

EPHING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 5 December 2011

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.05 - 9.50 pm

Members Present: Mrs L Wagland (Chairman), J Philip (Vice-Chairman), Mrs R Gadsby, J Knapman, Mrs M McEwen, G Mohindra, Mrs P Smith and J Wyatt

Other Councillors: K Angold-Stephens, R Barrett, R Bassett, K Chana, Mrs D Collins, D Jacobs, D C Johnson, Mrs S Jones, A Lion, D Stallan, G Waller, C Whitbread, Mrs J H Whitehouse, J M Whitehouse and D Wixley

Apologies: Mrs J Lea

Officers Present: D Macnab (Acting Chief Executive), I Willett (Assistant to the Chief Executive), J Gilbert (Director of Environment and Street Scene), A Hall (Director of Housing), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT), J Chandler (Assistant Director (Community Services and Customer Relations)), M Tipping (Assistant Director (Facilities Management & Emergency Planning)), A Oldham (Countryside Manager), T Carne (Public Relations and Marketing Officer), G J Woodhall (Democratic Services Officer) and A Hendry (Democratic Services Officer)

74. WEBCASTING INTRODUCTION

The Chairman 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.

75. DECLARATIONS OF INTEREST

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

76. MINUTES

Resolved:

(1) That the minutes of the meeting held on 24 October 2011 be taken as read and signed by the Chairman as a correct record.

77. REPORTS OF PORTFOLIO HOLDERS

There were no verbal reports from the Portfolio Holders in attendance.

78. PUBLIC QUESTIONS

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

79. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee reported that the following items of business had been considered at its meeting held on 29 November 2011:

- (a) a presentation from the Youth Council regarding its activities for the year so far and its funding arrangements;
- (b) a call-in regarding the Cabinet's decision at its last meeting on the Olympic Games 'Look & Feel' and ticket allocation, and the Cabinet's original decision was upheld;
- (c) a prospective response to a Government consultation upon its proposed technical reforms of Council Tax;
- (d) a progress report upon the achievement of the Council's Key Priority Objectives for 2011/12;
- (e) the Scrutiny Work Programmes for the second half of 2011/12;
- (f) three reports from the Constitution & Member Services Scrutiny Panel regarding the appointment of Portfolio Holder Assistants to the Audit & Governance Committee, reporting by Scrutiny Panel chairman to the Council and other Committee meetings, and changes to the Member Dispatch arrangements;
- (g) the draft terms of reference and work programme for the new Senior Recruitment Task & Finish Panel;
- (h) a progress report on the proposed merger of the Barts & East London Healthcare NHS trusts; and
- (i) arrangements for joint Scrutiny training to be undertaken with Harlow District Council.

The Cabinet's agenda was reviewed but there were no specific issues identified on any of the items being considered.

80. NORTH WEALD AIRFIELD & ASSET MANAGEMENT CABINET COMMITTEE - 25 OCTOBER 2011

The Portfolio Holder for Finance & Economic Development presented the minutes from the meeting of the North Weald Airfield & Asset Management Cabinet Committee, held on 25 October 2011.

There were no recommendations for the Cabinet to consider, but the Cabinet Committee did consider reports on: the meeting of the Asset Management Co-Ordination Group held on 28 July 2011; and an update report on the future use of North Weald Airfield. These reports had been originally considered in Part II of the meeting, when the public and press were excluded. A further report had been published as a supplementary agenda, which had placed as much of the information contained within the two reports in the public domain as possible.

The Portfolio Holder for Finance & Economic Development reported that the Winston Churchill public house in Debden had been let to a company on a long lease, and that it was their concern, not the Council's, to keep the public house open for

business. The Portfolio Holder reported that the Broadway regeneration project was being progressed with all possible haste.

Decision:

(1) That the minutes of the meeting of the North Weald Airfield & Asset Management Cabinet Committee held on 25 October 2011 be noted.

Reasons for Decision:

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

Other Options Considered and Rejected:

The Cabinet was satisfied that the Cabinet Committee had considered all the relevant options in formulating their recommendations. The Cabinet did not consider that there were any further options.

81. FINANCE & PERFORMANCE MANAGEMENT CABINET COMMITTEE - 21 NOVEMBER 2011

The Portfolio Holder for Finance & Economic Development presented the minutes from the recent meeting of the Finance & Performance Management Cabinet Committee held on 21 November 2011.

The Cabinet Committee had made recommendations to the Cabinet regarding the: Revenue Income Optimisation Exercise; Mid-Year Treasury Report, including the continued use of NatWest as the Council's banker; Corporate Risk Register Update; and Fees and Charges for 2012/13. Other issues considered by the Cabinet Committee had included the: Insurance Update; Q2 Financial Monitoring report; and the Growth Lists for the Continuing Services Budget and District Development Fund.

The Portfolio Holder highlighted the recent inaccurate reports in local newspapers concerning the fees and charges in 2012/13 for using the Council's car parks. It was emphasised that the off street pay-and-display car parking charges were not being increased in 2012/13 and that free parking in certain car parks within the District on a Saturday would be maintained. The Leader of the Council expressed her frustration at having to respond to the inaccurate claims recently published in local newspapers.

The Portfolio Holder stated that it was clear from the report on Revenue Income Optimisation that the Council did more than most local authorities to maximise its income. One interesting aspect of the report was the incentives for town centre car parks that could be employed to increase 'churn' for the benefit of local traders. Pricewaterhouse Coopers had been given a wide remit and the Council had made no attempt to limit the terms of reference of their study.

