

EPHING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 7 February 2022

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 8.01 pm

Members Present: C Whitbread (Chairman), N Avey, N Bedford, L Burrows, A Patel, , S Kane, D Sunger and H Whitbread

Members Virtual Attendance: R Balcombe, R Brookes, C McCredie, J Philip, M Sartin, B Vaz, D Wixley

Other Councillors: J Lea and D Stocker

Apologies:

Officers Present: G Blakemore (Chief Executive), N Dawe (Chief Operating Officer), I Braddick (Garden Town Liaison Lead), D Fenton (Service Director (Housing Revenue Account)), C Hartgrove (Interim Chief Financial Officer), A Hendry (Democratic Services Officer), J Houston (Specialist Partnerships & Economic Development), S Jevans (Qualis Group Managing Director), L Kirman (Democratic Services Officer), P Messenger (Town Centres Project Manager), R Moreton (Corporate Communications Officer), N Polaine (Harlow and Gilston Garden Town Director) and A Small (Strategic Director Corporate and 151 Officer)

97. WEBCASTING INTRODUCTION

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

98. DECLARATIONS OF INTEREST

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

99. REPORTS OF PORTFOLIO HOLDERS

The Corporate Services Portfolio Holder, Councillor Sunger, noted that work had started on the latest employee survey which will be delivered in quarter 1 of the new municipal year.

The Councillor added that the data migration to the Her Majesty's Land Registry (HMLR) had now been completed and a data cleansing exercise was under way. They were now waiting for HMLR to provide us with their delivery plan.

Finally, he noted that a recent exercise had given the cost of printing and posting was costed at about £25k per year. Meanwhile, Members were being encouraged to move to a paperless system where they could.

100. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

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

101. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee, Councillor Sartin reported that their last meeting was held on 27 January 2022 where they received a presentation from the West Essex Clinical Commissioning Group, where we discussed the delivery and organisation of health services in Hertfordshire and West Essex.

The meeting also considered the HRA Business plan and agreed it should go to Cabinet for approval and any updates by the Stronger Communities Select Committee.

102. ANY OTHER BUSINESS

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

103. IMPROVING PAYMENT OPTIONS FOR LEASEHOLDERS

The Housing Services Portfolio Holder, Councillor H Whitbread, introduced the report.

On 4th November 2021, Members of Stronger Place had considered a report and paper on improved payment options for leaseholders.

It was well understood that properties had a finite life cycle. To maximise the life span of our blocks, it was vital that we carried out regular improvement works. The process of improving blocks was worked out using life cycles; there was an industry average for all components for buildings.

To support leaseholders, it was commonplace to offer a payment plan. This gave leaseholders the option to spread the payments over a longer period.

Our residential assets were reaching the point where major investment was required. Choosing not to invest would lead to a situation where the asset could become dangerous. Furthermore, lead to a disintegration of quality of life for our residents.

Councillor Brookes was pleased to see that a survey had been completed and was pleased by the payment plan.

Councillor Patel referred to recommendation 4 of the report and asked what the definition of extreme hardship was and who would the authority be delegated to. He was told that it would be delegated to D Fenton and the definition would be based the individuals needs and circumstances.

Councillor H Whitbread proposed that recommendation 4 be amended to include 'in consultation with the Portfolio Holder'. This was agreed.

Decision:

- (1) The Cabinet accepted the recommendations from the Stronger Place Select Committee and agreed that the revised options for payment (Capital works – Leaseholder contributions) be adopted and implemented.
- (2) The Cabinet agreed the proposed level of interest to be applied, which was tapered to support leaseholders with repayment of charges.
- (3) The Cabinet agreed that any repayment plan for a sum of £7500 or above was secured as a voluntary charge on the property.
- (4) The Cabinet agreed that delegated authority to the relevant Director, in consultation with the Portfolio Holder, be approved in the matter of extreme hardship or in cases where the bill was likely to be in excess of £12,500.

Reason for decision:

Several estates were now requiring major investment. This work needed to be carried out to improve both the living environment for tenants and leaseholders, in addition to protect and prolong the life of the asset.

