

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Cabinet **Date:** Friday, 30 September 2022

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 5.00 - 5.35 pm

Members Present: Councillors C Whitbread (Chairman), N Bedford, L Burrows, S Kane, A Patel, J Philip and H Whitbread

Other Councillors: Councillors R Brookes and H Kane

Other Councillors (Virtual): Councillors C McCredie, S Murray and D Wixley

Apologies: A Lion and K Williamson

Officers Present: G Blakemore (Chief Executive), A Small (Strategic Director and Section 151 Officer), T Carne (Corporate Communications Team Manager), D Fenton (Service Director (Housing Revenue Account)), C Hartgrove (Interim Chief Financial Officer), T Illiffe (Project Manager (Housing & Asset Management System Implementation)), V Messenger (Democratic Services Officer) and R Moreton (Corporate Communications Officer)

Officers Present (Virtually): G Woodhall (Team Manager - Democratic & Electoral Services)

Also in attendance: S Jevans (Qualis Group Managing Director)

25. 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.

26. DECLARATIONS OF INTEREST

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

27. MINUTES

Decision:

That the minutes of the Cabinet meeting held on 18 July 2022 be taken as read and would be signed by the Leader as a correct record.

28. REPORTS OF PORTFOLIO HOLDERS

The Leader thanked officers who had worked tirelessly to ensure the Council ran smoothly with the passing of her Majesty, Queen Elizabeth II in September.

The Housing and Community Portfolio Holder reported that Spinks Houses, named after the former EFDC Chairman, Don Spinks, was opened by his widow and former Chairman of Council, E Webster, in September to provide a new development of Council homes in Waltham Abbey for local people.

29. 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.

30. OVERVIEW AND SCRUTINY

The Chairman of Overview and Scrutiny Committee reported that the following items of business had been considered at the last meeting on 27 September 2022.

(a) Corporate Plan 2023 – 2027 – the report detailed a new set of corporate aims including a new set of key results, developed to support the aims and key objectives. These Corporate aims would be reviewed annually through objectives and key result measures to deliver and work towards the achievement of each objective that year. Members made several suggestions such as: to clarify that Epping Forest was referring to Epping Forest District (not the forest); the inclusion of references to historical ancient hill forts; more information on the Council's focus on health, climate change, waste recycling and the relationship building opportunity the Council had with local councils.

(b) Qualis 1-Year Business Plan – in the rapidly changing current economic climate, considerable economic pressures were being put on the Council's finances. Although Qualis should produce a 4-Year business plan under the Shareholder Agreement, in this time of great uncertainty the decision had been taken that a 4-Year Business Plan would be too challenging and be out of date sooner than forecast. Members raised many questions which were answered by the Finance Portfolio Holder (Councillor J Philip), the Strategic Director and Qualis Group Managing Director (S Jevans).

(c) Overview and Scrutiny Committee extra meeting – the Chairman had agreed for this extra meeting to be held on 3 November 2022, to pre-scrutinise the business case of the transfer of Grounds Maintenance to Qualis.

Councillor S Murray supported the Chairman's approach to scrutiny for the Committee this municipal year and that he felt business had been satisfactorily scrutinised at the last meeting. In relation to the Portfolio Holder's report on the opening of Spinks House, Councillor S Murray asked whether it was too late to open a development in memory of the late Joan Davis, also a former Chairman of Council. The Portfolio Holder replied that she would look into the possibility of doing this.

31. QUARTER 1 BUDGET MONITORING REPORT - 2022/23

The Finance Portfolio holder introduced the report that set out the 2022/23 General Fund and Housing Revenue Account (HRA) positions, for both revenue and capital, as at 30th June 2022 (quarter 1). In terms of General Fund revenue expenditure at the quarter 1 stage a budget overspend of £1.196 million, with projected net

expenditure of £16.827 million against an overall budget provision of £15.631 million, was forecast. The quarter 1 position was dominated by a range of substantial spending pressures, as detailed in the report. Increasing inflation was driving higher pay demands across public and private sectors as well as impacting on energy and contract costs with rising interest rates working against the Council as a net borrower. The delay in finalising the Local Plan was causing a major shortfall in income from planning applications. There were pressures on the HRA. In relation to the funding position of the General Fund, the Council could suffer a shortfall (compared to budget) of £165,000 in payments that it received from preceptors as part of the Essex Council Tax Sharing Agreement. The report also detailed capital programmes for the General Fund Capital Programme and HRA. If the year-end forecast had been accurately reported, the General Fund Reserve balance would fall below the Council's formally adopted contingency balance of £4.0 million.