Revenue Income Optimisation Exercise

(1) That the report on the recent Revenue Income Optimisation exercise undertaken by Pricewaterhouse Coopers be noted;

(2) That the preferred approach to each of the following possible revenue generation options identified by Pricewaterhouse Coopers be agreed in principle:

- (a) the introduction of advertising or sponsorship on the Council's website
 - (b) the introduction of advertising or sponsorship on the Council's fleet of vehicles;
 - (c) the investigation of opportunities for the expansion and development of the Council's car parks; and
 - (d) the investigation of other business opportunities for the Council's car parks;
- (3) That a further report regarding the implementation of the options identified in recommendation (2) above be made at the Cabinet Committee's next scheduled meeting on 16 January 2012, at which the members of the Finance & Performance Management Scrutiny Panel would be invited to attend;
- (4) That the preferred approach to each of the following possible revenue generation options also identified by Pricewaterhouse Coopers be further examined in the future:
- (a) the introduction of advertising or sponsorship on the Council's land and property assets;
 - (b) the introduction of advertising or sponsorship on billboards at prime locations in the ownership of the Council;
 - (c) the introduction of advertising on lamp columns and CCTV columns managed by the Council;
 - (d) the introduction of sponsorship for events and services; and
 - (e) the development of existing advertising sources; and
- (5) That all other possible revenue generation options identified by Pricewaterhouse Coopers as part of their Revenue Income Optimisation exercise, particularly in relation to increased car parking charges, not be considered at the current time.

Mid-Year Treasury Report

- (6) That the management of the risks associated with the Council's Treasury Management function during the first half of 2011/12 be noted; and
- (7) That the change in strategy to reduce the minimum long-term rating from A+ (or equivalent) down to A- (or equivalent) specifically only for the use of the Council's bank, NatWest, and only while it remains in the ownership of the UK Government, be recommended to the Council for approval;

Corporate Risk Update

- (8) That the deletion of risk 4, 'East of England Plan – Unable to agree joined up Plan', be agreed;
- (9) That the review and re-naming of risk 3, 'Potential difficulty producing Local Plan to timetable', be agreed;

- (10) That the review of risk 29, 'Gypsy Roma Traveller Provision', by the Risk Management Group and the Corporate Governance Group and their conclusion that the score should be increased to 'Significant Likelihood, Critical Impact' (C2) be agreed;
- (11) That the Consequences for risk 8, 'Business Continuity Management', be updated following the recent exercise;
- (12) That the Effectiveness of Control and Required Further Action for risk 17, 'Significant Amounts of Capital Receipts spent on Non Revenue Generating assets' be updated;
- (13) That the Further Management Action for Risk 27, 'Shortfall in Key Income Streams', be updated following the recent Pricewaterhouse Coopers study;
- (14) That the review of risk 20, 'Key Contract collapses or service levels deteriorate', by the Risk Management Group and the Corporate Governance Group and their conclusion that the score should be decreased to 'Significant Likelihood, Critical Impact' (C2) be agreed;
- (15) That risk 33, 'Reform of Housing Revenue Account', be updated to reflect the Council's likely level of debt being £190million;
- (16) That the current tolerance line on the risk matrix be considered satisfactory and not be amended; and
- (17) That, incorporating the above agreed changes, the amended Corporate Risk Register be approved;

Fees and Charges for 2012/13

- (18) That the fees and charges levied for Council Services in 2012/13 be set at the levels as Appendix 1 of the report, with the exception of:
- (a) Bulky household waste collections to remain the same as 2011/12; and
 - (b) trade waste collections to remain the same as 2011/12, provided Sita UK did not increase their fees to the Council;
- (19) That the fees and charges for Housing related services in 2012/13 be set at the levels detailed in Appendix 1 to these minutes;
- (20) That the fees and charges for the following services remain unchanged for 2012/13:
- (a) off street pay and display car parking;
 - (b) Local Land Charges;
 - (c) MOT tests provided by Fleet Operations; and
 - (d) the services provided by the Community & Culture section within the Office of the Deputy Chief Executive, such as New Horizons, Sports Development and Lifewalks;

(21) That the fees and charges for pre-application discussions concerning major planning applications be increased by 5%; and

(22) That the remaining fees and charges for 2012/13 as set by outside bodies or controlled by statutory regulation be noted.

Reasons for Decision:

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

Other Options Considered and Rejected:

The Cabinet was satisfied that the Cabinet Committee had considered all the relevant options in formulating their recommendations. The Cabinet did not consider that there were any further options.

82. COUNCIL HOUSE BUILDING PROGRAMME

The report of the Housing Scrutiny Panel regarding the Council House Building Programme was presented on behalf of the Chairman of the Scrutiny Panel by Councillor D Stallan.

The Cabinet had previously agreed in principle that the Council should undertake a modest Council House Building Programme, and requested the Housing Scrutiny Panel to consider the detailed issues of implementing the Programme, and to make recommendations to the Cabinet accordingly.

The Cabinet was informed that the Council had a number of difficult-to-let garage sites and other sites that could be developed to provide an estimated 120 homes over a 6-year period. The proposed approach of the Housing Scrutiny Panel was to appoint an existing housing association, through a competitive tender process, to act as a Development Agent and provide all the required development and project management services - including the provision of all professional building services - rather than the Council employing its own professional team of staff. Development Appraisals for each of the identified sites would assess whether or not they had development potential, the costs and anticipated income. The rents charged for the new developments should be at the new "Affordable Rent" levels, which were up to 80% of market rent levels, but that the rent levels charged for individual properties should be agreed as part of development appraisals. This could result in rents of less than 80% being charged, depending on the viability of the schemes and the affordability of the rents.

It was acknowledged that grant funding from the Homes and Communities Agency (HCA) could be available in the future, but any shortfall in capital funding for developments should be met through the appropriate sources, including the sale of development sites on the open market if necessary, and that the Programme should be self-funded, without any financial support from the General Fund. The Housing Scrutiny Panel had suggested that a Development Strategy should be adopted by the Cabinet in the future, setting out the proposed approach to the House Building Programme, and that the Cabinet should also approve the budgetary requirements for the Housing Capital Programme. It was currently estimated that capital funding of around £2.5million per annum would be required for the construction of 20 properties each year, and that a Programme of 120 properties over 6 years would cost around £16million (including provision for inflation and additional costs).

The Scrutiny Panel had felt that a new part-time post would be required in due course, funded from the Housing Revenue Account, to resource the Council's responsibility for the House Building Programme, for which some of the costs could be capitalised. A start on site for the first phase of the Programme was unlikely to take place until 2014, with completion in late 2014/15 – although this did have some benefits in terms of the Council's ability to fund the Programme, and the possibility of obtaining grants from the HCA through any future National Housing Programme the Government might implement from 2015 onwards.

