

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

**Committee:** Cabinet **Date:** 7 September 2009

**Place:** Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 9.30 pm

**Members Present:** Mrs D Collins (Chairman), C Whitbread (Vice-Chairman), R Bassett, B Rolfe, Mrs M Sartin and Ms S Stavrou

**Other Councillors:** Mrs R Brookes, J Knapman, J Philip, B Sandler, J M Whitehouse and D Wixley

**Apologies:** M Cohen, D Stallan and R Morgan

**Officers Present:** P Haywood (Chief Executive), D Macnab (Deputy Chief Executive), I Willett (Assistant to the Chief Executive), J Gilbert (Director of Environment and Street Scene), A Hall (Director of Housing), R Palmer (Director of Finance and ICT), B Bassington (Chief Internal Auditor), J Nolan (Assistant Director (Environmental Health)), M Tipping (Assistant Director (Facilities Management & Emergency Planning)), C Pasterfield (Principal Valuer/Surveyor), S G Hill (Senior Democratic Services Officer), C Overend (Policy & Research Officer), T Carne (Public Relations and Marketing Officer), B Moldon (Principal Accountant) and G J Woodhall (Democratic Services Officer)

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### **34. WEBCASTING INTRODUCTION**

The Leader of the Council made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

### **35. DECLARATIONS OF INTEREST**

(a) Pursuant to the Council's Code of Member Conduct, Councillor J Knapman declared a personal interest in agenda item 8a, Financial Assistance for Broadway Traders, by virtue of being the County Council ward member for the Loughton Broadway area. The Councillor had determined that his interest was not prejudicial and would remain in the meeting for the consideration of the issue.

(b) Pursuant to the Council's Code of Member Conduct, Councillors J Knapman and B Sandler declared a personal interest in agenda item 12, Redevelopment Scheme – Marden Close, Chigwell Row, by virtue of being members of Chigwell Parish Council. The Councillors had determined that their interest was not prejudicial and would remain in the meeting for the consideration of the issue.

(c) Pursuant to the Council's Code of Member Conduct, Councillor Mrs D Collins declared a personal interest in agenda item 22, Release of Restrictive Covenants – Epping Forest College, Loughton, by virtue of being a member of the College Board of Governors. The Councillor had determined that her interest was prejudicial and would leave the meeting for the consideration of the issue.

**36. MINUTES****RESOLVED:**

That the minutes of the meeting held on 13 July 2009 be taken as read and signed by the Chairman as a correct record.

**37. REPORTS OF PORTFOLIO HOLDERS****(a) Environment**

The Portfolio Holder reported that the new Waste Management Service had commenced today in the Chigwell and Waltham Abbey areas. The first day had gone reasonably well, however there had been a large number of telephone calls to the Environmental Services Office. The Portfolio Holder thanked the staff in the Administration office for handling the volume of calls, and the staff at the Langston Road office for running the roadshows around the District throughout the summer.

**(b) Community Safety & Transport**

The Portfolio Holder advised the Cabinet that the next meeting of the Local Highways Panel would take place on 22 September.

**38. PUBLIC QUESTIONS**

There had been no questions received from members of the public for the Cabinet to consider.

**39. OVERVIEW AND SCRUTINY**

In the absence of the Chairman and Vice Chairman, the Deputy Chief Executive presented the Overview and Scrutiny report. At the meeting last Thursday, two call-ins were considered. The first concerned the rent deferment scheme for shops in Loughton Broadway and the Portfolio Holder for Legal & Estates had presented a new proposal whereby traders would be eligible for a 20% rent rebate over an eight-month period. The original decision of the Cabinet was confirmed on the basis that this new proposal would be implemented. The Cabinet's decision regarding the construction of a new sports hall at Waltham Abbey Swimming Pool was also upheld.

A new Task & Finish Panel was constituted to consider the Sustainable Communities Act 2007, as previously requested by the Cabinet, with Councillor Philip as the Chairman. Finally, when reviewing the Cabinet agenda, it was suggested that if the Cabinet were minded to transfer the land at the Former Parade Ground site, North Weald Airfield, that conditions be placed upon it to remain as an open space.

**40. ANY OTHER BUSINESS**

In accordance with Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules, the Leader of the Council had permitted the following item of urgent business to be considered following the publication of the agenda:

- (i) Financial Assistance for Broadway Traders.

**41. FINANCIAL ASSISTANCE FOR BROADWAY TRADERS**

The Portfolio Holder for Finance & Economic Development presented a report concerning financial assistance for the traders in the Broadway, Loughton.

The Portfolio Holder reported that at the meeting of the Overview and Scrutiny Committee on 3 September 2009, the decision made by the Cabinet on 13 July 2009 to not enter into a rent deferral scheme for shops in Loughton Broadway was considered under the Council's call-in arrangements. Following careful consideration of the current trading position and changes in circumstances since the original decision, it was felt that it was now possible to put in place a scheme of rent refunds to assist the traders. This scheme would be based upon the temporary amendments to rateable values that had been approved by the Valuation Office.