Options considered and rejected:

The option was considered to not introduce payment options, this was rejected as it would lead to financial hardship.

104. HRA BUSINESS PLAN

The Housing Services Portfolio Holder introduced the report.

The HRA business plan had been developed in partnership with our retained consultant Abovo-Consult. A bespoke HRA model is used which enables the Council to provide a reasonable cashflow projection for the next 30 years. It was based on evidential data from the Council's current systems and projections for economic assumptions in the social housing sector. Furthermore, the plan gave the Council the ability to stress test. This was vital given key dynamic risks such as the borrowing rate and changes in Government legislation regarding Social Housing.

Officers had taken both a safe and prudent approach when developing the business plan, with a balance between borrowing, developing, and improving the housing stock. The agreed minimum £2m revenue working capital balance was maintained throughout the plan.

Councillor Bedford thanked officers and the Portfolio Holder for recognising the need for investment in the Shelley area.

Councillor Philip welcomed the business plan and the fact it was to be reviewed every year.

Councillor Patel wondered what was a 'decent home standard' and how were we benchmarking ourselves. He was told that the decent home standard was set out by the government in 2002 and was seen as the standard we had to work to, although we now worked to a higher standard, the 'passive home' standard. Councillor Patel said that this higher standard should be reflected in the report. Did this standard also encompass the drive to a carbon neutral standard. He was told that the decent homes standard referred to the council's existing estates. The new builds conformed to the higher standards and the drive to net zero homes. The Council was also

currently in discussion with 'Eon' for a pilot project for 50 houses to retro fit these houses to achieve net zero and were also looking to install solar panels on current properties to investigate their value. Councillor Lea was glad to hear this especially due to the current rise in fuel prices.

Decision:

- (1) That Cabinet noted the verbal update from Stronger Communities and noted their recommendation to Cabinet for approval;
- (2) The Cabinet agreed to receive a yearly performance update, which would include stringent stress testing;
- (3) The Cabinet agreed to implement the proposed business plan, noting that the business plan included all assumed costs but not all income streams, as such the Cabinet also noted appendix B of the report which was an alternative plan including some potential income; and
- (4) The Cabinet noted the opportunity to improve our estates which would improve the life span of our assets and feed into our ongoing work to 'create great places where people want to live'.

Reason for decision:

Although stock holding councils no longer must submit a Housing Revenue Account Business Plan, it was still prudent to produce one as it acts as a planning tool for both financial and personnel resources.

Options considered and rejected:

- To not meet decent homes standard was considered, however that would lead to increase spend in the future as the life span of the asset would be minimised.
- To stop development. This would lead to a net loss of stock due to the RTB, in addition there would not be a compounded increase in income, which may impact the investment in stock in the future
- To not invest in the urgent works and continue to repair on an ad-hoc bases. This would lead to a long-term deterioration of stock, leading to an increase in costs.

105. HGGT FUTURE LEADERSHIP AND GOVERNANCE

The Planning and Sustainability Portfolio Holder, Councillor Bedford introduced the report.

He noted that the Harlow & Gilston Garden Town (HGGT) would enable approximately 16,000 new homes by 2033 with an additional 7,000 delivered beyond that. To bring these homes forward the Garden Town would require over £1.7 bn of infrastructure investment into transport, education, healthcare, emergency services, community facilities, open space, sports and leisure, utilities and flood defences.

The growth will cross the boundaries of the five council Partners (which comprise East Hertfordshire, Epping Forest and Harlow District Councils, and Essex and

Hertfordshire County Councils) and the Garden Town initiative was originally established under the 'Duty to Cooperate' arrangements to reach common agreement between those partners.

The scale of planned activities poses a significant delivery challenge to the partner Authorities and this report outlined the options for the future governance of the Harlow & Gilston Garden Town (HGGT) project. It set out the work carried out by officers, the HGGT Board and the governance Task and Finish group established by that Board, in appraising options and their recommendation, in principle, to explore the proposal of a HGGT Joint Committee. This report recommends Cabinet/Executive Committee approval, in principle, of that decision to the establishment of a HGGT Joint Committee.

