

EPHING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 6 February 2006

Place: Civic Offices, High Street, Epping **Time:** 7.00 - 10.55 pm

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

Other Councillors: Councillors Mrs D Borton, Mrs P Brooks, Mrs D Collins, J Hart, F Maclaine, R Morgan, Mrs M Sartin, B Scrutton, Councillor Mrs P Smith, D Stallan 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), A Hall (Head of Housing Services), D Macnab (Head of Leisure Services), R Palmer (Head of Finance), J Preston (Head of Planning and Economic Development), T Tidey (Head of Human Resources and Performance Management), C Crudgington (Environmental Services), P Pledger (Assistant Head of Housing Services (Property and Resources)), K Durrani (Environmental Services), I Willett (Head of Research and Democratic Services) and G J Woodhall (Democratic Services Officer)

Also in attendance D Cole and J Howard

PUBLICATION DATE:	7 March 2006
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DECISIONS TO TAKE EFFECT:	14 March 2005
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136. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor Mrs D Collins declared a personal interest in item (6) (Overview and Scrutiny) of the agenda, by virtue of being the Chairman of the Epping Forest Primary Care Trust. The Councillor had determined that her interest was not prejudicial and would remain in the meeting for the consideration of the item.

(b) Pursuant to the Council's Code of Member Conduct, Councillor Mrs C Pond declared a personal interest in item (8) (Loughton Broadway – Town Centre Enhancement Scheme) of the agenda, by virtue of being a member of Loughton Town Council. The Councillor had determined that her interest was not prejudicial and would remain in the meeting for the consideration of the item and voting thereon.

(c) Pursuant to the Council's Code of Member Conduct, Councillor M Heavens declared a personal interest in item (19) (Council Plan 2006 -2010) of the agenda, by virtue of being a member of the Buckhurst Hill Town Centre Partnership. The Councillor had determined that his interest was not prejudicial and would remain in the meeting for the consideration of the item and voting thereon.

(d) Pursuant to the Council's Code of Member Conduct, Councillor D Jacobs declared a personal interest in item (23) (Bansons (WRVS) Hall – Bansons Way, Chipping Ongar) of the agenda, by virtue of being a member of Ongar Town Council. The Councillor had determined that his interest was prejudicial and would leave the meeting for the consideration of the item and voting thereon.

(e) Pursuant to the Council's Code of Member Conduct, Councillor Mrs D Collins declared a personal interest in item (26) (Parking for Community Health Staff) of the agenda, by virtue of being the Chairman of the Epping Forest Primary Care Trust. The Councillor had determined that her interest was prejudicial and would leave the meeting for the consideration of the item.

(f) Pursuant to the Council's Code of Member Conduct, Councillor Mrs D Borton declared a personal interest in item (27) (A Parish Centre for Nazeing – An Opportunity to make Provision for Integrated Community Facilities) of the agenda, by virtue of being a member of Nazeing Parish Council. The Councillor had determined that her interest was not prejudicial and would remain in the meeting for the consideration of the item.

(g) Pursuant to the Council's Code of Member Conduct, Councillor D Stallan declared a personal interest in item (29) (South Herts Waste Management) of the agenda. The Councillor had determined that his interest was not prejudicial and would remain in the meeting for the consideration of the item.

137. MINUTES

RESOLVED:

That the minutes of the meeting held on 19 December 2005 be taken as read and signed by the Chairman as a correct record.

138. ORDER OF BUSINESS

The Leader of the Council requested that the Cabinet consider item (18) of the agenda (Council Budgets 2006/07) at the end of the meeting in order to permit consideration of further items of business that would affect the final budget.

RESOLVED:

That item (18) (Council Budgets 2006/07) be considered as the last item of business before the exclusion of the public and press.

139. ANY OTHER BUSINESS

(a) Additional Funding for Graffiti Removal (C/121/2005-06)

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 Deputy Leader of the Council, in the absence of the Leader, had permitted consideration of this item in order to allow the Council's Budget for 2006/07 to be finalised and agreed.

The Community Wellbeing Portfolio Holder presented a report concerning additional funding for Graffiti Removal. The Portfolio Holder stated that the removal of graffiti was an important service for the local community, however the level of demand from the public for the service had been high and the budget of £20,000 had been exhausted by November 2005, which had resulted in the suspension of the service.

The Portfolio Holder informed the Cabinet that if the budget were increased to £40,000 per annum then the service would be able to remain operational throughout the whole of the 2006/07 municipal year.

The Cabinet were concerned that they had not been informed of the suspension of the service. The Joint Chief Executive (Community) reiterated that under the current budget, the service had been suspended every year due to lack of funds. In light of the importance of the service to the community, the Cabinet felt that a supplementary CSB estimate should be sought from the Council to enable the service to restart as soon as possible.

RESOLVED:

- (1) That, in order to enhance the Graffiti Removal Service within the District, a CSB growth bid be made in the sum of £20,000 from 2006/07 onwards; and
- (2) That, in order to resume the Graffiti Removal Service during 2005/06, a supplementary CSB estimate in the sum of £8,000 be recommended to the Council for approval.

Statement in Support of Recommended Action:

Street Scene was an important government and local priority, and the only way in which it was possible to maintain the Council's current level of performance throughout the whole financial year was to provide additional resources. The Standing Scrutiny Panel on Planning and the Environment recognised the need for the Council to remain pro-active in dealing with such matters, including the use where appropriate of new enforcement powers and the need to properly resource services of this nature.

Other Options Considered and Rejected:

The only alternative options were: to increase funding but by a lesser amount; to maintain existing funding but reduce service levels so that only offensive or racially motivated graffiti was dealt with; or to maintain the existing funding and service levels resulting in an inability to provide the service over a full year.

140. REPORTS OF PORTFOLIO HOLDERS

There were no oral Portfolio Holder reports for consideration at the meeting.

141. OVERVIEW AND SCRUTINY

The Chairman of the Overview and Scrutiny Committee provided the Cabinet with an update on their recent activities. The Chairman stated that she had declared a personal interest in the reorganisation of Primary Care Trusts within Essex and had vacated the chair for that item and had not taken part in the debate but had addressed the Committee in her capacity as Chairman of the Epping Forest Primary Care Trust. The Committee had recommended that the fourth option considered, five Primary Care Trusts for Essex and Epping Forest amalgamating with Harlow and Uttlesford, would provide the best level of care for residents within the District. However, Essex County Council had recommended that there should only be two Primary Care Trusts within the County.

The Cabinet were also informed that it had been agreed for the Constitutional Affairs Standing Scrutiny Panel to undertake a review of the Area Planning Sub-Committees, in order to balance out the amount of business that each Sub-Committee dealt with. The Overview and Scrutiny Committee was also about to undertake a consultation with DEFRA on incineration. Finally, it was stated that the Overview and Scrutiny Committee required further items for inclusion on the Scrutiny work programme for the 2006/07 municipal year.

142. BOBBINGWORTH TIP - LANDFILL REMEDIATION PROJECT

The Cabinet received a short presentation from Cleanaway, the contractor appointed by the Council, on their proposed solution for the Landfill Remediation Project at Bobbingworth Tip in Moreton. The Portfolio Holder for Environmental Protection thanked Cleanaway for their presentation before presenting a report. The Portfolio Holder reminded the Cabinet that the Council had a duty to deal with the polluting effects of the former landfill site at Bobbingworth Tip in Moreton, and had signed a contract with Cleanaway in May 2005 to undertake works to deal with the leachate.

The Portfolio Holder stated that Cleanaway had developed a design that had addressed both remediation and restoration of the site. To treat the leachate that was drained from the site and discharged to the Moreton Sewerage Treatment works, it was proposed to install a reed bed to reduce the concentration of iron in the leachate, and an aeration plant to remove the dissolved methane. To restore the surface of the site, it was proposed to bury contaminated material from the northern part of the site in the southern part, and cover the site with clean soils. This would allow for future public access over the whole site and the surface would be regraded to match the surrounding countryside. Leachate was also leaving the site via surface and subsurface pathways, and contaminating the Cripsey Brook as well as land to the north and east of the site. It was proposed to construct a subterranean barrier on the eastern boundary of the site to prevent sub-surface migration of leachate. Groundwater flowing from the site from the west would be interrupted and pumped to the eastern surface drains for discharge. The site surface would also be engineered to minimise leachate generation through infiltration.

The Portfolio Holder further added that Atkins Consultants Ltd had been appointed by the Council to provide independent advice on the design and costs proposals put forward by Cleanaway. They had concluded that the proposed design offered a good solution to the former landfill site that would minimise the Council's future risk of liability and provide a safe and attractive environment for local residents. They were also satisfied that the estimated budget for the project was realistic, but advised that it would also be prudent to allow for a contingency sum as well. The capital cost of the project was now estimated to be £1.35million, including a £250,000 contingency fund, and therefore an additional sum of £920,000 was required to implement the proposed solution. The Head of Finance reported that the CSB growth bids sought for the ongoing maintenance and management of the site had been revised to: £7,000 CSB growth and £4,000 DDF growth for 2008/09; £1,000 DDF growth for 2009/10; and no further monies required from 2010 onwards.

The Cabinet generally felt that this was the best solution to improve the site and make it suitable for public use. The Leader of the Council queried the size of the contingency that had been allowed for, but the Engineering Services Manager responded that the Council had simply followed the advice of the independent surveyors. The Engineering Services Manager further added that it was intended to start the project after April 2005, and that a more detailed report would be forthcoming at the April meeting of the Cabinet.