Decision:

- (1) That the Cabinet noted the General Fund revenue position at the end of quarter 1 (30th June 2022) for 2022/23, including actions being or proposed to improve the position, where significant variances have been identified (Appendix A);
- (2) That the Cabinet noted the General Fund capital position at the end of quarter 1 (30th June 2022) for 2022/23 be noted (Appendix B);
- (3) That the Cabinet noted the Housing Revenue Account revenue position at the end of quarter 1 (30th June 2022) for 2022/23, including actions proposed to ameliorate the position, where significant variances have been identified; and
- (4) That the Cabinet noted the Housing Revenue Account capital position at the end of quarter 1 (30th June 2022) for 2022/23 (Appendix C).

Reasons for Decision:

The report enabled the Cabinet to monitor and control the Council's financial position for 2022/23 and take whatever action it chose, based on the information presented.

Other Options for Action:

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

32. FINANCIAL PLANNING FRAMEWORK 2023/24 TO 2027/28

The Finance Portfolio Holder introduced the report and informed the Cabinet that the Council was looking at next year's finances much sooner because of significant budget pressures from the economic crisis. This included increased staff expenditure and fuel costs, as well as the refuse contract, which went up by the Consumer Prices Index (CPI). There were also pressures from construction on Qualis. Therefore, next year the Council would face the toughest budget yet, and for the one after that. EFDC was a well-run council that had balanced its budgets, so there had not been much previous pressure on Council reserves, but this would be a real problem next year. The Cabinet was working / looking at areas in the budget to make savings. By February 2023 the Council needed a budget that would keep EFDC operating. The agenda report set out where the Council finances were currently and the work the service directorates were doing by looking at savings.

Councillor H Kane queried where revenue gains came from. The Finance Portfolio Holder advised that if the Council could increase its revenues, then it would have to make less savings. In the past the Council had been prudent by developing the Epping Forest retail park and also Qualis over time would drive up revenue. Asset Management had already started to help increase revenue from rents.

The Leader remarked this was the hardest budget-round he had known. The economic crisis had made the situation difficult for years to come on top of rising inflation, but there would be time to deliver essential services by setting transformation in motion. Also, in this post-Covid pandemic period, the car parks were not back up to the pre-Covid demand levels, and there were staffing shortages as well as supply-side issues. Qualis was playing an important part and would help the Council to achieve more. Councillor C Whitbread thanked the Finance Portfolio Holder and officers for the constructive conversations held across the service areas.

Councillor S Kane acknowledged the problems were not exclusive to EFDC but to local authorities nationwide. However, the way EFDC dealt with them was key to how it would see the Council through.

Councillor S Murray agreed this was a difficult situation for the Council, but priority services should be kept and for those in more marginalised groups, so he hoped Essex County Council would protect those communities as a priority.

Decision:

- (1) That the Cabinet noted the backdrop to the Financial Planning process for 2023/24 to 2027/28, including the impact of the economic crisis, limited financial reserves, and emerging changes in local authority finance; and
- (2) That the Cabinet agreed the proposed approach to Financial Planning for 2023/24 to 2027/28, including the reporting and governance timetable summarised in Appendix A (of the agenda report).

Reason for Decision:

To set a framework within which the Council could develop and set a balanced budget for 2023/24 and update its MTFP through to 2027/28, ensuring that corporate priorities continued to be delivered in a financially sustainable way.

Other Options for Action:

The report set out the Council's updated financial context and represented the beginning of the 2023/24 budget preparation process. The information disclosed – including financial statistics – was for illustrative purposes only and solely for noting.

Members had the option to accept the recommended approach to Financial Planning, including the reporting and governance timetable, or to suggest amendments.

33. QUALIS QUARTERLY MONITORING REPORT QUARTER 3 - 2021/22

The Finance Portfolio Holder reported that Qualis' financial year closed on 30 September. The 1-Year Business Plan reflected where Qualis was at the end of quarter 3 and had been scrutinised by the Overview and Scrutiny Committee on 27 September 2022. Although quarter 3 of year 3 showed a continuing loss, as previously reported this was primarily associated with delays in obtaining planning permission at Roundhills site in Waltham Abbey and because of this, costs were

allocated differently in the finances and showed up detrimentally. There were challenges in finding suitable regeneration property to acquire.