In order to progress work to the next detailed stages and to enable implementation of new formalised governance arrangements for the beginning of the new municipal year, a formal decision by all five Partners on the principle of the new governance arrangements for HGGT was required.

Councillor Philip agreed with the report and noted that details would come back to the Cabinet for further consideration when appropriate; but would like to put down a marker to ensure that we were properly protected in what we do going forward.

Councillor Sartin raised concerns that the possibility of a joint planning committee should be avoided in the future.

Decision:

(1) The Cabinet agreed 'in principle' to explore the creation of a Harlow & Gilston Garden Town Joint Committee, consisting of representation by all five Partner Councils; and

(2) That the details of the constitution, priorities and operating model of the proposed Joint Committee would return to Epping Forest District Council for further consideration.

Reasons for Proposed Decision:

In order to progress work to the next detailed stages and to enable implementation of new formalised governance arrangements for the beginning of the new municipal year, a formal decision by all five Partners on the principle of the new governance arrangements for HGGT was required.

Other Options for Action:

Not to agree to explore the creation of the HGGT Joint Committee and return to Cabinet with details of the constitution, priorities and operating model of the Joint Committee would be contrary to the Partner Councils Members and Officer Task & Finish Group instruction, and would mean the work to formalise and implement new governance arrangements at the beginning of the municipal year would not take place.

106. TOWN CENTRE REGENERATION - AN UPDATE & PROGRESS REPORT

The Finance, Qualis Client and Economic Development Portfolio Holder and J Houston introduced the report.

The report provided a further update to Cabinet on the delivery of projects within the Town Centre Regeneration programme. It set out the current funding packages secured from central government and their allocation. It also provided further information around guidance and advice from national high street bodies for town centre regeneration.

Councillor Philip proposed a change to recommendation 3, that the following be added at the end "...subject to getting a financial buy in from the involved Town and Parish Councils". This was seconded and agreed.

Councillor Philip went on to recommend that recommendation 4 be removed as he thought the Cabinet should not be referring anything to a Task and Finish Panel as they were set to carry out a particular job and then finish. If needs be, we can have a further report identifying any work that may need doing and we can then ask the Overview and Scrutiny Committee to identify where it should go. This was seconded and agreed.

Councillor Patel was happy to note the progress made. As far as recommendation 3 was concerned he wanted to know what the level of partnership working was with the Town and Parish councils. He was told that the relationships with them were good as they could see the value in what we were doing. What we wanted was to show the Parish and Town Councils that what we were doing was valuable and, in our talks, we had asked for some funding from them, of about £5,000 per town centre.

Councillor S Kane acknowledged the excellent work done during the lockdown and as we were coming out of it, he hoped that the emphasis of the programme would now start to shift to deal with the changing face of the High Streets (moving away from retail) in the coming years. He was told that that this would come from the partnership working, which was reflected in the second recommendation.

Councillor Sunger said it was a very good report. He noted that it had been a bad year for local businesses and asked how we were reaching out to local business to let them know we were there for them. He was told that along with a business newsletter there was a number of other ways that we reached out, including web based solutions. We did what our resources allowed but it was also about partnership work.

Councillor Wixley asked when would the bill (as alluded to in recommendation 3) turn up. He was told it was not a bill, we had contacted the Town and Parish councils back in December highlighting this. In comparison with the amount of money we were supplying, £5,000 per town centre did not cover half the costs. Councillor Wixley asked if Loughton would have to make two contributions for their two High Streets (the Broadway and the High Road). He was told that yes, it would be a separate contribution for each of the two town centres.

Decision:

- (1) The Cabinet noted and endorsed the contents of the report and gave guidance on further priority activity.
- (2) The Cabinet agreed that a district wide town teams' group be set up with representatives of the district and parish councils who were contributing financially to oversee the regeneration programme and advise on deployment.

(3) The Cabinet agreed to retain the town centre management function moving forward subject to getting a financial buy-in from the involved Town and Parish Councils.

Reasons for Proposed Decision:

To enable progress to be made on the structure and delivery of Town Centre Regeneration initiatives.