The Portfolio Holder added that even after the rent refund scheme, it was anticipated that the revised estimates for the Housing Revenue Account would show a stronger position than the original estimates. However, as the proposed scheme was not wholly in accordance with the current budget, approval would be required from the Council. Local District and County Council members felt that the proposed revised scheme was better and would provide the traders with some much needed assistance.

**Decision:**

That a scheme of rent refunds for shops in Loughton Broadway be recommended to the Council for approval which matches the temporary amendments to rateable values approved by the Valuation Office in the following respects:

- (a) only properties that had received a reduction in rateable value would be eligible;
- (b) the period of the refund would match the period of the reduction in the rateable value; and
- (c) the percentage reduction in rent would match the percentage reduction in rateable value.

**Reasons for Decision:**

To ensure that traders at the Broadway were provided with appropriate and justifiable financial assistance.

**Other Options Considered and Rejected:**

To not provide a rent refund scheme or to provide a rent deferral scheme. However, it had previously been decided against a deferral scheme as this was not felt to be a good solution for tenants.

**42. DISTRICT COUNCIL TRAVEL PLAN**

The Portfolio Holder for Community Safety & Transport presented a report about an Epping Forest District Council Travel Plan. A Travel Plan was a package of measures tailored to the needs of individual sites and aimed at promoting greener, cleaner travel choices and reducing reliance on the car. It involved the development of a set of initiatives that, together, enabled an organisation to reduce the impact of travel and transport on the environment, whilst also bringing benefits to it as an employer and to its staff. More detail regarding the future of staff car parking at the

Civic Offices would be forthcoming at the next meeting of the Joint Consultative Committee, with a further report to be considered by the Cabinet in approximately three months. It was highlighted that similar schemes had been successful elsewhere and the Cabinet was asked to approve the introduction and development of a Travel Plan for the District Council.

**Decision:**

That the introduction and development of a District Council Travel Plan be approved.

**Reasons for Decision:**

To alleviate on-site parking and congestion, and improve public transport services, by encouraging greater use by employees.

To improve the health of employees by encouraging walking or cycling, or through the opportunity to reduce the amount they travel, by perhaps by working at home.

**Other Options Considered and Rejected:**

To not adopt the concept of developing a District Council Travel Plan.

**43. TREASURY MANAGEMENT ANNUAL REPORT & PRUDENTIAL INDICATORS 2008/09**

The Portfolio Holder for Finance & Economic Development presented the annual report on the Treasury Management Service and Actual Prudential Indicators for 2008/09.

The Portfolio Holder advised the Cabinet that the report had met the requirements of both the Chartered Institute for Public Finance & Accountancy Code of Practice on Treasury Management and Code for Capital Finance in Local Authorities. The Council was required to comply with both Codes through Regulations issued under the Local Government Act 2003. During 2008/09 the Council complied with its legislative and regulatory requirements, whilst the actual prudential indicators for the year had been:

(i)	Actual Capital Expenditure	£10.474m;
(ii)	Capital Financing Requirement	-£784,000;
(iii)	Ratio of Financing Costs to net Revenue Stream (Non HRA)	-10.37%;
(iv)	Ratio of Financing Costs to net Revenue Stream (HRA)	-10.74%;
(v)	Authorised limit for external debt	£0m; and
(vi)	Operating Boundary for external debt	£0m.

The Portfolio Holder reported that the financial year of 2008/09 had presented difficult circumstances with regard to treasury management. The downturn in the economy, coupled with the increased counterparty credit risk presented the Council with additional issues not normally encountered. The main implications of the exceptional circumstances have been the sums at risk with Icelandic institutions; the declining investment returns although income in 2008/09 had met the revised forecast; and the

increase in counterparty risk, with the reduction in the number of counterparties that the Council could use. At 31 March 2009, the Council's external debt was nil whilst its fixed investments totalled £55.789m.

It was reported to the Cabinet that when the Council's current deals matured, lower interest rates would be offered for future investments due to the current state of the economy. The credit ratings employed by the Council were based upon three separate lists, with the lowest (worst) rating used by the Council. The counterparty list had been further restricted when the Treasury Management Strategy had been reviewed in February 2009; the Council was currently only investing with British institutions, although there were some European banks on the counterparty list. The Administrators for the Heritable Bank were still reporting a return to investors of 80p for every £1 originally invested.

The Portfolio Holder reported that the current contract with the Council's external Treasury Management advisors would expire in May 2010, and that it was right for the Council to adopt a cautious approach to its investments whilst the current economic recession continued.

