave a presentation of its work with the support of Councillor D Wixley. The Project Co-ordinator, Heidi Chow, introduced members to this inclusive community garden that brought people together in a safe and supportive outdoor space to grow organic vegetables. The project started in 2016 after Loughton Town Council had offered a piece of land to Grow Community. Having successfully applied for grants from the Council's Grant Aid Scheme, essential equipment was purchased, and the project progressed with help from their volunteers to clear the overgrown land, plan out the site and steadily plant various vegetables. People of all ages volunteered, and two sessions were run weekly on Wednesdays and Saturdays. The community garden was open all year round. Under normal circumstances this project was organised on a drop-in basis and all volunteers were provided with lunch and refreshments, but during Covid social distancing restrictions were in place and volunteers were asked to bring in their own food and drink.

► **Impact of Covid-19 on the District's housing communities** was highlighted in a report by the HRA Project Director, D Fenton. The emergence of Covid-19 and the first lockdown had led to an understandable level of concern and worry for the residents of the Council, and the number of applicants applying for Universal Credit had risen. There had been a significant increase in telephone calls, up by over 100% in March 2020. The report provided an overview of the measures being taken to support residents whilst also working to protect the rental income, therefore providing some certainty for the HRA account.

► **Customer Services quarter 1 update** had focussed on the low staffing levels in the Customer Services team through staff sickness, staff leavers and a delay in recruiting new staff, which had seen other staff drafted in to help out. The Service Director (Customer Services), R Pavey, reported that complaints had fallen as all managers now received training to diffuse situations to prevent them escalating into an official complaint. Behavioural training and training to improve customer services skills of these staff would help improve the Council's customer strategy.



► **Epping Forest Health and Wellbeing Strategy 2018-2028** was outlined in the annual presentation made by Public Health Improvement Officer, F Ferrari. The Epping Forest Health and Wellbeing Board was made up of representatives from Epping Forest District Council, Essex County Council Public Health, the West Essex Clinical Commissioning Group (CCG) and a wide range of health providers and third sector organisations. To improve the health and wellbeing of local residents, three multi-agency action groups had been established by last summer – the Start Well Action Group (pre-birth to 19 years), the Be Well Action Group (19 – 65 years) and the Age Well Action Group (65+). The key priorities of the strategy were to improve the mental health of residents, increase physical activity, tackle loneliness and social isolation, and increase safe and independent living at home.

## 2nd virtual meeting – 15 September 2020

► **Council-funded Police Officers' bi-annual report** highlighted the Council's continued funding to employ an additional Essex Police Sergeant and two Police Constables to supplement existing local policing resources. The Service Manager Community Resilience, C Wiggins, advised members that the team had an initial 3-year contract, which had been extended for a further two years. The team was tasked in-line with District Community Safety Partnership priorities which were identified through the Annual Strategic Assessment and aligned with the priorities set by the Police, Fire and Crime Commissioner. As well as working to those priorities, the team could be requested, via a tasking process, to support any Council department where there was an identified threat, harm or risk to staff. Joint tasking had been implemented on a fortnightly basis, in line with police tasking in which current tasks and new requests were reviewed. When not deployed on tasks, the team was assigned patrols in areas identified through risk terrain mapping which focussed on areas of high-risk and high-harm crime and anti-social behaviour (ASB). District crime levels were affected by Covid, but the team remained fully operational and 2020 had continued to be a challenging period. The Community Resilience Team temporarily relocated to Ongar Police Station while the Civic Offices were being refurbished. The last quarter had seen Essex Police situate Community Safety Engagement Officers (CSEO) across the County. The Epping Forest CSEO was embedded with the Community Resilience Team. The CSEO was tasked to work within the Community Safety Hub taking a lead on problem solving, working with partners and the community to reduce crime, ASB and protect people from harm within the District.

► **Customer Services quarter 2 update** for 2020/21 showed an increase in customer frustration had occurred as changes in services had not been communicated to them, and service areas had been reminded of the need to do this. The Service Manager (Customer Services), S Lewis, reported that 35% of residents had indicated that they preferred to pay cash and did not wish to switch to alternative payment methods. As a result, the cash office at The Broadway, Loughton, reopened in August 2020 for two days a week, but a longer-term solution would be developed. The special waste collection service had been well received and was considered to be good value by residents. Also, the reporting of potholes and requests for pavement maintenance were popular topics via the Council's social media channels, even though these were the responsibility of Essex County Council. Unfortunately, the Council's Customer Strategy had not been launched as planned to external customers due to the Covid pandemic continuing. Phase I of the Strategy was to 'fix the basics' which included a customer services health check to be undertaken by service areas. It was felt that this should be mandatory for service areas to complete. Phase II was 'customer shoes' and a training pilot with Impact Factory would be launched next month to deliver customer services training to staff. Phase III was to embrace new technology and priorities were being reviewed by the ICT team. Finally, there were a number of events planned for National Customer Service week from 5 October 2020, and a number of key messages would be communicated to staff over the coming months.

► **Corporate programme delivery** to illustrate the alignment between the select committee and the Council's corporate programmes was outlined in a report by the Strategy, Delivery and Performance Service Director, L Wade. An officer structure had been established to focus on the delivery of the corporate programmes in line with the Council's Stronger Ambitions' objectives. The select committee had three of the Council's corporate programmes aligned to it – the Community

Health and Wellbeing Programme, Customer Excellence Programme and Community Data / Insights Programme.

The Council's focus was also on the recovery from the Covid-19 pandemic, as well as its corporate programmes. As the Council's recovery planning and response evolved, so too would the projects as there were interdependencies across the corporate programmes. Councillor S Kane, Customer and Support Services Portfolio Holder, provided members with some further understanding of the Community Data / Insights Programme.

### 3rd virtual meeting – 14 January 2021

► **Operational changes at the Broadway Housing Office** would ensure best use of resources and delivery of a customer centric service. Housing Management was restructured in February 2020 into Income Recovery, Neighbourhoods (tenancy management and enforcement, and ASB), and Estates and Land Management. During the first lockdown, all three Housing offices at the Civic Offices, Limes Farm and The Broadway were closed. The Broadway reopened on 10 August 2020 but only the cash office on Mondays and Tuesdays and utilised by the Estate and Land Management Team on Wednesdays to Fridays but closed to the public. The HRA Service Director, D Fenton outlined the following proposal that after the Civic Office refurbishment, the Income Recovery Team would reposition itself alongside the Estate and Land Team at The Broadway Office which would be reinvented as a drop-in hub on Mondays and Tuesdays alongside the cash office, and offer residents the opportunity to engage with a range of services such as the Rehousing Team, Housing Benefit, Council Tax, Citizens Advice Bureau and Peabody Trust. The drop-in hub could also be used to provide digital upskilling by Digital Buddies to the District's 21,000 residents who currently did not use social media.

► **Rough sleeping update** encompassed the Council's response to rough sleeping in the District during the Covid pandemic and the additional funding that had been secured to support the service. The Community and Wellbeing Service Director, J Gould, reported on the progress made in housing the 27 rough sleepers identified between April and December 2020. The Government had made a commitment to continue Rough Sleeper Initiative Grant funding and Rough Sleeper Accommodation Programme into 2021/22, which the council would try to secure a share of this future funding.

► **Whipps Cross Hospital development programme** briefing had been attended by the Chairman, Councillor D Sunger. The briefing had updated key stakeholders and community representatives on development progress thus far although nothing substantial had arisen since the presentation given to the Overview and Scrutiny Committee previously in 2017.

