

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

**Committee:** Cabinet **Date:** 19 December 2005

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

**Members Present:** J Knapman (Chairman), S Barnes (Vice-Chairman), R Glozier, M Heavens, D Jacobs, S Metcalfe, Mrs C Pond and C Whitbread

**Other Councillors:** Councillors M Colling, Mrs D Collins, K Faulkner, Mrs A Grigg, B Scrutton, D Stallan, Mrs J H Whitehouse and J M Whitehouse

**Apologies:** Councillors D Spinks

**Officers Present:** P Haywood (Joint Chief Executive), J Scott (Joint Chief Executive), J Gilbert (Head of Environmental Services), I Willett (Head of Research and Democratic Services), D Macnab (Head of Leisure Services), R Palmer (Head of Finance), A Scott (Head of Information, Communications and Technology), C Crudgington (Environmental Services), P Pledger (Assistant Head of Housing Services (Property and Resources)), G Lunnun (Democratic Services Manager), M Shorten (Principal Valuer/Surveyor), H Thorpe (Housing Assets Manager), S Dobson (Information Assistant (PR)) and G J Woodhall (Democratic Services Assistant)

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<b>PUBLICATION DATE:</b>	<b>17 January 2006</b>
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<b>DECISIONS TO TAKE EFFECT:</b>	<b>23 January 2006</b>
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### **114. DECLARATIONS OF INTEREST**

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

### **115. MINUTES**

#### **RESOLVED:**

(1) That the minutes of the meeting held on 24 October 2005 be taken as read and signed by the Chairman as a correct record.

(2) That the minutes of the meeting held on 14 November 2005 be taken as read and signed by the Chairman as a correct record.

### **116. ANY OTHER BUSINESS - QUAKER LANE CAR PARK**

In accordance with Section 100(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council's Procedure Rules, the Chairman had permitted on grounds of urgency, consideration of this item in order to avoid any further delay in the completion of this matter.

The Acting Portfolio Holder for Civil Engineering and Maintenance presented a report on the provision of free car parking spaces at the Quaker Lane car park in Waltham Abbey. At its meeting on 13 December 2005, the Council had resolved to provide 24 free car parking spaces at the Quaker Lane car park in Waltham Abbey. At current levels of usage, this would result in a loss of income to the Council of approximately £18,500 per annum, with the loss for the remainder of the current year estimated to be £4,625. In addition to the reduction in income, there would also be costs associated with making the changes, which was estimated to be £4,000. The Cabinet were reminded that provision would have to be made for this loss of income in next year's budget; allowing for inflation at 2.5%, this would require a provision of £19,000 for 2006/07.

**RESOLVED:**

- (1) That, in accordance with the resolution of Council on 13 December 2005, 24 free car parking spaces be provided at the Quaker Lane car park in Waltham Abbey;
- (2) That the Head of Environmental Services be authorised to arrange for the publication of a draft traffic regulation order to:
  - (a) give effect to the free parking proposals within the Quaker Lane car park; and
  - (b) make consequential minor amendments to the Epping Forest District (Off Street Parking Places) Order 2002 as required to enforce the proposals;
- (3) That, subject to no objections being made, the Head of Environmental Services be authorised to arrange for the making and sealing of an appropriate Traffic Regulation Order;
- (4) That, should the Council receive valid objections, the Portfolio Holder for Civil Engineering and Maintenance be delegated to consider and determine any objections made under the order;
- (5) That, in order to offset the loss of income for 2005/06, a supplementary estimate in the sum of £9,000 be recommended to the Council for approval; and
- (6) That, in order to offset the loss of income for 2006/07, a bid be made for CSB growth in the sum of £19,000 for 2006/07.

**Reasons for Decision:**

This decision would implement the wish of the Council to provide 24 free car parking spaces in the Quaker Lane car park in Waltham Abbey. This limited free parking had been provided to support the local trading situation, which had suffered since the opening of a new local superstore that had free parking associated with it.

**Other Options Considered and Rejected:**

Given the resolution of the Council on 13 December 2005, there were no other viable alternatives.

**117. REPORTS OF PORTFOLIO HOLDERS**

There were no oral reports received from Portfolio Holders on current issues that were not covered elsewhere on the agenda.

#### 118. OVERVIEW AND SCRUTINY

The Chairman of Overview and Scrutiny reported that there were no other matters of concern for the Cabinet to consider arising from the Council's Overview and Scrutiny function that were not already being considered elsewhere on the agenda.

#### 119. LOCAL AREA AGREEMENT FOR ESSEX

The Chairman of the Overview and Scrutiny Committee presented a Scrutiny report concerning the Local Area Agreement (LAA) for Essex. The Cabinet were reminded that Local Area Agreements were a contract between local and central government intended to secure improvements across a number of different areas for a three-year period. The Government expected every local authority to participate, and Essex had been included in the second phase announced in June 2005. Essex County Council had submitted its LAA to GO-East in September 2005, and subsequently had obtained approval for the 13 priorities within. The Council was now being asked whether it would sign up to the LAA and if so, which of the 13 priorities were most relevant to the local situation. A Task and Finish Scrutiny Panel had been set up to consider the matter, and concluded that the following three priorities were the most relevant to the District and should be signed up to by the Council:

- Priority (3) Ensure development is designed to promote healthier living in the built environment, and provide decent and affordable housing;
- Priority (10) Reduce crime and the fear of crime; and
- Priority (11) Actively manage our environment.