RESOLVED:

- (1) That the conclusions of the design stage associated with the Capital project for the remediation and restoration of the Bobbingworth Landfill site be noted;
- (2) That the views of Atkins, the specialist consultants engaged to advise the Council on the suitability of the design solution in terms of risk minimisation, be noted;
- (3) That the Head of Environmental Services be authorised to agree a target price of not more than £1.35 Million for Capital works;
- (4) That the action of officers in submitting a planning application to enable works to commence during 2006 be endorsed;
- (5) That a Supplementary Capital Estimate in the sum of £920,000 (which includes £670,000 for works and £250,000 for contingencies, unforeseen and professional fees) be recommended to the Council for approval; and
- (6) That, for the ongoing maintenance and management of the site, CSB growth bids be made in the sums of:
 - (a) £11,100 for 2007/08; and
 - (b) £7,000 for 2008/09;
- (7) That, for the ongoing maintenance and management of the site, DDF growth bids be made in the sums of:
 - (a) £4,000 for 2008/09; and
 - (b) £1,000 for 2009/10.

Reasons for Decision:

The Council had awarded a contract for the remediation of Bobbingworth Tip in order to manage the leachate and its effect upon the local environment after considering options over an extended period and it was now essential that the project be moved forward. The decisions, in conjunction with earlier decisions, had enabled a mechanism for the successful management of the tip itself and the inherent risks.

Other Options Considered and Rejected:

It was possible to fit a solution within the current budget allocations, however this would not achieve the project objectives as set out and as approved by the Cabinet earlier. Doing nothing could not be recommended.

143. LOUGHTON BROADWAY - TOWN CENTRE ENHANCEMENT SCHEME

The Cabinet received a short presentation from Robert West Consulting on the outcome of the Design Guide Review for the Loughton Broadway Town Centre Enhancement Scheme. The Portfolio Holder for Planning and Economic Development thanked Robert West for their presentation before presenting a report. The Portfolio Holder reminded the Cabinet that it had been agreed in June 2005 to undertake a phase I enhancement scheme for Loughton Broadway, in accordance with the original 1998 Design Guide, and that the Steering and Focus Groups should consider the details of the scheme and report back to the Cabinet.

The Portfolio Holder informed the Cabinet that the Steering and Focus Groups had completed its work in November 2005, and the scheme thus proposed reflected the original 1998 design. The Steering Group had also identified some additional works for consideration by the Cabinet: demolition of the garages in Vere Road at an estimated cost of £10,000; the provision of a traditional public convenience at an estimated cost of £100,000; and extended CCTV and Lighting to include the alleyway that linked Burton Road and Torrington Drive with Debden Underground Station, at an estimated cost of £10,000.

In respect of car parking in the area, the Portfolio Holder reported that due to extensive use of the current free parking by commuters, who should be in the nearby Debden station car park, the Focus and Steering Groups agreed that a pay-and-display regime would provide the most effective method of control to ensure that on and off-street parking was available to those who wished to visit the Broadway. It would be necessary to make provision for residents and business users of the Broadway through a permit scheme, and also to undertake a wider parking review of the area in order to ensure that other local roads were not adversely affected. If a pay-and-display regime were to be implemented then consideration would need to be given to the management of the Burton and Vere Road car parks. It was felt that the best approach would be to retain the car parks within the Housing Revenue Account (HRA) but that they should be managed by Environmental Services on behalf of the HRA subject to a suitable fee.

With regards to the contract procurement, the Portfolio Holder informed the Cabinet that a 'Design and Build' process, using either Gabriels or another contractor to design, deliver and supervise the scheme, would be the preferred option. However, this approach would require a Section 278 agreement with Essex County Council in order to protect its interests in respect of the detailed design and supervision of the scheme, and the Cabinet would also have to agree to waive Contract Standing Orders. The Portfolio Holder further added that a Planning Supervisor would have to be appointed to comply with the CDM regulations, and commended the appointment of RSK Shear to the Cabinet. Whichever option was chosen, the Council would need to demonstrate that it had obtained best value.

Finally, the Portfolio Holder reported that Robert West Consulting had revised the original estimate of £2.5million to £2.87million. If the Cabinet were minded to agree to the additional works proposed by the Focus and Steering Groups in respect of the garages at Vere Road and the extension of CCTV and lighting, then the final estimate would be in the region of £2.89million. The Portfolio Holder concluded that the plan had been produced in close consultation with the local council and town centre partnership, and commended the scheme to the Cabinet.

The Cabinet were broadly in agreement with the scheme as presented. Concerning the additional works requested by the Focus and Steering Groups, the Cabinet were in favour of the extension of CCTV and lighting but firmly rejected the idea of providing a traditional Public Convenience within the Broadway. For the garages at Vere Road, the Portfolio Holder reported that refurbishment would cost approximately £70,000 whereas demolition would cost approximately £10,000. However, there were complications with demolition because of the existing leases and the Council was unsure of the precise uses of the garages. There would be compensation costs involved if the Cabinet agreed to demolish the garages. The Cabinet noted that £150,000 had been allocated for statutory utility diversions and were informed that all the utility companies had been approached in order to produce a composite plan of the area.

RESOLVED:

- (1) That the outcomes of the Loughton Broadway Town Centre Enhancement Steering and Focus Groups be agreed;
- (2) That, including the proposals for parking, the existing Loughton Broadway Town Centre Design Guide be revised;
- (3) That Capital Provision be increased from £2.5million to £2.89million and a report be made to Council;
- (4) That the following additional works requested by the Broadway Steering and Focus Groups be agreed:
 - (a) Demolition of garages in Vere Road; and
 - (b) Extension of CCTV to include the alleyway between Burton Road/Torrington Drive and Debden underground station;
- (5) That, using either Gabriels or another contractor, a 'design and build' procurement method be utilised;
- (6) That, subject to achieving Best Value and a further report to Cabinet, the appropriate Contract Standing Orders be waived in accordance with Contract Standing Order C10 relating to the appointment of:
 - (a) RSK Shear as the Planning Supervisor; and
 - (b) A contractor and support consultants to design, deliver and supervise the scheme;
- (7) That, in respect of the works in the Broadway, a Section 278 agreement be entered into with Essex County Council; and
- (8) That the Burton Road and Vere Road car parks be:
 - (a) Retained within the Housing Revenue Account; and
 - (b) Managed through a management agreement between Housing Services and Environmental Services.

Reasons for Decision:

Members and the local community were keen to see works on The Broadway proceed as soon as possible, however EU procurement rules and the Council's own contract standing orders placed restrictions upon the Council's ability to procure the scheme quickly. The Council was also under external scrutiny to demonstrate value for money and if it chose to set aside contract standing orders it must clearly establish and set out the reasons for so doing. EU procurement rules could also not be ignored.

The speediest procurement result could be obtained through a 'Design and Build' method with the appointment of Gabriels to undertake the scheme. However, this would require that Contract Standing Orders be set aside and the following issues could be considered as part of that justification:

- That the works were of a specialist nature and there was benefit in extending an existing relationship with a contractor into a new scheme;
- 'Design and Build' enabled the selected contractor a high degree of autonomy over scheme design and delivery, which should produce effective cost and time management;
- Value for money could be demonstrated by virtue of the success of this contractor in winning earlier tendered Town Centre Enhancement schemes and their successful delivery of these schemes; and
- The time delays involved in a full tendering process might result in increased costs through construction cost inflation.

However, it should be noted that, in terms of being able to positively demonstrate that value for money had been obtained from the procurement process, a 'Design and Build' procurement method was less certain in this regard than the procurement method utilised for previous Town Centre Enhancement Schemes.

Other Options Considered and Rejected:

Other options that were considered and rejected included: to procure the scheme using one of the other processes set out in the report; to procure the scheme using one of the other processes set out in the report but with additions or deletions to the scheme; or to not procure the scheme at this time. In respect of the HRA car parking options, there were none other than those set out in the report.

144. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 12 DECEMBER 2005

The Finance and Performance Management Portfolio Holder presented the minutes of the Finance and Performance Management Cabinet Committee, held on 12 December 2005. The only item highlighted for consideration by the Cabinet was Risk Management.

RESOLVED:

- (1) That the work undertaken on embedding Risk Management be noted;
- (2) That, at a cost of £4,000, the proposal from Zurich Municipal for the involvement of members in the production of an updated Strategic Risk Register be approved;
- (3) That the following Members be appointed to attend Risk Management training:
 - (a) All members of the Cabinet;
 - (b) Chairman of Overview and Scrutiny Committee; and
 - (c) Chairmen of two of the Overview and Scrutiny Standing Committees; and
- (4) That J White of Zurich Municipal be thanked for attending the meeting.

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 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.

145. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 11 JANUARY 2006

The Finance and Performance Management Portfolio Holder presented the minutes of the Finance and Performance Management Cabinet Committee, held on 11 January 2006. The only item highlighted for consideration by the Cabinet was the Revised Four-Year Forecast for the Budget.

RESOLVED:

- (1) That the revised Four-Year Forecast be agreed;
- (2) That, for the next four years, the District Council Tax be increased in line with the Retail Prices Index only;
- (3) That the potential for growth in future budgets be considered in due course, with regard to the Council Plan for 2006-2010; and
- (4) That, if unspent at the end of a financial year, DDF provision be no longer carried forward, and Portfolio Holders be required to re-bid for an allocation if they still wish to pursue an uncompleted matter.

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 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.

146. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 31 JANUARY 2006

The Finance and Performance Management Portfolio Holder presented the minutes of the Finance and Performance Management Cabinet Committee, held on 31 January 2006. Two items were highlighted for consideration by the Cabinet: the quarterly Audit reports; and the Council Budgets for 2006/07.