► **Digital Inclusion** update on the current work and future direction of further projects aimed to tackle the real challenge that Covid had created, which was to reduce digital exclusion, particularly with the difficulty of face to face services. The Customer Services Director advised members that it had re-energised its digital buddy network. There were twenty-nine buddies who were willing to give their time to support residents. Working in collaboration with other service areas and external partners some initial activities started included digital buddy support

► **Customer Services quarter 3 update** covered 'what our customers were telling us' and that customer satisfaction had reached 80%. Although residents had reported missed waste collections and bin deliveries to the Council, these were being addressed. Call volumes for quarter 3 were consistent with previous quarters. First point resolution was at 45% and call causation codes had been reintroduced to identify the reasons for contact and whether they could be dealt with at first contact. Large numbers of call transfers were still required to Qualis and the Planning department, and this would be monitored. The webcasting equipment was being upgraded for hybrid meetings and the Corporate Communications team was also looking into creating a community platform. The Customer strategy was launched on the website and Internal Audit had completed a satisfactory audit of the Customer Services Transformation plans.

► **Co-option of a non-member to the select committee** was agreed and the Overview and Scrutiny Committee's approval was sought for the co-option of an independent member, Mr Wyn Marshall, who was Chairman of the Tenants and Leaseholders Forum. This was also strongly supported by officers as it would ensure that tenants opinions and input would be considered in relation to Housing issues scrutinised by this select committee. Subsequently the Overview and Scrutiny Committee on 2 February 2021 recommended this co-option to Council for approval and, as Mr Marshall's appointment would be close to the end of this municipal year, also recommended to Council that this appointment should continue until the end of 2021/22 when it could be reviewed. Council approved Mr Marshall's co-option as an independent non-member of the Select Committee on 25 February 2021.

#### 4th virtual meeting – 30 March 2021

► **Essex Police District Commander** Chief Inspector Ant Alcock made his annual presentation and reported on the work the Police had covered over the last year, especially in relation to the Covid pandemic and three national lockdowns that had followed, in addition to policing in the Epping Forest District.

► **Community Safety Partnership Annual Strategic Assessment, Annual Report and Partnership Plan** were presented by C Wiggins, Specialist Technical Services Officer. Community Safety Partnerships (CSP) were required to complete an annual Strategic Assessment which was used to direct and guide their activities, under the requirements as responsible authorities, of the Crime and Disorder Act 1998. The District worked closely with Essex Police analysts to produce this document, which this year was a common template for all two-tier local authority areas. The aim of the Epping Forest Strategic Assessment was to determine the strategic priorities for the financial year 2020-21. Community Safety work encompassed ASB, disorder and the misuse of drugs, alcohol and other substances. The report included statistical data and analysis of crime types. Furthermore, the Covid-19 pandemic restrictions impacted on crime committed and reported in 2020 and caused crime types to experience unprecedented significantly reduced or increased levels. As restrictions changed, crime levels had continually readjusted. The CSP Plan was a new addition of the Partnership and provided information at a glance on the planned delivery of Epping Forest CSP going forward. Community projects and initiatives in 2020 had included:

- Crucial Crew – an educational programme for year 6 pupils on community safety was launched digitally on the Council's website;
- J9 domestic abuse initiative – the aim was to raise awareness of domestic abuse and assist victims to seek the help they desperately needed. Started by the Council, training was now available all over the County;
- Training delivered virtually on child sexual exploitation, gangs, county lines, modern slavery/ human trafficking and hate crime;
- Cross border meetings were held every four weeks between the Council, Essex Police and the Metropolitan Police;
- Enforcement issues from the pandemic included 'mansion/house parties' as clubs, pubs and bars were not open, the misuse of Epping Forest especially at High Beach, and joint enforcement undertaken by the Corporation of London, Essex Police, North Essex Parking Partnership and the Council.

The timescales of the Annual Report were extended to account for the unprecedented impact of Covid on the CSP and wider agencies over the last 18 months. Violence, vulnerability and serious acquisitive crime were the strategic priorities for 2019/20 and would continue to be in 2020/21. A dynamic daily briefing and tasking structure was adopted in the District which had the ability to directly respond to areas of concern and address local issues. This ensured a relevant, justified and cost-effective use of resources. Historically, Halloween and bonfire night had caused challenges to the District in relation to youths being anti-social and committing criminal acts. In 2020 the Council worked closely with Essex Police to produce a plan around enforcement and engagement. The Horizons Project (Phoenix Futures) supported clients who were identified as suffering from Significant Multiple Disadvantage- substance issue, offending behaviour and homelessness.

Members questions included if there a contact number that could be given to homeless people and did the Council work with other bordering authorities in addition to the Metropolitan Police? C Wiggins advised that any homeless person should firstly, be directed to the Council's Homeless Prevention Team. The New Horizons project mentioned in the report was for more entrenched homelessness and assisted people with a holistic approach. The project was now being extended to other areas such as Harlow, Brentwood and Tendering as a result of the success in Epping and Chelmsford. C Wiggins advised that the Council did work with other bordering Police authorities and had a good working relationship with Hertfordshire Police. There was another question on whether the Epping Forest Community Safety Partnership (CSP) Plan on a Page could include additional details of the planned schemes for the three priorities; and what was a Local Action Group? C Wiggins advised that a glossary would be included in next year's CSP Plan with a further explanation of each scheme. The Local Action Group was the bringing together of Council officers and multi-agencies to create an overall approach to case specific ASB issues / locations within the District.

► **Council-funded Police Officers' bi-annual report** was presented by C Wiggins and covered the period September 2020 to March 2021. In addition to the earlier report in September 2020, the Essex Police team in the District accepted and completed 50 tasking requests in 2020 in spite of the challenges presented by Covid-19 (2019 had 52). These tasks included amongst others: a cross border operation with the Metropolitan Police to deal with serious crime in the south of the District; supporting Council officers visiting licensing and business premises over possible Covid legislation breaches; also supporting Planning Enforcement and Community Resilience officers where there was a risk to staff; targeted patrols in response to persistent ASB; and the recovery of stolen vehicles.

### 5th virtual meeting – 22 April 2021

► **Overview of social recovery initiatives and projects** delivered to support the District's residents as a result of Covid-19 was reported to members by the Community, Culture and Wellbeing Service Manager, G Wallis. The responsibility had fallen to Epping Forest District Council to swiftly establish a multi-agency Community Hub following the first national lockdown in March 2020 to provide emergency support for the district's most vulnerable residents. The setting up of community initiatives and projects, which were identified under the themes of Positive Communities, Positive Activity and Positive Mental Health, contributed towards the continuing social recovery of the District. These included:

- Place-based engagement in Paternoster and Shelley Wards that built a picture of the needs of residents as they emerged from the lockdown and laid the foundations for tackling health inequalities. This would develop a model of best practice that could then be replicated in other parts of the District;
- A Disability Inclusion Project for children and young people with disabilities and their families, welfare calls to support families and online training for families providing strategies to cope with the pressures of lockdown;
- Fall Prevention project called the Social, Active, Strong Project;
- Physical activity programmes adapted and delivered virtually including walking football, athletics, tennis activators, Wild Cats Girls Football, Get Active sessions and the Active Living Programme for older residents;
- Cultural activity programmes including the Epping Forest Festival of Culture;
- The election of the Epping Forest Youth Council and virtual MiLife C19 Mental Health Project;
- The creation of older peoples' resource packs for "Stay Well This Winter", "Senior Safety Day" events and a "Little Book of Big Scams" booklet giving advice about fraud;
- The virtual delivery of the Epping Forest District Museum and Educational Outreach services;
- To establish a Waltham Abbey Community and Cultural Centre in the heart of the Town;
- The 'More Than Bricks & Mortar' initiative which ensures the Housing & Property Services work with residents in respect of the Council's capital investment programme priority estates across the District;

- Epping Forest Health and Wellbeing Board including the Start Well Action Group (pre-birth to 19); Be Well Action Group (19 – 65 years): and Age Well Action Group (65 years +); and
- West Essex Health Inequalities & Prevention Committee.