The Chairman of the Overview and Scrutiny Committee further informed the Cabinet that the performance targets had not been finalised, hence it was recommended to delegate the creation of the necessary action plans to Heads of Service, in consultation with Portfolio Holders and the Management Board. It was also proposed that performance against the targets should be monitored by the Council's Overview and Scrutiny function.

#### **RESOLVED:**

(1) That the following priorities from the Local Area Agreement for Essex be pursued by the Council:

- (a) Priority (3) – Ensure development is designed to promote healthier living in the built environment, and provide decent and affordable housing;
- (b) Priority (10) – Reduce crime and the fear of crime;
- (c) Priority (11) – Actively manage our environment;

(2) That, once the performance targets were finalised, members be kept informed of the proposals in relation to the targets;

(3) That, in consultation with Portfolio Holders and Management Board, decisions on the details of the proposed performance targets and associated action plans be delegated to Heads of Service; and

- (4) That Overview and Scrutiny be responsible for the local monitoring arrangements of the finalised Local Area Agreement for Essex performance targets.

**Reasons for Decision:**

Although the Council could impact upon the other priority areas within the proposed Agreement in partnership with other bodies, the three priorities selected were based upon the statutory responsibilities of the Council and were areas where the Council could make a positive impact.

**Other Options Considered and Rejected:**

The Council could choose not to participate in the Local Area Agreement for Essex, but the Government had placed great emphasis on these agreements, and the Audit Commission had also indicated, in their strategic plan, that they expected top tier authorities to have such agreements by 2006/07. Additionally, the Government guidance had held out the prospect of significant freedoms and flexibilities in order to ensure the successful delivery of Local Area Agreements.

**120. MONITORING ARRANGEMENTS - LEISURE MANAGEMENT CONTRACT**

The Chairman of Overview and Scrutiny presented a report regarding the proposed monitoring arrangements for the Leisure Management Contract. The Chairman reminded the Cabinet that the Externally Funded and Youth Provision Task and Finish Scrutiny Panel had been requested to recommend arrangements for the monitoring of the Council's Leisure Management Contract, to ensure that the Council's Key Objectives were being met. Following its meeting on 20 October 2005, the Panel had felt that to assist mutual understanding and develop an effective working relationship, there should be monthly meetings between the Contractor and Officers of the Council to consider regular reports and any operational issues. In addition, there should also be a Contract Monitoring Board, which would allow Councillors to meet with the senior management and Directors of Sports and Leisure Management limited (SLM) in order to review the contract at a more strategic level.

The Chairman further added that it had been envisaged that the Board would meet three times a year, and perhaps operate along similar lines to the now defunct Direct Services Board. The Board would report to the Overview and Scrutiny Committee, who would then consider any issues and recommend proposals to Cabinet as necessary. The Panel had also felt that the Board would operate better if its membership were less than the ten required for strict pro rata, and that five would possibly be a better size, with the Annual Council each year responsible for the individual appointments. However, with the contract scheduled to commence in January 2006, a Board meeting would be required in March 2006 before the next Annual Council. Thus, it had been suggested that an interim arrangement of one nomination per group, to include the Leisure Portfolio Holder, be adopted.

**RESOLVED:**

- (1) That the proposed Contract Monitoring Arrangements for the Leisure Management Contract be confirmed;
- (2) That the Council be asked to appoint the membership of the Contract Monitoring Board each year at its annual general meeting;

(3) That, in order to consider the issues, the Contract Monitoring Board report regularly to the Overview and Scrutiny Committee, and the Cabinet as necessary;

(4) That, in order to assist with the formation of an effective working relationship with SLM, the Council be recommended at its Annual meeting in May 2006 to appoint a Board comprising five cross-party members, including the Leisure Portfolio Holder; and

(5) That the Council be recommended at its next meeting to appoint members to attend the first Board meeting, due to take place in March 2006, comprising five cross-party members based on the recommendations of Group Leaders and including the Leisure Portfolio Holder.

**Reasons for Decision:**

To ensure that an adequate mechanism was in place in order to measure the performance of the Contractor against the agreed Key Performance Indicators. The proposed interim arrangements would also enable the Board to meet prior to the next Annual Council meeting in May 2006.

**Other Options Considered and Rejected:**

To not monitor the contract, or to delegate the monitoring of the contract to officers.

**121. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 7 NOVEMBER 2005**

The Finance and Performance Management Portfolio Holder presented the minutes from the Finance and Performance Management Cabinet Committee meeting held on 7 November 2005. The items with recommendations that the Portfolio Holder highlighted for consideration by the Cabinet were the Internal Audit Monitoring Report for July to September 2005 and the Internal Audit Work Programme for October to December 2005. The Cabinet Committee had also considered the Capital Strategy 2005-09, but the Portfolio Holder reminded the Cabinet that this had been agreed at the previous meeting of the Cabinet on 14 November 2005.

**RESOLVED:**

**(a) Internal Audit – Monitoring Report – July/September 2005**

(1) That the reports issued and the significant findings between July and September 2005 be noted; and

(2) That the audit follow up status report and system improvement schedule be noted;

**(b) Internal Audit – Work Programme – October/December 2005**

(3) That the work plan for October to December 2005 be noted; and

(4) That the 2005/06 Audit Plan status report be noted;

**Reasons for Decision:**

The Cabinet were satisfied that the Finance and Performance Management Cabinet Committee had fully addressed all the relevant issues in relation to the recommendations and that these should be fully endorsed.

