

CABINET
Monday, 3rd September, 2007

Place: Council Chamber, Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services Officer: Gary Woodhall (Research and Democratic Services)
Email: gwoodhall@eppingforestdc.gov.uk Tel:01992 564470

Members:

Councillors Mrs D Collins (Leader and Leaders Portfolio Holder) (Chairman), C Whitbread (Vice-Chairman), M Cohen, A Green, Mrs A Grigg, Mrs M Sartin, D Stallan and Ms S Stavrou

**PLEASE NOTE THE START TIME OF THE MEETING
THE COUNCIL HAS AGREED REVISED PROCEDURES FOR THE OPERATION OF
CABINET MEETINGS. BUSINESS NOT CONCLUDED BY 10.00 P.M. WILL, AT THE
DISCRETION OF THE CHAIRMAN, STAND REFERRED TO THE NEXT MEETING OR
WILL BE VOTED UPON WITHOUT DEBATE**

1. WEBCASTING INTRODUCTION (Pages 5 - 8)

1. This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking.

2. The Chairman will read the following announcement:

"I would like to remind everyone present that this meeting will be broadcast live to the Internet and will be capable of repeated viewing and copies of the recording could be made available for those that request it.

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

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

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

(Head of Research and Democratic Services) To declare interests in any item on this agenda.

4. MINUTES

To confirm the minutes of the last meeting of the Cabinet held on 16 July 2007 (previously circulated).

5. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

6. REPORTS OF PORTFOLIO HOLDERS

To receive oral reports from Portfolio Holders on current issues concerning their Portfolios, which are not covered elsewhere on the agenda.

7. OVERVIEW AND SCRUTINY

To consider any matters of concern to the Cabinet arising from the Council's Overview and Scrutiny function.

**8. NORTH WEALD AIRFIELD STRATEGY CABINET COMMITTEE - 31 JULY 2007
(Pages 9 - 12)**

(Chairman of the North Weald Airfield Strategy Cabinet Committee) To consider the minutes of the meeting held on 31 July 2007 and the recommendations therein (C/046/2007-08).

**9. PRUDENTIAL INDICATORS OUTTURN AND TREASURY MANAGEMENT
STEWARDSHIP REPORT - 2006-07 (Pages 13 - 24)**

(Finance, Performance Management and Corporate Support Services Portfolio Holder) To consider the attached report (C/045/2007-08).

10. EPPING FOREST DISTRICT PLAY STRATEGY 2007-17 (Pages 25 - 30)

(Leisure and Young People Portfolio Holder) To consider the attached report (C/026/2007-08).

11. BED AND BREAKFAST ACCOMMODATION CONTRACT PROCEDURE (Pages 31 - 32)

(Housing Portfolio Holder) To consider the attached report (C/037/2007-08).

12. LOUGHTON ALDERTON BYE-ELECTION - 30 AUGUST 2007 (Pages 33 - 34)

(Leader of the Council) To consider the attached report (C/038/2007-08).

13. MEMORANDUM OF UNDERSTANDING WITH THE ENVIRONMENT AGENCY (Pages 35 - 40)

(Civil Engineering and Maintenance Portfolio Holder) To consider the attached report (C/039/2007-08).

14. BOBBINGWORTH TIP REMEDIATION PROJECT (Pages 41 - 44)

(Environmental Protection Portfolio Holder) To consider the attached report (C/040/2007-08).

15. FORESTER MAGAZINE - PROCUREMENT (Pages 45 - 48)

(Leader of the Council) To consider the attached report (C/041/2007-08).

16. DEVELOPMENT LAND SALE - LANGSTON ROAD INDUSTRIAL ESTATE, LOUGHTON (Pages 49 - 50)

(Leader of the Council) To consider the attached report (C/042/2007-08).

17. LOUGHTON BROADWAY - DEVELOPMENT OPTIONS (Pages 51 - 54)

(Planning and Economic Development Portfolio Holder) To consider the attached report (C/043/2007-08).

18. EXCLUSION OF PUBLIC AND PRESS

Exclusion: To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

Agenda Item No	Subject	Exempt Information Paragraph Number
19	Ombudsman's Decision – Waste Transfer Station	1 and 2

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Confidential Items Commencement: Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

**19. OMBUDSMAN'S DECISION - WASTE TRANSFER STATION COMPLAINT
(Pages 55 - 62)**

(Planning and Economic Development Portfolio Holder) To consider the restricted report (C/044/2007-08).

EPPING FOREST DISTRICT COUNCIL

**PROTOCOL FOR WEBCASTING OF
COUNCIL AND OTHER MEETINGS**



Introduction

The Council has agreed that certain meetings should be the subject of live web transmission ('web casting'), or recorded for subsequent transmission. Fixed cameras are located within the Council Chamber for this purpose and there is a mobile unit for use in other locations

This protocol has been produced to assist the conduct of web cast meetings and to ensure that in doing so the Council is compliant with its obligations under the Data Protection Act 1998 and the Human Rights Act 1998. Accordingly the following will apply to all meetings to be web cast by the Council:-

Main provisions:

1. The Chairman of the meeting has the discretion to request the termination or suspension of the webcast if in the opinion of the Chairman continuing to webcast would prejudice the proceedings of the meeting.

This would include:

- (i) Public disturbance or other suspension of the meeting;
- (ii) Exclusion of public and press being moved and supported;
- (iii) Any other reason moved and seconded and supported by the Council/Committee or Subcommittee.

2. No exempt or confidential agenda items shall be webcast.

3. Subject to paragraph 4 below all archived webcasts will be available to view on the Council's website for a period of six months. Council meetings are recorded onto DVD, which will be stored in accordance with records management procedures.

4. Archived webcasts or parts of webcasts shall only be removed from the Council's website if the Monitoring Officer considers that it is necessary because all or part of the content of the webcast is or is likely to be in breach of any statutory provision or common law doctrine, for example Data Protection and Human Rights legislation or provisions relating to confidential or exempt information.

If the Monitoring Officer has decided to take such action she must notify all elected Members in writing as soon as possible of her decision and the reasons for it via the Bulletin

Council expects the Chair of the Council and the Monitoring Officer to ensure that Council meetings are conducted lawfully. Therefore, Council anticipates that the need to exercise the power set out above will occur only on an exceptional basis.

5. Any elected Member who is concerned about any webcast should raise their concerns with the Head of Research and Democratic Services

Agenda Front Sheets and Signage at Meetings

On the front of each agenda and on signs to be displayed inside and outside the meeting room there will be the following notice:-

WEBCASTING NOTICE

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

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

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

If you have any queries regarding this, please contact the Senior Democratic Services Officer on 01992 564249.

Meetings of the Area Plans Subcommittees, District Development Control Committee, Licensing Committee and other 'Quasi Judicial' Hearings

In any correspondence notifying applicants, supporters or objectors of the meeting date on which an application will be heard, the following advice will be included if the particular meeting has been chosen to be web cast:-

"Please note that Council meetings may be filmed for live or subsequent broadcast via the Authority's Internet site. If you do not wish the hearing of your application to be filmed, please contact the Senior Democratic Services Officer to discuss their concerns. The Council will not film speakers if they do not wish to appear in the webcast"

Conduct of Meetings

At the start of each meeting to be filmed, an announcement will be made to the effect that the meeting is being or may be web cast, and that the Chairman may also terminate or suspend the web casting of the meeting, in accordance with this protocol. This will be confirmed by the Chairman making the following statement:-

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**EPPING FOREST DISTRICT COUNCIL
COMMITTEE MINUTES**

Committee: North Weald Airfield Strategy **Date:** 31 July 2007
Cabinet Committee

Place: Committee Room 1, Civic Offices, **Time:** 7.25 - 8.05 pm
High Street, Epping

Members Present: Mrs A Grigg (Chairman), M Cohen, Mrs D Collins, Mrs M Sartin, D Stallan and C Whitbread

Other Councillors: Mrs P Smith

Apologies:

Officers Present: P Haywood (Joint Chief Executive), D Macnab (Head of Leisure Services), L MacNeill (Assistant Head of Leisure Services), D Goodey (General Manager North Weald Airfield), M Scott (Valuer and Estates Surveyor) and G J Woodhall (Democratic Services Officer)

1. DECLARATIONS OF INTEREST

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

2. ANY OTHER BUSINESS

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

3. TERMS OF REFERENCE

It was suggested that the Nota Bene section of the Terms of Reference was not relevant, as the Cabinet was no longer constituted on a pro-rata basis amongst the different political groupings. It was agreed that the attention of the Head of Research and Democratic Services would be drawn to this and that the Constitution should be amended accordingly in due course.

The Cabinet Committee noted its Terms of Reference.

4. NORTH WEALD AIRFIELD PLANING CONTEXT - EAST OF ENGLAND PLAN

The Planning and Economic Development Portfolio Holder presented a report concerning the planning context of North Weald Airfield in relation to the East of England Plan. The Portfolio Holder reported that North Weald Airfield had continued to be omitted as a location for major development, following the receipt of the Secretary of State's Proposed Changes to the East of England Plan for 2001-2021 and Statement of Reasons. During consideration of the East of England Plan, the Council had adopted a prudent approach to the length of leases and licences granted

to tenants at the Airfield. The general policy had been to offer tenants certainty until 31 December 2007, with annual break clauses thereafter that could be exercised by either party until 2010. This had allowed operators a degree of certainty, whilst still enabling the Council to retain sufficient flexibility to respond to possible development pressures. With the removal of the threat of a Regional Planning Guidance compelling the Council to develop alternative uses for the Airfield, a longer-term view regarding the lease and licence arrangements for the site could be taken. This would enable the Council to pursue its objective of maximising leisure use of the airfield whilst also managing the site as efficiently as possible and maximising income.

RESOLVED:

That, in relation to the East of England Plan, the planning context for North Weald Airfield be noted.

5. EXTENSION OF RETAIL MARKET AGREEMENT - NORTH WEALD AIRFIELD

The Head of Leisure Services presented a report concerning the extension of the Retail Market Agreement at North Weald Airfield. It was reported that Hughmark International, a trading name of Rondeau General Merchants Limited, had been a longstanding tenant at the airfield, operating what was considered to be the United Kingdom's largest Saturday and Bank Holiday market. Currently, the market represented the most significant source of income to the Council from the site, enabling many of the other uses to be subsidised. Hughmark International wished to maintain confidence amongst their traders and had formally approached the Council to seek assurance about their medium-term future at the site; the current licence was due to expire in 2010. Negotiations had taken place with Hughmark International, and a proposal had been drafted which attempted to deliver the surety sought by Hughmark International whilst also safeguarding the Council's financial position and providing a degree of flexibility should circumstances change in the future.

The Cabinet Committee felt that the renewal of the licence would indicate that large-scale housing development at the airfield was not imminent, and would be popular with the residents of North Weald who were keen for the market to continue. It was confirmed to the Cabinet Committee that the new agreement would have no break clauses for the period 2007 to 2010. The Cabinet Committee did stipulate that the landlord and not the tenant should only be able to exercise the break clauses applicable from 2010 onwards. The Cabinet Committee were advised that the Meadow Area did not form part of the Green Belt area of the airfield, and that if the offered sum was not sufficient to resurface the area then the Council would have to consider whether to make up the shortfall.