RESOLVED:

(a) Internal Audit Monitoring Report – October/December 2005 and Work Plan – January/March 2006

- (1) That the reports issued and significant findings between October and December 2005 be noted;
- (2) That the Audit Follow Up Status Report and System Improvement Schedule be noted;
- (3) That the Work Plan for January to March 2006 be noted; and
- (4) That the 2005/06 Audit Plan Status Report be noted.

(b) Council Budgets 2006/07

- (5) That the Council's 2006/07 General Fund Budgets be noted;
- (6) That, including the revised estimates for 2005/06, the 2006/07 Housing Revenue Account Budget be agreed;
- (7) That the intention to apply rent increases and decreases for 2006/07 in accordance with the Government's Rent Reforms and the Council's Approved Rent strategy be noted;
- (8) That the increase in deficiency payments to the Pension be capitalised again in accordance with the Capitalisation Direction request made to the Office of the Deputy Prime Minister;
- (9) That the Council's Prudential Indicators and Treasury Management Strategy for 2006/07 be agreed; and
- (10) That the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2006/07 Budgets and the adequacy of the reserves 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 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.

147. EPPING FOREST HOMESTART - UNIT 36, OAKWOOD HILL INDUSTRIAL ESTATE, LOUGHTON

The Finance and Performance Management Portfolio Holder presented a report regarding Epping Forest Homestart at Unit 36, Oakwood Hill Industrial Estate, Loughton. The Portfolio Holder reminded the Cabinet that in 1998, the Council had agreed to lease Unit 36 of the Oakwood Hill Industrial Estate to Epping Forest Homestart at a concessionary rental of £2,500 per annum. However, this decision

had contravened the Council's established policy to let all commercial premises at full market value, with any agreed concession made up via the Grant Aid budget. In 2002, the lease was renewed for a further four years at an increased rental of £7,700 per annum; £2,500 paid by Homestart itself with the balance of £5,200 covered by the Grant Aid budget.

The Portfolio Holder stated that the lease was now due for renewal again, and the market value of the unit had been assessed at £10,250 per annum. Thus, it was proposed that Homestart would continue to pay the concessionary rate of £2,500 per annum with the balance made up by the Grant Aid budget, and that the lease period be extended to eight years in order to give Epping Forest Homestart additional financial security. The Cabinet were further informed that the Epping Forest Primary Care Trust had also been providing assistance and support.

RESOLVED:

- (1) That, with effect from July 2006, the lease granted to Epping Forest Homestart be renewed for a further period of 8 years subject to a rent review and tenant's break clause at the end of the fourth year;
- (2) That a grant equivalent to the difference between the full rental value (£10,250) and the concessionary rent (£2,500) be agreed; and
- (3) That a CSB Growth bid in the sum of £2,550 be made for 2006/07 in respect of the additional market rental foregone by way of grant to Epping Forest Homestart.

Reasons for Decision:

The District Council had long recognised the valuable role performed by Homestart and had had a service level agreement with the organisation for a number of years, with the current agreement running to the end of the 2006/07 financial year. In addition, Homestart Epping Forest had received core funding from Social Services, but even with grant aid support from Epping Forest District Council, it had not been enough to meet their needs.

Other Options Considered and Rejected:

The other options for action were to require a market rental for the grant of a new lease, or terminate the lease at the end of the contractual term (July 2006) and offer the premises to let on the open market.

148. CENTRAL SUPPORT COSTS - 2006/07 BUDGET

The Finance and Performance Management Portfolio Holder presented a report about the central support costs within the 2006/07 budget. The Portfolio Holder stated that following the Highways Agency transferring back to Essex County Council, and the externalisation of the management of the Leisure facilities, support service costs had to be reduced. Five of the Council's service areas were affected: Finance; Human Resources and Performance Management; Internal Audit; Legal, Administration and Estates; and Research and Democratic Services.

In Finance, it was proposed to delete the vacant post of Exchequer Services Manager, which would save £35,100, but retain £10,000 of the savings to fund temporary staff to deal with peak workloads. In addition, the Senior Pay Officer would be subject to a voluntary redundancy and replaced by a new part-time Senior Pay

Officer post, resourced from within the existing staff whose previous post would then be deleted. The total CSB saving for Finance would amount to £54,800, although it would be necessary to incur a DDF cost of £42,000 to achieve this.

In Human Resources and Performance Management, one of the Human Resources Consultants had requested voluntary redundancy, which would incur a cost of £14,000. This would produce a CSB saving of £47,080, but it had been proposed to retain £27,080 in order to fund a restructuring within the department. In the Internal Audit Unit, it had been proposed to delete the vacant Audit Assistant post, which would save £17,400, but retain £8,700 within the unit to fund the use of consultants.

In Legal, Administration and Estates, it was proposed to delete the part-time post of Clerical Assistant (Part-Time) in March 2006 when the current holder retired, as well as the vacant part-time post of Word Processor Operator to give a total CSB saving of £17,800. Finally, in Research and Democratic Services, it had been proposed to delete the vacant Scrutiny Support Officer following the appointment of a second Democratic Services Officer to give a CSB saving of £30,800. However, £15,000 would be retained within the service to fund a limited restructuring in 2006.

RESOLVED:

- (1) That the proposals put forward by each support service be endorsed;
- (2) That, following the loss of the Highways Agency and the externalisation of leisure management, a CSB saving of £114,100 in respect of central support costs be included in the 2006/07 budget; and
- (3) That, to allow for any costs of re-organisations, a bid for DDF growth in the sum of £56,000 be made for the 2006/07 budget.

Reasons for Decision:

The budget and Council Tax needed to be realistically set and so in the knowledge that a re-organisation of support services would occur during 2006/07, the savings that would arise from this should be reflected in the budget.

Other Options Considered and Rejected:

To increase or reduce either the savings or costs suggested.

149. PRINCIPAL ORDINARY WATERCOURSES AND FLOOD DEFENCE ASSETS - ALLOCATION OF FUNDING FOR REMEDIAL WORKS

The Civil Engineering and Maintenance Portfolio Holder presented a report on the allocation of funding for remedial works to principal ordinary watercourses and flood defence assets. The Portfolio Holder reminded the Cabinet that £451,000 had been allocated within the Capital Programme for the flood alleviation schemes at: Cobbins Brook in Waltham Abbey; Nazeing Brook in Nazeing; Boxted Close in Buckhurst Hill; and Hillmans Cottages in Abridge. Following investigations by the Council and the Environment Agency, it became apparent that only the scheme in Waltham Abbey would be progressed, thus it had been proposed that the existing Capital provision be reduced to £200,000 and be utilised for the flood alleviation schemes that were the responsibility of the Council. Following the transfer of responsibility for the critical ordinary watercourses to the Environment Agency, due to be completed by 1 April 2006, the Council would retain responsibility for the five flood relief watercourses that were on Council land, twelve flood relief watercourses constructed by the Council on

third party land, as well as a further twelve flood alleviation schemes and associated watercourses for which responsibility was not being transferred to the Environment Agency. However, in order to comply with CIPFA accounting rules, it had also been proposed to allocate a further £290,000 of DDF revenue to carry out the initial investigative works for these schemes.

The Portfolio Holder reminded the Cabinet that the flood alleviation scheme in respect of Hillmans Cottages at Abridge was in connection with the Roding River, which was a critical ordinary watercourse, for which responsibility had been transferred from the Council to the Environment Agency. Hence, the Council would no longer make capital provision for this particular scheme. However, the Environment Agency had indicated that it would continue to seek funding for the scheme, and that there was also the possibility for some flood relief through the River Roding Risk Management Strategy, which would be formalised by the Environment Agency in 2007.

RESOLVED:

- (1) That the status of the four flood alleviation schemes in the District, for which a sum of £451,000 has been set aside in the capital programme, be noted:
 - (a) Cobbins Brook at Waltham Abbey;
 - (b) Nazeing Brook at Nazeing;
 - (c) Boxted Close at Buckhurst Hill; and
 - (d) Hillmans Cottages at Abridge;
- (2) That the existing capital allocation of £451,000 be reduced to £200,000;
- (3) That a bid for DDF growth in the sum of £290,000 be approved for the inspection, rehabilitation and reinstatement to original condition of those flood relief schemes and assets:
 - (a) On Council land;
 - (b) Constructed by the Council on third party land; and
 - (c) For the 12 flood alleviation schemes that were built by the Council; and
- (4) That the revised capital allocation of £200,000 be utilised for any works arising as a result of the inspections.

Reasons for Decision:

Due to the higher priority assigned to the maintenance of the critical ordinary watercourses and their associated flood alleviation schemes, principal ordinary watercourses had been historically assigned lower priorities and had been managed on a reactive rather than proactive basis. Now that the critical ordinary watercourses had been taken over by the Environment Agency, the Council had the opportunity to assign a higher priority to those principal ordinary watercourses which were within

the Council's direct ownership or which it had constructed and which represented the highest risk of flooding to its residents.

As a riparian owner or having constructed schemes on private land, the Council could be liable for any injury, damage or increased risk of flooding to members of the public, due to lack of repair and maintenance of the flood relief structures and associated assets. The current levels of risk to the Council in respect of the identified principal ordinary watercourses were considered to be significant.

Other Options Considered and Rejected:

To do nothing, but in the event of flooding or any other incident resulting from a lack of maintenance, this could render the Council liable if it was found to be negligent, specially since some of these assets were either constructed by the Council or were located on Council owned land.

To carry out work on all ordinary watercourses, including those on third party land, however this would be a very costly exercise and furthermore it would send the wrong message that the Council was responsible for the maintenance of all watercourses.

150. ELECTORAL ADMINISTRATION BILL

The People First Portfolio Holder presented a report on the Electoral Administration Bill. The Government intended to make the Electoral Administration Bill and Regulations law before the May 2006 elections, in order to effect the following changes:

- Polling Day hours to be 7.00 a.m. until 10.00 p.m. for all elections;
- The receipt of all postal and proxy votes to be confirmed in writing; and
- Transfer duties concerning the return of electoral registration forms to the Electoral Registration Officer.