**Other Options Considered and Rejected:**

The Cabinet were satisfied that the Finance and Performance Management Cabinet Committee had considered all the relevant options in formulating their recommendations. The Cabinet did not consider that there were any other options.

**122. CONCESSIONARY FARES - STATUTORY SCHEME**

The Community Wellbeing Portfolio Holder presented a report on the statutory element of the Concessionary Fares Scheme operated by the Council. The Portfolio Holder stated that, in common with other Essex authorities, the Council had worked in partnership with Essex County Council to provide an enhanced version of the statutory scheme. The minimum statutory scheme only required concessionary travel within the confines of the District, whereas the enhanced scheme had provided half fare travel on buses in Essex and throughout a route that started in the County and finished beyond.

The Portfolio Holder reminded the Cabinet that the Chancellor of the Exchequer had increased the requirements for the Concessionary Fares scheme, such that free rather than half fare travel would have to be provided for people over 60 and people with disabilities, with effect from April 2006. All the districts within Essex supported a continuation of the countywide scheme, and to only offer residents the minimum statutory scheme would result in a saving of only £6,000 for the Council. Thus, it was felt that the enhanced scheme currently offered by the Council represented good value for residents.

The Portfolio Holder stated that the consultants who administered the countywide scheme, MCL, had released information regarding the number of passes issued and the costs incurred by passes issued by the Council. It was forecast that the number of passes that would be issued by the Council during 2005/06 would show a reduction of 2%, whilst the costs incurred by the passes issued by the Council were predicted to have reduced by 10% throughout the current year. The combined effect of these reductions were such that the revised estimate for 2005/06 could be reduced from £250,000 to £210,000, resulting in a saving of £40,000.

The Portfolio Holder added that the existing method of issue for the passes had proved unsatisfactory and generated numerous complaints from residents. Thus, it had been proposed to implement a system of postal issues coordinated centrally from the Civic Offices. The new system would require an extra £2,000 in CSB growth, however it had been proposed to finance this from the £40,000 saving arising from the revised estimate for 2005/06.

**RESOLVED:**

- (1) That the Council's continued participation in a countywide Concessionary Fares scheme be approved;
- (2) That the proposed changes to the process of issuing passes be approved and implemented immediately; and

(3) That, in view of the latest projections from the consultants administering the scheme, a reduction in the revised estimate for 2005/06 in the sum of £40,000 be made;

(4) That £2,000 of this saving be used to cover the additional postage costs of the revised method of issuing passes in 2006/07 to give a net CSB saving in the sum of £38,000 for 2006/07.

**Reasons for Decision:**

Continued participation in a countywide scheme would offer residents benefits equivalent to other districts and provide better value for money. Moving to a scheme of postal issue would be beneficial to pass holders and would improve the efficiency of the process.

**Other Options Considered and Rejected:**

The only other option would be a statutory minimum scheme that would penalise residents relative to other Essex districts and would not provide value for money in comparison to the countywide scheme.

**123. ENERGY PROCUREMENT**

The ICT and Corporate Support Services Portfolio Holder presented a report concerning the Council's future procurement of energy. The Portfolio Holder reminded the Cabinet that the Procurement Agency for Essex (PAE) had been established to improve collaboration between all Councils in Essex. In July 2005, the PAE had commissioned energy consultants John Hall Associates to study the Essex Energy Procurement Strategy, in which the Council participated. The results had indicated that although current energy purchases had been efficient, a consortium approach could lead to further savings of £20,000. Thus, the initial proposal was for the Council to place 13 sites with the consortium for a period of two years and at an estimated cost of £1,253 per annum, in order to assess whether the predicted cost savings and best value had been achieved.

**RESOLVED:**

(1) That an invitation from the Procurement Agency for Essex for the Council to join an energy procurement consortium be noted; and

(2) That, subject to further clarification on details of the service to be provided and cost savings to be confirmed, the Head of Environmental Services be authorised to enter into an agreement to join the proposed consortium.

**Reasons for Decision:**

The opportunity to take advantage of potential savings of up to £20,000 per annum through participation in the consortium.

**Other Options Considered and Rejected:**

To reject the invitation to join the energy procurement consortium as proposed by the PAE, and remain with the Council's current suppliers: LASER for gas; and Norfolk Property Services for electricity.

**124. DEVELOPMENT PROPOSALS - LANGSTON ROAD INDUSTRIAL ESTATE, LOUGHTON**

The Finance and Performance Management Portfolio Holder presented a report on development proposals for the Langston Road Industrial Estate in Loughton. The Portfolio Holder stated that a decision was now required over the future of the T11 development site at the Langston Road Industrial Estate in Loughton, and more specifically whether to market the site separately or market it in conjunction with the adjoining land owned by Essex County Council. It was also felt appropriate to consider whether the Depot adjoining the T11 site on the opposite side should also be marketed as part of a larger development.

The Portfolio Holder reminded the Cabinet that the County Council land was entirely landlocked and that discussions had taken place with a view to providing a vehicular access route. Although it would be preferred if this access was granted over land that currently formed part of the Bank of England's Britannia Sports Ground, consideration had also been given to providing it through the T11 site. To this end, the County Council had offered to pay the District Council: a proportion of the sale proceeds of the County Council land; the market value of the area of the T11 site utilised for the access road; and a proportion of any overage payable for the development of the County Council land. It was emphasised that negotiations had still to be completed on these points.