Residents continued to be placed at the heart of the health and wellbeing agenda with staff using the Asset Based Community Development (ABCD) techniques to support the social recovery of the Epping Forest District, building strong, resilient, cohesive and healthy communities in for the future.

► **Customer Service update** covered the Council's Customer Service KPI's for overall customer satisfaction, first point resolution, complaints, call volumes and the Customer Strategy. R Pavey, Customer Services Director, reported that throughout the lockdown period many customers had channel shifted to self-service help, which had been assisted by removing 'contact us' and encouraging customers to use the online forms or completing a general contact form. The automated scripts developed for the customers and the Call Centre Officers also reduced the call waiting times and resolutions to 47% for 2020/21. Areas that had been affected by the closure of face to face contact had been the cash offices, although the payments teams had supported customers by taking payment over the telephone.

The Customer Strategy would continue to drive the single point of contact through the remaining service areas into the contact centre and would focus the following:

- Gaining a better understanding of the customer and their needs;
- How and why the customer contacted the Council;
- Utilisation of modern technology, to enhance the customer contact experience;
- Service delivery improvements;
- Customer shoes cultural training; and
- Digital buddies support for residents.

In the first quarter of 2021/22, focus would be given to a new welcome lounge and plans for a partnership hub, the development of in-house customer shoes training and promotion of Service Superstars. This would also include the re-opening of the cash office in The Broadway and payment kiosk in Waltham Abbey and the Civic Offices. Other enhancements were for the continuation of webcasting with new hybrid webcasting capability, the promotion of Digital Buddies in the community and a member technology and contact process review to improve the ICT for members.

R Pavey advised members to contact the Customer Contact Team directly, who could log and monitor their enquiries and ensure responses were given. There was currently a team manager vacancy, which had reduced the capacity by 50%, although they were in the process of recruitment. The Customer and Corporate Support Services Portfolio Holder, Councillor S Kane, advised that they were investigating issues mentioned by members about the phone service and IT systems were being investigated. In response to a question on whether the face-to-face cash collection services had been affected by the shift change in payment methods, R Pavey advised that a need for a cash collection service was still required. Going forward though, it would need further consideration the monetary figures to members would be supplied via the Bulletin.

► **Universal Credit** – an update was provided by the Customer Services Director, R Pavey. As a result of the work of the Universal Credit Impact Working Group a Multi-Agency Hub was developed at the Museum in Waltham Abbey in early 2020, which was sadly curtailed with the onset of the Covid crisis. During 2020 a virtual signposting resource was developed bringing the outcomes of the Universal Credit Group's work and aligning it with the new challenges presented by Covid, particularly with extensions to Wellbeing and Employment initiatives. In 2020 the Cabinet approved the concept of a Community Hub at the Civic Offices recognising the opportunities that a newly refurbished Civic Offices could offer to make it a true community asset. Work to establish the Community Hub has been taking place in two ways. Firstly, there was the physical creation of the Hub space as part of the Accommodation Programme within the Civic Offices. Secondly, there had been engagement with partners who wished to come and work with EFDC in the Hub and establish practical arrangements built around customer service journeys. The design and on-going delivery of

the Hub was being managed by a Steering Group, chaired by the Customer Service Director involving key EFDC services and partners. The activity of the Hub provided three key offers to its users and customers:

- Offer 1: A core offer of advice – delivered through a dedicated team of EFDC services and hub partners to include general advice and guidance, housing, homelessness and rough sleeping, welfare and housing benefits and council tax support, well-being, financial inclusion, digital support and social isolation. This would centre on prevention to support the most vulnerable, identify opportunities to make an impact through intervening earlier and tackle issues more quickly to prevent escalation and to reduce the likelihood for repeat needs for services in the future.
- Offer 2: Access to a range of information, support and guidance – this would be tailored to local need and be delivered by voluntary and community sector organisations and community groups, as well as local residents volunteering their time. As a growth model, this was expected to change and grow with time and create a location for enabling individuals to build new skills through self-serve, assisted self-serve and confidence building.
- Offer 3: A community space and programme of community activities – this was to deliver activities and events for the community, and to reflect the specific interests of local people.

The next steps in the implementation of the Hub was to ensure it could operate in a Covid-safe way. Appropriate risk assessments would be carried out in conjunction with the Council's Health and Safety team. There would be publicity around the opening of the Hub which was due to open on 21 June 2021 but this was dependant on Covid-19 restrictions.

Full details of the agendas and minutes of Stronger Communities Select Committee can be accessed on the Council website at:

<https://rds.eppingforestdc.gov.uk/ieListMeetings.aspx?CId=809&Year=0>

# Overview and Scrutiny Annual Report 2020/21

## Stronger Council Select Committee

### Members for 2020/21:

The Stronger Council Select Committee held four virtual meetings this municipal year. The membership was approved at the Overview and Scrutiny Committee on 22 June 2020 at its first virtual meeting.

Councillor Peter Bolton (Chairman)

Councillor David Stocker (Vice-Chairman)

Councillors:

Richard Bassett  
Heather Brady  
Rose Brookes  
David Dorrell  
Helen Kane  
Steven Neville  
Michael Owen  
Sheree Rackham  
Jon M Whitehouse



Councillor Peter Bolton



Councillor David Stocker

The lead officer was Andrew Small, Strategic Director and 151 Officer.

### Terms of Reference

Core areas of responsibility were:

(1) To provide scrutiny for the following corporate projects:

◆ **People Strategy**

◆ **Accommodation Strategy**

◆ **Digital Enablement**

(2) To monitor the Corporate Plan Action Plan performance report and provide scrutiny of services that are not performing to standard and develop proposals for their improvement. The Stronger Council Select Committee in its review of Corporate Key Performance Indicators can task other select committees to review service performance and develop proposals for improvement.

The scrutiny role incorporates the following:

- to engage in policy review and development, with a focus on improvement and how this can be best achieved;

- to develop a work programme each year that effectively scrutinises the areas of responsibility outlined above;
- to consider any matter referred by the Overview and Scrutiny Committee, Cabinet or a Portfolio Holder and to make recommendations as appropriate;
- to look outwards and show community leadership;
- to consider the effect of Government actions or initiatives that affect the Select Committee's areas of responsibility and the impact on customers, residents, businesses and visitors to our district, and to respond to consultation activities as appropriate;
- to establish working groups and task and finish panels to undertake any activity within these terms of reference;
- to undertake pre-scrutiny through the review of specific proposals of the Council and its partner organisations or other local service providers to help develop policy;
- to monitor and review relevant projects and associated closure and benefits reports; and
- to engage with the community and encourage community engagement.

## Committee workload

As the last meeting in the municipal year 2019/20 in April 2020 had been postponed owing to the first national lockdown of the Covid crisis, outstanding work items carried over into the 2020/21 municipal year. At each meeting members had the opportunity to review the Terms of Reference and the work programme.

► **Corporate Plan 2019-20 corporate performance** progress was regularly scrutinised throughout the year. The Corporate Plan Action Plan provided a mechanism for reporting to Members on the Council's Key Performance Indicators (KPIs) and key programmes of work and highlighted the Council's overall performance against agreed corporate objectives. The Strategy, Delivery and Performance Service Director, L Wade, reported in July 2020 that in quarter 4 the Covid crisis had impacted on the corporate objectives. The corporate programmes and the service objectives were being reviewed, but most importantly was the Covid recovery activities and the financial impacts and the prioritisation around these, taking into account the capacity of resources available and the funding needed to deliver these. KPIs for subsequent quarters were detailed below under Corporate performance reporting.