**Decision:**

- (1) That the 2008/09 outturn for Prudential Indicators within the report be approved; and
- (2) That the Treasury Management Stewardship Report for 2008/09 be noted.

**Reasons for Decision:**

To comply with the requirements of both the Chartered Institute of Public Finance & Accountancy Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities. The Council was also required to comply with both codes in accordance with regulations issued under the Local Government Act 2003.

**Other Options Considered and Rejected:**

No other course of action other than to comply with the Codes of Practice.

**44. REVIEW OF INTERIM SHARED OWNERSHIP POLICY**

In the absence of the Housing Portfolio Holder, the Director of Housing presented a report regarding the six-month review of the Interim Shared Ownership Policy, which highlighted the need to continue with the policy due to the current depressed state of the housing market. Whilst there appeared to have been some improvement in the property market, first time buyers were still finding difficulty obtaining mortgages and accessing the property market. Therefore, it was proposed that the Interim Shared Ownership Policy continued and was reviewed again at the Cabinet meeting scheduled for 8 March 2010.

**Decision:**

- (1) That the Council's Interim Shared Ownership Policy agreed by the Cabinet in March 2009 be continued; and
- (2) That the Interim Shared Ownership Policy be reviewed again in March 2010.

**Reasons for Decision:**

To comply with the Cabinet's decision at its meeting held in March 2009.

**Other Options Considered and Rejected:**

To discontinue with the Interim Shared Ownership Policy.

To amend the Interim Shared Ownership Policy.

**45. REDEVELOPMENT SCHEME - MARDEN CLOSE, CHIGWELL ROW**

In the absence of the Housing Portfolio Holder, the Director of Housing presented a report concerning the proposed redevelopment scheme at Marden Close in Chigwell Row. An addendum report had also been circulated regarding the possible terms of a lease for Faversham Hall, following advice from the Principal Valuer & Estates Manager.

The Director of Housing reported that the Council currently leased land at Marden Close, Chigwell Row, from the City Parochial Foundation, on which 20 Council bedsits were built circa 1960. The flats were of poor quality and were difficult to let. A refurbishment scheme by a housing association had been proposed to convert the bedsits into 10 self contained flats. In addition, Chigwell Parish Council had been asked if it would like to lease Faversham Hall, adjacent to Marden Close, to let to community groups, with the District Council using the income to fund community development and activities on the Limes Farm Estate in Chigwell. If the Parish Council was not interested then it was proposed that Faversham Hall should be included within the proposed refurbishment scheme.

The member for Chigwell Row, who was also the Chairman of Chigwell Parish Council, was in favour of the scheme and the Parish Council was very interested in leasing Faversham Hall. The Parish Council would utilise the facility for the benefit of Chigwell residents, both young and old, but was not happy with the current valuation of the Hall. It had been valued as two flats at full market value instead of its existing use as a community hall. It was pointed out that no great profit was ever made from any hall put to community use. The County Council member for Chigwell added that the area had a greater need for a community facility than an additional two flats.

The Portfolio Holder for Finance & Economic Development acknowledged that the Parish Council wanted Faversham Hall to be a focus for the community in Chigwell Row, whilst at the same time the District Council naturally wanted to maximise its income for the benefits of residents in Chigwell and the rest of the District. It was suggested that negotiations with the Parish Council take place after further valuations for Faversham Hall and its current use had been received. It was proposed that the lease would be signed within six weeks of the valuation of Faversham Hall being agreed by the Housing and Legal & Estates Portfolio Holders. All the other recommendations were agreed as per the reports.

**Decision:**

(1) That, subject to appropriate terms being agreed with the City Parochial Foundation (CPF) and the Secretary of State's consent, the Council's lease for land at Marden Close, Chigwell Row be surrendered;

(2) That competitive tenders be sought from the Council's five Preferred Registered Social Landlord (housing association) Partners to enter into a long lease

with the CPF for the land at Marden Close (on similar terms, but with the period to be agreed with the CPF), and to convert the 20 existing bedsits into 10 self-contained one bedroom flats, to let on assured tenancies to non-elderly couples registered on the Council's Housing Register;

(3) That the selected housing association be required to submit a capital funding bid to the Homes and Communities Agency to assist with the capital costs;

(4) That the existing tenants of Marden Close be required to transfer to alternative suitable Council or housing association accommodation, with an option to return to the converted flats once completed;

(5) That the Council meets the reasonable removal costs of the existing tenants;

(6) That, if the highest tender received results in a positive net present value (NPV) valuation then:

(a) the Housing Portfolio Holder be authorised to accept the tender and approve the proposed refurbishment scheme without any further reference to the Cabinet; and

(b) the resultant capital receipt be utilised as Social Housing Grant, to be allocated to a housing association to assist with the cost of providing affordable housing at a development elsewhere in the District;