The Portfolio Holder stated that prior to any sale process being undertaken, it would be prudent for the Council to undertake an Environmental Assessment of the site, including a ground conditions report, as well as the submission of planning applications for Class B1 (office/light industrial), B2 (general industry) and B8 (warehousing) use on the T11 site, and the Council depot if considered appropriate.

Some members of the Cabinet felt that all possible uses of the site should be investigated, including retail use. However, other members of the Cabinet felt that the infrastructure of the site could not cope with retail use, and the Portfolio Holder pointed out that any planning application for retail use would be refused as contrary to the local plan for the vicinity. Other members felt that the Langston Road depot should not be considered in isolation, and that a District-wide depot policy was required. As it appeared unlikely that a consensus would be reached at the meeting, the Portfolio Holder proposed that the recommendations be deferred pending further consideration by officers.

**RESOLVED:**

That, in light of the views expressed by members of the Cabinet, a final decision over the future of the Langston Road Industrial Estate in Loughton be deferred pending further consideration by officers and the Finance and Performance Management Portfolio Holder.

**125. VARIATION OF CONTRACTS - RETAINING STRUCTURE FOR SUNNYSIDE ROAD, EPPING**

The Housing Portfolio Holder presented a report concerning the variation of contract for a retaining structure at Sunnyside Road in Epping. The Portfolio Holder reported that following significant ground movement in the rear gardens of 46 and 48 Sunnyside Road in Epping, tenders had been sought for the construction of a retaining wall in order to prevent further damage. Grenville Construction had been awarded the contract for a sum of £32,378 and work had commenced in August 2005. However, following the commencement of the work, the ground was found to



be waterlogged to an unforeseen extent and extra work had to be undertaken to remedy the situation. The work was completed in October 2005 for a total cost of £43,805.39, which represented a 35% increase on the original sum for the tender. It was a requirement of Financial Regulations that where final expenditure exceeded the contract by the lesser of 10% or £25,000, a report be prepared for the Cabinet's consideration.

**RESOLVED:**

That, in accordance with Financial Regulations (Appendix B Clause 2.62), the exceeding by £11,427.39 of the contract for the construction of a retaining structure to the rear of 46 and 48 Sunnyside Road, Epping be noted.

**Reasons for Decision:**

To notify the Cabinet of all contracts where the final expenditure had exceeded the approved contract sum by more than the lesser of 10% or £25,000.

**Other Options Considered and Rejected:**

Financial regulations stipulated that this report had to be noted by the Cabinet, hence there were no other options for action.

**126. PLANNED BUILDING MAINTENANCE PROGRAMME 2006/07 - NON-HRA OPERATIONAL BUILDINGS**

The Finance and Performance Management Portfolio Holder presented a report regarding the Planned Building Maintenance Programme for non-Housing Revenue Account (HRA) Operational Buildings in 2006/07. The Portfolio Holder stated that the Planned Building Maintenance Programme for non-HRA buildings ensured that the Council's property assets were properly maintained and improved to meet customer demands as well as health and safety and public entertainment licensing requirements. The programme for 2006/07 had shown a significant reduction in cost terms when compared to previous years, as it had been assumed that internal repair and maintenance obligations for the Leisure Centres would be transferred to Sports and Leisure Management Limited at the commencement of the Council's contract with them in January 2006.

The Portfolio Holder was pleased to announce that the programme had included more works than in previous years to maintain the Council's shopping parades throughout the District. The programme had also included further works identified in the Council's Access Audit to improve access to public buildings in order to meet the requirements of the Disability Discrimination Act.

The Portfolio Holder reminded the Cabinet that the proposed programme was the final year of the Planned Building Maintenance Programme 2002-07, and in order to continue the programme from 2007 to 2012, it had been recommended that the Head of Legal, Administration and Estates be authorised to seek quotations from three firms of Building Surveyors, and make an appointment in accordance with Contract Standing Orders.

**RESOLVED:**

(1) That, estimated to cost £114,000, the 2006/07 Planned Building Maintenance Programme of Works to the Council's Non-HRA Operational Buildings be approved; and

(2) That, in order to prepare a Planned Maintenance Programme for the period 2007-2012, the Head of Legal, Administration and Estates be authorised to seek competitive fee quotations from three appropriate firms of building surveyors and to make an appointment in accordance with Contract Standing Orders.

**Reasons for Decision:**

A planned programme of building maintenance was essential to protect and improve the condition of the Council's assets and to ensure continued operational use of the buildings.

**Other Options Considered and Rejected:**

To not approve the planned maintenance programme with the consequent failure of the building fabric and services, resulting in:

- risk to the health and safety of staff and the public;
- loss of service;
- loss of income;
- increased future management liability; and
- reduced property asset value.

**127. BENEFITS DIVISION - PROVISION OF SCANNING AND INDEXING**

The Finance and Performance Management Portfolio Holder presented a report regarding the proposed provision of scanning and indexing for the Benefits Division in Financial Services. The Cabinet were informed that the Revenues and Benefits IT had been replaced in January 2004 and the replacement contract also provided for the implementation of an Electronic Records Document Management System (ERDMS). Implementation of ERDMS in the Benefits Division was planned during 2005/06 with the system going live in 2006/07. Funding had been approved but a decision had yet to be made as to how scanning and indexing would be undertaken.