► **Corporate performance reporting** to do with the scope of the corporate programme of work and associated benefits in 2020/21 within the report would be used to baseline Corporate performance management on a quarterly basis in future. At the meeting on 13 October 2020, the exceptions highlighted in red included: the Telecare offering project due to delay in cessation of service following withdrawal of the County tender; the ICT restructure due to a delay in completion of restructure; the Local Plan due to delays in the review of the main modifications document as a result of the Inspector's limited capacity to review. Going forwards, members agreed that all programmes and projects be reported back to the Select Committee, not just exceptions. KPIs for quarters 1 and 2 were reported within the Corporate programme governance report at the meeting on 13 October. At the meetings on 14 January 2021 for quarter 3 and 13 April 2021 for quarter 4, the Committee robustly scrutinised the reports on the progress of project delivery against the quarter milestones and KPIs within these reports.

► **Corporate programme governance** showing the internal governance to manage and deliver the programme of work aligned to the Stronger Council ambitions in 2020/21 was detailed in a report by the Strategy, Delivery and Performance Service Director at the October 2020 meeting. An internal officer governance structure had been established to focus on the delivery of the Corporate programmes aligned to the Stronger ambition objectives.

► **People Strategy updates** were regularly reported throughout the year by the Business Services Director, P Maginnis. By July 2020 a new people's strategy had been introduced which aimed to build a people team that could deliver the strategy and have the right people with the right skills who were highly motivated and high performing. The strategy was broken down into these themes:



1. Attracting, on boarding and retaining the best talent;
2. Develop our leadership;
3. Embracing change to support the Council's evolution;
4. Creating a culture of engagement and wellbeing;
5. Developing our skills and behaviours to make the Council a great place to work; and
6. Achieving organisational goals through a high performing and flexible workforce.

At the core was transforming the People Team to become an enabler for the organisation. The Strategy set out the ambition for our workforce – the right people with the right skills, highly motivated high performing and business efficient.

At the meeting on 13 April 2021, the Service Director P Maginnis, presented the updating report on the People's Strategy. Appendix 1 to the report set out the achievements realised during Year 1 of the Strategy, 2020 – 2021. In summary, the People Team supported the organisation's wellbeing, the accommodation project by developing new ways of working, developing the culture to become more resilient, improving policies and process, and including the use of technology to automate as much as possible. Appendix 2 of the report set out the work programme to achieve Year 2 of the Strategy 2021 – 2022. Members asked about staff satisfaction surveys given the recent turbulence and were informed that regular polling surveys were undertaken using the Perkbox platform the results of which were shared with the service directors for analysis. Concerns on the wellbeing of staff while most were working from home was also raised. The Service Director advised that managers held one-to-one meetings with their staff and that 10% of the workforce had completed mental health training including managers to make sure the needs of staff were being looked after.

► **Accommodation Review updates** were regularly reported throughout the year by the Strategy, Delivery and Performance Services Director, L Wade. Refurbishment of the Civic Offices was underway and continued to stay on budget and on time. The contractors, ISG, operated in a 'Covid free' environment with all the appropriate policies and guidelines in place. As staff were working remotely due to the coronavirus pandemic, this had enabled the contractor to minimise all health and safety related risks. By October 2020, the accommodation programme was progressing and was at a critical stage of the project, in confirming the design. The accommodation Programme Board continued to meet on a monthly basis to oversee the delivery of the programme and covered the following workstreams:

1. Refurbishment works
2. Infrastructure and Technology
3. Travel Plan
4. Furniture, fixtures and fittings
5. Change and Ways of Working
6. Partners and Commercial opportunities
7. Customer Service Workstream

There were also several opportunities which were managed in line with the accommodation programme looking at reducing our storage footprint, cost reduction and efficiency by outsourcing printing and posting services.

By January 2021 deliveries of orders for fixture and fittings were taking place. Minor amendments had been made to the ground floor space to enable a large PACE room to be available impacting on the consultation space. Requirements for the desk and car park system were now complete and configuration of the IT system that would manage this had now commenced. One of the "Travel to the Civic" options for employees and residents was by demand responsive travel (DRT). This was launched in January 2021 and there had already been a positive take up for the service with residents which it was hoped could be extended to employee usage. Individual sessions had been taking place with teams and there had been a big focus on decluttering. A "scan it, scrap it, store it, stop it" campaign, ensured staff only retained what was necessary and that files could be retained in digital form. Talks continued with partners on commercialisation of the Civic Offices second floor and using the touchdown space in the community hub. The refurbishment remained on budget.

By April 2021 works on the refurbishment of the Civic Offices had been completed but it had to be repopulated in a Covid safe way. One of the first activities to take place was the issuing and opening of postal votes for the 2021 May elections with people socially distanced for their safety. A positive meeting had been held with Essex libraries and the second floor was available for viewings. A huge effort had been made by staff to clear out of the Conder building. This had highlighted that the Council could contribute towards the climate change emergency by relying less on paper and by streamlining services and storing data and documents within the cloud.

► **Budget Monitoring Reports (General Fund)** were monitored on a quarterly basis by the Select Committee. The quarter 1 report presented by the interim Chief Finance Officer, Christopher Hartgrove was for the first four month's (till the end July 2020) and reported on the first four months of the pandemic and the financial impact of that. The full position was summarised in appendix A of the committee report.

### 1st virtual meeting – 14 July 2020

► **ICT Strategy** quarter 1 update by the Business Services Director outlined a 12-theme structure that ranged from the restructure of the service to supporting the customer strategy, members and the accommodation programme. It was wide ranging in the areas it covered. Covid had an impact on the delivery of some of the work as they had focused on enabling staff to work from home. The team were making progress on their own restructure. The ICT reporting tool, HOTH, went live in July. They were also supporting the accommodation project particularly the procurement of the audio-visual equipment, the disaster recovery system and the new housing system.

► **Finance update** on the financial position of the Council in July 2020 showed that things were moving quickly in terms of the cost of Covid, and its impact on Council finances was being monitored closely, although up to July, £1.36 million in Government grant support had been provided to the Council. The Strategic Director, Andrew Small, was pleased to announce that the final accounts for 2018/19 had been signed off on 18 June 2020 and they were now finalising the accounts for 2019/20. The Government had recognised that because of the impact of the Covid outbreak there had been less capacity for local government to complete the normal end of year tasks and had given councils an extended timetable for closing the end of year accounts.

► **Revenue and Capital Outturn 2019-2020** was reported to the Select Committee by the Interim Chief Finance Officer, Christopher Hartgrove. It was a good news story for 2019-20, as the Council had ended the year with an overall positive revenue variance on General Fund service budgets of £908,000, whereas the ring-fenced Housing Revenue Account (HRA) recorded a negative revenue variance of £285,000, for which Covid had played a part. The minimum contingency balance requirements adopted by the Council had been met at year-end on both the General Fund and the HRA.

► **Unacceptable Customer Behaviour Policy** was introduced by the Customer Service Manager, S Lewis. This policy set out the Council's approach to dealing with unacceptable behaviour by service users and members of the public. The Council had a duty to safeguard its employees from unacceptable behaviour which might otherwise cause it to breach legislation unless appropriate action was taken. The policy was to protect Council staff whilst dealing with unacceptable behaviour both internally and externally by customers.

► **Service Plan objectives quarter 1** report referenced the capacity and Covid-19 restriction impact on each service and the subsequent impact on the delivery of the quarter 1 Service Plan objectives. The Strategy, Delivery and Performance Service Director provided an overview of the services areas, of the activities they had been involved in and also the impact that Covid had on the work that would otherwise have been completed, had it not been for this emergency.

### 2nd virtual meeting – 13 October 2020

Ongoing cyclical scrutiny of the Accommodation Strategy, People Strategy, and quarterly reviews of the Corporate Plan Action Plan KPIs were as detailed above.