RECOMMENDED:

- (1) That the current Retail Market Licence be surrendered and a new licence with amended terms be granted;
- (2) That the length of the new Retail Market Licence be from 2007 to 2017, subject to an annual landlord only break clause from 2010;
- (3) That the new Retail Market Licence be uplifted by £1,000 per market with effect from 2010, with annual index linking for inflation; and
- (4) That, in addition to the existing annual Airfield Improvement Contribution and as a single additional contribution to the Airfield Improvement annual charge, a lump sum payment of £150,000 be contributed

by Rondeau General Merchants Limited, trading as Hughmark International, towards the resurfacing of the Meadow Area at the commencement of the new agreement.

6. FUTURE USE OF HANGAR ONE

The Head of Leisure Services presented a report about the future use of Hangar One. The Royal Air Force had erected the building known as Hangar One in the 1930's for the housing and maintenance of aircraft and it was currently situated within the employment zone of the Airfield. It had been leased by Hughmark International, who served notice to the Council on 25 June 2007 of their intention to terminate the lease on 31 December 2007. The general condition of the building was such that the roof required full refurbishment, the main armoured doors required repair or replacement, and the building lacked modern electrical and mechanical services.

The Head of Leisure Services reported that prior to their decision to terminate the lease, Hughmark International had instructed a commercial agent to market the Hangar to ascertain the future letting potential. As a result of the exercise, Hughmark International had informed the Council that Becro Engineering Limited had expressed interest in leasing Hangar One. Becro Engineering Limited, who had verbally indicated that they might be prepared to refurbish the Hangar, did not consider the current condition of the Hangar an insurmountable issue. An annual rent of £85,000 had been offered, subject to review after five years, provided the Council were prepared to grant a minimum ten-year lease without break clauses. The company would also have to submit a planning application for change of use to General Industrial (B2), however the Local Plan had suggested that this use would be considered appropriate for the location.

The Cabinet Committee felt that as the commercial agent engaged by Hughmark International had conducted an extensive marketing exercise for Hangar One, the acceptance of the offer by Becro Engineering Limited would be consistent with the Council's need to obtain best consideration for the site. The Head of Leisure Services added that the company were also planning to bring their Research and Development, and Design branches of the business to the site, and that as an engineering company, there was the possibility of an apprentice scheme being set up, which would be of benefit to youngsters within the locality. In addition, the proposed use of the building would not interfere with the Airfield's programme of outdoor events. The Cabinet Committee felt that, subject to further information regarding the proposed refurbishment and maintenance works, the proposed lease should be agreed in principle and recommended to the Cabinet for approval.

RECOMMENDED:

- (1) That a minimum ten-year lease with Becro Engineering Limited be agreed in principle as the best future option for the use of Hangar One, at an annual rent of £85,000 per annum on a full repairing basis for the purposes of fabricating structural steelwork and subject to review after five years;
- (2) That the final terms of the lease, to include further information about the proposed refurbishment and maintenance works, be negotiated with Becro Engineering Limited and reported to the Cabinet for final approval by the Finance, Performance Management and Corporate Support Services Portfolio Holder; and
- (3) That, as the proposed future manufacturing use is a deviation from the current approved general storage or distribution uses, the potential

environmental impact of the proposal be fully considered as part of the planning application process.

7. DATE OF NEXT MEETING

The Cabinet Committee felt that a further meeting should be arranged following the next meeting of the Cabinet on 3 September 2007. The Democratic Services Officer agreed to liase with the members of the Cabinet Committee and organise another meeting.

CHAIRMAN

Report to the Cabinet

Report reference: C/045/2007-08.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Finance, Performance Management and Corporate Support Services.

Subject: Prudential Indicators Outturn 2006-07 and Treasury Management Stewardship Report.

Officer contact for further information: Julie Bissell (01992 - 564455).

Democratic Services Officer: Gary Woodhall (01992 - 564470).

Recommendations:

- (1) That the Prudential Indicators Outturn for 2006-07 be approved;**
- (2) That the Treasury Management Stewardship Report for 2006-07 be noted, including the minor breaches of the internal dealing limits; and**
- (3) That the clarification of counterparty criteria be approved.**

Introduction and Background:

1. The annual treasury report is a requirement of the CIPFA Code of Practice on Treasury Management and covers the treasury activity for 2006-07.
2. An integral part of the report is the outturn of the Prudential Indicators for 2006-07 in accordance with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes in accordance with regulations issued under the Local Government Act 2003.
3. The Council adopted the CIPFA Code of Practice for Treasury Management in the Public Sector on 16 April 2002, and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken on a prudent, affordable and sustainable basis.
4. This report summarises:
 - (a) Capital expenditure, finance and indebtedness for the year;
 - (b) The potential impact of capital financing and investment on the Council's expenditure;
 - (c) The economic background for the year;
 - (d) The Council's treasury activities during the year; and
 - (e) A recommendation for the clarification of the current counterparty criteria relating to building societies.
5. The outturn of the Council's prudential indicators is summarised in Appendix 1.

Capital Expenditure and Financing 2006-07:

6. The Council undertakes capital expenditure on long-term assets, which may be either:
- Financed immediately through capital receipts, capital grants, etc.; or
 - Financed wholly or partly by borrowing.
7. Actual capital expenditure is the first required Prudential Indicator. Capital expenditure for 2006-07 is shown in Table 1 below, together with details of how this was financed.

	2005-06	2006-07	2006-07
Capital Expenditure	Actual	Revised	Actual
	£'000	Estimate	£'000
		£'000	
General Fund	2,923	7,611	4,813
HRA	6,614	7,869	5,687
Total Expenditure	9,537	15,480	10,500
Financed by:			
Borrowing	0	0	0
Capital Receipts: Transitional Relief	1,620	1,722	987
Capital Receipts: Other	2,455	5,270	3,751
Capital Grants	727	1,271	1,190
Revenue	4,735	7,217	4,572
Total Financed	9,537	15,480	10,500
Total Unfinanced brought forward	0	0	0
Total Spend	9,537	15,480	10,500
Capital Financing Requirements			
CFR – General Fund	23,844	23,844	23,844
CFR – Housing	-24,629	-24,629	-24,629
Total CFR	- 784	- 784	- 784
Net Movement in CFR	0	0	0
External Debt			
Borrowing (PWLB)	0	0	0
Other Long Term Liabilities	0	0	0
Total Debt as at 31 March	0	0	0
Less debt transferred to other LAs	-610	-584	-584
Borrowing less Transferred Debt	-610	-584	-584

8. The outturn of the capital monitoring indicators differs from the revised estimates. The decrease of £4.98m for 2006-07 was chiefly due to the funding for some capital projects being carried forward from 2006-07 to 2007-08. The amount of revenue used to finance capital expenditure for the HRA increased from the original estimate by £238,000.

9. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). The CFR is a measure of the Council's capital debt position; as the Council has fully financed its past and current capital expenditure, it has no debt requirement.

The Potential Impact of Capital Financing on Council Expenditure:

10. The Council is required to report the estimated and actual ratios of net capital financing costs to the net revenue stream for both the General Fund and HRA. This is shown in Table 2 below.

Table 2: Ratios of capital financing costs to net revenue stream		
	2006-07 Revised estimate	2006-07 Outturn
	%	%
General Fund	-8.51	-7.14
HRA	-8.79	-7.38

11. The ratios above were influenced by an increase in interest income beyond the revised estimate and a change in accounting requirements.

12. It is recognised that decisions taken on additional capital expenditure funded from revenue sources could potentially have an impact on the Council Tax and housing rents charged by the Council. The potential impact is shown in Table 3 below.

Table 3: Potential impact of incremental capital expenditure decisions		
	Estimate 2006-07	Actual 2006-07
	£	£
Council Tax – Band D	0.00	0.00
Weekly Housing Rents	0.43	0.43

13. Neither the Council Tax nor the levels of housing rents have been affected by capital expenditure decisions. No revenue resources have been committed to capital expenditure for General Fund purposes, while the level of housing rents is outside the Council's control, as it is determined by a rigid formula set by central government.

Treasury Activity during 2006-07:

14. The treasury position at the 31 March 2007 compared with the previous year is shown in Table 4 below.

Table 4: Treasury Position on the final day of the financial year.				
	31 March 2007		31 March 2006	
	Principal	Average Rate	Principal	Average Rate
Total Investments	£ 53.00 m	5.35%	£ 43.00 m	4.58%
Total Debt	£ 0.00 m		£ 0.00 m	
7 Day LIBID rate		5.26%		4.54%

15. The increase in the level of investments was similar to that experienced during 2005-06. The major factor in this year's increase was the receipt for the sale of the Parade Ground at North Weald Airfield. Although the sale of council houses under the Right to Buy scheme continues, with an increased number of houses sold (46 in 2006-07, compared to 40 in 2005/06), the proportion of capital receipts retained has reduced considerably. As the transitional relief allowances on the capital receipts pooling scheme has decreased from 50% during 2005/06 to 25% in 2006-07, only £2.5m of the sales receipts was retained. The relief will cease altogether from 2007-08.

16. During 2006-07 the Council opened a Special Interest Bearing Account (SIBA) with Nat West Bank PLC. Although the initial intention was to earn interest immediately on the receipt for the sale of the Parade Ground, the account has since been used as a complement to the Bank of Scotland account. Both earn interest at Bank of England Base Rate; however, the SIBA can be managed through the Council's treasury software, transferring late-arriving funds up to 3.30 pm and saving the cost of an external CHAPS charge.

17. The Bank of Scotland remains a valuable part of the treasury function. In addition to the instant access account, the Council's seven-day notice account with the Bank of Scotland forms part of its flexible, short notice recall funds, which offers a rate slightly above Bank of England Base Rate.

Benchmarking Information:

18. Epping Forest District Council contributes to the CIPFA Treasury Management Benchmarking Club, submitting data on its investments and costs directly attributable to its Treasury services. In return, the Council receives reports comparing its performance to other Club members. The results are shown in Table 5.

Table 5: CIPFA Benchmarking Club Results 2006-07			
	Epping Forest District Council	All Club members	Closest comparators
Number of respondents	1	150	7
Return on all investments and call accounts	4.92%	4.80%	4.80%
Return on short-term investments	4.88%	4.87%	4.87%
Return on callable investments	5.13%	5.15%	4.96%
Return on externally managed funds	None placed	4.20%	4.30%
Return on call accounts	4.86%	4.82%	4.79%
Direct cost of in-house Treasury service (per £m managed)	£370	£450	£500

19. Comparison with all other members' results is encouraging this year. The Council's average rate of return on investments of 4.92% compares very favourably with the average of 4.80% achieved across the whole club, while the cost of the Treasury function per million pounds managed was lower - £370 per million for Epping, against £450 per million on average.

20. In addition, the Council has chosen seven authorities of a similar financial size to itself in terms of budget and investment portfolio to benchmark against. The average return across the eight contributors is again 4.80%, against the Council's 4.92%, and the average cost per million managed is £500 against the Council's £370.

21. As four of the seven comparators have part or all of their funds given over to external fund management, this provides a useful insight into the performance of external managers. As a whole, external managers performed poorly during the year, returning 4.20% average over the year (4.30% for the four closest comparators) and decreasing the overall return of the authorities that used them.