The Cabinet's attention was drawn to the extensive list of alternative options that had been considered by the Scrutiny Panel, when compiling its recommendations, which was listed in the report.

The Housing Portfolio Holder thanked the Housing Scrutiny Panel for their report and outlined some minor changes to the Scrutiny Panel's recommendations for the Cabinet to consider. The Portfolio Holder felt that all references to 'housing association' should be amended to 'suitably qualified organisation' so as not to unduly limit the tender process, and as a result Recommendation 2(b) within the Scrutiny Panel's report would have to be deleted as it would be unlikely that a private organisation that was not a housing association would be an existing partner of the HCA. The Portfolio Holder also felt that the decisions outlined in Recommendation 2 of the report should be agreed by the Cabinet rather than just the Portfolio Holder, and that the Portfolio Holder should be involved in the evaluation of the Pre-Qualification Questionnaires and tenders, which would require an amendment to Recommendation 6.

The Director of Housing added that the vast majority of the HCA's partners were housing associations, however some of the larger developers had recently been granted partner status in the last few weeks as well. The Cabinet welcomed the amendments suggested by the Housing Portfolio Holder. It was felt that the decision to appoint a Development Agent was of sufficient importance as a topic for discussion and decision by the Cabinet. The amendments suggested by the Housing Portfolio Holder were agreed.

In respect of the recommendations made by the Housing Scrutiny Panel, the Director of Housing stated that approximately 100 new affordable homes were expected to be built by housing associations within the District in the coming year, and the draft figures for the New Homes Bonus in 2012/13 produced by the Department of Communities and Local Government suggested that approximately half of all affordable homes built within Essex between October 2010 and October 2011 were situated in Epping Forest. With regards to the amount of financial contributions received or expected from Developers through Section 106 agreements in lieu of on-site affordable housing provision, the Director reported that £435,000 of such monies was committed to the Council's Open Market Shared Ownership Scheme, and that the Council should receive a further £1.1million in Section 106 monies from various different development schemes. It was also noted that a further £800,000 had been offered for a development, which was currently the subject of a Planning Appeal.

The Planning & Technology Portfolio Holder reported that some pre-application discussions had taken place regarding new development on the Epping Forest/Harlow border, but no planning applications had yet been received. The Portfolio Holder undertook to inform Councillors if there were any further developments. The Cabinet agreed the recommendations of the Housing Scrutiny Panel, as amended by the Housing Portfolio Holder.

Decision:

- (1) That a suitably qualified organisation be appointed to provide a House Building Development Agency Service for the Council, including all development and project management services, and the provision of all professional building services, including (but not exclusively) architectural, employer's agency, quantity surveying, cost consulting, planning supervision, engineering and surveying, but excluding works construction;
- (2) That a Development Agent be appointed by the Cabinet:
 - (a) following a competitive tender process using the EU OJEU Restricted Procedure procurement process;
 - (b) based on the most economically advantageous tender (in terms of price and quality) received from at least five suitably qualified organisations, shortlisted through a Pre-Qualification Questionnaire (PQQ) process, in accordance with pre-determined evaluation criteria;
 - (c) based on criteria used for both the PQQ stage and Tender stage previously approved by the Cabinet, on the recommendation of the Housing Portfolio Holder;
 - (d) having regard to the agreed criteria and on the recommendation of a Selection Panel chaired by the Housing Portfolio Holder, and also comprising the Chairman of the Housing Scrutiny Panel, Director of Housing and Asst. Director of Housing (Property); and
 - (e) for a four-year period, with options to extend the contract for three further individual years;
- (3) That the Essex Procurement Hub be requested to undertake the EU procurement process for the appointment of the Development Agent, on behalf of the Council;
- (4) That a suitably experienced Housing Development consultant be appointed to undertake the appointment process for the Development Agent, in liaison with the Essex Procurement Hub, funded from within the existing resources of the Housing Revenue Account's (HRA) Housing Feasibilities Budget;
- (5) That, through the contract with the Development Agent, all the Development Agent's consultants be required to provide the Council with collateral warranties, as a safeguard to enable the Council to take legal action against a consultant directly if problems arose in the future due to negligence;
- (6) That the evaluation of PQQs and tenders be undertaken by the Housing Portfolio Holder, Officers and the Housing Development consultant, in accordance with the pre-determined and approved evaluation criteria;
- (7) That the Housing Portfolio Holder be authorised to agree any other aspects of the appointment process for the Development Agent, not covered by this report or decisions;
- (8) That, once the initial desktop development assessments of garage and other housing sites had been completed by Officers, and the HRA Financial Plan agreed, reports be submitted to the Cabinet on a proposed Council House Building Development Programme, based on the completion of around 20 new affordable

homes per annum, and seeking approval to undertake development appraisals and seek planning permission for specific sites;

(9) That, once the Cabinet had approved the House Building Programme, further reports be submitted to the Cabinet on the required budgetary provision for the Housing Capital Programme;

(10) That, in the meantime, appropriate capital provision for the House Building Programme be included within the Indicative HRA Financial Plan, to be considered by the Cabinet at its meeting on 5 December 2011;

(11) That appropriate revenue provision be made within the HRA from 2012/13, to fund the associated revenue costs of the House Building Programme, including a budget for abortive fees for developments that did not proceed;

(12) That Affordable Rents (not Social Rents) be charged for the completed Council properties, in accordance with the Government's Affordable Rents Framework, with rent levels to be charged for individual properties agreed as part of development appraisals;

(13) That all financial and development appraisals, any borrowing requirements and the required Housing Capital Programme funding for proposed "development packages" by the Council be approved by the Cabinet on an individual basis;

(14) That such development packages be funded from the following sources (with full details to be set out in the development appraisals for individual schemes approved by the Cabinet), on the basis that the Council House Building Programme was self-funded, without any financial support from the General Fund:

(a) HRA surpluses;

(b) Homes & Communities Agency (HCA) funding (where possible);