The Portfolio Holder further added that in order to meet the costs incurred by these changes, an extra £20,00 had been added to the Council's provisional grant settlement for 2006/07, but the Department of Constitutional Affairs had stipulated that these monies could only be used for this express purpose. A sum of £2,000 had been added to the growth list as a result of the Bill's likely assent, however this sum now needed to be substituted by the granted £20,000.

RESOLVED:

That a CSB growth bid for 2006/7 in the sum of £20,000 be substituted for the listed item of £2,000 in respect of the implementation of the Electoral Administration Bill and Regulations, which are currently before Parliament prior to the May 2006 elections.

Reasons for Decision:

As the Government had made specific provision in the provisional grant settlement for the cost of implementing the Bill, the sum should be shown in the electoral budget. This would meet the Department of Constitutional Affairs' requirement that this grant provision would not be utilised for other purposes.

Other Options Considered and Rejected:

The only other option would be to leave the CSB growth item at its present level (£2,000) and update the actual costs after the May elections as a supplementary estimate. However, this was an untidy process and it would be preferable to ensure that the budget for 2006/7 reflected the actual position from the outset.

151. SPRINGFIELDS IMPROVEMENT SCHEME

The Housing Portfolio Holder presented a report concerning the Springfields Improvement Scheme. The Portfolio Holder reminded the Cabinet that it had been agreed in November 2004 to undertake a major improvement scheme at Springfields in Waltham Abbey and that a budget of £4million had been agreed within the Housing Capital Programme. It had also been agreed that a consultation exercise with local residents should be undertaken, and the results used to undertake a Feasibility Study. An initial survey had been carried out in January 2005, and the main issues highlighted were: rubbish disposal; condensation; heating; water ingress; communal lighting; and external appearance. In addition, parking was identified as being in need of improvement, and the majority of residents stated that there were areas of the estate where they felt unsafe.

The Portfolio Holder reported that the Feasibility Study had resulted in 19 proposed design options being identified. The Council had appointed Stace as Consultant Quantity Surveyors, who had advised that a scheme involving all 19 proposals would cost in excess of the agreed £4million budget. The Council had also appointed consultants Beha Williams Norman to undertake a detailed financial analysis to compare the cost of the Council undertaking the works with the costs of undertaking the works through a small-scale stock transfer to a Registered Social Landlord. They had concluded that the retention option was more financially viable for the Council than the stock transfer option.

The Portfolio Holder further added that there were 9 leaseholders within the blocks planned for improvement that had a financial liability towards the costs of the improvements under the terms of their leases. Their contributions had been calculated and found to be considerable, ranging from £27,000 to £55,000, and would almost certainly lead to the individuals concerned having to re-mortgage their properties. Following consultations with other local authorities who had undertaken similar schemes, four options for action had been identified: offer leaseholders a loan to spread payments over a number of years; cap the contribution from leaseholders; not charge leaseholders but impose a charge on the property to recover the costs when the property was sold; or the Council buy back the properties from the leaseholders. Following individual interviews with the leaseholders, the majority had indicated a preference for the Council to buy back their property. The Head of Housing Services confirmed that any leaseholders that reverted to tenants would have the right to buy their property, however the amount of their discount entitlement would be reduced by the amount of any previous discount given to them as tenants.

Thus, it had been proposed to make provision in the Housing Capital Programme and negotiate to buy back each of the properties, subject to an independent valuation by the Valuation Office, and offer each tenant the opportunity to become a secure tenant, in which case the purchase price would be reduced. If leaseholders elected not to sell their property back to the Council then the full cost of their proportion of the works should be recovered, with the offer of a loan payable over a maximum 10-year period. In addition, the opportunity would be taken to perform a number of other improvements in line with the ongoing Decent Homes programme. The Head of Planning and Economic Development had also been consulted, as some of the proposed works would require planning permission, and had indicated that any such planning application would be supported.

The Portfolio Holder reported that the Council had considered various different forms of contract for the scheme, and had also taken advice from the Council's Consultant Quantity Surveyors, before concluding that one contract for the whole scheme based on a standard JCT Partnering Agreement would be the best option in the circumstances.

Finally, the Portfolio Holder informed the Cabinet that the Council's two consultants, John Pryke and Partners and Stace, had charged £35,927 and £5,000 respectively for their services on the scheme to date. The services provided by both had been extremely thorough, and extensive knowledge and expertise of the project had been gained by both of them. Thus, it was proposed that Contract Standing Orders be waived in order to authorise the Head of Environmental Services to negotiate with both parties over their professional fees for the remainder of the project, with a further report to the Cabinet on the outcome at a later date. The Portfolio Holder reiterated that if acceptable terms could not be agreed in order for the Council to obtain value for money, then a formal tendering process would be undertaken.

RESOLVED:

(1) That an improvement scheme at Springfields, Waltham Abbey be undertaken, based on the menu of improvements recommended by the Project Team, following extensive consultation, as listed out below in the estimated sum of £4,033,000 inclusive of fees, as estimated by the Council's Consultant Quantity Surveyors:

- Over-pitched roof;
- Overcladding;
- Repairs to the existing structure;
- Improvements to the existing staircases, ramps and walkways;
- Boiler replacement;
- Windows, doors and cladding panels;
- Refuse arrangements;
- Drainage;
- Undercroft;
- Garage/Undercroft entrance areas;
- External lighting;
- Communications; and
- Parking;

(2) That in view of the high leaseholder contributions and potential effect on the scheme, the Council offers to negotiate with each of the leaseholders to buy back their property, subject to a valuation undertaken by the Valuation Office;

(3) That leaseholders be given the option to remain in occupation after the sale and be given a secure tenancy, and that this be reflected in the valuation;

(4) That, where leaseholders elect not to sell their property back to the Council, the full cost of their proportion of the works be recovered in line with leasehold legislation, and an offer of a loan be made, payable over a maximum 10-year period in line with regulations;

(5) That, in order to purchase up to 6 leasehold properties where the leaseholders had indicated a preference for the Council to buy back their

property, additional budget provision in the sum of £550,000 within the HRA Capital Programme for 2006/07 be recommended to the Council for approval;

(6) That, as part of the tender evaluation process, a representative of the Residents' Focus Group be invited to attend contractor interviews and their views be taken into consideration when appointing the contractor to undertake the works;

(7) That the form of contract for the works be based on a standard JCT Partnering Contract, and that there be one contract let for the whole of the works;

(8) That the position in relation to professional fees up to and including the feasibility study, in connection with Structural Engineering Services, Cost Planning and Quantity Surveying Services be noted;

(9) That Contract Standing Orders C5, C6 and C11 be waived in respect of seeking quotations for works in connection with Structural Engineering Services, Planning Supervisor and Quantity Surveying Services, and that the Head of Environmental Services be authorised to negotiate with John Pryke & Partners and the Council's Partnered Consultants, Stace, over their charges for their future professional fees, and that their fees be reported to the Cabinet at a later date for information, along with the tender report when completed; and

(10) That, based on the menu of works listed in Resolution (1), a planning application be submitted by the Head of Environmental Services.

Reason for Decision:

The resolutions had been derived from the outcomes of each option appraisal and consultation process, and focussed on the opportunity to deliver a comprehensive improvement scheme which would ensure the properties met the Decent Homes Standard at an affordable cost to the Council.

Other Options Considered and Rejected:

To perform some or none of the recommended improvements. To agree upon a different form of contract to undertake the works. To not offer to buy back the properties of residents in order to progress works. To undertake the improvement scheme through a small-scale stock transfer.

152. LEISURE SERVICES - INTERIM RESTRUCTURE

The Leisure Portfolio Holder presented a report on an interim restructure for Leisure Services. The Portfolio Holder reminded the Cabinet that the Council did not have a statutory duty to provide leisure and cultural opportunities, however the Council did play an important role by meeting gaps in the provision by others. In recent years, there had also been considerable success in generating external funding, thereby increasing access to local leisure and cultural opportunities. Thus, Leisure Services now comprised a number of service areas that provided a wide range of Leisure and Cultural opportunities over extended opening hours in several sites across the District. As a result, the service was staff intensive, however, the externalisation of the Council's Leisure Facility management took place on 4 January 2006 and 104

Full-Time Equivalent (FTE) posts transferred to Sports and Leisure Management in accordance with TUPE legislation. These posts would now require deletion from the Leisure Services Establishment list, including the administrative posts that handled the Leisure Centre Membership Scheme as well as the collection of direct debits for users of the gymnasiums.

The Portfolio Holder stated that there was a short-term need to develop a revised interim structure for Leisure Services to be able to respond to the new operational management of the Leisure Facilities, as well as the issues that currently faced the service. In respect of Waltham Abbey Sports Centre, the Dual Use Agreement with King Harold School was shortly due to expire. As this centre was not tendered as part of the Leisure Management Contract, the centre would remain directly managed by the Council until its future was determined. Thus, it was proposed to extend the role of the Leisure Development Manager to undertake the supervision of this centre, delete the existing Supervisor's post, upgrade the Administration Officer to a full-time post, and re-designate the part-time Bar Person as a Leisure Attendant in order to increase flexibility at the Centre.

With regard to North Weald Airfield, a new Airfield Manager had recently been appointed and had concluded that an additional Duty Officer post would be required to cover the extended opening hours. This would be cost neutral, given the current levels of overtime incurred to provide the necessary cover. In Grounds Maintenance, the Assistant Area Manager's post was currently vacant, and it was proposed to re-designate this post as an Assistant Arboriculture Officer post in order to handle the increased volume of tree-related work. Following the externalisation of the Council's Leisure Facilities, the contractor had sole responsibility for ICT within the Leisure Centres. The Council had now isolated the Leisure Centres from its network and thus it was felt that the Assistant Leisure Systems Officer post could be deleted from the establishment.