(7) That if the highest tender valuation received results in a negative NPV valuation then a report by the Housing Portfolio Holder to seek appropriate capital funding be submitted to the Cabinet;

(8) That, if Chigwell Parish Council did express an interest, Faversham Hall be leased to the Parish Council for a period of 99 years for letting to local community groups, subject to the lease being completed within six weeks of the negotiated valuation being agreed by the Housing and Legal & Estates Portfolio Holders, unless there were delays outside of the control of the District or Parish Councils;

(9) That the following key terms be included within the lease:

(a) the Parish Council would be charged the agreed negotiated value of the premium and annual rental;

(b) the District Council would use the income received from the premium and annual rental (less the cost of insurances) to fund community development/activities on the Limes Farm Estate, Chigwell;

(c) the District Council would be responsible for insuring the Hall;

(d) existing fixtures, fittings and furniture in the Hall would be included within the lease;

(e) the Parish Council would be prohibited from letting the Hall for parties and the playing of music after 9pm; and

(f) the District Council would retain the freehold of the building, including the retention of the first floor flat;

(10) That, if Chigwell Parish Council did not express an interest in leasing Faversham Hall, or failed to complete the lease within six weeks of the negotiated

valuation being agreed by the Housing and Legal & Estates Portfolio Holders (unless there were delays outside of the control of the District or Parish Councils) then the conversion of the Hall into 2 self contained flats be included within the tender arrangements and subsequent refurbishment scheme at Marden Close, with the Hall being leased to the selected housing association for the same period as the lease with the CPF for Marden Close;

(11) That the premium for the proposed lease of the ground floor of Faversham Hall to Chigwell Parish Council be based on the negotiated value agreed by the Housing and Legal & Estates Portfolio Holders;

(12) That, when inviting the Council's Preferred RSL Partners to submit tenders for the proposed redevelopment scheme for Marden Close, they also be asked to provide an optional purchase price for having a 99 year lease of the ground floor of Faversham Hall and converting the existing hall into two self-contained flats, let on assured tenancies at affordable rents to nominees from the Council's Housing Register;

(13) That the provision for external repairs and the arrangement of building insurance for Faversham Hall within the proposed lease be undertaken by the District Council, with the associated cost shared between the District Council and Parish Council on a floor area basis of the ground and first floor; and

(14) That the District Council be reimbursed by the Parish Council for its share of the costs by way of a service charge under the terms of the lease.

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

The recommendations would result in the provision of much better accommodation for couples registered on the Council's Housing Register. The Hall could benefit local community groups or could be converted into two further flats.

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

To maintain the status quo.

The Council to undertake the refurbishment scheme itself.

To not lease Faversham Hall to Chigwell Parish Council.

To lease Faversham Hall on different key terms.

To exclude Faversham Hall within the proposed refurbishment scheme.

#### **46. WAIVER OF CONTRACT STANDING ORDERS - HOUSING CONTRACTS**

In the absence of the Housing Portfolio Holder, the Director of Housing presented a report on the waiver of Contract Standing Orders for Housing contracts.

The Cabinet were informed of the need to continue to have waivers of Contract Standing Orders for specialist repairs work in excess of £50,000 in value, for which alternative competition arrangements had been used, and for suppliers of other specialist services in excess of £10,000. The Cabinet was requested to agree to the continuation of the waiver of the relevant Contract Standing Orders and to note the use of such specialist contractors and suppliers in 2008/9. The Director highlighted the matrix that had been tabled at the meeting, indicating the locality of each of the

sub-contractors. In line with the Council's preference for local business to benefit from Council contracts, the location of a sub-contractor would be a consideration for future contracts.

**Decision:**

(1) That the requirements of Contract Standing Orders C6 – C12 be waived to allow the Housing Directorate to continue to:

(a) use specialist contractors to undertake a variety of specialist works for the Housing Directorate without undertaking the full tendering processes required by Contract Standing Orders, subject to - in respect of all individual jobs exceeding £1,000 in value - either:

(i) quotes being obtained; or

(ii) works benchmarked and let based on the current schedule of rates used by the Building Maintenance Works Unit; and

(b) use the specialist service providers listed in the report for services in excess of £10,000 without competition, for the reasons given in the report; and

(2) That the use of specialist contractors and suppliers by the Housing Directorate in 2008/09, where Contract Standing Orders C6 – C12 were not followed, as previously agreed by the Cabinet and for the reasons given in the report, be noted.

**Reasons for Decisions:**

With 16 Framework Agreements in place, and plans in place to let a further 6 contracts, expenditure with contractors not in contract with the Council had reduced and would continue to reduce. Until such time as all repairs work that were not undertaken by the Building Maintenance Works Unit were let through formal contracts, Contract Standing Order C6 (Contracts Exceeding £50,000) needed to be waived and regular progress reports on expenditure with contractors presented to the Cabinet.