(c) Section 106 Agreement contributions from developers in lieu of on-site affordable housing provision;

(d) Borrowing (if necessary);

(e) Cross-subsidy from the sale of other development sites within the House Building Programme on the open market if necessary; and/or

(f) Capital receipts from future Right to Buy sales, if the Government introduced its recently-announced policy to increase discounts under the Right to Buy, and replace each property sold with a new affordable home;

(15) That, once the Development Agent had been appointed, a Development Strategy be formulated setting out the proposed approach to planning and delivering the House Building Programme, for adoption by the Cabinet;

(16) That a new part-time Senior Housing Officer (Development) post (18 hours per week) be established once the Development Agent had been appointed and appropriate budget provision made within the HRA for 2012/13 when the salary grade had been determined;

(17) That, once appointed, development partner status for the Council be sought by the selected Development Agent from the HCA, and the Pre-Qualification Questionnaire be completed on behalf of the Council; and

(18) That the appointed Development Agent be required to procure contractors to construct the properties within the development packages on behalf of the Council, in accordance with the Council's Contract Standing Orders and EU procurement requirements (if necessary).

Reasons for Decision:

Taking account of all the current circumstances, the proposed approach was felt to offer the most effective and efficient way of developing a Council House Building Programme.

Other Options Considered and Rejected:

There was a myriad of alternate options that could have been taken, ranging from not undertaking a Council House Building Programme at all, right through to undertaking the entire Programme in-house.

83. HRA 30-YEAR FINANCIAL PLAN

The Housing Portfolio Holder presented a report on the Housing Revenue Account (HRA) 30-Year Financial Plan.

The Portfolio Holder reminded the Cabinet that the Government would be introducing a major change in the way that local authority Housing Revenue Accounts were funded in March 2012, called Self Financing. It was therefore necessary to agree the approach to be adopted for the Council's 30-Year HRA Financial Plan, which would also be used to inform the treasury management options for borrowing the required finance. CIHConsult, the Council's HRA Business Planning Consultants, had produced a report on the issue and the available options. The preferred option, as set out in the recommendations of the report, had emerged from an informal meeting with Cabinet members.

The Portfolio Holder reported that the proposed approach included: fully maintaining the Council's Housing stock to a modern standard, as opposed to the lesser Decent Homes Standard; funding the Council's House Building Programme without any support or funding from the General Fund; the implementation of average rent increases for the Council's tenants to achieve convergence between the actual and formula rents by April 2015; and provision of £1.1million of housing improvements and service enhancements per annum, rising to £5million per annum from year 10 of the Plan.

Other recommendations arising from the Plan had encompassed: asking the Housing Scrutiny Panel to consider and recommend the potential housing improvements and service enhancements to be funded from the £1.1million annual allocation, after consultation with the Tenants & Leaseholders Federation; a further report on the additional staffing requirements for delivering a full maintenance programme to a modern standard; and requesting Arlingclose, the Council's Treasury Management advisors, to continue to advise the Council on the effects of the HRA debt settlement on the General Fund.

The Portfolio Holder concluded by stating that it was proposed to pay off the expected £186.2million debt allocation over the full 30 years of the Plan, as this

would hopefully avoid additional debt being allocated by the Government to the Council in the future, provide sufficient funding for the Council to maintain its housing stock to a modern standard, and would enable additional service enhancements to be provided, which would not be possible – or would be less – if the debt was repaid over a shorter period of time.

An Addendum report was tabled at the meeting, which provided the views of both the Housing Scrutiny Panel (which had considered the issues at its meeting held one week previously), to which members of the Finance & Performance Management Scrutiny Panel had been invited, and the Tenants & Leaseholders Federation, who had also considered the issues.

As a result of receiving the views of both Scrutiny Panels and the Tenants & Leaseholder's Federation, the Portfolio Holder proposed some amendments to the report's recommendations. The Portfolio Holder's first amendment proposed reducing the average rent increases to:

- (i) 6% in April 2012;
- (ii) the Retail Price Index (RPI) + 1.96% for the four years between April 2013 and April 2016 inclusive; and
- (iii) RPI + 0.5% from April 2017, as assumed by the Government within the HRA debt settlement.

The second amendment involved reducing the provision within the Financial Plan to £770,000 per annum for housing improvements and service enhancements for the next eight years from £1.1million, and increasing the provision to £5.47million per annum from Year 10 instead of £5million.

Councillor D Stallan, who represented the Chairman of the Housing Scrutiny Panel in his absence, welcomed the Portfolio Holder's amendments as this concurred with the comments from the Housing Scrutiny Panel meeting on 28 November 2011, and highlighted the other comments made at the meeting, included within the Addendum Report that had been tabled. The Portfolio Holder highlighted that the Addendum Report also contained the comments of the Tenants & Leaseholders Federation following their consideration of the draft Plan on 1 December 2011. The Federation had suggested that the new properties provided under the Council Housebuilding Programme should be let at the level of 'Social Rents', but the Portfolio Holder was of the opinion that the new properties should be made available at 'Affordable Rent' levels.

The Cabinet welcomed the proposals and the Portfolio Holder's amendments. It was considered sensible to use 'Affordable Rent' levels for new developments as a basis for the Plan rather than 'Social Rent' levels, and there was general agreement to maintain the Council's Housing Stock to a modern standard. The Finance & Economic Development Portfolio Holder added that the Council was likely to borrow its full debt allocation from the Public Works Loan Board, and supported delaying the convergence of actual and formula rents until April 2017.