In respect of marketing and events, it had been proposed to delete the temporary Production Assistant post, and following a review of duties, to re-designate the Assistant Marketing Manager's Post as the Marketing and Events Assistant. Again, this had been as a result of the externalisation of the Council's Leisure Facilities. In Community and Culture Services, the Assistant Head's post had been vacant since 2000. In the intervening period, the Section Heads had reported directly to the Head of Service and undertaken extra responsibility, which had made them eligible for an additional payment. However, the Head of Leisure Services felt that the long-term solution would be to appoint a Community and Cultural Services Manager in order to resolve the issues facing the service. To fund this post, it was proposed to utilise the savings from the deletion of the existing Liaison Officer's post as well as re-allocating the additional payments for the Section Heads.

The Portfolio Holder stated that the Young's Persons Officer post had been vacant for almost two years now, and had been reviewed by the Young Person's Task and Finish Scrutiny Panel. They had recommended that the role be refocused to engage young people in the democratic process, promote citizenship and the work of local Youth Councils. As a result, the job description was being revised, pending job evaluation, but it was felt that the

post should be relocated from Community Leisure and managed by the Community and Cultural Services Manager. The Portfolio Holder also highlighted that the external contractor for the Council's Leisure Facilities had a charitable arm called "Community Leisure". Thus, to avoid any confusion, it had been suggested that the Council's Community Leisure team be renamed Community Development.

In response to questions from the Cabinet, the Portfolio Holder reiterated that a report on the future management of Waltham Abbey Sports Centre would be forthcoming. The Head of Leisure Services added that it had taken 18 months to decide upon the future of Waltham Abbey Sports Centre, but that the School was now in a position to actively manage the facilities. Expenditure on Waltham Abbey Sports Centre had been reduced during previous budget rounds. The Head of Leisure Services confirmed that Community and Cultural Services would continue to seek external funding whilst additional CSB funding had been sought for the Young People's project.

RESOLVED:

- (1) That the Leisure Facility Staffing posts (105.15 FTE) transferred to the Leisure Management Contractor be formally deleted from the Leisure Services Establishment List;
- (2) That, as a result of Leisure Management Externalisation, the proposed Interim Staffing arrangements for Leisure Support Services be agreed, specifically that;
 - (a) In accordance with the re-organisation of Administration and Finance Support Functions, Administrative Posts LSS/07 and LSS/23 be deleted;
 - (b) Administrative Posts LSS/17 and LSS/18, which transferred under TUPE to SLM, be deleted from the Leisure Services Establishment List, as per Resolution (1) above;
 - (c) The Temporary Production Assistant post LSS/22TP be deleted; and
 - (d) The Assistant Leisure Services System Officer Post LLS/16 be deleted;
- (3) That, pending the outcome of discussions regarding the Centre's future, responsibility for the line management of Waltham Abbey Sports Centre be adopted by the Leisure Development Manager Post (LSS/01) after the end of the current Dual Use Agreement;
- (4) That the Supervisor's Post (WAS/05) be deleted and a new post of Leisure Attendant (24 hrs per week) be created at Waltham Abbey Sports Centre, and as a result of this action:
 - (a) The Administrative Officer post (WAS/09) be increased from 29 hrs to 36 hrs per week; and

- (b) The Bar Person post (WAS/18) (25.5 hrs per week) be re-designated Leisure Attendant to increase flexibility;
- (5) That, on an ongoing self-financing basis, an additional Duty Officer's post be created at North Weald Airfield from savings on overtime;
- (6) That the existing Assistant Area Grounds Maintenance Manager's Post (LPK/07) be re-designated on a cost neutral basis as Assistant Arboriculture Officer, in recognition of the increased volume of tree related work;
- (7) That the existing Assistant Marketing Manager's Post (LSS/21) be re-designated Marketing and Events Assistant;
- (8) That the existing Liaison Officer's Post (LSS12a/12b) be deleted and that the current funding for this post be re-allocated to the vacant Community and Culture Service Manager's post, (LHO/04), which is only partially funded, to enable an appointment to be made to this post;
- (9) That any shortfall in funding to the Community and Cultural Services Manager's post be met by the cessation of the additional responsibility payments, currently received by the Community and Culture Section Heads, which would no longer be required on the appointment of a new Line Manager;
- (10) That, pending the final conclusion of the Young Person's Task and Finish Panel, the Young Persons Officer post be re-focused and re-evaluated on the basis of the new Job Description, and a new reporting line established to the Community and Cultural Services Manager's Post;
- (11) That, to avoid any confusion with the charitable arm of the Leisure Management Contractors Company Structure, the Council's Community Leisure Service be re-titled Community Development;
- (12) That, in accordance with the Council's Maintenance Policy and as a result of the interim restructure, any other posts which might be considered to have undergone significant change be subject to Job Evaluation; and
- (13) That CSB savings in the sum of £65,800 be included in the Council's Budget Proposals for 2006/07.

Reasons for Decision:

The Staffing proposals, whilst not compromising any future Corporate Restructuring, would ensure that the Service Area was able to continue to deliver the Leisure Portfolio Key Aims and Objectives. Standards of service and performance should be retained and in areas improved through the proposed changes. In addition, the changes were projected to achieve a

reduction in CSB on Leisure Services salary costs of £65,800 per annum. This would be in addition to the savings already achieved through the outsourcing of the Leisure Centres.

Other Options Considered and Rejected:

That the proposed changes not be agreed and the current structure remain in place.

153. COUNCIL PLAN 2006 - 2010

The Finance and Performance Management Portfolio Holder presented a report on the draft Council Plan for 2006-10. The Portfolio Holder stated that the format of the Plan had been improved and that the targets within it were now more realistic and achievable. If agreed by the Cabinet, the Draft Council Plan would then be subject to consultation with residents, partner agencies and other organisations before adoption by the Council later in 2006.

The Chairman of Overview and Scrutiny informed the Cabinet that the draft Council Plan had been considered by the Overview and Scrutiny Committee and proceeded to suggest a number of amendments to the Action Plan, which the Cabinet confirmed, although some were dependent upon the results of the Housing Survey currently being undertaken by the Housing Scrutiny Panel, due for completion in March 2006. The Head of Human Resources and Performance Management reminded the Cabinet that the number of actions within the Plan had been reduced from 92 to 30, but that an executive summary could be produced if the Cabinet so desired.

RESOLVED:

- (1) That the content of the draft Council Plan for 2006 to 2010 be agreed for consultation purposes, subject to the following amendments to the Action Plan:
 - (a) GU2 – that the recycling target to be achieved by 2008/09 be increased from 36% to 40%;
 - (b) GU3b – that hits on the Museum website be included in the visitor figures;
 - (c) SC1 – that, subject to suitable additional funding, appropriate accreditation be sought for more than one car park per annum;
 - (d) SC2 – that performance monitoring of the Community Police Officers be included as well;
 - (e) SC3 – that performance monitoring of the Anti-Social Behaviour Order Officers be included as well;
 - (f) FL2 – that the description be amended to explain that the Beyond Suburbia project aimed to attract external funding;

- (g) EP2 – that Phases III and IV be included for completion by the end of 2007/08;
 - (h) EP5 – that the description be amended to state that the Council was working in partnership with Essex County Council;
 - (i) EP6 – that Town Centre Partnerships be replaced with Business Forums;
 - (j) IP3 – that top quartile performance be not only achieved but maintained as well; and
 - (k) IP5 – that the Key Performance Indicators be reviewed by the Overview and Scrutiny Committee;
- (2) That the following amendments also be made to the Action Plan for the draft Council Plan 2006 to 2010, pending the completion of the Housing Survey by the Housing Scrutiny Panel:
- (a) HN1 – that the number of affordable homes approved within the District be increased from twenty; and
 - (b) HN4a – that the Grant provision be increased from £200,000 per annum.

Reasons for Decision:

To identify the Council's key priorities for 2006 to 2010, and to address an area for improvement identified in the Council's first Comprehensive Performance Assessment (CPA) in 2004, in preparation for the next round of second-tier CPA due to commence during 2006/07.

Other Options Considered and Rejected:

No other options were considered as the Council was expected to identify its key priorities and the content of the previous Council Plan had been highlighted as a weakness in the first round of second-tier Comprehensive Performance Assessments.

154. SUMMARY BEST VALUE PERFORMANCE PLAN - 2006/07

The Finance and Performance Management Portfolio Holder presented a report concerning the Summary Best Value Performance Plan for 2006/07. The Cabinet were reminded that the Council's Best Value Performance Plan (BVPP) was produced in two different formats each year. A detailed version was prepared for the Government, Audit Commission and other bodies involved in the evaluation of the Council's performance. A summary version was also prepared for distribution to all the households within the District with the annual Council Tax demands. The Cabinet felt that the format employed this year was an improvement on previous years and that the summary itself was easier to understand.

RESOLVED:

That the Council's Summary Best Value Performance Plan for 2006/07 be agreed.

Reasons for Decision:

To enable the publication of summary performance information within the Council Tax demands to be issued in March 2006.

Other Options Considered and Rejected:

No other options were available. In previous years the BVPP Summary had been hand-delivered, but for the last three years production costs had been reduced in order to enable it to be contained within the Council Tax leaflet.