It was considered necessary and appropriate for the Council to use other specialist service providers, for services in excess of £10,000, without undertaking competitive tendering.

**Other Options Considered and Rejected:**

To reduce expenditure with each contractor and/or supplier to a level that complied with Contract Standing Orders. However, this would mean having to spread the work out between more contractors and/or suppliers, which would be more time consuming and probably lead to higher costs for the Council.

To undertake formal competitive tendering for works in excess of £10,000 and £50,000 as appropriate, but that would severely affect repair response times, which were already too long.

**47. FORMATION OF A LOCAL HOUSING COMPANY - SPECIALIST LEGAL ADVICE**

In the absence of the Housing Portfolio Holder, the Director of Housing presented a report concerning the possibility of the Council forming a local housing company, and

the appointment of specialist solicitors to advise the Council on the legal issues involved.

The Director reported that a feasibility study was proposed into the formation of a local housing company, which would purchase open market properties to let at market rents, funded by a loan provided by the Council. One London Borough Council was investigating a similar proposal and discussions had taken place. The loan would be provided by the General Fund, and the market rents would be set at the permitted level of maximum housing benefit. This proposal would not preclude the Council from building its own properties at a later date, following the recent Government guidance, for which a report to the Cabinet would be forthcoming.

The Director advised the Cabinet that specialist solicitors should be appointed to advise the Council on the legal issues involved in the formation of such a company, and that a detailed financial appraisal should be undertaken by the Director of Finance & ICT based upon the legal advice received. A further report would be submitted to the Cabinet in due course on whether the initiative should be pursued further.

The Cabinet felt that the initiative would be innovative, of benefit to local people and was worthy of further investigation.

**Decision:**

- (1) That the feasibility of the Council setting up a Local Housing Company to purchase properties off the open market to let at market rents, funded by a loan from the Council, be investigated further;
- (2) That the specialist solicitors, Trowers and Hamlin, be appointed to advise the Council on the legal issues involved;
- (3) That a more detailed financial appraisal be undertaken by the Director of Finance and ICT on the financial issues involved, based on the legal advice obtained;
- (4) That a virement of £6,000 be agreed from the District Development Fund Budget for Private Sector Housing Assistance Policy, held by the Housing Portfolio, to fund legal and financial fees; and
- (5) That a further report be considered by the Cabinet in due course, setting out the legal, financial and other issues and whether the initiative should be considered further.

**Reasons for Decision:**

The Council might be able to obtain a higher financial return from funding a local housing company to purchase private properties, rather than from its usual investment sources.

**Other Options Considered and Rejected:**

To not proceed with the feasibility, or to undertake the feasibility in a different manner than that proposed.

**48. HOUSING STRATEGY**

In the absence of the Housing Portfolio Holder, the Director of Housing presented a report concerning the adoption of the Housing Strategy for a period of three years, subject to the approval of the Council. The Council's current Housing Strategy was now out of date and a new Strategy was required. The Council had consulted widely on its draft Housing Strategy for the period 2009-12, inviting 155 organisations to submit comments. The further Key Action Plans that formed part of the Strategy would be updated annually for the Cabinet to approve, whilst it was proposed to monitor progress against the current Key Action Plans for 2009/10 by the Housing Scrutiny Panel in six months time. The Constitution reserved final adoption of the Housing Strategy for the Council.

**Decision:**

- (1) That the final version of the Council's Housing Strategy 2009-12, attached to the Supplementary Agenda, be recommended to the full Council for adoption for a period of three years;
- (2) That further Key Action Plans be produced and updated on an annual basis for approval by the Cabinet; and
- (3) That the progress with the annual Key Action Plans be reviewed by the Housing Scrutiny Panel after six months of this approval.

**Reasons for Decision:**

To replace the previous Strategy, which had now expired. Under the Council's Constitution, the final version of the Housing Strategy must be adopted by the full Council.

**Other Options Considered and Rejected:**

To amend any of the wording within the proposed final version.

**49. SMALL BUSINESS ENGAGEMENT ACCORD**

The Portfolio Holder for Finance & Economic Development presented a report on the Council becoming a signatory to the Small Business Accord.

The Portfolio Holder reported that the Small Business Accord was a voluntary code of practice for local authorities in the East of England which sought to encourage a more productive dialogue with local businesses. The Accord would bring together various aspects of consultation best practice, as well as specific proposals from the Federation of Small Businesses (FSB) designed to improve the level of participation by businesses in local democracy. The Federation of Small Businesses had approached the District Council, inviting it to become a signatory to the Accord. It was recommended that the Council become a formal signatory as requested.

**Decision:**

That the Council becoming a signatory to the Small Business Engagement Accord be approved.