### 3rd virtual meeting – 19 January 2021

► **Draft Budget proposals 2021/22** were detailed in the report by the 151 Officer and Strategic Director, A Small, and the Interim Chief Finance Officer. This was an opportunity for members to pre-scrutinise the proposals which would be reported to Cabinet at its meeting on 11 February 2021. Covid-19 had, and would continue to have, a huge impact on many areas of the Council's income and expenditure. This was making the preparation of robust budgets exceptionally challenging. Therefore, many significant assumptions had to be made at this stage, such as for Leisure and Car Parking in the short term, impact on Council tax and rents in the medium term, and how the high streets would recover, the survival of businesses and other longer term impacts on the community and economy. The report reflected the emerging budget proposals (appendix a) and the outline budget for the Housing Revenue Account. The HRA was in a stable position compared to the general fund where there had been a small deficit as the Government had announced the Local Government Settlement for 2021/22 in December 2020.

### 4th virtual meeting – 13 April 2021

Ongoing cyclical scrutiny of the Accommodation Strategy, People Strategy and quarterly reviews of the Corporate Plan Action Plan and KPIs are detailed within the relevant sections above.

► **ICT Update** at the meeting on 13 April 2021, introduced the updating ICT report, which disclosed that over the past year the focus had been on completing the ICT restructure and improving the basic ICT service that the team delivered. ICT Manager, M Hassall, reported that 17 had left the team, and 10 had joined, which meant that the team was now at capacity. Better alignment of ICT services had been facilitated by implementing a business partner model with meetings held monthly with each services area. ICT had installed a service desk management tool to provide better visibility and management of incidents, changes and problems. Covid restrictions had imposed mandatory homeworking on most of the staff from March 2020 which ICT had been central in enabling. The accommodation project had further required significant ICT resourcing. Security of the system had remained good and ICT had a new Disaster Recovery Solution that allowed services to be run from the cloud in case of total loss of on-site solutions. It was now time to move IT services to the Azure cloud and the initial assessments completed supported the business case of moving to a hybrid cloud model initially. Members' questions centred on the high staff turnover and costs for the cloud. Concerns were also raised about the various problems that members had experienced with their Council iPads and delays in these being rectified. Members were informed that ICT were working on a simpler process to access IT help.

► **Qualis Quarterly Monitoring Report** for quarter 1, 2020/21 was introduced by Strategic Director, A Small. This report presented the Qualis first Quarter's monitoring report for the Qualis trading year 2020/21 and covered the period from 1 November to 31 January 2021. With Housing Maintenance services having transferred to Qualis in quarter 4 (end of September 2020) of the previous trading year, this quarter represented the first whole quarter of both service delivery activity, commercial investment and regeneration work. In reply to a query on Qualis' cashflow, the Select Committee was advised that for the next two years Qualis would be concentrating on development but as for the financial assumptions, these would be updated in the next quarter's report. In response to a question on major risks to the expected outcomes and had the pandemic affected the assumed projected value of the projects, the Select Committee was advised that the major risks were the planning permissions for the sites. As for the pandemic, house prices had remained buoyant throughout, though there was a slight risk at the end of the stamp duty holiday.

Full details of the agendas and minutes of Stronger Council Select Committee can be accessed on the Council website at:

<https://rds.eppingforestdc.gov.uk/ieListMeetings.aspx?CId=810&Year=0>

# Overview and Scrutiny Annual Report 2020/21

## Stronger Place Select Committee

### Members for 2020/21:

The Stronger Council Select Committee held four virtual meetings this municipal year. The membership was approved at the Overview and Scrutiny Committee at its first meeting on 22 June 2020, which was held virtually.

Councillor Steven Heather (Chairman)

Councillor Richard Morgan (Vice-Chairman)

Councillors:

Richard Bassett  
Les Burrows  
Ian Hadley  
Simon Heap  
Judy Jennings  
Sue Jones  
Howard Kauffman  
Cherry McCredie  
Jaymey McIvor



Councillor Steven  
Heather



Councillor Richard  
Morgan

### ► Change of Chairman

Although Councillor R Bassett was elected Chairman at the beginning of the municipal year, he resigned in the autumn, following his appointment as a Non-Executive Director to the Qualis Board. At the select committee meeting on 19 November 2020, Vice-Chairman Councillor S Heather was elected to be the Chairman, while Councillor R Morgan was elected to be the Vice-Chairman.

The lead officer was Nick Dawe, Chief Operating Officer.

### Terms of Reference

Core areas of responsibility were:

(1) To provide scrutiny for the following corporate projects:

◆ Local Plan delivery

◆ St John's Road

◆ North Weald (including master planning)

◆ Council Housebuilding

◆ Economic growth, skills and employment

- (2) To have overview of the performance of the Waste Management Contract and Leisure Management Contract and provide scrutiny of services that are not performing to standard and develop proposals for their improvement; and
- (3) To have overview of the green agenda helping to inform policy and future proofing the place.

The scrutiny role incorporates the following:

- to engage in policy review and development, with a focus on improvement and how this can be best achieved;
- to develop a work programme each year that effectively scrutinises the areas of responsibility outlined above;
- to consider any matter referred by the Overview and Scrutiny Committee, Cabinet or a Portfolio Holder and to make recommendations as appropriate;
- to look outwards and show community leadership;
- to consider the effect of Government actions or initiatives that affect the Select Committee's areas of responsibility and the impact on customers, residents, businesses and visitors to our district, and to respond to consultation activities as appropriate;
- to establish working groups and task and finish panels to undertake any activity within these terms of reference;
- to undertake pre-scrutiny through the review of specific proposals of the Council and its partner organisations or other local service providers to help develop policy;
- to monitor and review relevant projects and associated closure and benefits reports; and
- to engage with the community and encourage community engagement.

## Committee workload

As the last meeting in the municipal year 2019/20 in March 2020 had been postponed by the Covid crisis, outstanding work items carried over into the 2020/21 municipal year. At each meeting members had the opportunity to review the Terms of Reference and the work programme.

► **Covid-19 – Place – on Business Support grants** the Customer Services Director, R Pavey, reported at the 9 July meeting that the Government had been keen for the quick distribution of the small business support grant and retail, leisure and hospitality grant, subject to the mandatory requirements, which amounted to £29 million - £30 million for the Epping Forest District. The Council had distributed 90 per cent of the grant within two weeks to businesses in the Epping Forest District.

**Safer spaces** – the Interim Assistant Director (Planning Policy and Implementation), A Blom-Cooper, reported that safer spaces had been set up in response to Covid-19 to support the reopening of the high streets and to support active travel. Essex County Council (ECC) had been awarded up to £1.9 million to support this scheme. The Council had submitted bids to ECC for Epping and Waltham Abbey but only one bid was forwarded to Central Government. ECC had received less than half of the total value of the bids as many of the ECC schemes put forward had not met the criteria. The scheme supported social distancing restrictions by extending pavements etc. The Business and Planning Bill was going through Parliament, which would licence tables and chairs on pavements. Many meetings were being organised with business leaders in the District to identify where improvements could be made. Meetings had been held with the Federation of Small Businesses, Town Centre Partnerships and also with tourism attractions to ensure the Council was reaching out.

**General economic measures and support, and local economic business recovery** – J Houston, Partnerships and Economic Development Specialist, reported that the Council's economic strategy, agreed before Covid had showed the District was well placed to cope with an economic contraction, but the unprecedented impact of Covid-19 on every economic sector could not have been predicted.

**Digital platform** – the Council had managed to bring in some £20 million of investment on the digital infrastructure, which would enable 99 per cent connectivity across the District by the end of next year so that GP surgeries could benefit from ultrafast broadband.