155. CHOICE BASED LETTINGS - HERTS AND ESSEX HOUSING OPTIONS CONSORTIUM

The Housing Portfolio Holder presented a report on Choice Based Lettings within the Herts and Essex Housing Options Consortium. The Portfolio Holder reminded the Cabinet that the introduction of a Choice Based Lettings Scheme for the District had been approved in September 2005. The Government was keen for Choice Based Lettings Schemes to operate at a regional or sub-regional level and include Registered Social Landlords, voluntary organisations and local communities in order to give the maximum possible choice for housing applicants. A number of Choice Based Lettings Agencies had been formed, usually by groups of local authorities forming a non-profit organisation. These agencies were now very experienced at managing the entire process, and also provided regular and detailed statistical information to the local authority on bids.

The Portfolio Holder further added that the Head of Housing Services had met with officers from Brentwood Borough Council, Chelmsford Borough Council, Broxbourne District Council, Uttlesford District Council and East Herts District Council, who had all expressed an interest in exploring the possibility of working in partnership, through a consortium called the Herts and Essex Housing Options Consortium. Officers had also had discussions with two Agencies, who suggested that working in collaboration with other local authorities would reduce the on-going cost of a Choice Based Lettings Scheme from £25,000 - £30,000 to £18,000 - £21,000.

The Portfolio Holder announced that in the autumn of 2005, the Government had allocated £4million for local authorities in order to support the development of Choice Based Lettings Schemes in England. In December 2005, the Consortium had submitted a bid and received £96,000 from the Office of the Deputy Prime Minister. It had been decided that the money should primarily be used to employ a specialist consultant to advise the Consortium and project manage the implementation of the scheme. Any residual grant would be shared amongst the partners in order to assist with their individual implementation costs. As the Council was the furthest advanced towards the implementation of such a scheme, the Portfolio Holder had agreed that the Council should act as the host authority for the receipt of the grant and employment of the consultant on behalf of the Consortium.

Under the Council's Constitution, all delegations had to be approved by the Cabinet, including frameworks for partnerships, which would include the Consortium. Thus, the Portfolio Holder had requested that the Cabinet approve the delegation of the

functions relating to the Consortium to the Head of Housing Services, although in practice they would be exercised by the Assistant Head of Housing Services (Operations).

RESOLVED:

- (1) That the initial framework for the proposed Choice Based Lettings Scheme for all the Council's vacant social rented properties be approved;
- (2) That, in accordance with Financial Regulation F3 (which permits the Cabinet to delegate to an appropriate officer functions undertaken by partnerships), the functions relating to the Herts and Essex Housing Options Consortium (a partnership with five other local authorities) be delegated to the Head of Housing Services; and
- (3) That, as defined in pages D1 to D78 of the Constitution, this delegated authority be incorporated in the Schedule of Delegation to Officers.

Reasons for Decision:

The implementation of a Choice Based Lettings Scheme was necessary in order to meet the requirements of the Government that such a scheme be in place by 2010 at the latest. In addition, the Council had already accepted the principle of moving towards a Choice Based Lettings Scheme. The Council would benefit from working in partnership with neighbouring authorities through the Herts and Essex Housing Options Consortium, as this was recognised as good practice and would be cost effective. In addition, the Consortium had received £96,000 funding for the setting up of the scheme. It was therefore proposed that the Cabinet approved both the framework for the proposed Choice Based Lettings Scheme for all the Council's vacant social rented properties, and the delegation of functions relating to the Consortium with five other local authorities, in accordance with Financial Regulation F3 within the Council's Constitution.

Other Options Considered and Rejected:

To not work in partnership with neighbouring authorities through the Herts and Essex Housing Options Consortium. To not delegate the functions relating to the Consortium to the Head of Housing Services.

156. BENEFITS DIVISION - REVISION OF PROSECUTION POLICY

The Finance and Performance Management Portfolio Holder presented a report regarding the revision of the Prosecution Policy for the Benefits Division. The Cabinet were advised that recent guidance from the Department for Work and Pensions had stated that the overpayment amount, above which prosecution was the most appropriate form of action, should be increased from £1,500 to £2,000, and that the lower overpayment limit, which had determined the issue of an administration penalty or formal caution, should be abolished. In addition, in relation to the imminent Age Discrimination Directive from the European Commission (2000/78/EC), which would come into force in the United Kingdom on 1 October 2006, the Head of Legal, Administration and Estates had advised that the current exemption from prosecution for persons aged 75 years and over should be removed from the policy.

RESOLVED:

That the following revisions to the Prosecution Policy for Benefit offences be approved and adopted:

(a) That the overpayment amount, above which prosecution is the most appropriate course of action, be increased from £1,500 to £2,000 in line with the advice from the Department of Work and Pensions; and

(b) That, in order to comply with Directive 2000/78/EC due to come into effect on 1 October 2006 in the United Kingdom, the exemption from prosecution for all persons aged 75 years or over be rescinded.

Reasons for Decision:

The financial limits in the existing policies required updating, in line with the recently issued advice from the Department of Work and Pensions. In order to comply with Directive 2000/78/EC, the prosecution policy for the Benefits Division should not discriminate on the basis of age.

Other Options Considered and Rejected:

To continue with the existing Prosecution Policy, which had now become out-dated and contrary to guidance from the Department for Work and Pensions. To persist in discriminating against persons aged 74 years or less by not prosecuting persons aged 75 years or over.

157. BANSONS (WRVS) HALL - BANSONS WAY, CHIPPING ONGAR

The Housing Portfolio Holder presented a report in respect of Bansons (WRVS) Hall, Bansons Way, Chipping Ongar. The Portfolio Holder informed the Cabinet that the Council, through the Housing Revenue Account, owned Bansons Hall and was responsible for the repair and maintenance of the building as well as the utility bills, currently amounting to approximately £1,500 per annum. The current usage of the hall had declined in recent years and the Head of Housing Services had been investigating alternative uses for the building. The Head of Planning and Economic Development had already advised that the site was only suitable for limited residential development, and the suggestion that the site be extended in order to provide further sheltered housing had been rejected, as the demand within the District for this type of accommodation was not sufficient. However, Ongar Town Council had indicated that it would like to take over occupation of Bansons Hall on a long-term basis, in order to provide a replacement for its Love Lane offices.

The Portfolio Holder intimated that a transfer to Ongar Town Council would be the best option for all parties, and would be in keeping with the spirit of partnership working with local councils advocated by the Local Charter. The Portfolio Holder also felt that the provision of a long lease would be preferable to a freehold transfer, since the necessary controls would be easier to enforce. However, the Town Council had indicated that it would not be able to afford the full market value of the premises, thus following consideration by the Council's Management Board, it was felt that the Council should grant a lease for a term of 50 years to the Town Council at a peppercorn rent subject to all other terms being agreed.

RESOLVED:

That a Full Repairing and Insuring Lease for Bansons (WRVS) Hall, Bansons Way, Chipping Ongar, and associated land be granted to Ongar Town Council for a period of 50 years at a peppercorn rent, for the Town Council's

use as a Town Council Office and community meeting facility, subject to all other terms being agreed, and to:

(a) No costs being incurred by the Council, including the Town Council meeting the Council's reasonable legal fees and all costs of the required structural alterations;

(b) The Town Council using its best endeavours to continue to accommodate both existing users and new community groups, either at Bansons Hall or its Love Lane offices;

(c) Provision being made that gives the Council a legal charge over the Town Council's existing property at Love Lane, Ongar whereby, in the event of the Town Council transferring the freehold ownership, or granting a lease for other than community use, to another party, the Town Council would pay the Council an amount equivalent to the lowest of:

(i) the difference between the value of the Love Lane premises in respect of its current use and the value of the premises in respect of the proposed use; and

(ii) the open market value of the lease for Bansons Hall;

with all valuations being based on a date no earlier than three months prior to the date of the transfer or lease of the Love Lane premises; and

(d) The Town Council obtaining all required planning permissions for Bansons Hall.

Reasons for Decision:

The Hall was under-used at present and had cost the District Council money to maintain. The Town Council was seeking an alternative location for its Town Council Office and had felt that Bansons Hall would provide a suitable alternative. The Council had adopted a Local Charter with local councils, with an intention of working together to meet the needs of residents. A number of similar leases to parish and town councils in the past had been on a concessionary basis.

Other Options Considered and Rejected:

The other options that had been considered and rejected were: to transfer the freehold of the Hall, instead of the leasehold; to seek different heads of terms, notably the payment of rent; to maintain the status quo; or to seek to develop the site as an extension to the sheltered housing scheme at the neighbouring Frank Bretton House.

158. DEVELOPMENT OF SMALL COUNCIL HOUSING SITES - PHASE II

The Housing Portfolio Holder presented a report on Phase II of the development of small Council housing sites. The Portfolio Holder reported that, following the agreement of Phase I by the Cabinet in July 2005, additional potential development sites on Council-owned land had been identified, with the possibility of providing a further 35 properties within the District. Accordingly, discussions had been held with the Council's four Preferred Registered Social Landlord (RSL) Partners and it had been agreed with the Strategic Housing Partnership that Warden Housing would be the most suitable RSL to undertake the development of Phase II. It was being

proposed that Warden Housing be requested to produce proposals for a self-funding scheme, whereby the Council's land would be provided free of charge but some of the properties sold on the open market in order to fund the development of the affordable housing. However, there was currently £210,000 of Social Housing Grant unallocated by the Council, and Warden Housing had been asked to consider the effect on the proposals of utilising these monies, and the Portfolio Holder would consider what proportion, if any, of this funding should be allocated to the scheme.

It was proposed that the Portfolio Holder be authorised to consider and agree the development potential of each of the sites, the number of properties to be sold to provide the cross-subsidy and the submission of the necessary planning applications. With regard to the planning applications, it had been proposed that ward members not be consulted on the proposals prior to the necessary planning applications, to that it did not fetter their discretion when the relevant Area Plans Sub-Committee considered the applications.