**Reasons for Decision:**

The Accord represented a commitment by local authorities to taking a productive approach to engage with businesses so that they were given the fullest opportunity to participate in the decision-making process, and to fully understand the reasons behind the decisions taken.

**Other Options Considered and Rejected:**

To refuse to become a signatory to the Accord, however this would result in a lost opportunity to engage further with the local business community. It would also contradict the recent action taken by the District Council and its partners in response to the economic situation, and the decision to appoint the Finance and Economic Development Portfolio Holder as the Local Business Champion.

**50. INTERNAL AUDIT - OPTIONS FOR SERVICE DELIVERY**

The Portfolio Holder for Finance & Economic Development presented a report on the options for service delivery for the Internal Audit Unit.

In recognition of the importance of the Internal Audit function and the previous problems experienced in recruiting and retaining staff when vacancies had arisen, the Portfolio Holder presented various options for the delivery of the service. It was proposed to seek an external supplier to work with the Internal Audit Unit to aid the completion of the agreed Audit Plan during 2009/10, and in particular the auditing of the core financial and ICT systems. This external provision would be continued until the end of the 2010/11 municipal year to make the contract commercially viable and allow the Council to consider its options for future years following a period of joint working. The Internal Audit Unit would continue to engage consultancy or agency staff as necessary to ensure the completion of the Audit Plan in 2009/10. It was proposed that authority be delegated to the Chief Executive to appoint the external audit partner following a competitive tendering exercise. It was envisaged that the existing budget of £74,000 would be sufficient to provide 125 audit days per year, which would equate to a minimum of eight finance or ICT audits.

The Cabinet was in favour of the proposals, particularly as it would give the Internal Audit Unit access to specialist audit skills and enable them to deal with the peaks and troughs in the workload. It was acknowledged that the Council had a competent and experienced core team but were experiencing recruitment difficulties having recently lost two key members of the Unit.

**Decision:**

(1) That the supplement of the resources of the Internal Audit Team within the approved budget, by engaging an external audit provider to undertake an agreed schedule of audits up to 31 March 2011 be agreed in principle; and

(2) That authority be delegated to the Chief Executive to appoint the preferred audit provider on the basis of the most economically advantageous tender.

**Reasons for Decision:**

The Council's Internal Audit team had lost two fully qualified accountants in recent months and was vulnerable to further reductions in qualified and experienced staff. A viable solution needed to be found in order that the governance arrangements of the Council were maintained.

**Other Options Considered and Rejected:**

To retain the existing Internal Audit arrangements fully in-house, or to fully outsource the service.

**51. EXTERNAL FUNDING - ANNUAL REPORT 2008/09**

The Portfolio Holder for Finance & Economic Development presented the annual External Funding report for 2008/09, being the first annual report on external funding activities. The annual report had derived from an internal audit report in 2007, which had called for a clear policy for external funding, clear controls on the preparation and approval of funding applications and the establishment of links with the Council's corporate objectives and budgets. The Portfolio Holder felt that the Council had to continue to maximise its external funding activities as Government funding for local government reduced in the future. It was highlighted that Voluntary Action Epping Forest provided specialist advice for the voluntary sector within the District in relation to external funding opportunities. The report had been published on the Council's website as part of the annual e-report.

**Decision:**

- (1) That the publication of the first Annual Report on the Council's external funding activities be noted;
- (2) That the widespread availability of the report via the Council's website be noted; and
- (3) That the future integration of external funding with the Council's budget process and the Authority's corporate priorities, including working with other local partnerships, be noted.

**Reasons for Decision:**

To emphasise the action taken in respect of obtaining external funding and the overall position achieved.

**Other Options Considered and Rejected:**

No other options were considered.

**52. PROCUREMENT PROCESS FOR MAJOR TREE WORKS CONTRACT**

The Environment Portfolio Holder presented a report upon the procurement process for the Major Tree Works contract, which covered those trees within the District that were in the ownership of the Council or those trees managed by the Council on behalf of other public bodies.

The Portfolio Holder reported that the present contract for major tree works was due to end in July 2010 and the procurement exercise was underway. The new contract would be of 5 years duration with an option to extend for a further 2 years, and had an estimated value of approximately £250,000 per year. The Cabinet was requested to agree the proposed timetable for the procurement process, starting with expressions of interest in August 2009 and ending with a report to Cabinet in April 2010 recommending the preferred contractor, and the core quality evaluation criteria to be applied with the tenders being evaluated on a price/quality split of 60-40.

**Decision:**

That, as set out in the report, the timetable, procedure and evaluation criteria for the procurement of the major tree works contract to begin in August 2010 be agreed.

**Reasons for Decision:**

To enable the procurement process to be undertaken in the time required and to ensure value for money continued to be obtained for the service.