The Portfolio Holder advised that in accordance with the Council's ICT Strategy, a corporate ERDMS had been acquired from Anite PS for all the Council's services. The first service to implement ERDMS would be Planning and Economic Development and the Cabinet had already approved the use of Anite PS's service to scan and index Planning files.

The Cabinet considered the external and in-house alternatives for the provision of scanning and indexing in the Benefits Division, including a comparison of costs. The Portfolio Holder reported that the annual ongoing costs could be funded without any CSB growth by deleting a part-time vacant post in the Administration Section in Financial Services, efficiencies arising from ERDMS and increasing the vacancy allowance from 1% to 5%.

The Cabinet took account of views expressed by Unison.

**RESOLVED:**

(1) That, in line with the Council's adopted ICT and E-Government Strategies, the Benefits Division proceed with the implementation of an Electronic Records Document Management System (ERDMS);

(2) That, pursuant to Standing Order C10(1) (Negotiated Tendering), the Head of ICT be authorised to purchase scanning and indexing services from Anite PS Limited in the sum of an initial £15,000 followed by £42,500 per annum to input Benefit Service's correspondence into the Council's ERDMS; and

(3) That, pursuant to Standing Order C10(1)(c), it be noted that the reason for entering into a negotiated tendering exercise is that there is no effective competition for this specific type of service as Anite PS are the sole supplier of the Council's ERDMS (Anite@work).

#### **Reasons for Decision:**

The ongoing annual charges of an external service provided by Anite PS were estimated at £42,500 compared with £137,000 capital, £13,000 DDF (one-off expenditure), and £121,000 CSB for an in-house service. An external service would also avoid the need for capital investment in specialist equipment; the recruitment, training and retention costs for specialist staff; overtime payments for peak periods; the incidental creation of a disaster recovery services; and there would be no reduction in management focus on core activity. Positive references had been received from existing users of the Anite PS software.

#### **Other Options Considered and Rejected:**

The provision of an in-house service necessitating accommodation, the purchase of equipment and the recruitment and training of staff. The only other company providing a suitable scanning and indexing service had been newly formed and did not specialise in the Anite software.

### **128. LOCAL AUTHORITY BUSINESS GROWTH INCENTIVE SCHEME**

The Cabinet considered a report of the Finance and Performance Management Portfolio Holder on the Local Authority Business Growth Incentives (LABGI) Scheme.

The Cabinet were advised that LABGI gave local authorities a direct financial incentive to encourage business in their areas, by allowing them to retain a proportion of revenues created by increasing business growth above a pre-determined level. Business growth would be measured in terms of the increase in a local authority's rateable value during a calendar year. LABGI revenue would be paid as a single payment to each local authority in the final quarter of each financial year and the first payment was expected to be made in February 2006. Each authority had a target level of growth in rateable value that had to be achieved in order to benefit from LABGI, known as the floor. The floor level was calculated using historic growth figures.

The Portfolio Holder reported that based on estimated calculations, the Council could expect a sum of approximately £400,000 in LABGI revenue for 2005/06 and an amount of £200,000 for 2006/07. He advised that as this funding was being considered as part of the Lyons Review, its future level was uncertain and it would be appropriate, therefore, for this income to be credited to the District Development Fund. He asked the Cabinet to consider what proportion, if any, of the income arising should be re-invested in schemes to assist economic development.

#### **RESOLVED:**

- (1) That details of the Local Authority Business Growth Incentive Scheme be noted;
- (2) That income arising from the scheme be credited to the District Development Fund; and
- (3) That the Planning and Economic Development Portfolio Holder be requested to submit a report to a future Cabinet meeting containing detailed proposals for the expenditure of some of this income on measures to promote economic development within the District.

**Reasons for Decision:**

LABGI was intended to reward local authorities for fostering economic development in their areas. The greater the growth in business, measured by increases in the list of rateable values, the greater the rewards. It was appropriate, therefore, that some of the income arising should be reinvested in schemes to assist economic development. Given the uncertainty over the amounts to be received and the lifetime of the scheme, it was inappropriate to treat the income as CSB and rely on it to support future spending.

**Other Options Considered and Rejected:**

Ring-fencing the funds for schemes to support economic development which could result in the funds being unspent if there was a lack of appropriate schemes.

**129. CORPORATE ICT STRATEGY - REVIEW 2005**

The Corporate Support Services and ICT Portfolio Holder presented a report on the Council's Corporate ICT Strategy. The Cabinet were advised that this fourth review of the Strategy was limited to a 24-month period to ensure that it remained current and adaptive to the potential beneficial changes in new technology. It was clear that Central Government was expecting a wholesale change in the way public sector services were delivered by exploiting the transformational nature of ICT.

The Portfolio Holder advised that the Corporate ICT Strategy supported this transformational theme by creating an environment in which business information systems could, if appropriate, be shared and data enabled to flow in a seamless manner that was transparent to the user of that information or data regardless of the status of the user. In addition, the review had considered the implications of the Council's E-Government Strategy and the main Central Government technology projects. The Cabinet advised that the actual projects resulting from the Strategy would be detailed in the ICT Annual Business Plan. Each project would be listed in the Action Plan together with its priority, resource allocation, timescale and relevance to the Strategy.

The Portfolio Holder advised that the ICT and E-Government Standing Scrutiny Panel had considered the revised Strategy and had endorsed the technical objectives.

**RESOLVED:**

That the new technical objectives of the Corporate ICT Strategy for 2006/2008 be agreed.