Responding to a query from Councillor H Kane on what was the cause of the delay at Roundhills, the Finance Portfolio Holder advised planning consent had not been successful yet. In the current economic situation, the increased construction costs would have significant impact on the viability of what was being proposed and pre-application advice had been provided to Qualis by the Local Planning Authority, but he would not pre-judge the planning decision.

Decision:

That the Cabinet noted the report.

34. CHANGING LANDSCAPE OF HOUSING - PAPER 2 - SOCIAL HOUSING REGULATION

The Housing and Community Portfolio Holder stated that there had been numerous changes nationally around how housing was regulated. The quality and state of the Council's housing was taken very seriously in trying to meet that decent home standard and the concept of having great places to live in consultations with communities. This report was largely concerned with the framework the Council used to assess that and the expectation of the Government following the Grenfell incident. There was a much stricter overview of providers of social housing. The Council's adopted co-regulatory response to the paper was detailed in the report. This included the increased responsibilities on the Council and the Cabinet, especially the Housing and Community Portfolio Holder, but a risk-based approach had been taken. Consultations with tenants and communities were part of the process with Customer Services at the heart of this.

Decision:

That the Cabinet noted the changing landscape for housing and property services.

Reason for decision:

Given the increase in reports coming to committees over the coming year, it was felt to be appropriate to give members an overview.

Options considered and rejected:

The option was considered not to offer support, however, that was rejected.

35. LIMES FARM ESTATE - TENDER REPORT UPDATE

The Housing and Community Portfolio Holder reported on the tender update and of the need to undertake a major works project at the Limes Avenue and Copperfield estates in Chigwell through the Council's planned preventative maintenance strategy. The report set out the £6.5 million investment, which was for a mixture of different works, and the financial support for leaseholders. Residents had also had a significant input into the works at the estate and the opportunity to enhance the outdoor areas to help reduce anti-social behaviour and increase the positive mental health of individuals.

The Finance Portfolio Holder asked if this was a fixed price contract and if the contractor was confident on fulfilling the contract at the agreed price. The HRA

Project Director, D Fenton, replied this was a fixed priced contract and the contractor had confirmed being able to complete the contract within the contract price. The cost of the contract in the current market was good value.

Councillor S Murray wanted assurance there was no mechanism in the contract for the prices to be revisited by the contractor. The HRA Project Director replied, there was an urgency to agree this decision at this meeting, as this would meet the timeframe for the cost of the contract to stay the same and for the contractor to complete the works.

Councillor S Murray remarked that he would have preferred more details about the residents' input. The Housing and Community Portfolio Holder replied there had been extensive engagement with the residents' association. The Estate and Land Management Team Manager, R Smith, led on the engagement side and was building up residents' associations across the District on the estates. The HRA Project Director offered to produce a paper for members about how the Council was co-creating schemes with residents.

Councillor D Wixley remarked the Debden Tenants Panel no longer existed, so was there any progress to recreate the panel to represent residents in his Debden ward? The Leader replied that the Cabinet could not comment on individual wards.

The Wellbeing and Community Partnerships Portfolio Holder asked about the large price variances of the tender submissions shown in table 1 of the report but the HRA Project Director replied that was the way the tender process worked.

Decision:

- (1) That the Cabinet agreed to appoint Equans Regeneration Ltd;
- (2) That the Cabinet noted the SWOT analysis, in particular, the risk to both EDFC and Leaseholders in delaying the project; and
- (3) That the Cabinet noted the contribution EFDC was making to leaseholder costs (funding the replacement of front doors).

Reasons for Decision:

The proposed major works formed part of the Council's planned preventative maintenance strategy and were required to be undertaken to ensure the buildings at Limes Farm estate remained compliant, structurally sound and free from water ingress. Delay to the proposal would lead to further deterioration of the building fabric and would increase the cost of remediation.

By executing all works under one contract the Council could recharge Leaseholders under Section 20 of the Landlord and Tenant Act 1985.

Other Options for Action:

None.

36. HOUSING & ASSET MANAGEMENT SYSTEM PROJECT - PROGRESS UPDATE

The Housing and Community Portfolio Holder briefly outlined that Cabinet had agreed in June 2021 to award Civica the Contract for the implementation of their Housing and Asset Management Solution – Civica Cx. This report provided a

progress update on the implementation of the Civica Cx Solution and the cost benefit analysis.

Decision:

That the Cabinet noted:

- the progress on the implementation of the Civica Cx Housing and Asset Management System;
- the cost benefit analysis; and
- a further progress update would be provided in April 2023.

37. ANY OTHER BUSINESS

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

CHAIRMAN