Decision:

- (1) That the report of CIHConsult, the Council's Housing Revenue Account (HRA) Business Planning Consultants, as attached at Appendix 1 of the report, be noted;

(2) That, having taken account of the views of the Tenants and Leaseholders Federation and the Joint Meeting of the Housing and Finance & Performance Management Scrutiny Panels, the general strategic approach for the HRA Financial Plan be as follows:

(a) That provision be made within the Financial Plan to fully maintain the Council's housing stock to a modern standard, based on current stock condition and standard industry life cycles, as opposed to maintaining the stock at the current minimum Decent Homes Standard;

(b) That, in order to achieve the Council's aspirations to commence a new Council Housing Building Programme, provision be made within the Financial Plan to fund such a Programme on the basis that individual development packages were self-funding, without any support or funding from the General Fund, subsidised if necessary from:

(i) grant from the Homes and Communities Agency (HCA);

(ii) Section 106 Agreement contributions from developers, in lieu of on-site affordable housing provision;

(iii) if allowed by the Government, the proceeds of Right to Buy (RTB) sales as a result of the Government's proposal to increase RTB discounts whilst ensuring that a new affordable home was provided to replace the affordable home lost;

(iv) Housing Revenue Account (HRA) surpluses; and/or

(v) cross-subsidy from the sale of other development sites within the House Building Programme on the open market;

(c) That average rent increases included within the Financial Plan be based on the following rent increases in order to achieve rent convergence by April 2017:

(i) average rent increases of 6% in April 2012;

(ii) average rent increases of the Retail Price Index (RPI) + 1.96% for the four years between April 2013 and April 2016 inclusive; and

(iii) average rent increases of RPI + 0.5% from April 2017, as assumed by the Government within the HRA debt settlement;

(d) Notwithstanding the provision for rent increases included within the Financial Plan, consideration be given each year during the HRA budget process, to the possibility and appropriateness of making a lower rent increase for the following year, having regard to the short and long term effects on the Financial Plan, the need to meet the Council's housing and financial objectives, Government guidance and the effects on tenants; and

(e) Provision be made within the Financial Plan to fund £770,000 per annum for housing improvements and service enhancements for the next eight years, increased to £5.47million per annum from Year 10;

(3) That the Indicative HRA Financial Plan, attached at Appendix 2 of the report, based on the above assumptions be adopted, and that the final version of the Financial Plan be adopted by the Cabinet on 30 January 2012 or 12 March 2012,

dependent on the date the final HRA debt settlement for the Council was confirmed by the Government;

(4) That, following consultation with the Tenants and Leaseholders Federation, the Housing Scrutiny Panel be requested to consider and recommend to the Cabinet a range of potential housing improvements and service enhancements that could be undertaken, funded from the additional £770,000 per annum provision made within the Financial Plan;

(5) That a further report be submitted to the Cabinet by the Housing Portfolio Holder on the additional staffing requirements for delivering a full maintenance programme to a modern standard; and

(6) That the Council's Treasury Management advisers, Arlingclose, be requested to continue to provide advice to the Council on the effects of the HRA debt settlement (if any) on the Council's General Fund.

Reasons for Decision:

The Council needed to agree a strategic approach to its HRA Financial Plan, in advance of agreeing the HRA Budget, setting the rent increase for 2012/13 and borrowing the required finance to make the required debt settlement payment to the Department of Communities & Local Government.

Other Options Considered and Rejected:

To maintain the Council's housing stock to the lower (minimum) Decent Homes Standard rather than to a full maintenance (modern) standard.

To not make financial provision for a new Council House Building Programme.

To implement different levels of rent increase than those proposed.

To not make provision for housing service enhancements and improvements.

84. PLANNED PREVENTATIVE MAINTENANCE PROGRAMME 2012-17

The Portfolio Holder for Finance & Economic Development presented a report on the Five Year Planned Maintenance Programme for the Civic Offices, other Operational Buildings and Commercial Property for the period 2012/13 to 2016/17.

The Portfolio Holder reported that the new Five Year Planned Maintenance Programme had been based upon a survey undertaken by the Assistant Director (Building Control) in consultation with Officers from Facilities Management. The proposed programme aimed to maintain all properties to a property condition of 'Satisfactory', although Waltham Abbey Swimming Pool, Oakwood Hill Industrial Units 22-27 and 28-39, Pylles Lane Nursery and Town Mead Depot had all been classified as 'Poor' in the recent survey. Energy efficiency at the Civic Offices had continued to improve and the building had now attained an energy rating of 'D', which was better than the 'E' rating achieved previously. This was the typical rating for a building of this size, and although further works were planned to improve energy efficiency further, it would be increasingly difficult to greatly improve the building's score.

The Portfolio Holder stated that Appendix 1 of the report detailed progress on the works undertaken during 2011/12, and it was envisaged that the vast majority of the

schemes would have been completed by the end of the financial year. Two schemes had been deferred pending strategic decisions regarding the premises concerned, and one scheme had been deferred due to insufficient time to complete the project by the end of the financial year. Appendix 2 of the report detailed the proposed work programme for 2011/12 and the budgetary requirements to fulfil it. Continuing Service Budget provision of £118,000 already existed and this had been considered when calculating the requirement for District Development Funding. There had been a reduction of £130,000 in proposed capital spending from last year's report as a result of removing a contingency that was not required anymore and the rescheduling of smaller works. Consequently, there was no additional funding required for the proposed work programme for 2012/13.

In respect of Waltham Abbey Swimming Pool and the Industrial Units at Oakwood Hill that had had their property condition downgraded to 'Poor', the Portfolio Holder felt that a wider Cabinet discussion and decision was required about the long-term future of both sites. Therefore, if any serious problems arose in the short-term then supplementary finance would be required to address them. It was also highlighted that the conversion of lighting control from a global automatic system to local energy efficient control was an on-going project which would be continued into 2012/13.

In response to further questions from the Members present, the Assistant Director (Facilities Management & Emergency Planning) stated that the figures shown for work to replace the gutters, downpipes and sections of the roofing for 323 House were budget estimates at present. Better value for money might be achieved when tendering for the work and the two items should be performed together. The improvement scheme for the Upshire Road shops had been a long-term project which was now entering its final phase. The figure of £65,000 within the report was an estimate and it was felt that further savings could be achieved before the project finished.

It was pointed out that there was an entry for each year of the programme for Electrical Load Management at the Civic Offices and Officers undertook to clarify this. Subject to clarification of this, the levels of expenditure for 2012/13 were approved. The rest of the Programme was noted by the Cabinet, along with the suggested levels of expenditure in future years. Officers were requested to review the current schedule to avoid excessive expenditure from the General Fund in 2013/14, as the current Plan estimated District Development Fund expenditure to be £143,000 in comparison to £22,000 and £31,000 in the subsequent years.