**Reasons for Decision:**

The Strategy was a key enabler of the Council's e-government and efficiency initiatives and underpinned the vision and objectives set out in the Council's Annual Implementing Electronic Government (IEG) Government Returns.

**Other Options Considered and Rejected:**

To amend the ICT Strategy 2005 Review.

**130. LEISURE PORTFOLIO MONITORING REPORT - APRIL 2005 TO SEPTEMBER 2005**

The Leisure Portfolio Holder presented a report showing the financial position for Leisure generally and for leisure facilities in particular for the first half of the financial year to 30 September 2005.

The Cabinet were informed that the Leisure Portfolio overall had been underspent by £102,000. The Museum showed a saving on salaries and Community Arts a saving on materials and on payments to artists. North Weald Centre had an underspend on maintenance and electricity, combined with an overachievement of income relating to events run at the airfield. Sports Development showed savings on staff costs. Underspends on Parks and Grounds related to tree, grounds and building maintenance. Loughton Leisure Centre costs had been overspent by £25,000 and a separate report detailing the circumstances and requesting a supplementary estimate was being prepared.

In relation to leisure facilities, the variation on expenditure amounted to an underspend of £94,000. All three centres that showed an underspend had savings on building maintenance, the largest underspend being at Ongar (£34,000). Epping Sports Centre also had a £9,000 underspend on equipment expenditure and a £16,000 underspend on employee related costs. Income variation amounted to £94,000, of which approximately £32,000 was due to the delay between income being received at the centres and appearing on the finance system. A major part of the shortfall related to the partial closure of Waltham Abbey Sports Centre for 14 weeks leading to an estimated loss of income of £16,000 as at 30 September 2005.

The Portfolio Holder advised that, after taking account of the support services and an employee related cost centre which showed savings of £60,000, the actual underspend on the Leisure Portfolio amounted to £162,000.

The Portfolio Holder advised that this would be the last report in this format as the management of the Council's Leisure facilities would be transferred to SLM on 4 January 2006.

**RESOLVED:**

That the monitoring report for the Leisure Portfolio for the period April 2005 to September 2005 be noted.

**Reasons for Decision:**

The Cabinet were satisfied that all relevant issues had been fully addressed in the report and that no further action needed to be taken at this time.

**Other Options Considered and Rejected:**

The Cabinet were satisfied that all the relevant options had been considered in formulating the report. The Cabinet did not consider that there were any other options.

### **131. REVIEW OF CAPITAL PROGRAMME 2005/06 - 2009/10**

The Finance and Performance Management Portfolio Holder presented a report which set out the detailed Capital Programme, available funding and forecast the likely financing of the Programme over the next five years. The estimated level of capital resources was also given to the end of 2009/10.

The Portfolio Holder drew attention to adjustments to the Capital Programme, which had been made since the Cabinet had approved the Capital Strategy on 14 November 2005. As a consequence of these changes, the General Fund Capital Programme had been increased during the four-year period 2005/06 to 2008/09 by £2,461,000 in total. This rise related mostly to the increase of £2,240,000 for the Customer Services Transformation Programme and an increase in the Capital Contingency of £155,000. Slippage had the overall effect of reducing the 2005/06 budget by £3,124,000 whilst increasing 2006/07 by £2,729,000, 2007/08 by £245,000 and 2008/09 by £150,000. The Cabinet noted progress on the main schemes included in the Programme. The Town Centre Enhancement at Loughton High Road, Phase 1, which had been financed by Sainsburys, was expected to be virtually completed by December 2005. Some additional work, which had not been covered by the contract with Sainsburys and was to be carried out under Section 106 Agreements, could now progress as a result of sums of £100,000 and £5,000 received from Marks & Spencer and Triangle Garage respectively.

The Housing Revenue Account Capital Programme for the four-year period 2005/06 to 2008/09 remained unchanged in total from that shown in the Capital Strategy. A saving of £100,000 had, however, been identified in relation to the sum to be paid in respect of the transfer of Wickfields Sheltered Accommodation to Warden Housing Association. It was proposed that this saving be vired as follows:

£20,000 to kitchen and bathroom replacement;

£20,000 to communal water tank renewals;

£60,000 to other repairs and maintenance.

Progress made on each HRA scheme had been reassessed and the phasing of the estimates had been amended accordingly. The main change related to the work to be undertaken at Springfields which had slipped significantly resulting in an anticipated reduction in the 2005/06 and 2006/07 estimates of £293,000 and £1,238,000 respectively and equivalent increases in 2007/08. The overall impact of the rephasing was to reduce the estimated capital spend in 2005/06 and 2006/07 by £759,000 and £772,000 respectively, whilst increasing the estimated outturn in 2007/08 by an equivalent sum of £1,531,000.

The Portfolio Holder advised that, in accordance with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, an element of HRA capital receipts had to be paid to the Office of the Deputy Prime Minister National Pool. This Council, being debt free, qualified for a transitional reduction on its capital receipts to be pooled at a reducing rate, finishing in 2006/07. However, if non right to buy HRA capital receipts were used to finance expenditure on Council affordable housing and regeneration, the pooling of these receipts could be avoided all together.

The Cabinet considered a summary of the Capital Programme with the financing profile. The Portfolio Holder advised that since the last report to the Cabinet, the position regarding generation of capital receipts changed. The decline in the number of Council house sales had been greater than anticipated and the full year projected sales figure had been reduced to 30 for the current year. Further projections were difficult to make as there were many uncertainties in the housing market and a cautious and prudent approach had been adopted at this stage. Attention was drawn to non-housing capital receipts, the latest forecast of capital receipt generation, their application and the likely level of resources available to fund new projects.