**Other Options Considered and Rejected:**

To continue the present contract. The present contractor had given very good service and value and had previously had the contract extended following consideration by the Cabinet. However, it was now felt that the market should be tested to ensure the most cost effective contract terms for the Council.

To bring the service back in house. However this service had been outsourced for a number of years and it would be cost prohibitive to create suitably qualified and equipped teams to undertake this work.

**53. SAFER CLEANER GREENER STRATEGY**

The Environment Portfolio Holder presented a report upon the proposed adoption of the Safer Cleaner Greener Strategy.

The Portfolio Holder reminded the Cabinet that the Safer Cleaner Greener initiative was adopted in February 2008 as part of the corporate restructure which was being undertaken at the same time. The proposed Strategy had been endorsed by the Safer Cleaner Greener Scrutiny Panel and Overview and Scrutiny Committee. The Cabinet was requested to formally adopt the Safer Cleaner Greener Strategy.

The Cabinet was informed that in respect of graffiti on private fences in public areas, each case was judged sympathetically and the Council would help wherever possible. Officers were currently undertaking their accreditation with Essex Police, and if they passed would then be able to issue Penalty Charge Notices, however the emphasis would be on education rather than prosecution. It was highlighted that the Strategy was being funded from savings made by the Council and re-invested in front line services. All the Officers involved in the formulation of the Strategy were thanked for their efforts by the Leader of the Council.

**Decision:**

That the Safer Cleaner Greener Strategy document be adopted.

**Reasons for Decision:**

To implement a strategy document that would set out the Council's approach to its Safer Cleaner Greener initiative.

**Other Options Considered and Rejected:**

To not adopt the strategy. However, this could not be recommended since it was important to set out the Council's approach to the initiative.

To further amend the Strategy and refer it back to Overview & Scrutiny. However, this would cause delays in publication, and postpone the formal launch date for the service.

#### **54. ENVIRONMENT & STREET SCENE ENFORCEMENT POLICY & GUIDE**

The Environment Portfolio Holder presented a report concerning the approval and adoption of the Enforcement Policy and Guide for the Environment & Street Scene Directorate. The Policy set out how the Directorate would undertake its enforcement role and in particular how officers would deal with those in the community when enforcement activities were undertaken. It was important for the Policy to be updated, before the new Environment & Neighbourhoods Team completed their Essex Police accreditation training and commenced their work within the District. The Policy, with minor amendments, had been endorsed by the Safer, Cleaner, Greener Scrutiny Panel and the Overview and Scrutiny Committee. Whilst the Policy was being revised, it was felt that a shorter, easier to understand guide should also be produced. The Cabinet was requested to formally approve and adopt both the Policy and Guide.

##### **Decision:**

That the updated version of the Environment and Street Scene Directorate Enforcement Policy and the new Guide be approved and adopted.

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

To keep the Directorate's Policy up to date.

To ensure that those members of the public who interacted with the Directorate during its enforcement activities were fully aware of what to expect from Officers and to be satisfied that they would be treated fairly and proportionately.

The shorter guide was intended more for the general public.

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

To not adopt the policy and guide, however this course of action would leave the Council open to criticism. The Council was already a signatory to the Government Cabinet Office Enforcement Concordat, which required that the Council demonstrated openness and fairness in its approach to enforcement.

#### **55. RELEASE OF RESTRICTIVE COVENANTS - EPPING FOREST COLLEGE, LOUGHTON**

In the absence of the Portfolio Holder for Legal & Estates, the Assistant Director (Facilities Management & Emergency Planning) presented a further report regarding the release of restrictive covenants at Epping Forest College in Loughton. The Council had previously agreed the variation of the restrictive covenant and the release of the deed of pre-emption in respect of the Loughton Hall site. Epping Forest College now wanted to sell adjoining land for residential care home development in order to provide sports facilities for the college, and it was envisaged, the local community as well.

The Cabinet was concerned about the state of the College's finances and felt that any capital receipt received for the sale of the adjoining land would be used to service the college's debt rather than to provide new sports facilities. As it was felt

that the College should focus upon the provision of education for the young people of the District, the new sports facilities could be provided when funding became available in due course. It was proposed that the current restrictive covenant upon the subject land be replaced by a new covenant permitting residential care home and educational use only, and that any minor variations could be agreed by both the Director for Corporate Support Services and the Portfolio Holder for Legal & Estates.

**Decision:**

- (1) That the release of the right of pre-emption in respect of the subject land be recommended to the Council for approval;
- (2) That the release of the right of pre-emption be conditional upon the construction of the new sports facilities when funding becomes available, the means of achieving this to be agreed by the Portfolio Holder for Legal & Estates and the Director of Corporate Support Services;
- (3) That the restrictive covenant in respect of the subject land be released and replaced with a new restrictive covenant permitting residential care home use and education use only; and
- (4) That authority be delegated to the Portfolio Holder for Legal & Estates and the Director of Corporate Support Services to agree any minor variations.