Other Options for Action:

The initiatives highlighted in this update report are linked to central government funding requirements and the recommendations of the Town Centre Regeneration studies approved by Cabinet.

107. QUALIS QUARTERLY MONITORING REPORT

The Finance, Qualis Client and Economic Development Portfolio Holder introduced the report.

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

This report presented the fourth Quarter's monitoring report for the Qualis trading year 2020/21 and covered the period from 1 October 2020 to 30 September 2021. The Quarter 1 position covering 1 October 2021 to 31 December 2021 was also provided as part of this reporting.

Although Qualis was reporting a loss in the second year of trading this was essentially a timing issue associated with the granting of Planning permission for the development of the Epping sites. This was granted shortly after the year end (September 2021) and enabled costs associated with achieving Planning permission to be removed from the Profit and Loss account Reserve in the Quarter 1 report for 2021/22.

Noting the point raised above, once the impact of achieving Planning permission was allowed for, the underlying trading position was a small net profit for Year 2 (Quarter 4), broadly in keeping with the Business Plan assumptions. Whilst Quarter 1 of Year 3 also shows a loss, this was similarly associated with achieving Planning consent for Roundhills and once allowed the position would also show a small net profit broadly in line with the target.

Decision:

The Cabinet noted the report and recommended its consideration by Council.

108. BUDGET REPORT FOR 2022/23

The Finance, Qualis Client and Economic Development Portfolio Holder, Councillor Philip, introduced the report. This report contained the final budget proposals for 2022/23 for consideration by the Cabinet. He noted that we had a balanced budget and had factored in the £5 uplift for a Band D property and were the lowest Council Tax authority in Essex. We were doing this without cutting any essential services. We

had also taken this through Scrutiny and had put in details this year at an earlier stage so that people could see more details earlier in the process.

The General Fund draft budget comprises Net Expenditure of £15.631 million and had been funded without recourse to Government Support for Covid-19 (budget of £1.263 million in 2021/22) or any contributions from the General Reserve (budget of £1.350 million in 2021/22). The Local Government Financial Settlement 2022/23 contained additional funding of a one-off nature, which potentially allows a contribution of £337,000 to the General Fund Reserve, which would partially alleviate emerging pressure on the Balance Sheet.

The HRA draft budget for 2022/23 anticipated a deficit of £3.537 million, which was to be partially offset by an estimated surplus of £2.319 million in 2021/22 (projected as at 31st December 2021); it should be noted that the 'surplus followed by a deficit' profile is a one-off position as the HRA adjusts to the long-term strategy within the emerging HRA Business Plan.

Councillor Philip went on to thank the officers and his fellow Cabinet members for the changes worked in from the start of the process.

Mr A Small highlighted the government grant situation and the changes they wished to make to the distribution of money to councils in the future; announcements of details of which had now been pushed back again. It was now likely that the government would introduce this for 2023/24. They would probably use this to promote their levelling up agenda and there was a significant risk that the South East may do quite badly out of this as the government redistributes money across the country. The government when distributing their grants in December made it very clear that this was a one off and that local authorities should not rely on this in the future.

The Leader commented that it was amazing that we came up with a balanced budget and thanked the officers for drawing up this budget in such difficult times. We had been promised a three-year settlement but only had a one-year settlement and the coming challenges were what would happen in levelling up and where we would be in the government grant for next year. We also still had to find year on year savings to ensure that we were financially sustainable as a council. We need to do this by efficiencies and change, but that challenge gets bigger all the time. We must always maintain our front line services and would need Qualis to do well for the benefit of our residents. We will also be looking for in-year savings, we can't just wait for the next budget.

Decision:

- 1) The Cabinet considered the final revenue and capital budget proposals for 2022/23 as presented in the report, together with the comments received from the Stronger Council Select Committee and made amendments that they considered necessary; and
- 2) The Cabinet recommend to Council:
 - a. The budget for 2022/23 and the updated Medium-Term Financial Plan; and
 - b. The level of Council Tax increase for 2022/23.

Reasons for Proposed Decision:

To enable Cabinet to recommend a final budget for 2022/23 to the Council on 24th February 2022.

Other Options for Action:

N/A.

CHAIRMAN