Treasury Prudential Indicators:

22. Certain of the Prudential Indicators provide either an overview or a limit on treasury activity, and the first of these are shown in Table 6:

Table 6: Net Debt compared to Capital Financing Requirement		
Net borrowing position:	2006-07 Actual	2005-06 Actual
(minimum investment)	(£ 43.0 m)	(£ 42.0 m)
(maximum investment)	(£ 60.5 m)	(£ 54.9 m)
Capital Financing Requirement	(£ 0.78 m)	(£ 0.78m)

23. The Capital Financing Requirement (CFR) shows the Council's underlying need to borrow for capital purposes. In order to ensure that over the medium term borrowing net of investments will be solely for capital purposes, net borrowing should not, except in the short term, exceed the CFR for 2006-07 plus the expected changes to the CFR over 2007-08 and 2008/09. Table 6 highlights the fact that, by remaining debt-free, the Council has complied with this requirement: the net borrowing position is negative, as the Council is debt-free and is an investor.

Table 7: Maximum Debt compared to the Authorised and Operational Boundaries	
	£ m
Indicator Agreed – Authorised Limit	5.00
Indicator Agreed – Operational Boundary	3.00
Maximum gross borrowing position during the year	0.00
Capital Financing Requirement	(0.78)

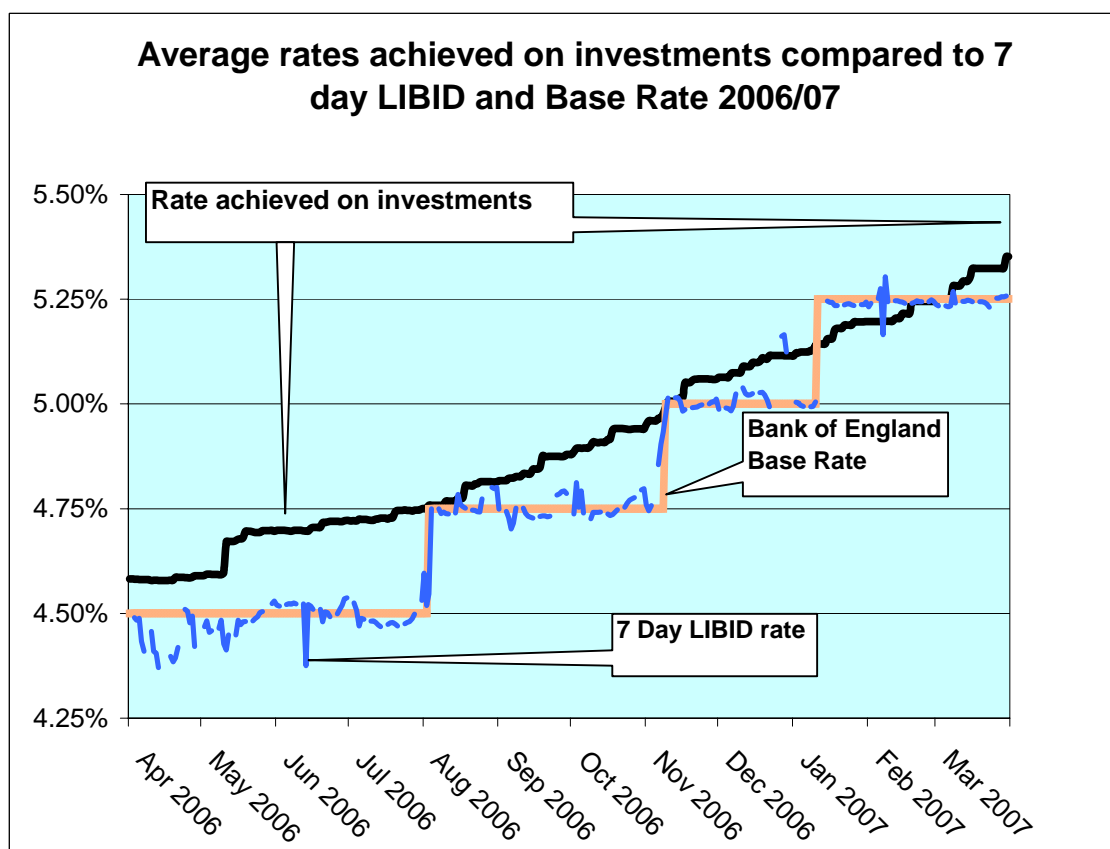
24. Table 7 shows the Authorised and Operational Boundaries compared to the maximum debt position and the CFR. The Authorised Limit is the "Affordable Borrowing Limit" required by s3 of the Local Government Act 2003. The table demonstrates that during 2006-07 the Council has maintained gross borrowing within its Authorised Limit.

25. The Operational Boundary is the expected borrowing position of the Council during the year. It would be acceptable for the actual position to be either below or above this boundary for short periods, subject to the Authorised Limit not being breached.

26. The indicators set to regulate the fixed and variable interest rate exposure and the maturity structure of the Council's debt portfolio were set to match the Council's policy of remaining debt-free. The maximum exposure to both fixed and variable rates is set at 75%, while 100% of the Council's debt portfolio is required to be repaid within twelve months. The Council has remained debt-free throughout 2006-07, and intends to remain so.

27. The final Treasury indicator, the maximum limit on the total principal sum invested for periods of one year or more, was set at £15m in February 2006. The total amount invested through deals for terms in excess of 364 days reached a maximum of £13m during 2006-07. This indicator was revised to £30m in February 2007, in anticipation of longer-term investment potentially following the sale of further land in 2007-08.

Economic Background for 2006-07:



28. The Council's treasury activity is directed by both the current market interest rates and expectations of future movements, for instance longer term investment rates for one and two years will reflect anticipated movements in the MPC Bank Rate (UK Repo Rate). Longer-term borrowing rates are influenced by inflation and demand and supply considerations.

29. The 2006-07 financial year featured a rising trend in short term interest rates as policy makers and financial markets responded to the twin effects of strengthening economic activity and rising inflation.

30. The optimism that prevailed in the first few months of 2006 had evaporated by the beginning of the new financial year. The rebound in economic activity since 2005 proved more robust than had been generally expected. In addition, external pressures on consumer price inflation had continued to escalate. While short-term interest rates remained steady in the first few months of the year, there were growing expectations of an eventual rise in official interest rates.

31. The first rise in the Base Rate (from 4.5% to 4.75%) was announced in August 2006, as the Bank of England responded to the deteriorating inflation outlook. The economy's slow response to monetary policy tightening, a less than favourable international backdrop and concerns that deteriorating inflation expectations at home would drive prices higher prompted additional rate rises. Two quarter point increases in Bank Rate were announced, in November 2006 to 5% and in January 2007 to 5.25%. The market anticipated further tightening measures, and attractive investment opportunities prevailed to year-end.

32. Deteriorating inflation expectations on the domestic and international fronts, in reaction to strong growth on a global basis, was the principal force driving yields higher. Strong technical demand for bonds, courtesy of the rebalancing of pension fund portfolios in favour of fixed income assets, was insufficiently strong to counter the rise in yields. Occasional rallies in the gilt-edged market caused dips in rates and presented favourable borrowing opportunities. But these were short-lived and by the close of the year, yields were trading close to the highest levels seen since early 2005.

The Strategy Agreed for 2006-07:

33. The strategy agreed for Treasury activities during 2006-07 was to:

(a) Maintain the Council's debt-free status;

(b) Maintain core investment balances of at least £25m, by maintaining at least £25m as short term or specified investments; and

(c) Undertake the most appropriate form of investments depending on the prevailing interest rates at the time and the Council's professional advisors' view on forecast rate movements. All investments were to be made in accordance with the Council's investment policies and prevailing legislation and regulations.

Actual Strategy During 2006-07:

34. **Borrowing** - Capital expenditure for the year was £10.5m. The Council's current Treasury strategy is based on the determination to maintain debt free status, and accordingly no external loans were drawn to fund capital expenditure. Future capital expenditure is planned on the basis that no external debt will be incurred.

35. **Investment Policy** – The Council's investment policy is governed by guidance issued by the DCLG, which is implemented in the annual investment strategy. The investment strategy for 2006-07 was approved by Council as part of the council tax setting procedure on 21 February 2006. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

36. **Investments Held by The Council** - The Council's current policy is to manage funds in-house with the assistance of professional advice from Butlers, avoiding the more volatile investment instruments that require professional expertise and constant attention. Performance may be slightly lower over the longer term than for professionally managed funds, but does not suffer from high professional management fees or from undue volatility.

37. The Council maintained an average investment balance of £53.4m and received an average return of 4.93% on fixed term investments (4.92% on investments and call accounts combined), compared to an average net return of 4.29% for money market funds. The performance indicator used as a standard benchmark of local authority treasury performance is the 7-day LIBID rate (London Interbank Bid rate, the average rate at which UK banks are willing to borrow from other banks for a term of seven days). The average 7-day LIBID rate for 2006-07 was 4.82%. By exceeding this benchmark, the Council earned an additional £53,000 in interest. By comparison, the average 7-day LIBID rate for 2005/06 was 4.53% and the average return on Council investments was 4.73%, earning an additional £92,000 in interest on the average investment balance of £46.7m.

Risk and Performance:

38. The Council has complied with all relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular, the adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure is prudent, affordable and sustainable, and that its treasury practices demonstrate a low risk approach.

39. With regard to performance limitations, there were three minor breaches of the counterparty limits during the year, as shown in Table 8 below. In each case the mistake was discovered within hours and reported to the Head of Finance immediately. In view of the very low level of risk involved, it was decided that the Council would not attempt to recall any of the investments concerned prematurely.

Table 8: Breaches of Maximum Cumulative Investment Totals			
	Deal 1	Deal 2	Deal 3
Counterparty name	Stroud & Swindon Building Society	Saffron Walden, Herts & Essex Building Society	Nottingham Building Society
Cumulative limit	£3,000,000	£2,000,000	£3,000,000
Total invested	£4,000,000	£3,000,000	£3,500,000
Excess exposure	£1,000,000	£1,000,000	£ 500,000
Length of excess	96 days	1 day	96 days

40. In addition to the above, there were two occasions when the restrictions on maximum terms on building society investments were breached, compared to four in the preceding financial year.

41. The members of the Treasury dealing team were reminded of the need to check the counterparty list restrictions very carefully before committing the Council to a deal, in order to prevent further breaches of counterparty limits or term limits.

42. The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Butlers, the Council's professional treasury advisers at a cost of £8,500 per annum, has proactively managed the investments over the year. The Council has complied with its internal and external procedural requirements, apart from the breaches of total cumulative investment limits mentioned above.

43. Shorter-term variable rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

Investments over £5,000,000:

44. In March 2006 the Council extended the maximum limits from £5m to £8m for any counterparty on the councils approved list with a credit rating of F1+ (short-term) and AA- or greater (long-term). This limit was raised to £12m in February 2007. During 2006-07, this higher limit was used on three occasions:

(i) Nat West Bank PLC (8 to 11 May 2006). Following the sale of the Parade Ground, 77% of the capital receipt was placed into the Council's interest bearing account until a suitable long-term deal could be arranged. The remainder was transferred to the interest bearing account with the Bank of Scotland, to ensure that activity on the Council's current accounts did not breach the £8m investment limit placed on NatWest at the time;

(ii) Bank of Scotland (8 to 15 May 2006). As a result of the sale of the Parade Ground, the remaining 23% of the capital receipt was placed in the Bank of Scotland interest bearing account, taking the total balance to £5,000,915.78 for one week; and

(iii) Royal Bank of Scotland (30 March 2007; ongoing). A three-year investment with the Royal Bank of Scotland, struck on 30 March 2007, took the cumulative investment total to £8m, against the newly agreed limit of £12m.