**RESOLVED:**

- (1) That the level of capital resources currently predicted to be £8,836,000 at 31 March 2010 be noted;
- (2) That the Council be recommended to approve a supplementary capital estimate of £75,000 for car park upgrades within the District;
- (3) That approval be given to:
  - (a) an increase of £105,000 on the Loughton High Road Town Centre Enhancement Scheme to be financed from Section 106 monies; and
  - (b) a virement of £100,000 from Wickfields to kitchen and bathroom replacements (£20,000); communal water tank renewals (£20,000); and other repairs and maintenance (£60,000);
- (4) That a contingency sum of £500,000 be set aside, spread over the next three years and representing an increased allocation of £155,000;
- (5) That, pending a detailed report with full costings, an additional estimate of £2,240,000 for the Customer Services Transformation Programme in 2006/07 and 2007/08 be agreed;
- (6) That the five year Capital Programme 2005/06 to 2009/10 be approved; and
- (7) That HRA expenditure of £6,093,000 be approved, estimated to be the expenditure on the Council's own affordable housing and regeneration projects in 2005/06.

**Reasons for Decision:**

The Capital Programme adhered to decisions already approved by Cabinet or decisions that Cabinet would be considering, with any deviation from the stated assumptions amended accordingly.

**Other Options Considered and Rejected:**

The inclusion of new schemes in the Capital Programme or the extension of existing schemes but as the level of capital resources was predicted to fall to £8,836,000 by 31 March 2010 and the revenue consequences of reducing the level of capital receipts further over the next five years, would be to reduce investment income.

**132. LOUGHTON LEISURE CENTRE - PROJECT EVALUATION REPORT**

The Leisure Portfolio Holder advised that it was a requirement of Contract Standing Order C28(2) that upon completion of a project with a contract value in excess of £2,000,000, a review had to be carried out and reported to the Cabinet. At its meeting on 5 September 2005, the Cabinet had resolved that Castons be instructed to prepare a report in relation to the Loughton Leisure Centre.

The Cabinet considered a report of Castons which concluded that the project had been completed without significant client induced variations or amendment to the original brief; the Leisure Centre was operating successfully, fulfilling the Council's leisure service and users' requirements; and generally, the methodology applied to the procurement of the project had been appropriate and worked satisfactorily, avoiding some of the problems which typically affected projects of this scope, nature and complexity.

The Cabinet noted that Castons had also identified three principal issues that the Council should consider in terms of future large-scale projects. The report recommended that the taking of specific references supporting the verification of the contractor's abilities should be carried out prior to inclusion on the tender lists, and prior to appointment, particularly relating to key personnel abilities to deliver projects of the relevant scope, nature and complexity. The report also recommended the requirement for disputes to be referred to mediation and for the retention of standard contractual clauses, whenever possible.

**RESOLVED:**

That, as required by Contract Standing Orders, the Contract Completion report prepared by Castons be noted.

**Reasons for Decision:**

Requirement of Contract Standing Orders.

**Other Options Considered and Rejected:**

To refer the project completion report to the Overview and Scrutiny Committee.

**133. EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:**

That the public and press be excluded from the meeting for the items of business set out below on the grounds that they would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 indicated:

<b>Agenda Item No</b>	<b>Subject</b>	<b>Exempt Information Paragraph No</b>
22	Cessation of Trade Waste Partnership	7 and 9
23	Merlin Way, North Weald - Development Land Sale.	9

**134. CESSATION OF TRADE WASTE PARTNERSHIP**



The Cabinet considered a report presented by the Environmental Protection Portfolio Holder proposing the cessation of the Trade Waste Partnership.

The Cabinet were advised that the Waste Management Contract with South Herts Waste Management had commenced in September 2002 and as part of the new contract, members had wished to see Trade Waste Services improved and, in particular, they had wished to see the Council playing a greater role. It had been intended that the contract should be developed into a formal partnership arrangement, but in respect of the main waste services, this had not proved possible.

The Portfolio Holder advised that the contract with South Herts Waste Management allowed for trade waste to be collected on a partnered basis, with any profit being shared between the Council and the contractor. However, there had been difficulties with these arrangements and a recent Internal Audit report had identified a number of issues of concern. Preliminary discussions with South Herts Waste Management had led to the conclusion that the service would function more satisfactorily, for both the customer and the Council, if the partnership were to cease and the service revert to the former arrangements whereby traders contacting the Council for the collection of trade waste were requested to deal directly with the Council's contractor or to seek quotes from other trade waste companies.

**RESOLVED:**

- (1) That the Trade Waste Partnership with South Herts Waste Management be ceased; and
- (2) That a further report be submitted to the Cabinet following the winding up of the partnership and the resolution of all outstanding financial matters.

**Reasons for Decision:**

The current arrangements were not operating satisfactorily. Although the Environmental Protection Act 1990, as amended, placed a duty on a waste collection authority to arrange for the collection of trade waste, if it was requested to do so, it was not necessary for an authority to provide the service directly. As landfill tax and LATS penalties came into being, there was a benefit to the Council in not being associated with trade waste which went to landfill, because it would form part of the Council's overall landfill allowance.