**Covid-19 recovery update** in September 2020 highlighted to members that there were three phases to the Covid-19 pandemic – the Council’s initial response, restoration and the longer-term recovery. The continued national coronavirus resurgence that was also being seen in the Epping Forest District, might cause the Council to move back to a response phase if asked to by the County Public Health lead. The Strategic Director’s (A Small) report set out the Council’s response to the initial outbreak in March 2020 that was largely supportive of those shielding and its impact on business and relief. The Council was reorganised to focus on its Covid-19 response. As a consequence, a much better infrastructure was in place with better support lined up. Although the restoration was at the end of June / beginning of July, Council services, as well as the hospitality and high street business sectors, were moving to a more restricted phase to facilitate safe access for individuals in high streets. Community wellbeing was being monitored. The ongoing progress and longer-term outlook for local high streets of the schemes was regularly being monitored by Cabinet.

► **Economic Development: Growth/skills/employment programme** – was updated verbally on 29 September 2020 by the Chief Operating Officer, N Dawe, as officers were mostly focussing their time on providing detailed updates on project briefs for the Cabinet meeting in early October. Dynamic plans were being prepared for the high street areas including Loughton, and for other economic recovery issues, such as building on the Digital Innovation Zone (DIZ) initiative and having a better digital communications platform.

► **Planning Development and Improvement programme – North Weald Airfield masterplan** with new employment opportunities was a requirement in the emerging Local Plan. The Planning Services Director, N Richardson, reported in July 2020 that the appointed consultants, Turner and Townsend and RPS Group, had been instructed to undertake survey work, and a viability report was being prepared. The masterplan was for non-residential use. As a designated employment area, this would create new jobs as part of the Council’s Covid-19 recovery plan in the long term. At various stages as the masterplan progressed, the proposals would go through the Quality Review Panel. Therefore, the masterplan would be in place for the site before the submission of planning applications, and all the NWA development proposals must be in accordance with the masterplan.

**Local Plan implementation** progress updates were reported quarterly to the select committee by the Interim Assistant Director (Planning Policy & Implementation), A Blom-Cooper. In July 2020 updates were received on the strategic masterplans, concept frameworks, other sites within the emerging Local Plan and the schemes that would be going before the Quality Review Panels. Consultation on the draft Green Infrastructure Plan ended in mid-July 2020 and the final version was approved by Cabinet in October 2020.

**Main Modifications (MMs)** – work continued to be progressed by officers, as reported at the meeting on 29 September, and the third tranche had been submitted to the Inspector in early June 2020. As completion of the MMs was scheduled for the end of September, the consultation was expected in October. Further information submitted to the Inspector included the revised mapping in relation to changes of the Local Plan and the draft Green and Blue Infrastructure Strategy. The Council had submitted further information and the sustainability appraisal was due to go to the Inspector.

An updated **Habitats Regulations Assessment** and **Air Pollution Mitigation Strategy** was being finalised to take account of initial comments received from Natural England and the Conservators of Epping Forest that would be part of the MM consultation later this year. The Council was expecting the Inspector’s timetable next week. However, the schedule for the main plan documentation was some 300 pages, and other documents were also over 300 pages.

**White Paper ‘Planning for the Future’** was published by the Government on 6 August 2020. A report on the Council’s proposed response would be considered by Cabinet on 19 October 2020. It would significantly change the current planning system for both the nature and content of Local Plans, and the operation of the development management process. If implemented, the White Paper would introduce new planning legislation into the system to streamline the plan making process.

**Interim Air Quality Mitigation Strategy (AQMS)** – an update was provided by Councillor N Bedford, Planning and Sustainability Portfolio Holder (PFH) at the meeting on 12 January 2021. The PFH’s decision had been the subject of a call-in but the Overview and Scrutiny Committee resolved to confirm the PFH’s decision in December at an extra meeting on 7 January 2021. The PFH clarified that several mitigation measures including the potential for a Clean Air Zone (CAZ) from 2025 had been included as part of the AQMS. No charges or decisions on the form of CAZ had been agreed.

The adoption of the AQMS was a way to enable the Council to determine planning applications that had been held in abeyance since June 2018.

**Ministry of Housing, Communities and Local Government consultation on further permitted development rights** – the Interim Assistant Director, Planning Policy and Implementation advised members the consultation was open until 28 January 2021. The proposals would give a new national permitted development right for a change of use from commercial, business and service use class to residential use. It would go significantly beyond existing rights, allowing for restaurants, indoor sports, and creches to benefit from the change use to residential under permitted development rights for the first time and would have implications for High Streets including those in conservation areas. Other proposals included a streamlined planning application process for public service infrastructure projects and simplification and consolidation of existing permitted development rights.

**Green Infrastructure Strategy** – the Council's emerging Local Plan set out policies in relation to the provision and enhancement of Green and Blue Infrastructure, the protection of the District's ecological assets and achieving high quality design. To support these policies and address the requirement to provide suitable avoidance or mitigation measures to manage any potential impacts of growth on protected sites, including the Epping Forest SAC, the Council had developed a Green Infrastructure Strategy ('the Strategy'), which was detailed by the Interim Assistant Director on 31 March 2021. The Strategy would ensure that high quality Green and Blue Infrastructure, including the provision of Suitable Alternative Natural Green Space (SANG) and Infrastructure Enhancement Projects, would be delivered alongside the growth proposed in the District as part of the emerging Local Plan. The principle purpose of the Strategy was to act as a practical guide in the design, development management and implementation processes to ensure the creation of a sustainable network of high quality, multifunctional spaces that provided greater connections between existing and new communities, other amenity spaces and the local countryside. There had been over 900 responses to the consultation on the draft Strategy carried out in June and July 2020. Details of the comments and how they had been dealt with formed an appendix to the report. In response to the consultation and the quality review panel, the structure of the document had changed and new information for site specific enhancements was detailed in part 4 of the Strategy. The Strategy proposed for adoption had the following five parts:

- Primer: Introducing Green and Blue Infrastructure
- Part 1: Implementation – Enhancing Our Existing Network (focus for community, Town and Parish Councils, authority officers)
- Part 2: Implementation – Landscape Led Design (focus for planning applicants, designers and authority officers)
- Part 3: Implementation – Strategic Allocations and Suitable Alternative Natural Greenspace (SANG) (focus for strategic site developers, designers, authority officers and policy makers)
- Part 4: Implementation – Infrastructure Enhancement Projects (focus on projects in Debden, Loughton, Theydon Bois and Buckhurst Hill to mitigate the effects of development on the Epping Forest SAC).

The strategy would provide the Council's response to the Local Plan Inspector's Advice in relation to mitigating the effects of recreational pressure upon the Epping Forest SAC.

► **District Sustainability programme – Travel and Climate Change officers** were appointed respectively in June and September 2020. There was a lot of work to be undertaken around the Epping Forest SAC, air quality issues including the draft Mitigation Strategy, as well as building on the post-Covid-19 recovery and safer spaces project.

**Sustainability guidance** was supported by several policies of the emerging Local Plan. It followed EFDC's climate emergency declaration in September 2019 to become carbon zero by 2030, as data from 2017 showed that on road vehicles and residential housing contributed to some 80 per cent of all carbon emissions across the District. At the September 2020 meeting, the Planning Policy Implementation Team Projects Officer, M Anil, recounted that the draft guidance also expanded on the work done for the Harlow and Gilston Garden Town (HGGT) and aligned with other key documents, such as the Infrastructure Delivery Plan and Green Infrastructure Strategy. The select committee pre-scrutinised this document that was split into two sections environmental sustainability and socioeconomic sustainability. Its purpose was to support planning proposal considerations and

provide practical and technical guidance on how relevant sustainability indicators and policies in the Local Plan would be applied to new residential and non-residential developments across the District. A suite of three sustainability documents covered Major Developments (10+ units), Minor Developments (1-9 units) and Extensions and Refurbishments. The Major Developments document was similar to HGGT, but there were changes to case studies, reference to specific policies and documents, air quality and its impact on the Epping Forest special area of conservation (SAC) as well as socio-economic sustainability, which was key for EFDC. Whilst the HGGT document focused on integration of new development with existing communities, key goals for EFDC were community resilience and social equity, especially in terms of access to facilities, health and wellbeing, public health etc. A Members Workshop was held in August, and the draft sustainability guidance would be submitted to Cabinet in October 2020 for approval for more formal public consultation. The six-week public consultation should be completed in November 2020. The final guidance draft for endorsement for material planning consideration (1) and the sustainability guidance for Extensions and Refurbishments (3) would be submitted to Cabinet by early 2021.