Proposed changes to the investment criteria:

45. The Council currently applies different criteria to banks and building societies, considering banks on the basis of their credit ratings and building societies on their asset base. This has been normal practice, as the majority of building societies were not rated.

46. However, in recent years an increasing number of building societies have acquired credit ratings, providing an independent means of comparing them to banks. In order to ensure a consistent approach, it is proposed that the counterparty criteria is modified to treat rated building societies on the basis of their credit rating.

47. As part of the same review, it is requested that building societies without credit ratings be treated on the basis of their asset size alone. The current policy is based on a minimum asset size and the society's place in the Butler's annual list of rank by asset size. A society with the required minimum asset size (£500m) will be excluded from the Council's list if it is ranked below the arbitrary top 30, while societies with almost identical asset bases are subject to different limits if one is ranked 20th, the second 21st.

48. To put the listing on a logical basis, it is proposed that:

(i) Building societies based in either the United Kingdom or the Republic of Ireland will be included;

(ii) Irish societies base their accounts on the Euro (€); however, all deals will be made in pounds sterling and will not be converted out of sterling at any stage;

(iii) Unrated societies with assets in excess of £1bn (€1.5 bn) are subject to cumulative investment limits of £3m and maximum terms of 9 months;

(iv) Unrated building societies with asset bases in excess of £500m (€ 750m) are subject to cumulative investment limits of £2m and maximum terms of 6 months; and

(v) Unrated building societies with asset bases of less than £500m (€ 750m) are excluded from the counterparty listing.

49. The current system uses the society's ranking to determine the cumulative investment limit and its asset base to determine the maximum term allowed.

Statement in Support of Recommended Action:

50. The outturn figure for each Prudential Indicator has been compared to its estimate (see Appendix 1) and any significant differences have been analysed. There were no breaches of limiting indicators during the year.

51. The Treasury Management Stewardship Report for 2006-07 demonstrates that the Council has complied with all limits placed on its Treasury operations, with the exception of the limits placed on maximum total cumulative investment limit. Details of these breaches have been given in the "Risk and Performance" section above.

52. The clarification of the treatment of building society counterparties with credit ratings corrects an inconsistency in previous treatment. The credit rating ensures that there is the same level of risk to the Council's investment, regardless of whether the rating is held by a bank or a building society, and the approval of restrictions based on asset base and credit rating rather than business stream allows greater flexibility in investment.

Other Options for Action:

53. To continue with the same building society criteria of the top 30 subject to a minimum capital asset base of £500m. This is causing some inconsistency between credit rated bodies, as credit rated building societies are rated according to their ranking in the list (which changes arbitrarily when two higher-ranked societies merge) while banks are judged on their rating.

Consultations Undertaken:

54. Our external Treasury advisors, Butlers, gave detailed advice on the new counterparty limits to be adopted in respect of the building societies with and without credit ratings. The CIPFA Benchmarking Club provided reports and information on other authorities' investment statistics in comparison to our own.

Resource implications:

Budget provision: £53,000 additional interest income implied by exceeding the 7-day LIBID benchmark.

Personnel: No extra personnel required.

Land: Nil.

Council Plan/BVPP ref: N/A.

Relevant Statutory Powers: Local Government Act 2003 and associated regulations.

Background papers: Held within Finance Department.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision reference (if required): N/A.

PRUDENTIAL INDICATORS 2006-07	Actual outturn	Revised indicator
Capital expenditure: General Fund	£ 4.81 m	£ 7.61 m
HRA	£ 5.69 m	£ 7.87 m
Total	£ 10.50 m	£ 15.48 m
Capital Financing Requirement (CFR) at 31 March		
Housing	(£ 24.63 m)	(£ 24.63 m)
Non-Housing	£ 23.84 m	£ 23.84 m
Total	(£ 0.79 m)	(£ 0.79 m)
Treasury Position at 31 March		
Borrowing	(£ 0.58 m)	
Other long term liabilities	£ 0.00 m	
Total Debt	(£ 0.58 m)	
Investments	(£ 53.00 m)	
Net Borrowing (negative; net investment)	(£ 53.58 m)	
Authorised Limit (against maximum debt)	£ 0.00 m	£ 5.00 m
Operational Boundary (against maximum debt)	£ 0.00 m	£ 3.00 m
Ratio of financing costs to net revenue stream		
HRA	(7.14 %)	(8.79 %)
General Fund	(7.38 %)	(8.51 %)
Incremental impact of capital investment decisions on the annual Band D Council Tax	(£ 0.00)	(£ 0.00)
Incremental impact of capital investment decisions on the weekly housing rent levels	£ 0.43	£ 0.43
Upper limits on fixed interest rate debt	Debt-free	75%
Upper limits on variable rate debt	Debt-free	75%
Maturity structure of fixed rate debt (actual shows maximum fixed rate debt during the year)		
Maturing in less than 12 months	£ 0.00 m	100%
Maturing in the next 12 months to 2 years	£ 0.00 m	0%
Maturing in the next 2 to 5 years	£ 0.00 m	0%
Maturing in the next 5 to 10 years	£ 0.00 m	0%
Maturing after 10 years	£ 0.00 m	0%
Maximum principal funds invested for terms greater than 364 days	£ 13.00 m	£ 15.00 m
Indicator revised to £30m in February 2007		

In addition to the above indicators, the Council is required to;

- Adopt the CIPFA Code of Practice
- Ensure that over the medium term, borrowing will be only for capital purposes (i.e., net external debt is less than the CFR).

The Council has complied with both of these indicators.

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Report to the Cabinet

Report reference: C/026/2007-8.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Leisure and Young People.

Subject: Epping Forest District Play Strategy 2007 – 2017.

Officer contact for further information: Julie Chandler (01992 – 564214).

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) That the Epping Forest District Play Strategy 2007 – 2017 be ratified; and**
- (2) That, as a result of the Audit and Consultation process undertaken as part of the Strategy Development, the 3 areas of Limes Farm, Nazeing and Lambourne, be prioritized for investment on the basis of the success of the Funding Application.**

Background Information:

1. Leisure Services has developed a 10-year District Play Strategy, which sets out requirements for improvement to play provision throughout the District, in line with identified need in community localities.

2. This work has been undertaken in line with a Government initiative following recommendations identified in the Play Review of 2003, which will see an investment of £155 million through the Big Lottery Fund towards the improvement of play provision across England.

3. A part of this initiative the Council has been allocated a total of £243,871 to improve and develop new facilities for play in the area, which is accessed through an application process that requires several key undertakings:

- (a) Establishment of a District Play Partnership involving play service providers from statutory, voluntary and charitable agencies;
- (b) Development of a Play Strategy document;
- (c) Establishment of a Play Policy for the District; and
- (d) Identification of a portfolio of priority play projects for the area.

4. The Strategy has to cover a period of 3 years from receipt of funding and must also provide evidence of planned play development outside of this. All projects included as part of the portfolio are required to be a minimum of £50,000 each and the guidance given on 'types' of project, range from play equipment and youth facilities to outdoor adventure play.

District Play Partnership:

5. An Epping Forest District Play Partnership (EFPP) was set up in December 2006, which consists of representatives from a wide range of organisations concerned with the well being of children and young people (see Appendix 1).

6. The play partnership has met on a regular basis over the last six months to develop ideas and collate information needed for the production of the Epping Forest Strategy.

Play Strategy:

7. Information required for development of the Play Strategy has included: a thorough and detailed audit of play spaces and facilities; undertaking of a district-wide consultation exercise with local children, young people and parents/carers of all abilities and a high level of collaborative working internally within the Council and with a respective partner agencies.

8. The District play audit considered a wide range of local issues, including:

- (a) Quantity, quality, safety and accessibility of existing play facilities;
- (b) Quantity, location and accessibility of 'open play spaces';
- (c) Other opportunities and appropriate spaces to play;
- (d) Assessment of built facilities in rural localities (Village/Church Halls);
- (e) Appropriateness of 'facilities' according to demographic profile;
- (f) Future play needs in areas of planned development;
- (g) Locally provided and supervised play provision; and
- (h) Opportunities for the establishment of new places to play.

9. This information has been mapped on the Council's Planning GIS system and will be an excellent resource for Leisure and Planning Services and the Council as a whole.

10. A wide range of consultation was undertaken across the District over a period of 9 months, utilising a variety of methods as detailed as attached in Appendix 2.

11. The main and generic issues arising from the audit identified that there is a lack of facilities in the district that meet the nationally recognised standards for play. Whilst some Parishes have reasonable to good facilities, but others have extremely poor and inadequate facilities and some play facilities were unsafe for use. A general lack of facilities for young people was highlighted both through the audit and consultation.

12. The issues facing Epping Forest District reflect many of the recommendations in the Government's play review and also reflect national trends. Key issues highlighted through the consultation identified that many children feel intimidated by older youths and that children desired provision of stimulating and innovative play equipment in a clean, well-kept and safe environment. Many parents and carers indicated that they feared for their children's safety when they were out playing unsupervised.

Play Policy:

13. The District Play Policy was agreed through the Play Partnership and sets out a standard to which all partner agencies and practitioners have agreed to sign up to. The agreed aim is to deliver:

“high quality, diverse, inclusive and sustainable play opportunities for all children and young people living in the Epping Forest District within an environment which is stimulating, accessible and safe.”

14. The Play Partnership will strive to achieve these aims through the adoption and implementation of the following strategic themes:

- (a) ***To raise awareness of the value and importance of play;***
- (b) ***To provide high quality, safe, challenging and sustainable play facilities and opportunities; and***
- (c) ***To ensure equitable and accessible play opportunities are available to all children and young people across the District.***

Summary:

15. The Strategy is required to cover a period of 3 years from receipt of funding and must also provide evidence of planned play development outside of this. All projects included as part of the portfolio are required to be a minimum of £50,000 each and the guidance given on 'types' of project, range from play equipment and youth facilities to adventure play. All facilities and physical resources that are provided through the Big Lottery funding, are required to be free of charge to participants and the Play Partnership must demonstrate a commitment to extending availability of free opportunities to play

16. Whilst the District has invested in outdoor fixed play equipment for children and young people (albeit many facilities have been transferred to Town and Parish Councils) and in particular £300,000 over the last 3 years as part of the Youth Initiatives Fund, the findings of the strategy highlighted that there are still three distinct areas of priority need in the District and these have been put forward as the proposed Portfolio for the District. These are as follows;

- (i) Limes Farm – provision of a new playground for infants and juniors and installation of a completely new youth 'play' facility;
- (ii) Nazeing - provision of two new playgrounds in the main areas of population, plus establishment of one multi activity youth facility and an improved 'kick about' area; and
- (iii) Lambourne – provision of new and refurbished playground at Pancroft Ring and establishment of a multi-activity youth area.