Decision:

- (1) That the Five Year Planned Maintenance Programme 2012-17 for operational and commercial properties be noted;
- (2) That the progress with the works approved for 2011/12, both capital and revenue funded, be noted;
- (3) That, subject to clarification of the Electrical Load Management entries and as detailed in Appendix 2 of the report, the following levels of expenditure for essential and planned maintenance at the Civic Offices, other operational buildings and commercial property be approved for 2012/13:
 - (a) Capital expenditure in the sum of £354,000, which represents a saving of £130,000 on the previously agreed budget;

- (b) District Development Fund (DDF) expenditure in the sum of £45,000, previously agreed;
- (c) Continuing Services Budget (CSB) expenditure in the sum of £118,000, previously agreed; and
- (d) Housing Revenue Account (HRA) expenditure in the sum of £7,000, previously agreed;
- (4) That the current projected levels of expenditure for essential and planned maintenance at the Civic Offices, other operational buildings and commercial property for the period 2013/14 to 2015/16 be noted;
- (5) That the current schedule of essential and planned maintenance at the Civic Offices, other Operational Buildings and Commercial Property be reviewed to avoid excessive expenditure from the General Fund in 2013/14; and
- (6) That the Capital and Revenue spending profiles for essential and planned maintenance works at the Civic Offices, other Operational Buildings and Commercial Property for the five-year period 2011/12 to 2015/16 be noted.

Reasons for Decision:

A proactive approach to Facilities Management for all operational buildings and commercial property would ensure that:

- (a) the buildings and their infrastructure would be maintained to an appropriate level meeting health and safety, statutory regulations and contractual obligations;
- (b) the buildings and their infrastructure would be maintained to a standard to comply with EU statutory regulations;
- (c) the risk of unreliability and failure of critical systems, services and building fabric was reduced;
- (d) good financial management through forecasting was maintained; and
- (e) performance standards/indicators were maintained or improved upon.

Other Options Considered and Rejected:

To do nothing. However, this would lead to deterioration of building fabric and systems which could result in a risk to the health and safety of staff and public, loss of service and income, an increase in future management liability, a reduction in property asset value, and a breach of legal obligations in respect of commercial leases and contract requirements.

To defer action until the building fabric, systems or equipment failed. However, this would cause varying degrees of disruption depending on the extent of failure and/or system involved and the time scale for procurement and rectification of the defect. This option would also lead to requests for supplementary finance at the time and would have a negative effect on performance standards.

There is also a risk that the buildings and infrastructure might not meet the future needs of the Council and that the performance of the Council's operations and functions might be compromised.

85. KEY OBJECTIVES 2011/12 - PROGRESS REPORT

The Portfolio Holder for Finance & Economic Development presented a progress report on the Council's Key Objectives for 2011/12.

The Portfolio Holder reminded the Cabinet that a range of Key Objectives for 2011/12 had been adopted by the Cabinet at its meeting on 31 January 2011. The Key Objectives were intended to reflect national and local priorities, and specific service improvements, providing a clear statement of the Council's overall intentions for the year with reference to specific targets and outcomes. Performance in relation to the Key Objectives for the year was reviewed by the Cabinet and the Overview and Scrutiny Committee every six months.

The Portfolio Holder highlighted that the schedule detailing the current progress against each Key Objective had been attached as an Appendix to the report. The eight Key Objectives had been split into 58 individual targets, whose status at 30 September 2011 were:

- Not Applicable 5 (9%);
- On Track 21 (36%);
- Under Control 17 (29%);
- Completed 3 (5%);
- Pending 3 (5%);
- Behind Schedule 8 (14%); and
- Discontinued 1 (2%).

The Director of Finance & ICT reported that there was still uncertainty about the Council's future role in administering the new Universal Credits scheme, and therefore the Council was not proposing to spend money refurbishing the Finance Reception area at the current time. The Environment Portfolio Holder declared that an update would be provided at the Council meeting next week regarding the relocation of existing services from the Langston Road Depot to new Depot sites; but added that North Weald Airfield was not necessarily the current preferred location for a new Waste Management Depot. In relation to the North Essex Parking Partnership, the Director of Environment & Street Scene informed the Cabinet that the County Council would take over the existing debts from the constituent Councils. The Partnership would then have three years to break even before it was expected to be self supporting. The Council was also expecting savings from allowing the Partnership to perform off-street parking enforcement activities within the District.

Decision:

(1) That the progress towards the achievement of the Council's Key Objectives for 2011/12 during the first six months of the year be noted.

Reasons for Decision:

It was important that relevant performance management processes were in place to review and monitor performance against the Council's Key Objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of under performance.

Other Options Considered and Rejected:

No other options were appropriate in this respect. Failure to monitor and review

performance against the Key Objectives, and to take corrective action where necessary, could have negative implications for the reputation of the Council and for judgements made about the authority.

86. **BIOLOGICAL RECORDS IN ESSEX - SERVICE LEVEL AGREEMENT & FUNDING**

The Safer, Greener & Highways Portfolio Holder introduced a report regarding the Biological Records in Essex (BRIE) service level agreement and funding.

The Portfolio Holder reported that Natural England was committed to the establishment of a national network of Local Records Centres (LRCs) in each county. Essex was the only county without a fully functioning centre, and had the poorest availability of information on Biodiversity Action Plan (BAP) habitats and species, in the Eastern region. The main purposes of these centres were:

- (a) to research, collate, validate and disseminate information and advice on biodiversity; and
- (b) to help local authorities with their statutory obligations with regard to conserving biodiversity.

The Portfolio Holder stated that when determining planning applications in accordance with the Local Plan and the presumption in favour of sustainable development, local authorities should aim to conserve and enhance biodiversity through avoidance, mitigation and compensation. Policy NC4 of the Local Plan stated that: *“Development proposals will be expected to make adequate provision for the protection, enhancement and suitable management of established habitats of local significance for wildlife. Such provision may be more stringent when there are known protected species either on the site or likely to be affected by the development”*. BRIE would provide specialist advice or information on priority species to help the Council meet these obligations.