**Demand Responsive Transport (DRT)** – a three-month trial had been approved by Cabinet with funding in December 2020. The Contracts and Technical Services Director advised the select committee that the DRT scheme was launched on 2 January 2021 in partnership with Epping Forest Community Transport and ran along the old bus route 87. This service had passengers primarily from the NHS on every journey. People were able to register an expression of interest in the service through an on-line form and there had been interest from residents in the rural areas along the route. Covid restrictions had limited the number of passengers on the vehicle and this could present a viability challenge for the service. Usage data would be collected and a report on the outcome of the trial would be reported to Cabinet.

► **Town Centre Development** – the Interim Qualis Board and the group of companies had been established. Select Committee member, Councillor H Kauffman was also a non-executive director, as were Councillors N Avey and J Philip. The transfer to the permanent Board was scheduled to take place between September and October 2020. Qualis Commercial was involved with the development of Council owned land. In April 2020, Cabinet approved the transfer of the land ownership into Qualis Commercial for the five **Epping Town sites** and the Roundhills site. Qualis Management expected the delivery of the Council's repairs service, and work on the Epping Town Council sites to go live in September 2020. Qualis Commercial and the Design Team were working to develop the strategic options for the five Epping Town sites, which included St John's Road, Bakers Lane and Cottis Lane car parks, land by the Civic Offices and Epping Sports Centre. The Planning performance agreement that set out the approach through the pre-planning stages up to the submission of a full planning application had been agreed. To ensure stakeholder engagement throughout the planning process, a detailed communications plan would be established, to include consultation through the Commonplace online community platform. A detailed appraisal process would be followed to assess the suitability of each site to achieve a policy compliant scheme.

► **Community Health and Wellbeing Programme** – the **Sheltered Housing Review** was presented by the Service Manager, J Gould, on 9 July 2020 and provided progress on the Council's sheltered housing. Ark had been commissioned to review the Council's 12 sheltered housing schemes. As life expectancy increased, the demographic of an ageing population changed in relation to the needs for health, social care and housing. By building a comprehensive picture of performance and sustainability and taking into consideration the likely future demand for accommodation, it achieved a clear direction for accommodation to make best use of the stock to meet residents' needs.

**Review of service charges** – an update on the was presented to the select committee on 29 September 2020. The HRA Service Director explained that these charges were for additional tenant services, such as maintenance of lifts and cleaning etc, which were charged separately to the rent, and were taking place across the District. However, this had become challenging as some costs had risen above the rate of CPI. A recent cost analysis had revealed that the Council was in deficit to around £600,000 for 2019/20 through the under recovery of service charges. A report to Cabinet in July 2020 had recommended a review of these service charges. Housing now had a comprehensive list of these additional services and the service charges. Also, the regulations clearly stated that social housing providers needed to charge for services in a fair and consistent way that could be



accounted for. This equated to charging the actual cost for the services broken down to each individual property. A final report on the options available would go to Cabinet in December 2020.

**Furniture Leasing Scheme** – for Older Persons Sheltered Housing Schemes was reported to the Committee by the Service Director HRA Functions, D Fenton, at the meeting on 29 March 2021. The furniture would be leased for 5 years from Buckingham Interiors, a specialist provider and part of the social enterprise FRC Group, when ownership of the furniture could be taken, or further refurbishment agreed. There would be no capital outlay and the scheme would be financed through a new component of the service charge, there would be no financial detriment to current residents. This leasing scheme had been effective with other local councils and social housing providers. The effectiveness of the pilot would be assessed and if successful the scheme could be rolled out across the remaining sheltered housing schemes.

**Action plan related to the review of the Council's sheltered housing team** – the Director of HRA Functions detailed the key elements at the 29 March meeting. The warden call system needed to be upgraded from analogue to digital by 2025, the tender process would begin in due course and would be reported to Cabinet. The impact of reducing the minimum age to the schemes would be considered after the schemes had been upgraded and a scope of works had been produced for the redevelopment of smaller second lounges into accessible accommodation. However, a review of the accessibility of entry doors was required. Although, Wi-Fi was not currently viable in the schemes, it remained on the plan for the potential inclusion of Wi-Fi as part of the digital warden call system.

► **Council Housebuilding programme quarterly progress reports** were made by the HRA Service Director, D Fenton. Phases 1 to 4 had largely been located on garage sites where there had been anti-social behaviour and they were not economically viable to continue with. At the 9 July meeting on phase 2 of the housebuilding programme for 51 properties, six units been delayed due to a gas supply problem but were completed and handed over on 19 March 2020. On phase 3, the original start had been delayed with the discovery of asbestos, there was a service utility delay by the contractor of some four weeks behind schedule, and there was the potential for further delays caused by Covid-19 restrictions. Handover of 14 properties in phase 4.1 was forecast for June 2021. Phase 4.2 for 22 properties and phase 4.3 for 21 properties had gone out to tender. Properties in phase 4.4 had undergone a detailed design review to potentially increase affordable units by 12 to a total of 27. A detailed review to identify future development sites for phase 5 had almost finished and engagement by officers with members to address local issues at these sites would be organised including a Members Briefing.

The select committee was informed at the meeting on 29 September 2020 that phases 3 and 4 of the Housebuilding programmes had either been completed, were on-site and were currently being procured, as well as its approach to phase 5. Future housing delivery within phase 4 stood at 84 units up to 2021/22, subject to the necessary planning consents. The Council's retained consultant (Metaplan) was reviewing two additional sites. One was a partnership arrangement with St John the Baptist Church, Epping, that comprised 9-10 residential units for key workers and a community building, subject to planning consent. The other was an opportunity to purchase some land at below market value in Waltham Abbey to provide up to 10 affordable units, subject to planning consent.

**'More than bricks and mortar'** the Council's proposed scheme had moved by September to the development stage following Cabinet approval in July 2020. In phase 5, a different approach was being taken in terms of what local members and local residents wanted. This would include additional environmental options and how the area could be improved for the community. The scheme proposed that additional income raised in the first four years was ringfenced to pay for estate improvements, which would help achieve its mission to 'create great places where people wanted to live'.

### 1st virtual meeting – 9 July 2020

► **Environmental enhancements and tree planting initiatives** update was given by the Contracts and Technical Services Director, Q Durrani. The report listed the types of work that the Council's Countrycare Team was involved with. This covered over 3,600 Veteran Trees (trees over 300 years

old), plus over 1,200 'notable' trees that weren't old enough to be classed as veteran yet. The Council also managed around 15,000 public realm trees on open spaces and the public highway, but this did not include woodland. A further 119 semimature trees had been planted in safe locations in Chigwell Row and Epping. Tree planting was being organised for the Loughton Recreation area and the Thornwood Nature Reserve this financial year. The Green Infrastructure Strategy would help to plan and facilitate the integration and expansion of tree planting in the District. Volunteers did a lot of work as did Tree Wardens, who monitored the health of trees. The Essex Forest Project to plant 375,000 trees by 2025 including flood alleviation tree planting schemes was likely to form part of this strategy, as well as the 'Green Arc'. This was an initiative where London met the countryside (from Thames Chase through to the Lee Valley area) with the aim to plant a million trees. There would also be more tree planting opportunities in the Suitable Alternative Natural Green Spaces (SANG) being delivered alongside the proposed growth in the District.