Statement in Support of Recommended Action:

17. The Council has already invested significant funding to improve play and youth provision throughout the area via the Youth Initiatives Fund however, more funding and resources are clearly needed. The Epping Forest Play Strategy, therefore, identifies a coordinated and collaborative approach to future investment in play provision and how this will be delivered, in an equitable way that will benefit all children and young people across the District.

Other Options for Action:

18. If Cabinet declined to support the Play Strategy opportunities, the District could be denied a significant investment in improved play provision.

Consultation Undertaken:

19. See Appendix 2.

Resource Implications:

Budget Provision: £243,871 External Funding Opportunity.

Personnel: Officer time to support development of the Play Strategy in the District.

Land: Limes Farm & Pancroft sites are owned by EFDC Housing. Nazeing - Hoe Lane site is

owned by Nazeing Parish Council and Elizabeth Close site is entrusted to Nazeing Parish Council under a 99-year agreement. If any new facilities require planning consent the normal procedures would apply.

Council Plan 2006-10/BVPP Reference: None.

Relevant Statutory Powers: None.

Background Papers: None.

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.

Key Decision Reference (if required): Will advise when key decisions have ref nos.

Appendix 1 – Epping Forest District Play Partnership

Community Wellbeing Portfolio Holder	Epping Forest District Council
Member representative from LSP	Epping Forest District Council
Children's Services Locality Manager	Essex County Council
Extended Schools Co-ordinator (South)	Essex County Council
Extended Schools Co-ordinator (Rural)	Essex County Council
Social Care Officer	Essex County Council
Locality Youth Service Manager	Essex County Council
Local Strategic Partnership Manager	Epping Forest LSP
Development Officer	4Children
Facilities Development Officer	Corporation of London Epping Forest
Head of Centre - Epping Forest Field Centre	Field Studies Council
Assistant Director	Voluntary Action EF
Club Development Officer	Essex Assoc. of Boys` Clubs
Early Years and Childcare Officer	Essex County Council
Development Officer	Pre-school Learning Alliance
Community & Cultural Services Manager	Leisure Services (EFDC)
Community Development Team	Leisure Services (EFDC)
Young Person's Officer	Leisure Services (EFDC)
Grounds Maintenance Manager	Leisure Services (EFDC)
Principle Planning Officer	Planning (Conservation & Environment) (EFDC)
Planning Assistant	Planning Services (EFDC)
Housing Officers	Housing Services (EFDC)

Appendix 2 – Consultation Exercises undertaken throughout the Epping Forest District.

- Children's Play Survey involving 3-11 year olds
(Via pictorial submissions)
- Play 4 Play Consultation involving 5-11 year olds from 4 primary schools in the District.
(Via Children's Fund Essex commissioned consultation exercise)
- Children's Play Survey involving 5-11 year olds
(Via a consultation questionnaire.)
- Youth-Plus consultation involving young people with disabilities
(Via a face-to-face consultation exercise.)
- Youth Surveys involving 11-16 year olds
(Via detached youth work.)
- Loughton Youth Project outreach consultation
(Via detached youth work.)
- Limes Farm Youth Consultation Project
(Via detached youth work and also the commissioning of a video produced by young people living on the Limes Farm Estate, Chigwell.)
- Parents and Carers Survey
(Via a consultation questionnaire.)
- Consultation with the Epping Forest Play Partnership
(Via regular Partnership meetings and partner outreach consultation)

Report to the Cabinet

Report reference: C/037/2007-08.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Housing.

Subject: Bed and Breakfast Accommodation Contract Procedure.

Officer contact for further information: Roger Wilson (01992- 564248).

Democratic Services Officer: Gary Woodhall (01992 - 564470).

Recommendations/Decisions Required:

(1) That the following options for dealing with this Contract be considered:

(a) to delegate the decision to a Portfolio Holder who either has no prejudicial interest to declare or has received a dispensation from the Standards Committee;

(b) to delegate the decision to an ad hoc Cabinet Committee comprising no less than three Cabinet Members, (without prejudicial interests or in receipt of a dispensation) including an appointed Chairman and Vice-Chairman; or

(c) delegate the acceptance of a tender (or tenders) to the Head of Housing Services; and

(2) That a Chairman and Vice-Chairman of the Ad Hoc Cabinet Committee be appointed if option (1)(b) is chosen.

Report:

1. In normal circumstances the decision to engage a landlord supplier of bed and breakfast accommodation would be referred to the Portfolio Holder for Housing as the tendering exercise does not change policy or create a new budget requirement. Tendering was designed to re-test the market and refresh the Council's list of bed and breakfast providers. However, the Portfolio Holder concerned has declared a prejudicial interest in the matter by reason of a close association with one of the tenderers, who is a serving District Councillor. Under normal procedure, the matter would then stand referred to the next available full Cabinet meeting.

2. Four other Cabinet members have also indicated that they have prejudicial interests. All five applied for dispensations under the Code of Conduct from the Epping Forest District Standards Committee. The effect of a dispensation being granted would be to allow them to take part in any consideration of the item and leaving the Cabinet meeting concerned, provided the interest and the dispensation is declared.

3. The decision of the Standards Committee on the five applications was to grant dispensations to Councillors A Green and Mrs A Grigg on grounds that their interests as described were not significant enough to exclude them from consideration of the item. In the three other cases (Councillors Mrs D Collins, Mrs M Sartin and D Stallan), the Standards Committee concluded that the interests declared were too significant to permit those members to be involved. The Standards Committee therefore refused to grant dispensations.

4. The three other members of the Cabinet (Councillors M Cohen, Ms S Stavrou and C Whitbread) did not apply for dispensations. The Standards Committee has stated that, if further applications were received, a meeting would be arranged to review those cases.

5. However, it is now clear that two other declarations of prejudicial interests would have been made. Thus the Cabinet Quorum has been lost.

6. With no quorum to deal with the substantive issue, the Cabinet should consider other options for dealing with the tenders. These appear to be as set out in the recommendation at the commencement of this report.

Statement in Support of Recommended Action:

7. The recommendation safeguards the Cabinet's ability to make decisions by any of three options. This would meet the legal requirement for Cabinet decisions to be made only by executive members and allow those members with a prejudicial interest to comply with the Council's Code of Conduct.

8. So long as the Cabinet restricts itself to considering the process for considering the tender, rather than the tenders themselves, it is not considered that the prejudicial interest applies. It follows however, that any member who has a prejudicial interest must take no further part in the matter either informally or formally.

Other Options for Action:

9. The only options available are those set out in the recommendations at the commencement of the report.

Consultation undertaken:

10. Epping Forest District Standards Committee.

Resource Implications:

Budget Provision: Existing.

Personnel: Existing.

Land: Existing.

Community Plan/BVPP reference: None.

Relevant statutory powers: Local Government Act 2000.

Background papers: Letters requesting dispensations by five Cabinet members. Letters from the Deputy Monitoring Officer notifying the decisions of the Standards Committee.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision reference (if required): N/A.

Report to the Cabinet

Report reference: C/038/2007-08.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Leader of the Council.

Subject: Loughton Alderton Bye-Election - 30 August 2007.

Officer contact for further information: Ian Willett (01992 564243).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendation:

That, in respect of costs incurred on the District Council bye-election for the Alderton Ward held on 30 August 2007, a revenue DDF supplementary estimate in a sum to be reported at this meeting be recommended to the Council for approval.

Report:

1. A bye-election was held on 30 August 2007 for the Loughton Alderton Ward. This followed the resignation of one of the Ward Members and a request by the appropriate number of local government electors for a bye-election to be held.
2. There is no provision available in the budget for this bye-election. The costings are now being collated and the figure involved will be reported to this meeting or if necessary at the next Council meeting.
3. A supplementary estimate is therefore requested, which must be approved by the Council, dependent on the sum involved.

Statement in Support of Recommended Action:

4. It was a statutory requirement that the bye-election be held once the request from two electors had been made. The Returning Officer therefore had no alternative but to incur the necessary expenditure.

Other Options Considered and Rejected:

5. None.

Consultation Undertaken:

6. The usual consultation arrangements with candidates, election agents and with the Police took place in connection with the bye-election.

Resource implications:

Budget provision: Nil.

Personnel: Within existing resources.

Land: N/A.

Community Plan/BVPP reference: Nil.

Relevant statutory powers: Representation of the People Acts.

Background papers: Resignation letter of Councillor T Farr. Letter requesting bye-election.

Environmental/Human Rights Act/Crime and Disorder Act Implications: Election processes require that Human Rights considerations be taken into account and Crime and Disorder matters were discussed with the Police as part of the normal security arrangements.

Key decision reference (if required): Nil.

Report to the Cabinet

Report reference: C/039/2007-8.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Civil Engineering & Maintenance.

Subject: Memorandum of Understanding with the Environment Agency.

**Officer contact for further information: John Gilbert (01992 – 564062).
Qasim Durrani (01992 – 564055).**

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) To approve submission of a cost neutral tender bid to the Environment Agency for a two-year Memorandum of Understanding operating from 1 April 2008 to 31 March 2010;**
- (2) To authorise the Head of Environmental Services to invite tender bids for the award of the annual watercourse maintenance contract, for a 5 year rolling partnering type of contract subject to annual performance based renewal; and**
- (3) To note that the Head of Environmental Services will bring the existing contract to an end at an appropriate time if required.**

Memorandum of Understanding:

1. The Cabinet at its meeting on 14 November 2005 authorised the Head of Environmental Services to enter into a Memorandum of Understanding (MoU) with the Environment Agency (EA) for the management of those watercourses and flood defence assets which had been re-designated as main rivers by the Department for Environment, Food and Rural Affairs (DEFRA) on 1 April 2006.
2. However, the DEFRA enforced transfer allowed for the management of these re-designated assets to be contracted back to those local authorities who were deemed capable by the EA of managing and undertaking works and who were willing to continue with previous arrangements. This contracting back was undertaken through the MoU. Full details of the assets covered under the MoU are set out in Appendix 1.
3. The MoU is a legal contract between the Council and the EA. Officer time and costs incurred in performing activities on behalf of the EA are charged back whilst any time or costs incurred in discharging responsibilities as a riparian landowner are borne by the Council. In the first year of operation a sum of £103,964 was spent on behalf of the EA. The full breakdown of cost components is also set out in Appendix 1.
4. The officers of the EA who have direct management responsibility of the current MoU have expressed satisfaction with the performance of the Council. All Key Performance Indicators set in place for the monitoring of the MoU have been met. The EA has therefore requested that the Council consider submitting a tender bid for the award of the next two-year term of the MoU.

The Annual Watercourse Maintenance Contract:

5. The contract for the maintenance of watercourses (AMC) rests with Hugh Pearl (Land Drainage) Ltd. This contract is reaching the end of the period whereby the Head of

Environmental Services can renew it on a rolling basis, and a new tender process is now required for the contract to commence in June 2008.

6. However, the process of bidding for the MoU complicates this procurement process. It is essential that, if Cabinet agree to enter into a new MoU, the costs of the next AMC be fully taken into account in the bid price. To achieve that means that the tender process needs to be brought forwards such that the new AMC price is known ahead of submitting the MoU bid. Given that the new MoU is to commence on 1 April 2008 and the existing AMC does not expire until the end of June 2008, it may become necessary to cancel the existing contract ahead of time i.e. with effect from 1 April 2008. The AMC has been structured to allow this to happen without the Council incurring contract penalties.