**Other Options Considered and Rejected:**

To continue the present partnering arrangements.

**135. MERLIN WAY, NORTH WEALD -DEVELOPMENT LAND SALE**

In accordance with Section 100(4)(b) of the Local Government Act 1972 together with paragraphs 6 and 25 of the Council Procedure Rules, The Leader of the Council, as Chairman of the Cabinet, had agreed to the submission of a report on the sale of this site on grounds of urgency in order to avoid any further delay in the completion of the transaction.

The Finance and Performance Management Portfolio Holder reported on the results of a market tendering exercise for the sale of 4.96 acres (2.00 hectares) of residential development land at Merlin Way, North Weald.

The Cabinet noted that tender details had been sent to five developers and four had been received by the Council by the due closing date. The bids received were as follows:

Fairclough Homes (Northern Home Counties)	£9,068,659
Crest Nicholson (Eastern) Limited	£8,807,000
George Wimpey (East London) Limited	£8,400,000
Croudace Homes Limited	£7,760,000.

The Portfolio Holder reported that the fifth potential bidder had contacted the Council's agents after the closing date expressing an interest in submitting a late bid and likewise, Crest Nicholson (Eastern) Limited and George Wimpey (East London) Limited had also contacted the Council's agents to seek an increase in their offer. All three companies had been advised that additional offers at that stage of the tendering process could not be entertained.

The Cabinet were advised that the Council's agents had been instructed to ensure that all bids could be legitimately deemed to be unconditional and to assess them on that basis, particularly in relation to ground remediation works and any other site consideration.

The Portfolio Holder explained that the current marketing exercise had arisen because of the failure of the Council to agree terms for the sale of the site to the previous preferred bidder, namely Barratt Homes Limited, where a sale contract had been signed but not executed by the Company. The Portfolio Holder went on to explain that shortly before this meeting of the Cabinet, a further approach had been received from Barratt Homes for the site at a figure of approximately £9.12 million, which was substantially lower than the £9.5 million put forward by the company and agreed by the Council earlier in the year.

The Portfolio Holder asked the Cabinet to consider the new approach by Barratt Homes Limited and the bids submitted as part of the tendering exercise.

**RESOLVED:**

- (1) That a further approach from Barratt Homes Limited under the existing contract for the sale of this site be noted as follows:
  - (a) that the new bid involves the purchase bid of £9.12 million (approx); and
  - (b) that the bid set out in (a) above is lower than the company's original proposal of £9.5 million;
- (2) That, bearing in mind that the Council is still committed by the present sale contract, Barratt Homes be required to complete the purchase of the site by no later than 5.15pm on 9 January 2006 at the original contracted sum of £9.5 million;
- (3) That, if the purchase of the site is not completed by Barratt Homes in compliance with (2) above, the contract with the company be terminated;

(4) That, arising from (3) above, Counsel's opinion be sought on whether the sale deposit may be retained by the Council on termination of the contract with Barratt Homes and, subject to that opinion, the Finance and Performance Management Portfolio Holder be authorised to refuse any claim for repayment;

(5) That, in the event of the contract with Barratt Homes being terminated, the Finance and Performance Management Portfolio Holder be authorised to inform Fairclough Homes (Northern Home Counties) or its parent company, Miller Homes that the company is required to complete the purchase within six weeks from 10 January 2006 at the current unconditional bid price of £9,068,659;

(6) That the remaining bidders be held in reserve, pending completion of the purchase by Barratt Homes or Fairclough Homes and, in the event that the site is not sold to one of those companies, the Finance and Performance Management Portfolio Holder be authorised to approach the remaining bidders, in descending order of the bid amount, in order to conclude the sale but on the same terms as required of Fairclough Homes;

(7) That any negotiations or sale completion which takes place under (5) or (6) above, be on the basis of a non-refundable deposit.

#### **Reasons for Decision:**

The Council had made a decision to dispose of the site at Merlin Way, North Weald for residential development purposes. Negotiations, following the previous round of tendering had frustrated the Council in seeking to implement that decision. Negotiations with the preferred bidder on the first round of tendering had not been brought to a conclusion although a sale contract had been executed.

As a result of a further round of tendering for the site, four bids had been received but the preferred tenderer from the first round had submitted proposals for a new purchase price.

In order that the Council can achieve its objective of selling the site to an appropriate developer and to maximise its financial return, the Cabinet agreed that Barratt Homes should be set a deadline to complete the purchase of the land at their original tender price and not the revision now submitted.

In the event that Barratt Homes is unable to comply with this timetable and complete the purchase at its original tender bid, the Cabinet felt that the matter should be taken forward with the remaining tenderers with relevant delegated authority provided to the Portfolio Holder:

- (a) to seek an alternative purchaser;
- (b) to sever the contractual link with Barratt Homes;
- (c) if appropriate, to retain the deposit provided by Barratt Homes at the first round of tendering.

All these steps supported the Cabinet's determination to ensure that the site is sold in accordance with the Council's policy.

#### **Other Options Considered and Rejected:**

- Option 1- Subject to an undertaking about the cost allowance for ground remediation works, the site to be offered to Fairclough Homes (Northern Home Counties) Limited or its parent company, Miller Homes, as reported.
- Option 2 - To offer the site to an alternative developer.
- Option 3 - To remarket the site.
- Option 4 - To accept an offer from Barratt Homes at the reduced price of £9.12 million notified shortly before the Cabinet meeting.

**CHAIRMAN**