**Reasons for Decision:**

To permit the sale in order to improve the provision of education at the College.

**Other Options Considered and Rejected:**

To not agree the variation to the deed of covenant and the release of the right of pre-emption.

**56. WASTE MANAGEMENT POLICIES**

The Environment Portfolio Holder presented a report regarding the proposed new Waste Management Policies.

The Portfolio Holder reported that the Council had introduced a number of waste management policies following the implementation of the original wheeled bin service, which had dealt with issues around the size of containers, closed lids and contamination. With the implementation of the new waste management service in September 2009, it was essential that these policies were reviewed and amended to reflect the new service and current operational circumstances. It was highlighted to the Cabinet that policy statement number 7 – the Exception Policy – had been further revised in respect of a second food and garden waste wheeled bin for larger residences and had been re-issued on a supplementary agenda. Food waste wrapped in newspaper would be accepted if compostable bags were not available.

In response to queries from the members present, the Director for Environment & Street Scene emphasised that initially the Council was attempting to be strict initially about using the correct container for the correct waste. There was a health & safety issue regarding the collection of wheeled bins with partially opened lids, however it was hoped that common sense would prevail at the time of collection. Policy statement number 5 would be amended to make clear that dry recyclables would be collected provided it was within a clear plastic sack and not necessarily the official

sacks supplied by the Council. The late revisions to policy statement number 7 were welcomed by the Cabinet, and it was noted that further waste management policies would be forthcoming in due course.

**Decision:**

- (1) That the new waste management policy statements numbers (1) to (6) be agreed and adopted;
- (2) That waste management policy statement number (7) and specifically the arrangements therein for dealing with requests for additional garden waste capacity be agreed and adopted; and
- (3) That the future consideration of further policies relating to lost, damaged and stolen containers, and policies relating to flats and communal buildings be noted.

**Reasons for Decision:**

To implement new and amended waste management policies in time for the introduction of the new waste service in September 2009. It was critical to the success of the new scheme that residents, the contractor and waste management officers had a clear set of operational policies agreed and in place.

**Other Options Considered and Rejected:**

To retain the existing policies, amend the proposed policies or manage the service with no policies in place.

**57. PARADE GROUND SITE, NORTH WEALD AIRFIELD**

In the absence of the Portfolio Holder for Legal & Estates, the Assistant Director (Facilities Management & Emergency Planning) presented a report regarding the sale to Crest Nicholson (Eastern) Limited of the former Parade Ground in Merlin Way, North Weald.

The Cabinet was informed that Crest Nicholson (Eastern) Ltd (Crest) had made two unsuccessful planning applications for the development of this site but, due to the density of the proposed development, the schemes could not accommodate the necessary public open space. They had now produced a scheme which, in the opinion of Officers, did meet this requirement but intended to purchase land for a sum of £10,000 to provide off street open space in order to improve the visual amenity of the area. The development had been stalled for some time and with the introduction of the "Kickstart" funding urgent action was required to secure this.

The Cabinet agreed to the sale of additional land, on terms to be agreed by both the Council's Solicitor and the Portfolio Holder for Legal & Estates, to provide off street public open space but only on the condition that it would not be built upon and the surrounding hedge would be maintained annually by the purchaser. A new electricity substation would be required for the development, which in turn would require further land to be leased to an electricity supply company, on terms to be agreed by the Director of Corporate Support Services. In addition, it was felt that part of the high voltage cable should be diverted and an agreement would be needed with Essex County Council to re-route the supply into the highway.

**Decision:**

- (1) That the allocation of “Kickstart” funding for Epping Forest District and in particular for the proposed residential development on the Parade Ground Site at North Weald in the sum of £8.324million to provide an additional 46 affordable homes be noted;
- (2) That an additional area of land (Area B on the plan) be sold by the Council to Crest Nicholson (Eastern) Limited to provide off site public open space which would not be built on for any purpose and the surrounding hedge be maintained annually by the purchaser, for a purchase price of £10,000 and on terms to be agreed by the Portfolio Holder for Legal & Estates and the Director of Corporate Support Services;
- (3) That the grant of a lease to the appropriate electricity supply company for a new substation to serve the development on terms to be agreed by the Director of Corporate Support Services be approved; and
- (4) That an agreement with Essex County Council for the diversion of part of the Council’s high voltage electricity supply into the public highway on terms to be agreed by the Director of Corporate Support Services be approved.

**Reasons for Decision:**

To secure development of the site and obtain the benefits of “Kickstart” funding.

**Other Options Considered and Rejected:**

To take no action, however this would further delay development and risk the loss of the “Kickstart” funding because the Government timetable for the scheme required the developer to have commenced works by the end of March 2010.

**CHAIRMAN**