7. It is proposed to undertake the procurement process in sufficient time to both:

(a) inform the MoU bid; and

(b) include any increased costs for non MoU watercourses into the 2008/09 budget process.

Statement in Support of Recommended Action:

8. The MoU is budget neutral for the Council since all the costs incurred through its delivery will be met in full by the EA. If the Council were not to bid then the costs associated with the management of watercourses for which it is the riparian owner may well rise due to the EA commissioning works themselves either directly or through enforcement activity. There would also be a risk of losing key skills, which are essential in maintaining the Council's present land drainage and flood alleviation services to residents. The Council has a number of locations of relatively high flood risk with around 2,500 properties at significant risk of flooding.

9. There are considerable environmental advantages to seeking to maintain the MoU. All of the flood storage reservoirs are managed in close co-operation with Countrycare, the Council's countryside management service. By working in this collaborative manner the Council has created over 9 hectares (22 acres) of prime wetland habitat of major biodiversity value. If the work were to revert directly to the EA there is no guarantee that such a level of collaboration would continue or be developed further. Further details on the benefits of the collaborative efforts in management of these assets are presented in Appendix 2.

10. Whatever the outcome of the MoU, the Council, as a riparian owner, has to maintain a significant length of watercourses. This can only be undertaken satisfactorily by using specialist land drainage management contractors. The contract expires in June 2008 and the authority for the Head of Service to renew on an annual basis has expired. A procurement exercise is therefore required.

Other Options for Action:

11. In respect of the MoU Cabinet could decide not to bid. However, there are no advantages to this course of action given that a successful bid would be cost neutral. In fact, not bidding or not winning the MoU could have financial implications for the Council, as well as affecting the ability of the Land Drainage Group to effectively deliver its existing key services.

12. A procurement exercise for the AMC is required unless Cabinet decide to extend the Head of Service's current authority to extend.

Consultation Undertaken:

13. Dr Jeremy Dagley, Conservation Manager at the Corporation of London has expressed satisfaction with the Council's involvement in the management of the Loughton

reservoir (part of a flood alleviation scheme for Loughton). He states that this has led to the establishment and maintenance of an attractive additional open space at this entrance to the Forest, the Council has always been good at communicating proposals for site works, and that in recent years there has been a significant improvement in the management of the pond itself. He would consider the loss of local management of the scheme to be a retrograde step.

Resource Implications:

Budget Provision: No additional financial implication to the Council. All costs incurred will be recoverable from the Environment Agency. In the previous year of the MoU the Council has recovered a sum of £103,964 from the EA.

Personnel: There are no additional staffing implications and all functions will be managed within the existing staffing resources of the Environmental Services Section.

Land: Where the flood alleviation schemes are built on land that belongs to the Council it will remain the riparian owner responsible for maintenance and repair of these assets.

Council Plan 2006-10/BVPP Reference: Council Plan Key Performance Indicators: HN4, HN5, HN6, EP3

Relevant Statutory Powers: Discretionary powers to implement flood alleviation schemes in relation to ordinary watercourses under Land Drainage Acts 1991 and 1994.

Background Papers: Report to Cabinet 10 April 2006: Transfer of critical ordinary watercourses (COWs).

Report to the Cabinet 14 November 2005: Transfer of Critical Ordinary Watercourses and memorandum of Understanding with the Environment Agency.

Report to Cabinet 17 June 2002 (C/029/2002-03): Watercourse maintenance – Partnering contract.

Report to Cabinet 6 February 2006 (C/109/2005-06): Principal Ordinary Watercourses and Flood Defence assets – allocation of funding for remedial works.

Report to Cabinet 6 June 2005 (C/011/2005-06): Partnering Contract for annual watercourse maintenance.

Environmental/Human Rights Act/Crime and Disorder Act Implications: Under a range of environmental legislation all land drainage activities must be undertaken so as to minimise damage to existing habitat and maximise opportunities for environmental enhancements.

Key Decision Reference (if required): Yes. The decision can affect the quality/quantity of services to people living/working in an area of two or more wards.

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Appendix 1 – Details on assets and impact of MoU

The following watercourses were redesignated by DEFRA as main rivers on 1 April 2006; The Loughton Brook at Loughton, Thornwood Common Brook and associated tributaries at Thornwood, North Weald Brook and associated tributaries at North Weald, Hillmans Cottages Brooks at Abridge, Queens Road North Weald, Lichen Brook Nazeing and Crispey Brook at Ongar.

As a result of this decision a total of 8.5km of watercourse which were previously in the control of the Council, became main rivers and for which the EA has overall control, in as much as any powers to carry out works if it so wishes but more importantly enforce riparian/adjacent land owners to carry out repair and maintenance works.

All of the Council's flood alleviation schemes namely; Church Lane Flood Alleviation Scheme, North Weald, Thornwood Flood Storage Reservoir, Thornwood and Thornhill North and South in North Weald are now on main river watercourses. They are all designated Local Nature Reserves and are in DEFRA funded countryside stewardship grant scheme, now run by Natural England.

The Staples Road Flood Storage Reservoir in Loughton is also a main river asset, and is a designated Site of Special Scientific Interest (SSSI) located within the Corporation on London (CoL) Forest. The Council has entered into a legally binding agreement with the CoL to carry out all maintenance works and ensure the site retains it's SSSI status and all works conform to the statutes and standards expected.

The EA has permissive powers under the Water Resources Act 1991 to carry out flood defence works themselves and/or demand that works be done by riparian owners. The Council has in the past been required to carry out remediation works to sections of the main river for which it is a riparian owner e.g. bank repairs at Rochford Avenue in Waltham Abbey, erosion control works at Longfields in Ongar and Roding Valley Park bank repair works in Loughton.

Under the present MOU all staff time charges, emergency response standby payments and approved works on the flood defence assets are recharged to the EA. In the first year of operation of the MOU (1 April 2006 to 31 March 2007) the Council has recharged a sum of £103,964 to the EA, which consists of the following:

- Officer time: £10,272
- Standby and emergency response: £6,826
- Civil works and maintenance: £86,866

In the financial years 2004-05 and 2005-06, when there was no MOU arrangement, the Council spent £25,191 and £26,652 respectively as a riparian owner on these sites. In the first year of the MOU (2006/07) a sum of £33,781 was recharged to the EA for routine works. In addition a further £18,002 was spent by the Council as a riparian owner responsible for the maintenance of rivers and reservoirs.

Appendix 2 - Benefits of Land Drainage and Countrycare Collaborative Approach

Church lane flood alleviation scheme, North Weald, Thornwood flood storage reservoir, Thornwood and Thornhill North and South in North Weald have all been formally designated as Local Nature Reserves as a result of the Council's efforts and in recognition of their biodiversity. All these sites are in DEFRA funded Countryside Stewardship Grant, which runs until 2010.

Due to the involvement of Countrycare a total of over 5000 volunteer hours have been spent in managing these 4 flood alleviation schemes. This equate to approximately £32,000 (at £6.25 an hour). In additions there have been 85 projects days and a total of 6500 trees have been planted and cared for by volunteers at these sites.

Countrycare has also fostered local community inputs to these projects and all the sites are managed under a strict regime of management plans to maintain and enhance their biodiversity. There is a risk that if the EA takes over management of these sites the Council may not have a direct input into the management of these sites and there could be deterioration in the environmental status of these assets.

Key benefits

- The Council has managed to create 8.85 hectares of herb rich grassland that in Essex has seen a 99% decline in the last 50 years.
- Church Lane flood alleviation scheme was declared a County Wildlife Site in 1998 and a Statutory Local Nature Reserve in May 2002 (Area 3.25 hectares). The site boasts 185 plant species including regional scarce species.
- Community participation in the management of these sites is carried out through local liaison groups.
- Management of the sites is carried out through 5 year management plans that have been prepared with community consultation.
- The sites offer a valuable resource for school and youth groups for educational use.
- Three of the four sites are in Countryside stewardship (8.85 hectares).
- Use of volunteers enables sensitive site management e.g. hand tools as opposed to machine plant.

The current management of these sites, as a combination of Engineers and Conservation officers is in line with best practice. It demonstrates value for money by use of a skilled volunteer force, supervised by trained and qualified in house staff. Given the EA's known resource difficulties and its regional responsibilities there are concerns about its ability to respond quickly to any local flooding emergency and to manage the assets as conservation sites.

Report to the Cabinet

Report reference: C/040/2007-8.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Environmental Protection.

Subject: Bobbingworth Tip Remediation Project.

**Officer contact for further information: John Gilbert (01992 - 564062).
Qasim Durrani (01992 - 564055).**

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) To note the delayed start and continued inclement weather interruptions on the Bobbingworth Tip remediation project and associated cost implications;**
- (2) To agree additional capital provision in the sum of:**
 - (a) £170,000 to meet the costs of direct works; and**
 - (b) £100,000 to re-instate the contingency budget to its recommended level;**
- (3) To delegate authority to the Environmental Protection Portfolio Holder to permit any of the contingency budget to be drawn down;**
- (4) To recommend a supplementary capital estimate to Council to cover the additional capital provision accordingly; and**
- (5) To receive a further report in due course on the progress of the scheme and projected budget outturn.**

Report:

1. At its meeting on 10 April 2006 Cabinet resolved to proceed with the Bobbingworth Tip remediation scheme. A Target Price of £1,574,271 for design, investigation and construction was agreed with Veolia Ltd (formerly Cleanaway Ltd). This Target Price was dependent on an associated programme of works and a start date of construction of 1 June 2006.
2. The price of the works was made up of two elements:
 - (i) Works directly provided by Veolia; and
 - (ii) Works provided to Veolia by third parties.
3. Those included under part (i) are essentially within budget whereas those under part (ii) have increased. These increases are due to the fact that they relate to competitively tendered works including major scheme components:
 - (a) the grout wall; and
 - (b) the reed bed leachate filter.
4. The project missed the start date due in significant part to the need to complete the Section 278 Agreement with the Highways Authority (Essex County Council). All planning

conditions including the Section 278 Agreement with Essex County Council were not finally agreed until 11 November 2006 with Essex CC issuing the works licence on 6 March 2007. Construction activity commenced on 19 March 2007, some 9 months later than the previously mentioned 1 June 2006. This delay, in addition to the heavy summer rainfall, has caused delay in soil importation and construction activity on site.

5. These delays resulted in the estimates for the works referred to in paragraph (2) above expiring. When the works were subsequently tendered costs have come back higher than those original estimates. Other issues associated with the Section 278 Agreement have also added significantly to costs resulting in the need to draw down on the initially agreed contingency sum. The weather and other delays will also result in additional costs feeding through, and whilst these have yet to be quantified it is considered prudent to allow for them now as part of the scheme cost rather than including them in contingency sums in the knowledge that they will arise. The net result of these factors results in the need to seek an additional capital allocation in order to:

- (a) Meet the additional scheme costs arising from delays and increased works costs; and
- (b) Restore the level of contingency to a sum, which accords with standard engineering practice.