The Portfolio Holder confirmed that the proposed name for the Records Centre for this county would be Biological Records in Essex (BRIE). The organisations involved in its establishment included: Essex County Council; the Essex Field Club; the Environment Agency; Natural England; Museums in Essex; and Essex Wildlife Trust. Once established, it was intended for the BRIE to be run as an independent, not-for-profit company, initially funded and supported by the key project partners. All District and Borough Councils, and Unitary Authorities in Essex were being requested to contribute to the development and establishment costs, after which it was envisaged that BRIE would become self-supporting using an appropriate charging regime.

The Cabinet welcomed the proposals as the Records Centre would provide useful information that could be used as part of the evidence base for the Local Plan. The Portfolio Holder added that the Council's contribution of £24,000 would be met from the New Burdens Grant Determination, with the remaining £26,505 of the Grant being utilised for other protected species or habitat related matters.

Decision:

- (1) That a Service Level Agreement be entered into with the Essex Wildlife Trust (EWT) to support the development and setting up of a Biological Records Centre in Essex, including the receipt of habitat and species data for use in local authority decision making; and

(2) That The New Burdens (Habitats Regulations Assessment and Climate Change Planning Policy Statement) Grant Determination be ring-fenced for Countrycare to fund the following:

(a) £24,000 be used to support the Biological Records in Essex (BRIE) programme for the Council; and

(b) the remaining £26,505 be used for other protected species and habitat related consultation, advice or support in respect of BRIE or other planning application issues.

Reasons for Decision:

There were many organisations and individuals across the county that collected, held and managed biological data. The aim of establishing a Local Records Centre (LRC) was to bring all these records together so that they could be checked and verified and made available more easily and efficiently to those requiring the information. This particularly included planning authorities in dealing with applications for development or other land use changes.

Other Options Considered and Rejected:

To have no data available, which would be a low cost option. However this could prove expensive if a decision was challenged - particularly if the information was available but had not been used.

For the Council to collect its own data, expensive if done on a case by case basis, cost effective if the onus was on consultants to provide data along with planning applications. However, this could be costly in terms of time spent on an application, especially if it was referred back to the developer for surveys once an application had already been submitted.

To use existing data from other sources. There were many data providers in Essex, and it was possible to go to these rather than a records centre for information. However this would be time consuming and potentially costly as each data provider could charge separately.

87. FUNDING OF POLICE COMMUNITY SUPPORT OFFICERS

The Safer, Greener & Highways Portfolio Holder presented a report concerning the future funding of Police Community Support Officers within the District.

The Portfolio Holder stated that the Council had been jointly funding, with Essex Police, Police Community Support Officers (PCSOs) for a number of years. The initial number of PCSOs had been six, but this was reduced to four as part of the 2011/12 budget setting process. The current review of policing in Essex, the "Essex Blueprint", would result in significant changes in the way community policing was delivered. Essex Police would receive government funding for a core number of PCSOs in Essex and they had indicated that they would be unable to support the funding of PCSOs beyond this core number. Therefore, if Essex Police were unable to fund those additional posts, and the Council did not want to fund PCSOs in their entirety, then it seemed appropriate for the Council to make the decision to cease its joint funding, with the arrangement finishing at the end of the current financial year. This would result in a Continuing Services Budget saving of £62,750 for 2012/13.

The Portfolio Holder added that the agreement with Essex Police required the Council to give four months notice, which could not be met given the date of this Cabinet meeting, the requirements for call in and the forthcoming Christmas holiday period. However, the Police had indicated that they understood this timing difficulty and were content to waive that requirement.

The Director of Environment & Street Scene informed the Cabinet that "Essex Blueprint" was aiming to increase the number of Police Officers within the County. Discussions had taken place with Essex Police regarding the number of PCSOs within the District, and it was expected that at least 24 would be allocated to the Epping Forest area. Naturally, formal tasking rights would cease when the joint funding arrangements ended.

Decision:

(1) That, under the Blueprint for future Policing of the District, the funding of all Police Community Support Officers by Essex Police using their Government funding allocation be noted; and

(2) That the joint funding of Police Community Support Officers by the Council be ceased with effect from the commencement of the 2012/13 financial year, generating a Continuing Service Budget saving in the sum of £62,750.

Reasons for Decision:

To cease the funding of PCSOs based on the operational decisions made by Essex Police as part of their "Essex Blueprint" and realise a revenue saving in 2012/13.

Other Options Considered and Rejected:

To fund PCSOs in their entirety, which would reduce the current numbers from four to two or to increase funding to enable all four existing jointly funded posts to continue.

88. GOVERNMENT CONSULTATION - TECHNICAL REFORMS OF COUNCIL TAX

The Portfolio Holder for Finance & Economic Development presented a report upon the Council's proposed response to a Government consultation on their proposed technical reforms of Council Tax. The Deputy Leader chaired the meeting for this item.

The Portfolio Holder informed the Cabinet that the Government had published its 'Technical Reforms of Council Tax' consultation paper on 31 October 2011. The review had proposed changes to the discounts available for second and empty homes, changing the default number of payments and a number of other technical changes. When the consultation was issued, the Secretary of State had suggested that the changes could allow a £20 reduction in council tax for a band D property. Whilst this might be the case for a District with a very large number of second and empty properties, it was unlikely to provide a significant benefit to this Council. There was a concern that the impact on cash flow and collection rates in moving from 10 to 12 payments per annum would cost more than any additional income generated from the changes to discounts.

The Portfolio Holder stated that the deadline for responses to the consultation was 29 December 2011 with the Government aiming for legislation to be in place for billing for the 2013/14 financial year. The proposed responses to the consultation had been

considered by the Overview and Scrutiny Committee on 29 November and had been recommended for agreement.

Decision:

- (1) That the proposed changes to Council Tax be noted; and
- (2) That the proposed responses to the Government consultation, as set out in Appendix 1 of the report, be approved.