RESOLVED:

- (1) That Warden Housing be selected as the Preferred RSL Partner to investigate the development potential and, where possible, undertake the development of the ten Council-owned housing sites under review;
- (2) That the general approach to be adopted by Warden Housing be to maximise the amount of affordable housing provided across the sites, cross-subsidised with free land and the sale of some properties on the sites;
- (3) That the Housing Portfolio Holder be authorised to consider and agree the development proposals for each of the sites, the proposed tenures, the numbers of properties to be sold to provide the cross subsidy, and to approve the submission of planning applications where appropriate;
- (4) That the Housing Portfolio Holder considers the overall effects different levels of social housing grant would have on the viability of the development proposals and, if considered appropriate, reports to the Cabinet to seek approval to use some, or all, of the Council's unallocated social housing grant in order to increase the viability.
- (5) That, for those sites that receive planning permission, the associated Council land be:
 - (a) leased to Warden Housing for 125 years at a peppercorn rent, in return for the Council receiving 100% nomination rights on initial letting and 75% subsequently, in respect of the land for the affordable housing; and
 - (b) transferred freehold to Warden Housing, free of charge, in respect of the land for the market housing; and
- (6) That ward members not be consulted by the Housing Portfolio Holder for their views on the development proposals, in order to avoid them fettering their discretion if/when any subsequent planning applications are considered by the relevant Area Plans Sub Committees.

Reasons for Decision:

There was a need to increase the amount of affordable housing in the District. Many of the identified sites were garage blocks that were difficult to let. Most of the sites

could be developed for affordable housing, cross-subsidised with income from other sites where the properties would be sold. The Epping Forest Strategic Housing Partnership had agreed that Warden Housing was the best positioned, and the most interested, in undertaking the developments.

Other Options Considered and Rejected:

The other options considered and rejected were: not to develop all or some of the sites; not to work with Warden Housing; not to provide the land free of charge; not to authorise the Housing Portfolio Holder to consider the development proposals when formulated; or to consult ward members prior to the submission of the any planning applications.

159. VIREMENT OF UNDER-UTILISED DDF AND APPOINTMENT OF PPS TO UNDERTAKE WORKS ON PRIVATE SECTOR HOUSING POLICIES/STRATEGIES

The Housing Portfolio Holder presented a report regarding a virement of under-utilised DDF and the appointment of PPS to undertake works on private sector housing policies and strategies. The Portfolio Holder reminded the Cabinet that £75,000 of DDF had been allocated to undertake a Private Sector House Condition Survey, to aid the revision of the Council's Private Sector Housing Strategy. The cost of the survey had been £47,000, which had left a further £28,000 available to support further work in this area. The work undertaken by PPS in support of the survey had been excellent and thus it was proposed to retain their services for the production of three further policies and strategies that followed on from the Private Sector Housing Condition Survey. Contract Standing Orders C5 and C9 would need to be waived for this appointment to be made.

RESOLVED:

- (1) That £28,000 of the £75,000 DDF money allocated for the private sector house condition survey be re-allocated to private sector housing policy / strategy to enable the appointment of consultants to assist officers in the production of the:
 - (a) Housing Assistance Policy;
 - (b) Private Sector Strategy; and
 - (c) Empty Homes Strategy;
- (2) That, given the fact PPS had successfully undertaken the recently completed private sector house condition survey, they be appointed to undertake further work in support of officers in the production of the:
 - (a) Housing Assistance Policy;
 - (b) Private Sector Housing Strategy; and
 - (c) Empty Homes Strategy; and
- (3) That Contract Standing Orders C5 and C9 be set aside accordingly.

Reasons for Decision:

It was critical that the Council updated its private sector housing policies and strategies in the light of new and amended legislation and the recently completed private sector house condition survey. Furthermore, the Standing Scrutiny Panel on Housing had been tasked with the oversight and development of an empty homes strategy for the Council, in respect of which the Cabinet had decided that the Council should seek to attain top quartile performance. Given existing workloads and the availability of professional officers within the Council, this work could only be completed within a reasonable time frame if external support was applied.

PPS had demonstrated their professional capabilities through their work on the survey and their appointment would also ensure continuity between the survey work and the resulting policies and strategies.

Other Options Considered and Rejected:

The alternative options were to: not vire the monies to enable the additional work to be undertaken; or not set aside contract standing orders and to seek tenders for the strategy support work.

160. PARKING FOR COMMUNITY HEALTH STAFF

The Civil Engineering and Maintenance Portfolio Holder presented a report on parking for Community Health Staff. The Portfolio Holder informed the Cabinet that the Chief Executive of the Epping Forest Primary Care Trust had requested that key community health workers be granted the ability to park in controlled parking areas without penalty, which would not include the Council's pay and display car parks. Similar requests from other organisations had always been refused in the past, however the introduction of further controlled parking throughout the District could conceivably cause problems for health workers treating patients within the District.

The Cabinet felt that granting such a dispensation for key community health workers could set a precedent and were reluctant to agree in principle to the request. Officers were requested to research other similar schemes, discuss the specific needs of the identified personnel with the Primary Care Trust, and report back to the Cabinet.

RESOLVED:

That a parking exemption scheme for key community health workers be considered after further reporting.

Reasons for Decision:

Given the expansion of controlled parking throughout the District, there was merit in exploring the options for some form of exemption for key community health workers, provided a precedent was not set.

Other Options Considered and Rejected:

The only other option was to reject the application on principle.

161. A PARISH CENTRE FOR NAZEING - AN OPPORTUNITY TO MAKE PROVISION FOR INTEGRATED COMMUNITY FACILITIES

The Finance and Performance Management Portfolio Holder presented a report concerning the provision of a Parish Centre for Nazeing, as an opportunity to provide integrated community facilities. The proposal was for the District Council to purchase the site of the former Total Garage in Nazeing at an estimated cost of £480,000, and provide another £20,000 towards the cost of consultants, in order to provide a Parish Centre for Nazeing Parish Council. The Portfolio Holder felt that there was a need for such a facility in Nazeing as the current facilities were not of the required standard, and that new facilities would:

- provide a focus for community engagement and participation in local democracy;
- enable the pre-school provision to expand and improve;
- provide a suitable venue for the development of youth activities;
- provide function rooms; and
- encourage the development of clubs and societies within Nazeing.

The Portfolio Holder added that the project was affordable during the current year; the site could be acquired by the Council using the surplus in the Capital Programme, and if the project did not complete then the site could be used to provide further affordable housing within the District. The Portfolio Holder foresaw the Council taking a facilitator role and that this would be the first of many such projects if local councils demonstrated a need for such assistance. The Parish Council had attempted to fund the project themselves but the Epping Forest Primary Care Trust had sourced another site within Nazeing for their proposed surgery and had withdrawn from the scheme. The Portfolio Holder had consulted with the Community Wellbeing Portfolio Holder who had supported the proposals.

The local ward member for Nazeing added that a survey within the village had shown clear support for a Village Hall facility within the centre of Nazeing rather than on the outskirts. There was now no possibility of a partnership with the Primary Care Trust, but the Parish Council was still in discussions with the Church Council about a possible partnership arrangement.

The Cabinet had sympathy for Nazeing Parish Council, and felt that the proposal was workable, but other Parish Councils within the District had funded their own Village Halls. One possibility would be for Nazeing Parish Council to borrow the money and acquire the site in the short term, and then decide over its use in consultation with the District Council. Alternatively, the District Council could buy the site and sell it to Nazeing Parish Council when their funding was in place in order to guarantee that the Parish Council acquired the site, but any works required to the site in respect of contamination from its former use as a petrol station would have to be the responsibility of the Parish Council. It was felt that this matter should be deferred to the next meeting to await a further, more detailed, report before a final decision was taken.

RESOLVED:

That this item be deferred to the next meeting of the Cabinet on 6 March 2006.

162. CONTINUATION OF MEETING

The Leader of the Council advised the Cabinet that the executive procedure rules of the Council stipulated that any business not concluded by 10.00pm would either stand referred to the next meeting or be voted upon without debate. However, as the Cabinet had still to consider the proposed budget for 2006/07, the Leader requested

that the Cabinet agree to waive the executive procedure rules and fully debate the remaining items of business.

RESOLVED:

That the executive procedure rules be waived in order to fully debate the remaining items of business.

163. COUNCIL BUDGETS 2006/07

The Finance and Performance Management Portfolio Holder presented a report on the proposed Council budgets for 2006/07. The Portfolio Holder reminded the Cabinet that the guidelines for producing the 2006/07 budget had been:

- CSB expenditure to not exceed £15.2million, including net growth or savings;
- DDF net expenditure to not exceed £0.9million; and
- The increase in District Council Tax to not exceed 2.46%.

It was also anticipated that the outturn for the 2005/06 budget would produce an underspend, which had permitted the proposed growth items to be accepted and the target levels for Council Tax increases to be reduced.

The Portfolio Holder briefly gave an overview of the current position. The most significant item of CSB growth was the extra £582,000 for the Concessionary Fares Scheme, as the scheme for next year would provide full fare discount as opposed to the half fare discount currently offered to pass holders. The other significant item of CSB growth was an extra £139,000 for additional refuse and recycling costs, in order to achieve higher levels of recycling and thus generate savings in the longer term. The Portfolio Holder emphasised to the Cabinet that no CSB growth had been allocated for the Customer Services Transformation Programme; it was anticipated that a supplementary estimate would be requested during 2006/07. CSB savings of £152,000 had been achieved through the externalisation of the management of the Council's Leisure Facilities, and a further £130,000 had been achieved from Support Service costs due to the changes in Leisure Facility management and the transfer of the Highways Agency back to the County Council. A further £50,000 of additional income had been achieved from Council Tax recovery work.