### 2nd virtual meeting – 29 September 2020

► **Corporate programme governance** was reported to members by the Strategy, Delivery and Performance Service Director, L Wade. This enabled the select committees to undertake and deliver their programmes to be scrutinised, and better aligned the Stronger ambition objectives to the relevant select committee. There would be additional projects coming along and those aligned to the Covid-19 recovery. Thus, Stronger Place had a clear project brief which would be used for the performance management accounting that went to Stronger Council. This internal governance would allow management to focus the work alignment of the individual employee, which was on the road map of the people programme. The opportunity to add additional areas of scrutiny within the work programme delivery was also an option open to members. There were six corporate programmes for Stronger Place – economic development, District sustainability, community health and wellbeing, town centre development, planning development and improvement and council housebuilding.

### 3rd virtual meeting – 12 January 2021

► **Leisure Management Contract** – an update by the Contract and Technical Services Director apprised the select committee on the challenges associated with the Leisure Contract through the Covid restrictions and leisure centre closures. He advised on the revenue pressure associated with the loss of income and payments to the contractor to ensure the viability of the leisure centres and support the Council's commitment to health and well-being.

► **Waste Management Contract** – an update by the Contract and Technical Services Director informed members that Biffa, the waste contractor, had managed the operations effectively through the Covid pandemic and had addressed operational issues, maintained safe working practices for its staff and used its commercial wing to support the waste collection service. Waste and recycling had increased, and the larger volumes of cardboard had increased the number of trips. The Service Director advised that additional costs linked to the pandemic had been claimed. He also reminded the select committee that the contract was a 10-year contract with the potential to extend for a further 10 years and there would be changes to the contract in due course. The Committee congratulated Biffa on delivering an effective waste and recycling collection service through the pandemic and acknowledged the issues relating to increased cardboard and packaging.

### 4th virtual meeting – 29 March 2021

► **Local Enforcement Plan** – the Development Manager Service Manager, A Marx, advised on the changes to the Local Enforcement Plan (LEP) which had been adopted by Council in 2013 and reviewed in 2018. The enforcement categories had changed to:

- Category 1 - an allegation of a case that requires immediate attention, site inspection within 7 working hours.
- Category 1A - an allegation of ongoing works, site inspection within 3 working days.
- Category 2 - an allegation of ongoing significant works to buildings that are not yet complete, site inspection within 10 working days.

- Category 3 - an allegation covering all other cases that do not cause significant harm to amenity, site visit within 15 working days.

A performance monitoring process had been introduced for the management of enforcement cases. The LEP provided a single reference point for all interested parties involved in enforcement and a service charter had been published on the website.

Full details of the agendas and minutes of Stronger Place Select Committee can be accessed on the Council website at:

<https://rds.eppingforestdc.gov.uk/ieListMeetings.aspx?CId=811&Year=0>

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# **Report to Council**

**Date of meeting: 29 July 2021**

**Chairman: Councillor M Sartin**

**Democratic Services Officer: V Messenger (01992 564243)**



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## **Recommendations/Decisions Required:**

- (1) That the Overview and Scrutiny progress report for June to July 2021 be noted.**

## **Report:**

### **Overview and Scrutiny Committee – 3 June 2021**

1. The Leader presented an overview of the Council's corporate priorities for 2021/22 at the Committee's first meeting in the new municipal year and said that it was appropriate to physically be in the refurbished Civic Offices. A 'new era' with improved technology was rolled out last year to enable virtual meetings via Zoom to transact Council business. Renewal was the theme of the Leader's presentation. The way we work would change and lead to other things changing. Businesses would not be seeking to return to the City but would move local, leading to partnership arrangements. Renewal for the environment, the expanding Council housebuilding programme and positivity on its income / assets and town centre regeneration projects were also outlined.

2. The Council's new draft policy on its approach to trees causing structural damage to assets was pre-scrutinised in detail by members and their suggestions were included in the final draft which went before Cabinet for a decision on 21 June 2021.

3. The Committee ratified the memberships for 2021/22 of the three select committees, which each comprise 11 members, and appointed the Chairman and Vice-Chairman of Stronger Council, Stronger Communities and Stronger Place.

### **Overview & Scrutiny Committee – 8 June**

4. This extra meeting was organised to pre-scrutinise the sale of the Pyrles Lane site to Qualis, Qualis' second quarter monitoring report and four town centre regeneration reports.

5. The redevelopment proposal for the Pyrles Lane site in Loughton was outlined by S Rutter, Qualis Commercial Development Director. This is a Local Plan site and is at the pre-application stage with the Local Planning Authority. Regarding Qualis' timescales, the evaluation stage will be ready by the beginning of July 2021 followed by a formal offer, and a consultation will be organised for mid to the end of September 2021. Members raised many comments and observations, as the access and site conditions made this development more challenging to progress. Qualis had yet to put forward a detailed acquisition proposal, but it was hoped the Cabinet considered the Committee's pre-scrutiny comments at the meeting on 21 June.

6. Although progress on the Qualis quarterly monitoring reports is usually under the remit of Stronger Council Select Committee. As its next meeting was in July, it came before the Overview and Scrutiny Committee to scrutinise ahead of Cabinet on 21 June. This second quarter monitoring report for the Qualis trading year 2020/21, covered the period from 1 February to 31 March 2021 and reflected a shortened quarter due to the change in the Qualis year end. Andrew Small, Strategic Director and 151 Officer, had advised that generally the promise was good as there were few ambers highlighted in the appendix accompanying the report.

7. Portfolio Holder Councillor J Philip introduced the Town Centre Regeneration reports for Loughton Broadway, Loughton High Road, Buckhurst Hill and Epping high streets. The District has more than one key town centre and they are all very different. The consultant, Mr P Messenger, who is now the Council's Town Centre Project Manager, had looked at these as retail centres throughout the lockdowns. The Council is at the beginning of the process on how to tackle long term strategy and is one stakeholder in the partnerships. The high streets have their own characters and attractions. The reports provided a starting point of a localist approach. The Committee's pre-scrutiny highlighted many issues and concerns. Councillor J Philip encouraged councillors to make their comments known to himself or J Houston, Partnerships and Economic Development Specialist, before Cabinet considered these on 21 June 2021.

### **Overview & Scrutiny Committee – 1 July**

8. The Committee pre-scrutinised the Qualis Four-Year Business Plan 2021/22 to 2024/25, which was introduced by Strategic Director A Small, prior to Cabinet's decision on 12 July. It is a requirement of the Shareholder agreement that each year Qualis produces and presents to the Council a one year and a four-year Business Plan for the Council to consider and sign-off. Since the newly appointed Board of Qualis had needed time to consider the medium, and longer term, strategy only a single year business plan had been presented to Cabinet in December 2020. Details of future service transfers and a template for such business case transfers features in the business plan. Councillor J Philip, Portfolio Holder (Finance, Qualis Client and Economic Development), outlined that Qualis has been set-up by the Council to be successful and to do the business it wants Qualis to do, although it is a separate development and property management company. He encouraged members to be positive about Qualis and look at what Qualis was expecting to undertake. He fully expects the one year and four-year business plan to be updated, as there may be changes along the way.

9. A member of the public submitted two questions in relation to Qualis finance to the Chairman in advance of the meeting but as Qualis needed more time to answer the second question, this will be recorded as a post-meeting update in the minutes.

10. The Committee agreed that the Overview and Scrutiny 2020/21 Annual Report of the work undertaken during the past municipal year be submitted to Council for approval on 29 July 2021.

11. Other business considered by the Committee included the Executive's current programme of Key Decisions of 1 July 2021. Under the Leader's Portfolio, Councillor C Whitbread will soon be organising visits of the refurbished Civic Offices for members, which will be followed by the official opening. A report on commercial uptake of the Civic Offices will also be forthcoming.

12. The work programmes of the Overview and Scrutiny Committee were reviewed by the Democratic and Electoral Services Team Manager, G Woodhall, including the select committees' work programmes.