Reasons for Decision:

The consultation contained a number of proposals which would impact on the Council. The broad principals of the changes were to give greater discretion to billing authorities and this was welcomed.

Other Options Considered and Rejected:

To not respond to the consultation.

89. LOWEWOOD MUSEUM, HODDESDON

The Portfolio Holder for Leisure & Wellbeing presented a report upon the Lowewood Museum in Hoddesdon.

The Portfolio Holder reported that the District Council had been approached by Broxbourne Borough Council with a proposal that the future management and operation of Museum Services provided from Lowewood Museum, Hoddesdon be undertaken by the Epping Forest Museum Service from 1 February 2012. This would coincide with the retirement of the existing members of staff at the Lowewood Museum and the approach had been based on the excellent reputation of the Epping Forest Museum for its temporary and touring exhibitions programme, collections care and education outreach service.

The Portfolio Holder added that shared service delivery across the two authorities would realise opportunities for both; enabling Broxbourne to benefit from the expertise and skills of the Council's Museum service and providing the Council with access to wider external funding opportunities. It would also enable the Council to realise revenue savings for the period of the agreement, through allocation of a management fee of around £10,000 and shared use of resources. In addition, the proposal would provide opportunities for staff development and skills enhancement.

The Portfolio Holder stated that, in order to harmonise the opening times between the two museums and make best use of the Council's current staff resources, it was proposed to alter the opening hours of the District Museum (as detailed in the Appendix to the report). These changes to the District Museum's opening times had also resulted from a visitor analysis and as such it was not expected that the level of visitor satisfaction would decrease as a result. If the proposal was agreed then the Council would enter into a five-year service level agreement with Broxbourne Borough Council linked to Section 113 of the Local Government Act 1972, which would be reviewed by both parties after three years.

The Assistant Director (Community Services & Customer Relations) added that the Council would be employing additional staff for the Museum service, which would be supplemented by volunteers. The footfall to the Epping Forest Museum on a Sunday

was not particularly good, mainly because there was nowhere else open on a Sunday in the locality of the Museum to attract visitors.

Decision:

(1) That the entering into of a five year service level agreement with Broxbourne Borough Council to manage Lowewood Museum in Hoddesdon be agreed; and.

(2) That, to accommodate the management of Lowewood Museum by the Council's Museum Service from 1 February 2012, the proposed change in the public opening hours of the Epping Forest District Museum – as detailed in Appendix 1 of the report – be agreed.

Reasons for Decision:

The proposed shared service arrangement with Broxbourne Borough Council would enable the Council to realise a revenue saving of around £10,000 per annum for the period of the agreement, and further benefits would be realised through the increased opportunities to access external funding for projects across the two local authority areas.

The partnership would provide a range of staff development opportunities and a joint service would be able to draw on the combined collections of both museums to provide services and present a more attractive opportunity for marketing.

Other Options Considered and Rejected:

Remain with the existing arrangement for Epping Forest Museum Service and not enter into a partnership with Broxbourne Borough Council to run their museum at Lowewood in Hoddesdon.

90. TRANSFER OF THE COUNCIL'S FLOOD WARNING SYSTEMS TO THE ENVIRONMENT AGENCY

The Environment Portfolio Holder reported that, since the report had been published, a final attempt at negotiating with the Environment Agency had been undertaken. It now appeared that the Environment Agency could agree a protocol for informing the Council of flooding incidents within the District when they occurred, and make use of the Council's Emergency Environment Officers. Consequently, the Portfolio Holder requested that the report be withdrawn from the meeting pending the conclusion of these discussions with the Environment Agency.

Decision:

(1) That the report be withdrawn pending continuing discussions with the Environment Agency by the Portfolio Holder.

Reasons for Decision:

A further report would be considered by the Cabinet when the further negotiations with the Environment Agency had been completed.

Other Options Considered and Rejected:

To agree the original recommendations of the report to not transfer the Council's flood warning telemetry systems to the Environment Agency. However further

negotiations with the Environment Agency had suggested that the agreement of a protocol was now possible.

91. DRAFT CALENDAR OF COUNCIL MEETINGS - 2012/13

The Support Services Portfolio Holder presented a report on the draft Calendar of Council meetings for the municipal year 2012/13.

The Portfolio Holder reminded the Cabinet that it considered the calendar of meetings each year prior to its final approval by the Council. The calendar had developed over time to meet the changing needs of the authority and, where possible, meetings of a particular committee had been standardised on a particular night of the week. Within the current Democratic Services Business Plan, there was an item to review the Calendar of Council Meetings, and in particular the frequency of meetings. No radical changes to the calendar had been proposed for 2012/13.

The Deputy Leader requested whether the Council meeting currently scheduled for 27 September 2012 could be brought forward to 25 September 2012, with the Constitution & Member Services Scrutiny Panel being put back from 25 September 2012 to 27 September 2012. It was highlighted that the Council's Accountancy section would then lose two days in which to prepare the Statutory Statement of Accounts, which had to be agreed by the Council before 30 September each year. Officers were requested to consider whether the proposed change was feasible before the Council meeting next week. In any event, the meeting of the Standards Committee currently scheduled for 25 September 2012 would need to be moved, and it was suggested that this could meet a week later on 2 October 2012.

Decision:

(1) That, as attached at Appendix 1 of the report, the draft Calendar of Council Meetings for 2012/13 be recommended to the Council for adoption subject to further consideration of the following possible changes by Officers:

(a) the meeting of the Council scheduled for 27 September 2012 be brought forward to 25 September 2012;

(b) the meeting of the Constitution & Member Services Scrutiny Panel scheduled for 25 September 2012 be put back to 27 September 2012; and

(c) the meeting of the Standards Committee scheduled for 25 September be put back to 2 October 2012.

Reasons for Decision:

Item for action within the Democratic Services Business Plan for 2011/12 and 2012/13.

Other Options Considered and Rejected:

Individual frequencies of meetings could be varied. In practice additional meetings were added as and when issues dictated. Similarly, meetings could be cancelled if there was a lack of business.

92. ANY OTHER BUSINESS

There was no other urgent business for the Cabinet to consider.

CHAIRMAN