The Portfolio Holder further added that net DDF expenditure had been restricted to £831,000. This had led to the Council being able to limit the increase in District Council Tax to 2.46%, which was considerably lower than the 4% guideline contained within the previous four-year forecast. With respect to the longer-term guidelines, current projections indicated that the Council's reserves would be 38% of net budget requirement by 31 March 2007, far in excess of the 25% guideline. Thus, the Council could consider setting deficit budgets for the three years 2007/08 to 2009/10 in order to reduce its reserves.

The Portfolio Holder reported that a new system had been introduced for Local Government Finance Settlements to produce a two-year settlement, with the intention of producing three-year settlements in the future. The Assumed National Council Tax and Formula Spending Shares had been abolished, and replaced with a four-block system comprising: a Relative Needs block; a Relative Resource Amount; a Central Allocation Amount; and a Floor Damping block. The settlement received by the Council under the new system had been particularly favourable and had exceeded the prudent assumptions made in the Council's four-year forecast. With careful management through the new Council Plan for 2006-10, it should be possible to achieve improvements in key service areas. A detailed analysis of the final Local Government Settlement for the Council had been received the previous week and had been distributed to all members.

The Portfolio Holder stated that the Council now had a very considerable Capital Programme, which had been agreed by the Cabinet at its meeting in December 2005. The most significant new item had been the £2.24million allocated for the Customer Services Transformation Programme, although final costs would not be known until Foresight Consultancy had produced a costed Implementation Plan. The Cabinet were reminded that any further items agreed at the current meeting would need to be added to the Capital programme. With respect to the Housing Revenue Account (HRA), the balance was expected to be £5million as at 31 March 2007, a deficit of £203,000 for 2006/07, due to increasing levels of negative housing subsidy. An update to the current five-year forecast was being prepared and would pay particular attention to the worsening subsidy position. However, the Portfolio Holder reassured the Cabinet that although a deficit budget had been set for 2006/07, the HRA still had substantial ongoing balances. Rent increases were set with reference to an individual property's formula rent, subject to various constraints, and it was expected that the average rent increase for 2006/07 would be 6%.

The Portfolio Holder reported that, in accordance with Section 25 of the Local Government Act 2003, the Head of Finance had declared that the estimates were sufficiently robust for the purposes of the Council's budget for 2006/07, and that the reserves of the Council were adequate to meet the financial risks faced by the Council in 2006/07 and the medium term. Additionally, the Portfolio Holder commended the Council's Prudential Indicators and Treasury Management Strategy for 2006/07 to the Cabinet, but requested that approval be given to increase the limit for funds invested for over 364 days from £10million to £15million. Finally, the Portfolio Holder highlighted that the Council again intended to capitalise the increase in deficiency payments to the pension fund, in accordance with the request previously made to the Office of the Deputy Prime Minister.

In response to questions from members of the Cabinet, the Portfolio Holder stated that Phases III and IV of the Loughton Town Centre Enhancement Scheme would be considered for inclusion in the four-year Capital Programme if there were an increase in Capital Receipts. A request was also put for the Grant Aid budget to be increased by £50,000, primarily to provide extra support for Sports Clubs within the District as the case of Buckhurst Hill Cricket and Lacrosse Club, who faced a 300% rent increase, was outlined for the benefit of the Cabinet. The Portfolio Holder remarked that the current budget for Grant Aid was underspent, hence it would be difficult to increase the budget, however a supplementary estimate would be considered if a favourable report was forthcoming for the Cabinet's consideration. Generally, the Cabinet felt that a prudent budget had been prepared, which could be supported, and the officers were thanked for their efforts in compiling the estimates.

RESOLVED:

- (1) That, in respect of the Council's 2006/07 General Fund budgets, the following be recommended for approval by the Council at its meeting to be held on 21 February 2006:
 - (a) the revised revenue estimates for 2005/06;
 - (b) the draft CSB budgets for 2006/07 (excluding growth items);
 - (c) the draft CSB growth items list, including those items agreed at this meeting;
 - (d) the draft DDF items list, including those items agreed at this meeting;

- (e) an increase in the District Council Tax of 2.46%, representing an increase for a Band 'D' property from £131.49 to £134.73;
 - (f) the estimated use of surplus General Fund balances;
 - (g) the four year capital programme 2006/07 – 09/10, including those items agreed at this meeting;
 - (h) the four year financial forecast 2006/07 - 09/10; and
 - (i) the Council's future policy on the maintenance of General Fund Revenue Balances;
- (2) That, including the revised revenue estimates for 2005/06, the 2006/07 HRA budget be recommended to the Council for approval;
- (3) That, in accordance with the Government's rent reforms and the Council's approved rent strategy, the proposed rent increases and decreases for 2006/07 be approved;
- (4) That, funded from the Pension Fund Capital Reserve that was established with the transfer of £2.5m from the Usable Capital Receipts Account and as per the Capitalisation Direction request made to the Office of the Deputy Prime Minister, the increase in deficiency payments to the pension fund be recommended to the Council for approval;
- (5) That the Council's Prudential Indicators and Treasury Management Strategy for 2006/07 be recommended to the Council for approval;
- (6) That the Chief Financial Officer's report on the robustness of the estimates for the purposes of the Council's 2006/07 budgets and the adequacy of the reserves be noted.

Reasons for Decision:

The Council had a statutory obligation to set a budget and Council Tax for the 2006/07 municipal year.

Other Options Considered and Rejected:

The Cabinet were satisfied that the Finance and Performance Management Cabinet Committee had considered numerous options for CSB growth or savings, and DDF expenditure, and that there were no further options for action.

164. 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:

<u>Agenda Item No.</u>	<u>Subject</u>	<u>Exempt Information Paragraph Number</u>
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165. SOUTH HERTS WASTE MANAGEMENT

The Environmental Protection Portfolio Holder presented a report on the waste management contract with South Herts Waste Management and drew the Cabinet's attention to the revised 'Interim Financial Arrangements' section that had been tabled at the meeting. The Portfolio Holder also highlighted to the Cabinet that recommendation (7b) had been amended, in respect of garden waste collections, following the publication of the agenda.

The Portfolio Holder for Environmental Protection reminded the Cabinet that the Waste Management contract was let to South Herts Waste Management in September 2002 for seven years, with an option to extend it for a further seven years. In recent months, the Contractor had sought further financial assistance from the Council in order to make a reasonable return on the Contract, some of which had been agreed by the Cabinet. The Contractor was now seeking additional financial assistance to cover the period from September 2005 onwards as a number of issues had arisen in that time. The Council's original consultants during the tender process, Indecon, had produced a report on the contract and its costs for the Council's consideration. In view of the complexity of the issues involved, and the need to find a longer-term solution to the financial issues within the contract, it had been proposed to establish a Cabinet Committee to examine the Indecon report, with the Portfolio Holder for Environmental Protection as the Chairman.

The Head of Environmental Services added that the Cabinet Committee would enable the waste management contract with South Herts Waste Management to be reviewed in depth, with advice from consultants, and also would provide an opportunity for the Contractor to make their views known. It was intended to be a short but intensive piece of work. It was felt that, aside from the Portfolio Holders for Environmental Protection and Finance and Performance Management, the other three members of the Cabinet Committee should be decided by the Group Leaders.

RESOLVED:

(1) That the present situation regarding the waste management contract with South Herts Waste Management be noted;

(2) That a new Cabinet Committee be established with the following terms of reference:

"To submit recommendations to the Cabinet on the following by 10 April 2006 at the latest on:

(a) a review of the Indecon report on the current financial position of the contract with South Herts Waste Management and recommendations on the action required as a result; and

(b) a review of the long term future of this contract, an analysis of available options which can be negotiated with the contractor and recommendations on a preferred option for consideration by the Cabinet";

(3) That the new Cabinet Committee comprise 5 Portfolio Holders, including the Portfolio Holders for Finance & Performance Management and Environmental Protection;

- (4) That the Portfolio Holder for Environmental Protection be appointed Chairman of the Committee;
- (5) That a standing invitation be extended to attend meetings of the new Committee to a Councillor representative of the Overview & Scrutiny Committee;
- (6) That the Council be advised at its next meeting that the new Committee had been established as a matter of urgency;
- (7) That 'without prejudice' interim payments be made to South Herts Waste Management in the sum of:
 - (a) £50,000 in respect of end of lease vehicles; and
 - (b) £20,000 per calendar month in respect of garden waste collections;
- (8) That such payments be included within the Cabinet Committee review and reconciled as part of that review; and
- (9) That the payments in resolution (7) above be met from:
 - (a) the £57,000 Defra support funding for 2006/07; and
 - (b) DDF for the remainder of 2005/06 and the remaining shortfall for 2006/07.

Reasons for Decision:

The proposal to establish a Cabinet Committee to undertake a detailed examination of the situation had a number of benefits: it ensured that members were aware of all the circumstances; it provided a mechanism whereby the contractor could actively engage in the process; and in the event that the matter did end up in the Courts or in Arbitration, the Council would have been seen to have done all that it could to achieve a negotiated settlement.

The making of without prejudice interim payments enabled SHWM to continue to maintain service levels and demonstrated the willingness of the Council to assist the contractor whilst the contract review was undertaken. This would also demonstrate in any later legal action that the Council had been fair and reasonable in its dealings with SHWM.

Other Options Considered and Rejected:

The options were as follows: seek to bring the contract to an end, either forcibly or through negotiation; a negotiated settlement with SHWM whereby the contract would continue to its planned conclusion in September 2009 with costs and service levels acceptable to both parties; or do nothing and effectively wait to see what happens.

CHAIRMAN