6. Table 1 below sets out the financial details:

Item	Cost / estimate (£)	Note
Total project allocation	1,948,875	This is the total allocation for the project from inception stage and include all post tender, design, and investigation related costs. This comprises the construction cost of £1,230,351 and £343,920 for design, investigation, drilling, monitoring and investigation costs plus the additional costs outlined below. The Target Price was agreed between the contractor and the Council and was only subject to change if there was any unforeseen event. This Price was also conditional to a programme of works which envisaged a start date of June 2006
Current agreed target price	1,701,233	Due to the delay in implementation of the programme of works associated with the agreed Target Price the project has encountered additional costs. The total value of these additional items of works is £126,962 above the £1,574,271 agreed by Cabinet in April 2006.
Spent on compliance with planning conditions	131,756	The grant of planning permission was subject to a number of conditions. These included activities like ecological investigations, management of leachate, submission of information to statutory bodies like the Environment Agency, further site investigations around badgers sets, noise, odour and dust related mitigation measures
Payments to third parties	83,311	Not all the payments under the project heading have been made to Veolia. Costs have been incurred in respect of; Consent from Environment Agency, licence costs for agreement with adjoining land owners, consultant fees for; design validation, formalisation of contract, costing valuation by independent specialists.
Balance	32,575	
Estimated Cost consultant fees up to completion	15,200	Services of a cost consultant are utilised to evaluate payments to contractors and agree cost increases due to unforeseen reasons. This allows the Council an independent opinion and enables quicker resolution of cost claims
Increase in Tender returns for Grout Wall	47,000	The Target Price agreed with Veolia included costs for a third party constructing the Grout Wall within the site. Cost estimates were obtained from competent contractors and the lowest figure was used to arrive at the Target Price as agreed with the Council in April 2006. Due to the delay in commencement of the contract the estimates obtained prior to April 2006 are no longer valid and Veolia have carried out an open competitive tendering exercise. The lowest bid is £47,000 more than the lowest estimate of April 2006
Increase in Tender returns for Leachate Treatment Plant	40,000	As Note 7 above, the lowest tender bid is £40,000 over the lowest estimate of April 2006.
Balance available	(69,625) (NB: This is a budget shortfall)	This is the current financial status of the project. The Council's Capital Estimate does not currently show a negative value because not all payments have been made to Veolia. However, if all payments are cleared, by the end of the project the overall budget will be in the negative by the amount shown. Of the agreed Target Price of £1,701,233 a sum of £618,372 has been paid to Veolia so far. This leaves a sum of £1,082,861 to be paid for future works
Anticipated additional spend	100,000	The current programme seeks to complete the heavy engineering works before the winter months, reduce site presence (monitoring and security only) and surface restoration (soil importation) next summer. This

		delayed programme will result in additional costs, it is not possible to estimate these at the present time (largely dictated by the extent of works completed within the coming months). The requested contingency will be used to pay for any increased costs of remaining works and will be only committed to pay for unforeseen and delay costs, any unspent amounts will be returned back after the final account of the scheme at completion
Recommended contingency	100,000	
Total additional funding	269,625	Made up of the current (negative) balance, plus the anticipated additional spend plus the restoration of the contingency sum

7. Although these delays and associated additional costs are regrettable, it was always the case that the scheme timetable would be heavily dependant upon the weather and the ability to move soil to the site and for the machinery to be able to operate. Notwithstanding the difficulties which have arisen, approximately 80% of the site has been clay capped. Preparations are underway for the heavy infrastructure works to commence i.e. the construction of the grout wall, the leachate treatment works and the associated interceptor drains. The planning consent restricts work to the summer (and dry) months. Work will therefore have to cease once circumstances dictate and a further report will be made to Cabinet at that time with regard to progress and any costs of further delay.

Statement in Support of Recommended Action:

8. The scheme is progressing as well as it can allow for the earlier delays in commencement and the difficulties of the recent very wet weather. The additional costs are unavoidable under the circumstances and the scheme is now so advanced that cessation is not an option.

9. It is good practice to maintain a contingency sum within the contract to manage unforeseen eventualities. It is always to be hoped that drawing down on the contingency will not become necessary but, but circumstances have required the contingency to be utilized and in order to mirror good practice the contingency should be re-established at around £100,000 which is less than the industry standard of 10% of anticipated spend. It is to be hoped that with the additional append approved, it should be necessary to draw down on the restored contingency fund.

Other Options for Action:

10. The scheme has progressed to a stage where it is not feasible to abandon. If the scheme is not completed as designed and as approved by the Environment Agency then the Council may leave itself open to legal action by the Environment Agency (in respect of pollution) and/or by Thames Water (in respect of exceeding discharge limits to their sewage works).

Consultation Undertaken:

11. None.

Resource Implications:

Budget Provision: As set out in table 1 in paragraph (6) of the report. The delay in the completion of capital works has resulted in a CSB saving of £17,000 in 2006-07 as reported to the Finance & Performance Management Cabinet Committee on 18 June 2007. Further savings are anticipated in the current financial year.

Personnel: Nil.

Land: Restoration of Bobbingworth Tip (a former landfill site).

Council Plan 2006-10/BVPP Reference: N/A.

Relevant Statutory Powers: N/A.

Background Papers: Previous Cabinet reports on the remediation scheme.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision Reference (if required): None.

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Report to the Cabinet

Report reference: C/041/2007-8.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Leader of the Council.

Subject: Forester Magazine – Procurement.

Officer contact for further information: Tom Carne (01992 – 564039)

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) To note the current position concerning contracts for production of The Forester Magazine; and
- (2) To utilize the Procurement Hub if possible in pursuing competitive quotations to test the design, sale of advertising, print and distribution aspects for production of the Forester Magazine, or else pursue our own competitive tender exercise.

Report:

1. The Forester Magazine is produced by the Public Relations Section of Research and Democratic Services. It is a colour A4 32 page magazine format including eight pages of advertising, revenue from which helps to reduce budget costs. Approximately 56,000 copies of the Forester are delivered to all households and many businesses. Distribution takes place in June, September, November and February with particular care taken to ensure that publication of the Forester does not conflict with the purdah period leading up to elections.

2. A great deal of store is set by the value of Council magazines in communicating with residents. They form a key part of most Council communications toolkits. Recent research by Bostock Marketing Group on behalf of the Department for Communities and Local Government links how well people feel they are kept informed with customer satisfaction. The Forester is one of the most important local methods of communication for Epping Forest District Council.

Cost – Production:

3. A range of suppliers assist in the production and distribution of the Forester. A budget breakdown for 2007/8 is provided below:

Forester		2007/8
Item	Supplier	Expected Cost
Design and Advertising Sales x 4	Artantica	£10,000
Editorial x 4	CL Communications	£3,600
Print x 4	Woodford Litho	£18,400
Distribution x 4	Royal Mail – Door to Door	£18,200
Distribution x 4	Best Mailing Services – North Weald	£1,640
Braille Version x 4	Anglia Ruskin Enterprise	£816
Tape Transcription x 4	John Wickens	£500
Potential Advertising Income	Artantica	-£1,000

Total		£52,156
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4. These prices are indicative for budget purposes. Some costs can vary slightly. Reasons for variations can include items such as paper prices, late author changes and fuel prices. While budget provision exists for tape transcription, the Council has not been charged for this service to date.

5. Advertising revenues vary from edition to edition. The Council has an agreement whereby in addition to advertising keeping the overall cost down, the Council receives 25 percent of advertising revenue above a threshold figure of £6,317. Income from this source has been projected at approximately £1,000 for 2007/8. The total unit cost of Forester production and distribution is a little over 23 pence per copy.

6. Design and editorial costs have been pegged at 2002 levels with a gradual increase in advertising revenue to the Council. Print prices are subject to fluctuation but are currently slightly below the tender prices obtained in 2002. It is not always possible to secure Royal Mail delivery slots and where alternative providers of comparable reliability have been engaged, they have tended to be much more expensive. The previous Portfolio Holder, who held professional experience in this field, had scrutinized the print and production costs.

Distribution:

7. The main area of cost increase is distribution. Principally Royal Mail through its Door-to-Door service carries this out. Royal Mail Door to Door is a postcode based delivery service, which overlaps some council boundaries. Best Mailing Services of North Weald are engaged to post small numbers of Foresters direct to some properties on the border of the District. Royal Mail distribution has certain disadvantages, namely that slots must be booked up to a year in advance to guarantee distribution on the required dates and Royal Mail impose strict 'delivery to depot' rules including long lead-in times which mean the Forester must be printed several weeks before distribution commences.

8. However, Door-to-Door by Royal Mail achieves almost total coverage. Previous experience has indicated that no other supplier is able to provide comparable reliability even though many offer services at a similar or cheaper price. Where competitors are able to match Royal Mail for reliability of coverage, they tend to have much more flexible arrangements with shorter deadlines but are considerably more expensive.

9. Royal Mail prices have recently increased. Distribution during 2008 is expected to be approximately £1,500 higher than 2007. The gap between Royal Mail and private sector competitors is believed to remain although it is diminishing.

Contract Liaison:

10. Although several different contractors are involved, a very good working relationship exists with the Council. Over five years they have provided an excellent service to the Council. On one occasion where through human error, an edition of the Forester did not reach Royal Mail on schedule and the delivery slot was lost, the Printer met the full cost of providing alternative distribution at considerable cost to itself.

Contract Standing Order – Requirements:

11. The contract for producing and distributing the Forester could be viewed as a single contract of £52,000, which would require invitations to tender. The budget is allocated however to a series of contractors/suppliers ranging in value from £500 to £18,400. If that view is taken, all are within the delegated authority of the Head of Research and Democratic Services. He can let those valued up to £5,000 with one quotation, those between £5,000 and £10,000 require two quotations, whilst those between £10,000 and £20,000 require three quotations. Three contracts fall in the last category.

12. If the requisite quotations are obtained, these contracts could be let under Head of

Service delegated authority. However, there is one further condition that must be met, namely the requirement of Standing Order C12 (Serial Contracts). This states that serial contracts cannot be renewed for more than four years from the year in which the rates/prices on which the contracts were first obtained. This group of contracts was let in 2002. Thus, a new exercise based on competition is required in the Financial Year.

Alternatives to Competitive Quotation:

13. Contract Standing Order C1(4) allows the Cabinet to waive any of the requirements of Contract Standing Orders if an exception is of necessity or justified in special circumstances after consultation with the Monitoring Officer and the Chief Financial Officer and provided that there is no change in policy and the financial consequences to the Council do not exceed £250,000.

14. In this case the authority would be required from the Cabinet to determine under C1(4) that the serial contract should be continued without further competitive exercise beyond the maximum period of four years set out in C12 (2). Reasons for this might be:

- (a) The process of testing the market place could be long and time consuming;
- (b) The configuration of current contractors is working effectively and the entry of new contractors might disrupt the process; and
- (c) Competition may not result in economies being achieved.

15. This presupposes that the Cabinet does not wish to change the current policy in relation to the Forester.

Statement in Support of Recommended Action:

16. While the current arrangements for the production and distribution of The Forester have worked well and the current contractors should be encouraged to bid for retention, good financial practice recommends periodic testing to ensure best value continues to be achieved. It is proposed to achieve this objective via utilization of the Procurement Hub.

Other Options for Action:

17. Waiving of Contract Standing Orders C12 to permit continuation of current arrangements until such time as the Council changes its policy on The Forester.

Consultation Undertaken:

18. None

Resource Implications:

Budget Provision: £52,156 CSB Budget 2007-08.

Personnel: From within existing resources.

Land: None.

Council Plan 2006-10/BVPP Reference: None.

Relevant Statutory Powers: The Local Government Act 1972 (Section 142).

Background Papers: None.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision Reference (if required): N/A.

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Report to the Cabinet

Report reference: C/042/2007-08.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

Portfolio: Leader of the Council.

Subject: Development Land Sale - Langston Road Industrial Estate, Loughton.

**Officer contact for further information: Michael Shorten (01992 - 564124).
Alison Mitchell (01992 - 564017).**

Democratic Services Officer: Gary Woodhall (01992 - 564470).

Recommendations:

- (1) That contracts were exchanged on 27 July 2007 for the sale of the T11 Industrial Development Site, Langston Road, Loughton be noted;**
- (2) That the agreed purchaser, Exton Estates Limited assigned the agreement to Polofind Limited for the same purchase price be noted; and**
- (3) That completion of the sale took place on 24 August 2007 be noted.**

Report:

1. The Cabinet has received reports concerning the sale of the T11 Industrial Development Site at Langston Road, Loughton and resolved that it be sold to Exton Estates Limited at a purchase price of **£6,050,000**. The sale was subject to conditions restricting development of the site in accordance with the outline planning consent granted and a unilateral undertaking to complete a Section 106 Town and Country Planning Act 1990 Agreement covering highway works, estate signage and environmental contributions.

2. The report presented to Cabinet at its meeting on 16 July 2007 advised on progress with the transaction, outstanding issues to be resolved and considered the purchaser's request to assign the purchase contract to its funders, which at the time were believed to be Rock Investment Holdings Limited, although the purchaser was not specific in terms of his request. This led the Cabinet to resolve that:

That Exton Estates Limited request to include provision within the sale contract to assign the agreement to Rock Investment Holdings Limited for the same purchase price after an exchange of contracts but prior to legal completion be approved. (Minute 24 refers).

3. In negotiating the Contract for Sale the wording submitted by the purchaser's solicitors instead gave the ability to assign to a third party not a named third party. Clearly our intention had been to restrict the assignment provisions to Rock Investment Holdings Limited. Unfortunately, the significance of the subtle difference in the wording was not appreciated by the Council's property consultants Lambert Smith Hampton or relevant officers of the Council. As such, Exton Estates Limited exchanged contracts to purchase the site upon expiry of the call-in period on 27 July 2007, paid a 10% deposit and subsequently assigned the contract to Polofind Limited of Sterling House, Langston Road, Loughton.

4. Completion of the sale was scheduled for 13 August 2007, as indicated at the last Cabinet meeting. However, the purchaser's solicitors requested an additional 11 days to resolve issues concerning the Section 106 Legal Agreement involving Essex County Council Highway Services and amendments to the contract plans. This request was agreed.

5. As soon as the failure to comply with the minutes was identified officers considered whether the situation could be rectified. As the deposit had been paid and accepted and the request for an extension of time had been agreed it was not possible to correct the omissions.

Statement in Support of Recommended Action:

6. Relevant staff have been reminded of the need to ensure that actions and drafting accurately reflect the minute authority and that consultants, where appointed, are advised accordingly.

7. There is no financial loss to the Council as a result of this action but the intention of the Cabinet in this transaction was not reflected in the final documentation and as such the matter is brought to Cabinet's attention as a matter of record.

Other Options for Action:

8. No alternative options have been identified.

Consultations undertaken:

9. The Leader of the Council and Finance Performance Management and Corporate Support Services Portfolio Holder have been informed of the departure from the Cabinet's previous decision.

Resource implications:

Budget provision: Capital receipt, £6,050,000, from the sale of industrial development land.

Personnel: Head of Legal, Administration and Estates and Property Consultants, Lambert Smith Hampton.

Land: Industrial development land (2.6 acres/1.05 hectare), Langston Road, Loughton.

Community Plan/BVPP reference: FBM1 - Maximise income/capital receipts.

Relevant statutory powers: Section 123 Local Government Act 1972 - Best consideration for land and property assets and the Local Government Act 1972: General Disposal Consent (England) 2003.

Background papers: Property File EV 844 and Planning Application Reference EPF/1450/06.

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.

Key decision reference (if required): N/A.

Report to the Cabinet

Report reference: C/043/2007-8.

Date of meeting: 3 September 2007.



**Epping Forest
District Council**

**Portfolios: Leader.
Planning and Economic Development.**

Subject: Loughton Broadway - Development Options.

Officer contact for further information: John Preston (01992 – 564111).

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) To agree the principle that linked Development Briefs are now to be brought forward, so as to improve the further gateways at The Broadway;**
- (2) To agree that, partly because of urgency, partly because of internal capacity and partly to bring specialist knowledge, Consultants are appointed to produce the briefs; and**
- (3) That delegated authority be given to the following Portfolio Holders to agree the scoping report and list of consultants:**
 - (a) Leader of the Council;**
 - (b) Planning and Economic Development;**
 - (c) Housing; and**
 - (d) Civil Engineering and Maintenance.**

Report:

1. The Loughton Broadway area has received the attention of the Council for a number of years, and from the perspective of a number of Services, and Portfolios. (This report is presented by the Leader and the Portfolio Holder for Planning and Economic Development, although some of the sites will be in the remit of the Housing or Civil Engineering and Maintenance Portfolios). Positive examples include the redevelopment of sites on Langston Road, the control/marketing and surfacing of the car parking on Burton Road, and the prospects of the development of the College site, Town Centre Enhancement (TCE) and other sites. The TCE for the Broadway has encountered unforeseen problems, in respect of the location and depth of a gas pipeline, and whether the agreed TCE scheme can be implemented, or what else could be done instead. Whilst any further delay is regrettable it is possible that the actions considered in this report could suggest resolution of these problems, additional funding sources or a different scheme.

2. The Council continues to hold significant freehold land (albeit with much on extended leases) and the Council has issues which it needs to respond to; for example, whether it is getting the most out of its assets, whether it is responding positively to crime issues, transport issues (with ECC) and the needs of the local community for shops, employment, affordable housing and relative deprivation, in a positive manner. There is the potential for positive impacts upon deprivation, and this links to themes in the Essex Local Area Agreement.

3. The redevelopment of the former lorry park, and the long empty former GEC site at

the entrances to Langston Road, have provided new “Gateways” to that employment and business area, have allowed existing and important local businesses to relocate and expand, or for new employment and facilities to come to the area.

4. It is considered that the Broadway has “entrances” where Rectory Lane becomes Chigwell Lane, Willingale Road and, on foot, from the Debden Underground Station. Those entrances are not all that they might be; for example the goods unloading bay for the J Sainsbury store is in full view, and a stranger arriving at the station would not necessarily appreciate that the footpath led to the Broadway. The Station approach, and land adjacent to the London Underground car park are under used.

5. The J Sainsbury store is very small by the standards of most supermarkets; section 7 (and clause 7.5 in particular) of the section 106 obligation for the J Sainsbury Old Station Road, Loughton development requires this store at the Broadway to be kept open until 20/03/2013 or until an alternative store is provided elsewhere in the Broadway. The supermarket has acted as an important local facility for many years, and is accessible to those on foot and/or who make frequent shopping trips for a small volume of groceries; in those senses it remains an important anchor for other shops and services in the Broadway, and can be contrasted to supermarkets with bigger, more car dominated catchments. Any replacement store will need to ensure that the present attributes already mentioned are retained. Many of these attributes are important for locals on lower incomes or who do not have private vehicles; maintaining or enhancing facilities for those without such access is important in an age of growing concerns about inequalities.

6. There has been previous, albeit unsolicited, interest in redeveloping sites or adding new facilities, because some discussions have taken place with Planning and/or Estates Officers and relevant Members. This was one reason why Bidwells consultants were asked to look at the development potential of Council car parks that were in or close to town centres in the District, including land at Burton Road.

7. The development or redevelopment of any one site is likely to have significant impacts upon other sites, for example because relocating an anchor store then leaves the issue of what redevelopment is acceptable on the old site, because of the transport impacts, and what wider aspirations exist; for example, in terms of section 106 requirements, the provision of further economic development or the provision of further housing including affordable housing.

8. Advice encouraging best practice on Development Briefs is that they should end up being meaningful documents, rather than producing nothing on the ground; accordingly, it is considered best to have a series of linked briefs in this instance to seek to improve the Broadway/Rectory (Chigwell Lane) Lane gateways, and the gateway to and from the Station.

9. To seek to move matters forward, and also to secure meaningful consultation, and open market bids, it is considered that a series of linked development briefs are required. Whilst there is internal capacity to manage that process, if Members wish to see early progress, it is suggested that consultants should be engaged to take this work forward quickly.

10. There will need to be a scoping document or brief for the consultancy work, and in order to hasten its production, it is proposed that delegated authority be given to the Leader of the Council, Planning and Economic Development, Housing and Civil Engineering and Maintenance Portfolio Holders to agree the scoping brief.

11. In considering which consultants to approach to see if they are interested and available to undertake the linked briefs, then there are strong candidates that the Council has used in the past, as follows; Bidwells (used in recent past as explained above.) CBRE Richard Ellis (Used longer ago when they traded as CB Hillier Parker, and on assessment of retail schemes in Loughton and Waltham Abbey for the Council, and on land disposals of the Council.) Plainly there are also other major national companies that could be approached.

12. EFDC also has a framework agreement, which includes WS Atkins, Robert West and Waterman Civils – this does not entirely cover this brief but it includes highway and related issues, but all 3 companies have relevant expertise.

Statement in Support of Recommended Action:

13. To move matters forward in a positive way by creating linked briefs for development is considered a better response than merely responding to proposals that may be made in more piecemeal fashion, or to deal with matters more slowly. There is insufficient time, capacity and probably specialist expertise within the Council to do other than manage this piece of work; the work needs closer definition before being put to Consultants. Various consultants can be asked to assist, several of whose companies have been used to advantage by EFDC in the past, or we could seek new ideas.

Other Options for Action:

14. Doing nothing will not produce the benefits or achieve the developments which members would wish to see for The Broadway and surrounding area. There is the prospect of development that can improve and maintain the position of local residents, reinforce the economic vibrancy of this area, including facilities owned by the Council, there is also the prospect of new retail, economic and housing schemes to add to those already achieved at Langston Road, or being brought forward nearby on the College site. Linking the briefs may be able to secure public transport improvements that might not otherwise be considered or introduced, and the briefs may assist the TCE to move forward.

Consultation Undertaken:

15. None.

Resource Implications:

Budget Provision: Consultants costs will have to be met, and proposals for funding this will be brought to Cabinet with the scope of the brief, probably using Planning Delivery Grant.

Personnel: From within existing resources.

Land: The briefs would cover several pieces of Council land and private land.

Council Plan 2006-10/BVPP Reference: N/A.

Relevant Statutory Powers: None.

Background Papers: Section 106 Agreement concerning EPF/400/00

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.

Key Decision Reference (if required): Will advise when key decisions have ref nos.

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

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